Local Agency Formation Commission of Napa County
Subdivision of the State of California

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We Manage Local Government Boundaries, Evaluate Municipal Services, and Protect Agriculture

Agenda Item 9a (Discussion)

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer

MEETING DATE: February 6, 2017

SUBJECT: Revised Draft Municipal Service Review and Sphere of Influence Update for the Town of Yountville

RECOMMENDATION

It is recommended the Commission discuss the attached draft Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for the Town of Yountville as well as staff's preliminary recommendations and provide direction for further development of the draft report prior to the public hearing and action on a final report at a future meeting. It is also recommended the Commission provide direction to staff to return with proposed policy language that would define disadvantaged unincorporated communities, for discussion at a future meeting.

SUMMARY

The Commission will review a revised draft MSR and SOI Update for the Town of Yountville, prepared by a private consultant (SWALE Inc.). The draft report is included as Attachment One and examines the availability and adequacy of municipal services provided by Yountville in the context of the Commission's mandates to facilitate orderly growth and development. The draft report also evaluates three options with respect to possible actions relating to Yountville's SOI. In addition to the three SOI options identified in the draft report, alternative options may be considered by the Commission. Toward this end, the Commission may request additional information regarding the SOI options prior to consideration of a final report at a future meeting.

The draft report is currently available for public review and comment through March 3, 2017. The draft report includes SOI determinations prepared by SWALE consistent with affirming the existing SOI with no changes. However, the draft report includes information that appears to support a staff recommendation to expand Yountville's SOI to include an additional 13.4 acres identified as the lone study area. At this preliminary phase, Commissioners are encouraged to discuss and provide feedback on the draft report and staff recommendation with the expectation of receiving a final report for action as part of a public hearing as early as the Commission's April 3, 2017 regular meeting. If the Commission provides direction to proceed with the staff recommendation to expand Yountville's SOI, new SOI determinations will be prepared for the final report.

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BACKGROUND AND DISCUSSION

Yountville was incorporated in 1965 as a general law city. Yountville is approximately 1.5 square miles in size and provides a full range of municipal services directly or through contracts with other public or private entities. Direct services include water, sewer, planning and building, parks and recreation, and public works. Municipal services provided by Yountville through contracts or joint powers agreements with other agencies include law enforcement, fire protection and emergency medical, solid waste collection, street cleaning, building inspection and plan checking, and other specialized services as needed.

Yountville's SOI was adopted in 1974 and most recently updated in 2007 pursuant to California Government Code (G.C.) Section 56425. Yountville's SOI is coterminous with the Town's jurisdictional boundary. There have been no changes to Yountville's SOI since its adoption. The Commission previously completed comprehensive countywide water, sewer, and law enforcement service studies that culminated in several determinative statements and recommendations for Yountville as required under G.C. Section 56430. The Commission also completed an agency-specific MSR for Yountville in 2007 that included additional determinations and recommendations.

Preliminary Draft Report

On December 5, 2016, the Commission received a preliminary draft MSR and SOI Update for Yountville. Staff from Yountville submitted written comments and provided several verbal comments during the December 5th meeting noting inaccuracies in the preliminary draft report. Following significant discussion, the Commission directed staff to work with the consultant to further develop the report and return with revised draft report at the February 6, 2017 meeting.

SOI Study Areas

Specific items of importance to the Commission relative to its MSR mandates and policy interests are memorialized in the determinations section of the draft report. Further, the revised draft report identifies and evaluates one study area totaling 13.4 acres of non-jurisdictional lands and provides three preliminary options for the Commission to consider with respect to updating Yountville's SOI. If the study area is added to Yountville's SOI, it would indicate that annexation of the area would be appropriate within next five years. An aerial map of the study area is included as Attachment Two to this staff report. The study area is summarized below and described in further detail in the revised draft report.

- ***Study Area***
  The study area consists of a 13.4 acre portion of one parcel located to the west of State Highway 29, north of California Drive, and adjacent to the Town of Yountville's jurisdictional boundary. The study area represents the commercial portion of the Domaine Chandon winery and receives wastewater treatment

service from Yountville through a 1991 agreement. The study area consists of the Domaine Chandon Visitor Center, a parking lot, a private access road, and associated landscaping. The study area consists solely of commercial land uses and does not include any agricultural lands as defined under LAFCO law. Yountville has recently updated its General Plan to designate the study area as part of the Town's planning area. The County designates the study area as *Agricultural Resource* and zones approximately 10 acres of the area as *Commercial Limited*. Approximately 3.4 acres of the study area are zoned by the County as either *Agricultural Preserve* or *Agricultural Watershed*. Adding the study area to Yountville's SOI would require analysis of potential environmental impacts. Toward this end, Yountville has completed an initial study and adopted a negative declaration contemplating potential environmental impacts associated with future annexation of the study area to the Town.

SOI Options

Three distinct SOI options are included in the revised draft report for Commission consideration. Additional SOI options may also be requested by the Commission. The three SOI options in the draft report are summarized below.

- ***Option One: Affirm the Existing SOI***
  Option One would affirm Yountville's existing SOI with no changes. This option would be appropriate if the Commission determines that Yountville's existing jurisdictional boundary and SOI are appropriate for the foreseeable future.

- ***Option Two: Expand SOI to Include Study Area One (Staff Recommendation)***
  Option Two would expand Yountville's SOI to include the study area. This option would be consistent with Yountville's recently adopted Resolution No. 3138-13 and Resolution No. 3162-14. Resolution No. 3138-13 involves a request from Yountville for the Commission to amend the Town's SOI to include the study area. Resolution No. 3162-14 involves designating the study area as part of Yountville's planning area, urban limit, and SOI in the Town's General Plan.

- ***Option Three: Designate Study Area One as an "Area of Interest"***
  Option Three would involve creating a new SOI category and would designate the study area as an "Area of Interest." "Area of Interest" is defined in the draft report as a geographic area outside the SOI where land use decisions or other government actions of one local agency impact – directly or indirectly – another local agency. The study area meets this definition of an "Area of Interest" given that Yountville and the County both provide municipal services to the area. Additionally, the area is located immediately adjacent to Yountville's current jurisdictional boundary. Option Three may be appropriate given that changes to a local agency's SOI generally serve as a precursor to future annexation. Future annexation would require Yountville and the County to first agree to a property tax exchange for the study area. This option would first require an amendment to the Commission's policies relating to SOIs to define "areas of interest" and a policy for their application.

Comments on Preliminary Draft Report

Yountville and the County have each submitted written comments on the preliminary draft report that was presented at the Commission's December 5th meeting. Staff and the consultant have addressed the majority of written comments during the preparation of the revised draft report. Yountville's written comments were submitted on December 5, 2016 and are included as Attachment Three. Below is a summary of comments submitted by Yountville along with responses from staff.

- Yountville Comment: SOI option that would expand Yountville's SOI to include the study area is the superior alternative based on the delivery of wastewater service by the Town, the existing commercial use of the facility, the inclusion of the study area within the Town's planning area, and the County's commercial zoning. Yountville suggests this SOI option should be recommended in the draft report.

  Staff Response: The Commission retains discretion with respect to possible changes to Yountville's SOI. The draft report does not include a recommendation from the consultant, but does include draft SOI determinations that are aligned with the option that would affirm the existing SOI with no changes. The draft determinations are not intended to be construed as a recommendation, rather these determinations serve as a starting point for discussion with the Commission. The draft report provides a range of SOI options for the Commission to consider. Data that supports the range of options is presented in a neutral manner. If the Commission provides feedback that supports an alternative SOI determination, new determinations will be prepared for the preferred option. As noted in Yountville's comment letter, staff recommends the Commission include the study area within the Town's SOI based on the Town's suggested reasoning as well as other factors that are further discussed in the *Preliminary Staff Recommendation for Yountville's SOI* section of this staff report.

- Yountville Comment: Report lacks focus and fails to come to clear conclusions. Disadvantaged unincorporated communities (DUCs) are cited as an example.

  Staff Response: The revised draft report includes 44 specific conclusions in the MSR determinations section as part of Chapter 6. The issue relating to DUCs is further discussed in the *Disadvantaged Unincorporated Communities* section of this staff report.

- Yountville Comment: There appear to be different parameters used in evaluating Yountville and the City of Calistoga in their respective reports, leading to inconsistent treatment amongst similarly situated jurisdictions.

  Staff Response: While Yountville and Calistoga are each considered Upvalley cities in Napa County and share many similar characteristics, the two jurisdictions differ with respect to – among other factors – history, land use, general plan

policies, financial status, and service population. Each jurisdiction has unique characteristics and circumstances. However, staff appreciates Yountville's comment and the Commission may consider further developing its local policies to specify uniform criteria and methodologies for MSRs and SOI updates.

- Yountville Comment: The author of the report has taken an aggressive tone that reflects negatively on Yountville throughout the document and demonstrates bias.

  Staff Response: Yountville's comment is noted by staff and additional attention will be given to these matters as the report is further developed to ensure a neutral tone.

- Yountville Comments: Yountville has submitted a large number of comments on the specific content of the preliminary draft report. These comments are provided as Attachment A to the Town's letter dated December 5, 2016 (Attachment Three to this staff report). The majority of comments provide technical corrections or updated information.

  Staff Response: Staff has worked with Yountville staff to incorporate numerous changes to the draft report based on the submitted comments. The majority of changes were non-substantive. This includes correcting typos, updating outdated information, correcting references to ownership of the wastewater treatment plant, correcting service delivery information involving fire protection and law enforcement services, restructuring sections, rephrasing sentences, stylistic changes, eliminating confusing or misleading information, and ensuring consistency of all qualitative and quantitative information throughout the report. In total, approximately 5% of the document was changed.

  However, not all of Yountville's recommended changes were made. In particular, the revised draft report continues to identify a portion of Yountville's incorporated boundary, the Veterans Home, as a disadvantaged community. The following new sentence has been added to this section to provide justification:

  "Disadvantaged communities, even those within incorporated municipalities, are sometimes eligible for grants related to wastewater and drinking water facilities."

  Yountville may submit additional comments for further potential changes to the report through March 3rd as part of the public review and comment period. The final report will include a new chapter with all comments received on the revised draft report along with responses.

The County's written comments were submitted on January 6, 2017, and are included as Attachment Four. Below is a summary of comments submitted by the County along with responses from staff.

- County of Napa Comment: Request that the Executive Officer and consultants meet with the Sheriff and other program and administrative staff to review the public safety sections of the report and any references to the contract with the Sheriff's Office to verify accuracy and/or set context. The County requests the opportunity to review and respond regarding statements on administrative pass through costs involved with Yountville and the County's law enforcement contract. Additionally, the County provided clarifying comments regarding emergency service calls within the SOI study area.

  Staff Response: Staff has met with the County Sheriff to review the public safety sections of the report. Clarifying changes were subsequently made to the draft report with respect to first responders to service calls within the SOI study area and Yountville's law enforcement contract with the County of Napa. With regards to statements on administrative pass through costs, the determination from the 2012 Law Enforcement MSR was intended to highlight the measurable increases in costs associated with administering the contract. However, the Law Enforcement MSR did not accurately identify the burden of risk that the County accepts as a result of entering into a fixed-cost contract with Yountville. The final report may include additional changes to the public safety sections based on further discussions with, or new comments submitted by, the County.

- County of Napa Comment: Request that the Executive Officer and consultants meet with the County Fire Department to review the fire protection sections of the draft report. Clarifying comments were also provided with respect to Napa County's contracts with Cal-Fire and Yountville.

  Staff Response: Staff has discussed the fire protection service sections of the draft report with the County Fire Chief. Changes have been made to the draft report with respect to fire service contract arrangements and current staffing levels.

- County of Napa Comment: Clarification needed regarding Yountville's sewer service contract with Domaine Chandon and any references to annexation.

  Staff Response: Staff agrees with the County. The language in the draft report regarding Yountville's sewer service contract with Domaine Chandon has been changed to clarify that annexation to the Town is not a condition of service provision. The contract states, "should Town in the future determine that an annexation of Domaine's property is feasible, Domaine will not object to such annexation of the commercially zoned area."

- County of Napa Comment: The County questions whether the SOI option that would include the study area within Yountville's SOI is consistent with local and state LAFCO policies given that there is no intent to further develop the property. The County also states Yountville and the County have each appointed two members to discuss the Domaine Chandon property. Clarification is also

requested regarding the SOI option that would designate the study area as an "Area of Interest."

Staff Response: LAFCO policies are generally oriented toward using a city/town's sphere of influence to recognize urban development and urban-type service commitments.[1] The Commission's *General Policy Determinations* are included as Attachment Five. The SOI study area represents the existing commercial portion of the Domaine Chandon property that receives essential wastewater service from Yountville in support of existing urban uses. Based on information collected and analyzed in the MSR component of the draft report and LAFCO policies, it appears the SOI study area merits consideration for inclusion within Yountville's SOI.

As discussed above, an alternative approach to be considered is the designation of the study area as an "Area of Interest" given that Yountville and the County have not yet agreed to an SOI change.[2] "Areas of Interest" are a policy tool used by other LAFCOs throughout the state. Several LAFCOs have adopted definitions for "Area of Interest" that serve as a compromise approach in situations involving contentious boundary considerations.[3] If the Commission determines that it would be most appropriate for the SOI study area to be designated as an "Area of Interest" instead of formally added to Yountville's SOI, it would be appropriate for the Commission to direct staff to return with proposed policy language that would allow for this option to be implemented in a manner consistent with local policies. Toward this end, a policy discussion involving "Area of Interest" is included as item 9d on today's agenda.

Preliminary Staff Recommendation for Yountville's SOI

Drawing from information collected and analyzed in the draft report, staff recommends the Commission proceed with SOI Option Two, which would expand Yountville's SOI to include the study area and require new SOI determinations to be prepared by the consultant. This preliminary recommendation is based on a number of factors including, but not limited to, the following:

- Yountville has amended its General Plan to include the study area within the Town's planning area, urban limit, and anticipated SOI.
- The Legislature's definition and intent of the SOI as the ultimate demarcation of a governmental agency's service boundary.
- The study area's social and economic ties appear to be more aligned with Yountville than the unincorporated areas of Napa County.

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[1] *General Policy Determinations* Sections II(B)(2), III(B)(3), III(B)(4), III(C)(1), III(C)(2), and IV(A)(1).

[2] *General Policy Determinations* Section III(A)(3) states, "The Commission encourages cities and the County to meet and agree to SOI changes. The Commission shall give 'great weight' to these agreements to the extent they are consistent with its policies.

[3] LAFCOs in other counties that have adopted SOI policies or other agreements that define "Area of Interest" include Merced, Nevada, San Luis Obispo, Stanislaus, and Ventura.

- The study area is developed with a commercial land use and the majority is zoned by the County as *Commercial Limited*. The County General Plan includes policies that direct urban land uses to be concentrated within the incorporated cities and town in order to preserve agriculture and open space resources.
- While the study area is assigned an agricultural designation in the County General Plan, the area is not subject to Measures J or P and the policies for agricultural protection.
- Direct public access to the study area requires use of Yountville's street system. The entry to the study area is subject to an easement provided by Yountville. The study area generates the single largest traffic impact for Yountville. Streets, sidewalks, and related maintenance is provided by Yountville.
- Expanding Yountville's SOI sends a LAFCO policy signal that a future boundary change may be appropriate. However, expanding Yountville's SOI doesn't presuppose annexation. A property tax agreement between Yountville and the County of Napa would still be needed prior to Commission consideration of an annexation proposal.
- Expanding Yountville's SOI would conform to the Legislative intent in enacting G.C. Section 56133 involving the provision of municipal services outside a governmental agency's jurisdictional boundary.

If the Commission prefers an alternative approach, it appears appropriate to provide direction to staff with respect to SOI Option Three. This would designate the study area as an "Area of Interest," and would require amendments to existing policies relating to SOIs. This policy discussion is further described as part of item 9d on today's agenda.

Disadvantaged Unincorporated Communities

A disadvantaged unincorporated community (DUC) is defined as inhabited territory (i.e. 12 or more registered voters) that constitutes all or a portion of a community with an annual median household income that is less than 80 percent of the statewide annual median household income.[4] State law grants discretion to LAFCOs to adopt policies that define DUCs in a manner that is more appropriate based on local conditions and circumstances.

Given limited staff resources, the Commission has relied on the County of Napa's research and analysis that concluded there are no DUCs located anywhere in Napa County. Therefore, the revised draft report does not identify any DUCs within or contiguous to Yountville's SOI. However, there is existing United States Census data that reveals there may be DUCs located in Napa County under the State's definition. The Census data is problematic for several reasons. Although the Census is the most comprehensive database regarding median household income, the smallest geographical unit is the block, which is a large area. Further, the Census data does not include information regarding registered voters. The registration of voters can change regularly, while the Census is conducted every 10 years.

[4] G.C. Section 56033.5

Accurate data that is needed for implementation of DUCs legislation has not been made available. As a result, there has been a need for local interpretation in order to provide guidance for local jurisdictions and LAFCOs to address the issue of DUCs. The Governor's Office of Planning and Research (OPR) has released a technical bulletin to provide that guidance.[5] OPR recommends the California Department of Water Resources (DWR) website as a resource for use in determining the existence and extent of DUCs.[6] The DWR website shows that most of the blocks and tracts designated as disadvantaged are located within existing city limits. The areas of exception are the Napa State Hospital, which is in the unincorporated area but is not within the County's land use jurisdiction; and the Oak Knoll area located between the City of Napa and the Town of Yountville, from State Route 29 to Dry Creek Road. There is no indication of the number of registered voters within this area. Moreover, this area is between 6 and 7 square miles, with a population of about 700. There is no indication in the DUCs legislation regarding the density of a DUC (e.g. 12 registered voters per acre, per square mile, or per county).

The intent of the legislation is to recognize communities with service needs or deficiencies. An area with an average density of 1 household per 10 acres may or may not qualify as a "community." It appears appropriate for the Commission to develop local interpretive policy language to clarify how DUCs are defined and identified. The Commission may adopt a definition for DUCs that includes specific data source, density, land area, and/or median household income criteria. Toward this end, staff recommends the Commission provide direction to staff to work with the local land use jurisdictions and return with proposed policy language that defines and identifies existing DUCs for Napa County.

ATTACHMENTS

1) Revised Draft Municipal Service Review and Sphere of Influence Update for the Town of Yountville
2) Aerial Map of Study Area
3) Town of Yountville Comment Letter (Dated December 5, 2016)
4) County of Napa Comment Letter (Dated January 6, 2017)

[5] https://www.opr.ca.gov/docs/SB244_Technical_Advisory.pdf
[6] https://gis.water.ca.gov/app/dacs/

Draft Municipal Service Review & Sphere of Influence Update

Town of Yountville

Napa LAFCO

January 27, 2017

Resolution No. tbd

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Draft #2 Municipal Service Review and Sphere of Influence Update

Town of Yountville

Prepared for:

Napa LAFCO

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Prepared by:

SWALE inc

January 27, 2017

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CHAPTER 1: ROLE AND RESPONSIBILITY OF LAFCO

Local Agency Formation Commissions (LAFCO's) are independent agencies that were established by state legislation in 1963 in each county in California to oversee changes in local agency boundaries and organizational structures. It is LAFCO's responsibility to

- oversee the logical, efficient, and most appropriate formation of local cities and special districts;
- provide for the logical progression of agency boundaries and efficient expansion of municipal services;
- assure the efficient provision of municipal services; and
- discourage the premature conversion of agricultural and open space lands(Government Code [GC] §§ 56100, 56301, 56425, 56430, 56378).

The Cortese-Knox-Hertzberg (CKH) Local Government Reorganization Act of 2000 (CKH Act) requires each LAFCO to prepare a Municipal Service Review (MSR) for its cities/towns and special districts. MSRs are required prior to and in conjunction with the update of a Sphere of Influence (SOI). This document presents both a MSR and SOI update and is intended to provide Napa LAFCO with the necessary and relevant information to update the MSR and SOI for the Town of Yountville; specifically regarding the appropriateness of the Town's existing and proposed boundaries and SOI.

1.1: ABOUT NAPA LAFCO

Although each LAFCO works to implement the CKH Act, there is flexibility in how these state regulations are implemented so as to allow adaptation to local needs. As a result, Napa LAFCO has adopted policies, procedures and principles that guide its operations. The policies and procedures can be found on Napa LAFCO's website (*http://www.napa.LAFCO.ca.gov/*).

This MSR is an information tool that can be used to facilitate cooperation among agency managers and LAFCO to achieve the efficient delivery of services. Describing existing efficiencies in service deliveries and suggesting new opportunities to improve efficiencies is a key objective of this MSR, consistent with LAFCO's purposes. Since this MSR/SOI will be published on LAFCO's website, it also contributes to LAFCO's principle relating to transparency of process and information. A public hearing was conducted by LAFCO on this MSR and SOI Update, thereby contributing to LAFCO's aim of encouraging an open and engaged process.

This MSR was written under the auspices of Napa LAFCO. Napa LAFCO has a public Commission with five regular Commissioners and three alternate Commissioners as follows:

Commissioners

- Diane Dillon, Chair, County Member
- Juliana Inman, Vice Chair, City Member
- Vacant, Commissioner, City Member

- Brian J. Kelly, Commissioner, Public Member
- Brad Wagenknecht, Commissioner, County Member
- Joan Bennett, Alternate Commissioner, City Member
- Keith Caldwell, Alternate Commissioner, County Member
- Gregory Rodeno, Alternate Commissioner, Public Member

Staff / Administrative

- Brendon Freeman, Executive Officer
- Kathy Mabry, Commission Secretary
- Jennifer Gore, Commission Counsel

1.2 PURPOSE OF THE MUNICIPAL SERVICE REVIEW

MSRs are intended to provide LAFCO with a comprehensive analysis of services provided by cities and special districts that fall under the legislative authority of LAFCO. This review will provide Napa LAFCO with the information and analysis necessary to evaluate existing boundaries and consider SOIs for these service providers. The MSR makes determinations in each of seven mandated areas of evaluation, providing the basis for LAFCO to review proposed changes to a service provider's boundaries or SOI.

An SOI is defined in GC § 56425 as "a plan for the probable physical boundary and service area of a local agency or municipality as determined by the Commission." LAFCO is required to adopt an SOI for each city/town and each affected special district in its jurisdiction. When reviewing and determining SOIs for these service providers, LAFCO will consider and make recommendations based on the following information:

- The present and planned land uses in the area;
- The present and probable need for public services and facilities in the area;
- The present capacity of public facilities and adequacy of public services that the agency provides;
- The existence of any social or economic communities of interest in the area if LAFCO determines that they are relevant to the service provider; and
- The presence of disadvantaged unincorporated communities for those agencies that provide water, wastewater, or structural fire protection services.

Ideally, an MSR will support not only LAFCO but will also provide the following benefits to the subject agencies:

- Provide a broad overview of agency operations including type and extent of services provided;
- Serve as a prerequisite for a sphere of influence update (included herein);
- Evaluate governance options and financial information;
- Demonstrate accountability and transparency to LAFCO and to the public; and
- Allow agencies to compare their operations and services with other similar agencies.

This MSR is designed to provide technical and administrative information on municipal services provided by the Town of Yountville. This information is presented so that LAFCO can

make informed decisions based on the best available data for each municipal service and area served. Written determinations, as required by law, are presented in Chapter 6 of this MSR for LAFCO's consideration. LAFCO is ultimately the decision maker on approval, disapproval, or modification of any determinations, policies, boundaries, and discretionary items.

1.3 METHODOLOGY FOR THIS MSR & SOI UPDATE

The CKH Act indicates that LAFCO should review and update a sphere of influence every five years, as necessary, consistent with GC § 56425(g) and § 56106[1]. The MSR and SOI for Yountville were last updated in August 2007 and were approved as part of LAFCO Resolutions #07-23 and #07-24. While it has been nearly 10 years since the last update, it is acknowledged that is not mandatory that updates be prepared every five years.

This MSR and SOI Update evaluate the structure and operation of each of the municipal services and discuss possible areas for streamlining, improvement, and coordination. Key references and information sources for this study were gathered. The references utilized in this study include published reports; review of agency files and databases (agendas, minutes, budgets, contracts, audits, etc.); master plans; capital improvement plans; engineering reports; Environmental Impact Reports; finance studies; General Plans; and state and regional agency information (permits, reviews, communications, regulatory requirements, etc.).

Additionally, the consulting team, in coordination with the LAFCO Executive Officer, sent the Town a Request for Information (RFI). LAFCO's Executive Officer and members of the consultant team also visited Town Hall and personally interviewed Town representatives during a kick-off meeting held on February 8, 2016. The Town's response to LAFCO's request for information is a key information source utilized in this analysis.

This MSR forms the basis for specific judgments, known as determinations, about each agency that LAFCO is required to make (GC § 5425, 56430). These determinations are described in the MSR Guidelines from the California Office of Planning & Research (OPR) as set forth in the CKH Act, and they fall into seven categories, as listed below:

1. Growth and population projections for the affected area;
2. Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence;
3. Present and planned capacity of public facilities and adequacy of public services including infrastructure needs or deficiencies;
4. Financial ability of agency to provide services;
5. Status of, and opportunities for, shared facilities;

[1] The CKH Act (GC § 56106) states that all timeframes are directive. Any provision governing the time in which Commission is to act, is deemed directory rather than mandatory.

6. Accountability for community service needs, including government structure and operational efficiencies; and
7. Any other matter related to effective or efficient service delivery, as required by commission policy.

An MSR must include an analysis of the issues and written determination(s) for each of the above determination categories.

California Environmental Quality Act

The California Environmental Quality Act (CEQA) is contained in Public Resources Code §21000, et seq. Under this law public agencies are required to evaluate the potential environmental effects of their actions. This MSR is exempt from CEQA under a Class 6 categorical exemption. CEQA Guidelines § 15306 states that "Class 6 consists of basic data collection, research, experimental management, and resource evaluation activities that do not result in a serious or major disturbance to an environmental resource It should be noted that if LAFCO acts to change the SOI for the Town, CEQA requirements must be satisfied. The lead agency for CEQA compliance would most likely be LAFCO.

1.4 PUBLIC PARTICIPATION

LAFCO conducted its first public hearing on the Public Review Draft MSR/SOI Update on December, 5, 2016. LAFCO is scheduled to conduct its second public hearing on the Public Review Draft MSR/SOI Update on February 6, 2017. Comments from the public are solicited. The Commission will hold a third public meeting to approve the Final MSR/SOI Update on a date to be decided.

After this MSR/SOI Update is finalized, it will be published on the Commission's website (http://www.napa.LAFCO.ca.gov/), thereby making the information contained herein available to anyone with access to an internet connection. A copy of this MSR/SOI Update and electronic copies of many of the planning documents and studies that were utilized in the development of this MSR may be viewed during posted office hours at LAFCO's office located at 1030 Seminary Street, Suite B, Napa, CA 94559. In addition to this MSR/SOI Update, LAFCO's office maintains files for each service provider in Napa County. These materials are also available to the public for review.

CHAPTER 2: OVERVIEW OF AGENCY

2.1 AGENCY PROFILE - TOWN OF YOUNTVILLE

Type of Agency: Incorporated Town
Enabling Legislation: General-Law City, California Constitution, Article 11, Section 2, and Government Code Section 34000 *et seq.*

Functions/Services: Municipal services provided directly by the Town of Yountville include domestic water, wastewater (sewer), planning and building, parks and recreation, and public works. Municipal services provided by the Town through contracts or joint-power authorities with other agencies or companies include law enforcement, fire protection and emergency medical, garbage (solid waste) collection, street cleaning, building inspection and plan checking, and other specialized services as needed.

Main Office: 6550 Yount Street, Yountville, California 94599
Mailing Address: same as above
Email: srogers@yville.com
Phone No.: (707) 944-8851
Fax No.: (707) 944-9619
Web Site: www.townofyountville.com

Town Manager: Steven Rogers
Town Clerk: Michelle Dahme

Governing Body:

Town Council	Term Expires
John F. Dunbar, Mayor	November 2018
Marita Dorenbecher, Vice Mayor	November 2018
Kerri Dorman, Council Member	November 2018
Jeffrey Durham, Council Member	November 2016
Marjorie Mohler, Council Member	November 2020

Meeting Schedule: 1st and 3rd Tuesday of each month at 6:00 pm.

Meeting Location: Yountville Town Hall Chambers, 6550 Yount Street, Yountville, CA, 94599

Date of Incorporation: February 4, 1965
Principal County: Napa County
Other: Registered resident-voter system

2.2 SERVICES AND LOCATION

The Town of Yountville was initially established by George C. Yount in the 1850s and incorporated as a general-law city in 1965. Yountville provides a full range of municipal services either directly or by contract with other governmental agencies or private companies. Yountville has an estimated population of 2,987 (DOF, 2016) and approximately one-third of Yountville's population resides at the State of California's Veterans Home. Yountville is staffed by 27.92 (Yountville, 2015c) full-time equivalent (FTE) employees.

Type and Extent of Services

Municipal services provided directly by the Town of Yountville include:

- Domestic Water Distribution
- Wastewater (Sewer)
- Planning and Building
- Parks and Recreation
- Public Works

Municipal services provided by Yountville through contracts with other agencies or companies include:

- Law Enforcement (Napa County Sheriff's Office)
- Fire Protection and Emergency Medical (Napa County Fire Department and CalFire)
- Garbage Collection (Upper Valley Disposal & Recycling)
- Street Cleaning (Commercial Power Sweep, Inc.)
- Building Inspection (Interwest Consulting Group)
- Plan Checking (Interwest Consulting Group)
- Affordable housing administration and monitoring (Housing Authority of the City of Napa)
- GIS technology implementation (City of Rancho Cucamonga).
- Library services (Napa County Library)
- Animal shelter (Napa County Animal Services)
- Water supply (CalVet via Rector Reservoir)
- Other specialized services as needed

Also, the Town is part of Joint Powers Agreements (JPAs) as follows:

- Napa Valley Transportation Authority (NVTA), regional transportation services
- Napa County Flood Control and Water Conservation District (NCFCWCD), water supply contracts, watershed management, and stormwater management programs
- Napa Valley Tourism Improvement District (NVTID), promotes Napa Valley tourism
- Housing Authority of the City of Napa (HACN), administers the Town's affordable housing programs

- Code enforcement services via JPA with the City of Napa Code Enforcement Division of the Community Development Department[2]
- Upper Valley Waste Management Agency (UVA), garbage collection and recycling
- North Bay Agency Chemical Pool (NBACP), furnishing chemicals for wastewater treatment
- Western Recycled Water Coalition, locally managed recycled water projects
- Public Agency Risk Sharing Authority of California (PARSAC), insurance pooling
- Regional Government Services (RGS), staffing resources
- U.S. Communities Government Purchasing Alliance, cooperative purchasing program
- Marin Clean Energy (MCE), energy provider
  (Data Source: Yountville, 2016c)

Yountville residents also benefit from public services that are provided by other agencies, as listed in Table 2-1, below.

Table 2-1: Non-Town Services

Provider	**Services**
Napa County	Public assistance, elections, tax assessment and collection, treasury management, official records, public and behavioral health, social programs, corrections, and auditor's office.
Napa County Mosquito Abatement District	Mosquito abatement
Napa County Flood Control and Water Conservation District	Napa River Flood Management Plan and Napa Countywide Stormwater Pollution Prevention Program (NCSPPP)
Napa County Regional Park and Open Space District	Parks, trails, and recreation
Napa County Housing Authority	Farmworker housing
Napa County Resource Conservation District	Resource conservation
Napa Valley Unified School District	Public Education K-12. Also provides playgrounds.
Regional Agencies: ▪ Association of Bay Area Governments (ABAG) ▪ Metropolitan Transportation Commission (MTC)	Regional planning & housing allocation studies Regional transportation planning
Pacific Gas and Electric	Gas, Electricity
Comcast	Cable Television
Caltrans	Highway Transportation and Maintenance along Highway 29

[2] Information about the JPA with City of Napa for Code Enforcement is available from the Minutes of the City Council of the City Of Napa, August 16, 2016 meeting available on-line at: *http://www.napa-ca.gov/sirepub/pubmtgframe.aspx?meetid=330&doctype=agenda*

Location and Size

The Town of Yountville is located in Napa County at the south end of the Napa Valley approximately halfway between the cities of Napa and St. Helena. Yountville is bisected by State Route (SR) 29 and the Napa River runs east of the Town boundary. From most parts of Yountville, there are views of the Mayacamas Range to the west and the Howell Mountain Range to the east. The Town's boundaries encompass 1.5 square miles (Table 2-2).

Table 2-2: Geographic Summary for Town of Yountville

	Incorporated Boundary	***Sphere of influence***
Total Acres	*966*	*966*
Square Miles	*1.5*	*1.5*
Number of Assessor Parcels	*832*	*832*

(Napa LAFCO, 2007b)

A map of the Town boundaries and sphere of influence is provided as Figure 2-1.

2.3 FORMATION AND BOUNDARY

Yountville's development began in the 1830's following the arrival of George C. Yount. In 1836, Yount received a land grant from Mexico and began the process of surveying and attracting other settlers to the area.

In the early 1850s Yount laid out a six block area with a cemetery and public square that created a small village that he called Yountville. Immediately below Yount's southern property line was the property line for the Mexican land given to Salvador Vallejo. Vallejo called his lands Rancho de Napa. After the Bear Flag Revolt in 1847, Vallejo began selling his Rancho de Napa property to early pioneers. The people who purchased these lots built houses and stores and named their community Sebastopol to make it distinct from Yountville. So for a time, two places existed, both Yountville and Sebastopol, each with their own post offices.

Photo Courtesy of Town of Yountville

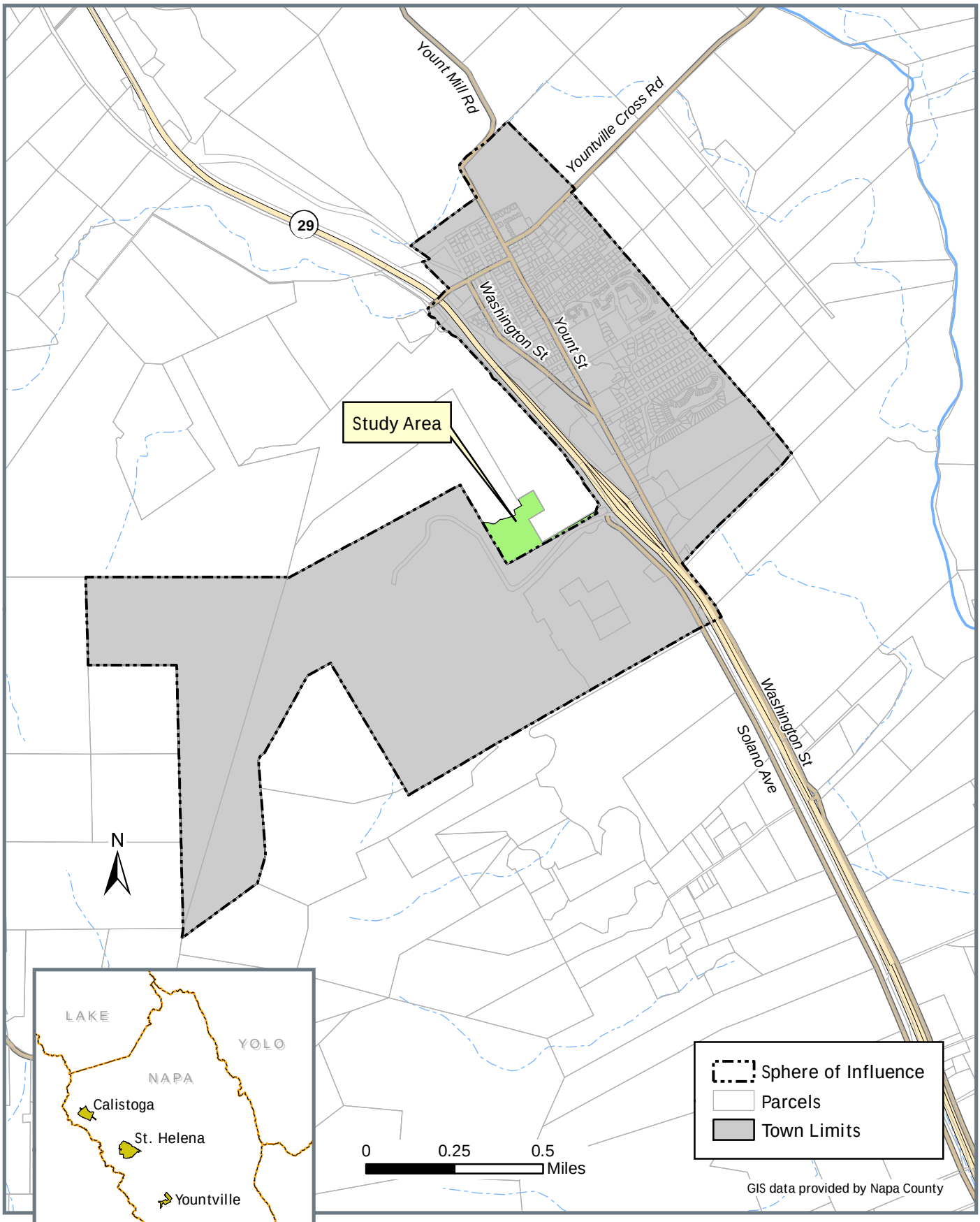


Figure 2-1: Boundary
Town of Yountville

After Yount's death, Sebastopol changed its name in 1867, in Yount's honor, and both Yountville and Sebastopol became a single community in Napa County. By 1868, railroad service had been introduced into the town and influenced the town's configuration.

In 1884, the Society of Mexican War Veterans and the Grand Army of the Republic constructed a long-term care facility for elderly and disabled military veterans at the southwestern edge of Yountville. Shortly after its beginning, when funds were exhausted, the State of California purchased the Yountville Veterans Home and maintains it today.

In the 1950s, in response to growing residential and commercial uses, Yountville residents began the process of addressing local service needs with the formation of the Yountville Sanitation District (YSD) and the Yountville County Water District (YCWD). The focus on local service needs continued into the early 1960s as residents began organizing for incorporation. According to testimony in the incorporation documents, the community held a "strong feeling of separate identity" and desired to become the "spokesman for the area" helping to solve "local needs."

In 1965, upon LAFCO approval, the Town of Yountville became the fourth incorporated community in Napa County. Yountville's population at the time of its incorporation was approximately 2,600, including 2,000 residents at the Veterans Home. A year later, as part of two separate reorganizations, LAFCO merged YSD and YCWD into the Town.

Since its incorporation, Yountville has facilitated the development of a number of hotels and inns, restaurants, and retail establishments accommodating visitors to the Napa Valley. Between 1998 and 2005, development in Yountville was limited as a result of a moratorium on new water service connections, which was enacted due to supply concerns. Yountville lifted the moratorium in 2005 after entering into a new long-term agreement with the State for annual water entitlements to nearby Rector Reservoir (Napa LAFCO, 2007a). The Town boundaries include the state owned Veteran's Home.

Boundary History

Yountville's incorporated boundary comprises approximately 966 acres or 1.5 square miles. There have been four annexations to Yountville since its incorporation in 1965. All four annexations were approved by LAFCO between 1966 and 1967 (Napa LAFCO, 2007a).

Sphere of Influence

Yountville's sphere of influence is conterminous with its boundary line and encompasses a total of 1.5 square miles. The sphere was originally established by LAFCO in 1974 and was last reviewed by LAFCO in 2007. There have been no amendments to the sphere since its adoption. Options to update the Town's sphere of influence are provided in Chapter 7: Sphere Of Influence Analysis and Determinations, of this document.

Extra-territorial Services

The Town provides municipal services to residents located outside its boundary through out-of-agency service agreements, including water and sewer service. Additionally, Town parks and community programs are utilized by tourists and other non-residents. The Town of Yountville provides outside water services to 36 rural residences located along Yountville Crossroad and Silverado Trail. Water service to these unincorporated properties was established in the late 1950s by the Yountville County Water District, which was merged into the Town of Yountville in 1966. Town policy precludes additional water service in this area as service is limited to these historical accounts only. The Town has a long standing policy not to provide municipal services outside of its boundary unless annexed as shown in the list of resolutions in Table 4.5.

Yountville provides sewer service to Domaine Chandon's Visitor Center via a May 1991 agreement with the property owner as shown in Appendix A. Since this sewer service is provided outside the Town's jurisdictional boundary and sphere of influence, it is classified by LAFCO as an outside service arrangement. The outside service arrangement between Yountville and the Domaine Chandon property owners predates G.C. §§ 56133 and is specifically exempt under §§ 56133(e)(4) given that the service was extended prior to January 1, 2001..

The Town also provides recycled water to the Vintner's Golf Club 9-hole golf course, which is within the Town boundary; and to wineries outside the Town boundary. Please note that although the C-K-H Act requires LAFCO to review water supply availability and services and allows LAFCO to study water supply alternatives for efficiency, the "transfer of nonpotable water" is exempt from LAFCO review[3] [G.C. §§ 56133(e2)].

The Town does not have any pending out-of-agency service agreements with property owners located outside the Town boundary. Any new or extended services outside Yountville would require LAFCO approval pursuant to Government Code §§ 56133.

Assembly Bill (AB) 402[4], authored by former Napa LAFCO Commissioner and current Assembly Member Bill Dodd, was signed by Governor Brown on October 2, 2015 and became effective January 1, 2016. This legislation creates a five-year pilot program for Napa and San Bernardino Counties that establishes a mechanism for both Commissions to authorize municipal services outside a local agency's jurisdictional boundary and sphere of influence under special circumstances. The Bill has been codified under Government Code §§ 56133.5, which expands upon the existing circumstances for which the Commission may authorize services outside a city's jurisdictional boundary and sphere of influence. Napa LAFCO has developed policies to implement the provisions of AB 402.

[3] Town staff has noted that several of the new customers for recycled water came onto the system after January 1, 2001.

[4] Text of AB 402 is available on-line at: *https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201520160AB402*

Veteran's Home of California - Yountville

The California Department of Veteran's Affairs[5] operates the Veteran's Home of California – Yountville. The facility was founded in 1884 and is the largest veterans' home in the country. The State owns 1,900 acres which includes Rector Reservoir, the Rector watershed, and the Veteran's Home (CalVet, 2009). Additional details on the Veteran's Home of California – Yountville is provided in a Fact Sheet in Appendix B. LAFCO is not responsible for assessing public services on state owned property.

2.4 GOVERNMENT STRUCTURE AND ACCOUNTABILITY

Yountville operates under the council-manager form of government, which includes an elected five-member Town Council (which includes a directly elected mayor). Elections are conducted by general vote; the mayor serves a four-year term and the four council members serve staggered four-year terms. Council duties include establishing legislation and policies for governing the Town; adopting all ordinances, resolutions, major contracts, approving and modifying the annual budget, appointing citizens to advisory boards, commissions and committees, and hiring the Town Manager and Town Attorney.

The current Town Council includes:

John F. Dunbar, Mayor	November 2018
Marita Dorenbecher, Vice Mayor	November 2018
Jeffrey Durham, Council Member	November 2020
Marjorie Mohler, Council Member	November 2020
Kerri Dorman, Council Member	November 2018

Regularly scheduled Council meetings are held on the first and third Tuesdays of every month at 6:00 P.M. in the Yountville Town Hall Chambers, located at 6550 Yount Street. All meetings are open to the public in accordance with the Brown Act. Additionally, Town Council Meetings are broadcasted live and later re-broadcasted via tape on local television station, Channel 28, and are video streamed live. The agenda for each Town Council meeting includes a public comment period. The Town Attorney is often present at Council meetings to ensure compliance with the Brown Act (Government Code §§ 54950-54926), the conflict-of-interest regulations set forth in the Political Reform Act (Government Code § 81000 et seq.), and other applicable laws. The Town Council has adopted 'Protocols' for a number of procedural requirements, including Rosenberg's Rules of Order for simple parliamentary procedures. The Protocols were last updated in March 2014.

All meetings are publicly posted a minimum of 72 hours prior to Council meetings at three physical locations in Yountville and on the Town's website at: http://www.townofyountville.com/. Electronic agendas are distributed to those subscribed

[5] Additional information about the California Department of Veteran's Affairs can be found on their website at: <https://www.calvet.ca.gov/>.

to the Town's E-Notify system. The Town and its representatives have a solid record of adherence to the requirements of the Brown Act, the Political Reform Act, and similar laws.

The Town's website is a communication tool for meeting agendas and minutes, staff reports, and videos of Town Council and Zoning and Design Review Board meetings, in addition to providing information about the Town's services and programs.

Town Council members are eligible for health, dental and vision benefits through the Town during their term and receive a $648 monthly stipend.

Governing bodies such as a Town Council are required to comply with specific state laws including:

- CA Government Code §53235 requires that if a Town provides compensation or reimbursement of expenses to its board members, the board members must receive two hours of training in ethics at least once every two years and the Town must establish a written policy on reimbursements.
- The CA Political Reform Act (Government Code §81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (California Code of Regulations §18730), which contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code.
- Government Code §87203 requires persons who hold office to disclose their investments, interests in real property and incomes by filing appropriate forms with the Fair Political Practices Commission each year.

VISION STATEMENT

to provide leadership, inspire community spirit, maintain fiscal health and offer high quality of service to the residents, businesses and visitors of Yountville.

The Town Council complies with each of the above laws.

Advisory Boards, Commissions, and Committees

The Yountville Town Council has established local advisory bodies to assist the Town in its decision-making processes. Specific responsibilities for each advisory body are established by their respective ordinance or resolution. The Zoning and Design Review Board (ZDRB) is comprised of five members appointed by the Town Council to staggered three-year terms.

The ZDRB is responsible for making determinations for residential design review, sign permits, and variances. The ZDRB conducts study sessions and advises the Town Council on applications for commercial design review, master development plan, and amendments to the General Plan, Zoning Ordinance, and Design Ordinance.

In addition to the Town Council and the ZDRB, the Town has two other active advisory bodies: the Parks and Recreation Advisory Commission; and the Yountville Arts Commission. Further, there are several county-wide committees on which Yountville has a representative including the Napa County Local Food Advisory Council, Napa County Measure A - Financial Oversight Committee, Napa Valley Transportation Authority (NVTA) - Active Transportation Advisory Committee (ATAC) (which was formerly the Bicycle Advisory Committee), the Napa Valley Tourism Improvement District (NVTID), the Napa County Library Commission, and the Napa County Mosquito Abatement District.

2.5 MANAGEMENT EFFICIENCIES AND STAFFING

The Town operates under the direction of the elected Town Council. The Town Manager is appointed by and reports to the Town Council and is responsible for directing Town operations and overseeing and implementing policies on behalf of the Town Council. The Town Manager serves at-will and oversees Yountville's five municipal departments including: 1) Administration, 2) Finance, 3) Planning and Building, 4) Parks and Recreation, and 5) Public Works. Within these five departments, there are 27 full-time employees supplemented by 6 part-time, and 1 seasonal staff (Yountville, 2015c) as shown in Figure 2-2, Organization Chart. Yountville has a total staff allocation of 27.92 full-time equivalents (FTEs) as shown in Figure 2-3. An FTE is equal to a standard work year, or 2,080 hours. Part-time positions are converted to the decimal equivalent position based on the total number of hours budgeted per year (Yountville, 2015c).

Figure 2-2
(Yountville, 2016e)

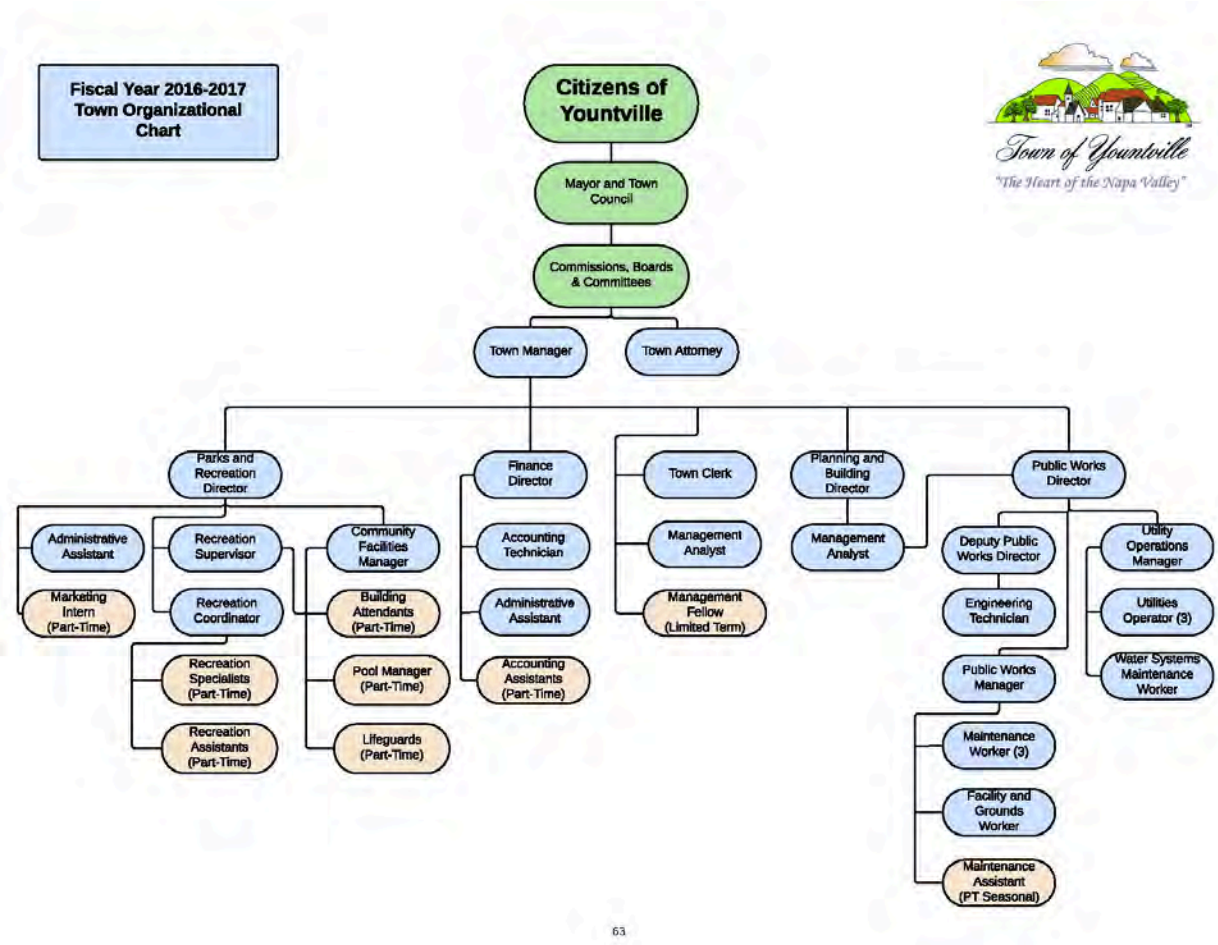


Figure 2-3, Department Staff Allocations

Town of Yountville
PERSONNEL AUTHORIZED FULL TIME POSITIONS
Fiscal Year 2016-17

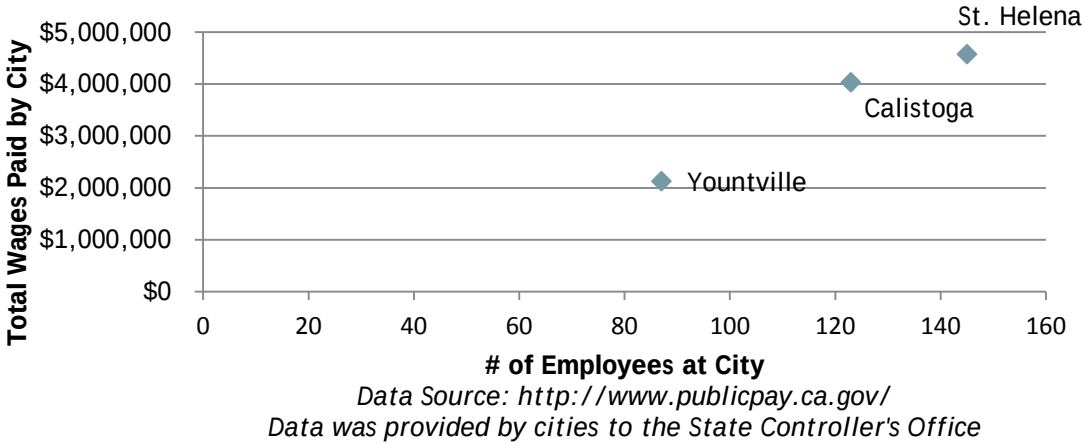
FUNCTION/POSITION	2013-14	2014-15	2015-16	2016-17
Town Manager's Office				
Town Manager	1.00	1.00	1.00	1.00
Management Analyst	1.00	1.00	1.00	1.00
Town Clerk	1.00	1.00	1.00	1.00
Management Fellow (2 year limited term)	-	1.00	1.00	1.00
Total Town Manager's Office	**3.00**	**4.00**	**4.00**	**4.00**
Finance				
Finance Director	1.00	1.00	1.00	1.00
Accounting Technician	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00
Total Finance	**3.00**	**3.00**	**3.00**	**3.00**
Planning & Building				
Planning Director	1.00	1.00	1.00	1.00
Associate Planner	1.00	-	-	-
Management Analyst	-	0.50	0.50	0.50
Office Assistant (Part-Time)	-	0.23	0.23	-
Total Planning & Building	**2.00**	**1.73**	**1.73**	**1.50**
Public Works				
Public Works Director/Town Engineer	1.00	1.00	1.00	1.00
Deputy Public Works Director	-	1.00	1.00	1.00
Management Analyst	-	0.50	0.50	0.50
Engineering Technician	-	1.00	1.00	1.00
Public Works Manager	1.00	1.00	1.00	1.00
Maintenance Workers I/II	5.00	4.00	4.00	3.00
Facility & Grounds Worker	-	1.00	1.00	1.00
Office Assistant (Part-Time)	-	0.23	0.23	-
Total Public Works	**7.00**	**9.73**	**9.73**	**8.50**
Utility Operations				
Public Works Manager	1.00	1.00	1.00	1.00
Utilities Operator II	2.00	2.00	2.00	2.00
Utilities Operator I	1.00	1.00	1.00	1.00
Water Systems Maintenance Worker	-	-	-	1.00
Total Wastewater Utility	**4.00**	**4.00**	**4.00**	**5.00**
Parks & Recreation				
Parks & Recreation Director	1.00	1.00	1.00	1.00
Community Facilities Manager	1.00	1.00	1.00	1.00
Recreation Supervisor	1.00	1.00	1.00	1.00
Recreation Coordinator	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00
Total Parks & Recreation Services	**5.00**	**5.00**	**5.00**	**5.00**
TOTAL FULL TIME EQUIVALENTS (FTE)	**24.00**	**27.46**	**27.46**	27.00

66

(Yountville, 2016e)

Cities[6] (and incorporated Towns) report data related to the number of employees and wages to the California State Controller's office. This data shows that the average wage paid per employee is $24,383 per year in Yountville. Total wages paid by the Town in 2014 were: $2,121,362, compared to higher total wages paid by Calistoga and St. Helena. (Figure 2-4). Figures 2-4 and 2-5 are intended to be used for illustrative/comparative purposes only since each city/town normally utilizes a different methodology to calculate the number of employees.

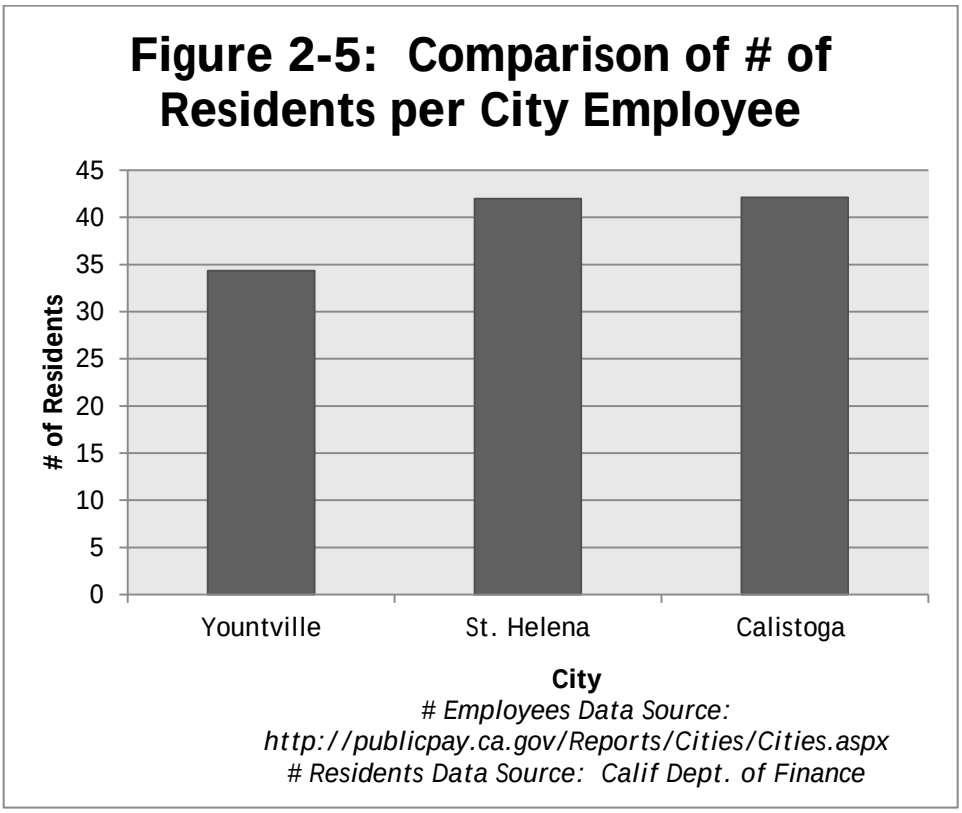
Figure 2-4: Total Wages Compared to # of Employees in 2014



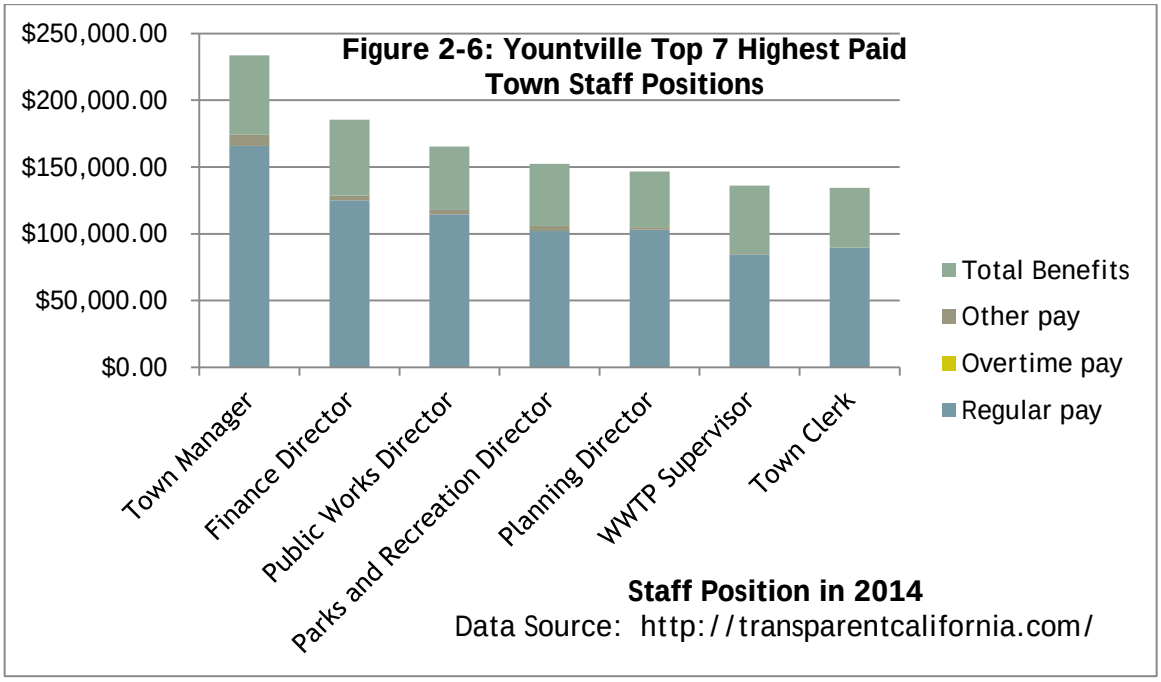
Data Source: http://www.publicpay.ca.gov/
Data was provided by cities to the State Controller's Office

LAFCOs commonly use per capita measurements as a method to compare efficiencies between cities/towns. Again, using data the Town reported to the State Controller's Office, Figure 2-5, shows that Yountville has 34 residents per Town employee (CA Controller, 2014). This is lower than that reported by Calistoga and St. Helena at 42 residents per city employee. However, it is important to note that Yountville experiences between 3,500 and 5,000 visitors daily during peak season, which significantly increases the "daily population". Yountville relies upon quality of services provided and other factors, rather than efficiency alone. Many of these services are offered by the Parks and Recreation Department for programs that support Town and County residents alike.

[6] Cities (and incorporated Town's) report data related to the number of employees and wages to the California State Controller's office. This data was retrieved and analyzed by the consultants for two purposes: 1) to compare wages across cities and 2) to consider the differences between the data provided to LAFCO as compared to that provided to the State Controller's office. Usually, each jurisdiction uses its own methodology to calculate the number of employees and therefore it is helpful to use data reported to the State Controller's office because it requires use of a standardized methodology. Please note that here, the cities count the number of employee's using a methodology defined by the State Controller's office and it may include part-time or other individuals who may receive payments, but are not typically recognized as an "employee".



The Town Manager is the highest paid Town employee as shown in Figure 2-6, below.



An overview of each municipal department is provided below.

Administration

Administration is carried out by the Town Manager's Office which includes human resources, budgeting, purchasing, labor relations, public information, and technology services operations. Please note that Town Attorney services are contracted to the law firm of Colantuono, Highsmith & Whatley with Gary B. Bell serving as the Town Attorney. The Town Manager's Office has a total staff allocation of 2.6 FTE. The Town Manager's duties include the following (Yountville, 2015c):

- Oversees the Town's organizational and fiscal management efforts, program development and evaluation processes, service delivery mechanisms, and organizational structure.
- Coordinates the preparation of the annual Operating and Capital Budget.
- Provides staff support to the Mayor and Town Council.
- Oversees the Town Council agenda process.
- Administers contracts for law enforcement and fire & emergency medical services.
- Administers the Town's human resources and personnel functions.
- Builds relationships with the community, including the business community. Addresses citizen complaints, inquiries, and requests.
- Works with key organizations to monitor and respond to proposed state and federal legislation.
- Provides fiduciary support to and serves on the NVTID-Yountville governing board.
- Works cooperatively within the region and state on issues affecting Yountville.

The Office of the Town Clerk is responsible for duties mandated by the State of California, the Yountville Municipal Code and additional duties as established by the Town Manager. The department is staffed by the Town Clerk, a Management Analyst, and a limited term Management Fellow with a total staff allocation of 1.05 FTE. The Town Clerk's duties include the following (Yountville, 2015c):

- Manages Agenda Workflow System for paperless agendas for Town Council, Yountville Housing Authority, Yountville Parking Authority and Yountville Finance Authority, and attends and records the proceedings of all meetings.
- Prepares minutes of Town Council, Yountville Housing Authority, Yountville Parking Authority and Yountville Finance Authority meetings.
- Administers all resolutions, ordinances, agreements and proclamations of the Town Council.
- Coordinates Municipal Code Updates.
- Coordinates General Municipal and Special Elections.
- Posts and publishes Town legal publications according to government codes.
- Acts as custodian of the Town Seal.
- Administers the Oath of Office to all Elected and Appointed Town Officials.
- Filing Official and manages the electronic filing of Form 700s and campaign statements, as required by the Fair Political Practices Commission (FPPC) and updates Conflict of Interest Code.

- Conducts recruitment for appointments to Town Boards and Commissions, as well as regional Boards and Commissions.
- Manages the Town-wide Records Management Program including Electronic Document Management System (EDMS).
- Oversees Video Web-streaming and Channel 28 Programming for Town Council Meetings.
- Maintains Town Council, Town Clerk and Boards and Commission pages on the Town website.
- Provides general administrative support to the Town Council.
- Provides citizens with information related to Town Council actions and Clerk functions.
- Providing support to Town Manager related to providing Public Information.
- Serve as Public Information Officer when designated.
- Coordinate and respond to Public Records Act Requests and claims against the Town.

Finance

The Finance Department is responsible for the financial management and oversight of all Town funds, provides centralized accounting and administrative support services to all departments, and provides customer service and information to the public. The department is staffed by the Finance Director, an Accounting Technician, a shared Administrative Assistant, and a part-time Accounting Assistant with a total staff allocation of 1.35 FTE. Primary responsibilities include (Yountville, 2015c):

- Develops and monitors the Town's budget.
- Coordinates annual financial audit and other audits as required.
- Prepares the Town's CAFR (Comprehensive Annual Financial Report).
- Management oversight and coordination of training on the Town's financial software.
- Preparation of monthly financial reports and other various management reports and analysis.
- Manages the Town's cash and investments.
- Monitors other postemployment benefits (OPEB) Trust Fund investment activity and coordinate actuarial valuation studies.
- Advises Town Manager regarding debt financing and ensure compliance with debt covenants.
- Oversees general ledger and reconciliation of accounts.
- Grants management and reporting.
- Processes and approves payroll and accounts payable.
- Oversees purchasing process.
- Maintains and updates the Town's Master Fee Schedule.
- Utility billing and other revenue collections.
- Administration of the transient occupancy tax and business license ordinances.
- Collections and accounting for the Town's Napa Valley Tourism Improvement District assessment.
- Provides administrative support to Town Manager on special projects.

Planning and Building

The mission of the Planning and Building Department is to provide professional and equitable administration of the Town of Yountville's development-related codes while fostering creative and diverse project designs and land uses for an exceptional, safe, and livable built environment.

The Planning and Building Department is responsible for preparing, amending, maintaining, and implementing policies and regulations contained in the Town's General Plan, Zoning Ordinance, Design Ordinance, Subdivision Ordinance, and Building Code. The implementation of these ordinances ensures balanced land uses, orderly development, protection of public health and safety, and conservation of environmental resources.

The Department is staffed by the Planning and Building Director, a shared Management Analyst, a shared part-time Office Assistant, and contracted part-time plan check and building inspection staff with a total staff allocation of 2.08 FTE (Yountville, 2015c).

Parks and Recreation

The mission of the Parks and Recreation Department is to offer healthy, cost effective and innovative activities for the community to enjoy. The Parks and Recreation Department provides a wide range of recreation programs, events and services to the residents and visitors of Yountville as well as residents of surrounding communities (Yountville, 2015c).

The Parks and Recreation Department is staffed by the Parks and Recreation Director, Recreation Coordinator, Recreation Supervisor, Community Facilities Manager, Administrative Assistant, and the following part-time positions: Recreation Specialists, Recreation Assistants, Recreation Aides, Marketing Intern, Building Attendants, Pool Manager, Lifeguards, and Pool Staff, with a total staff allocation of 5.73 FTE (Yountville, 2015c). The Parks and Recreation Department services, programs, and events are accomplished by the staff in the following eight Divisions:

- Administration and Services
- Day Camp Programs
- Pool and Aquatic Programs
- Community Center
- After School Program
- Leisure Programs
- Sports Programs
- Community Events

Public Works

The mission of the Public Works Department is to provide parks, safe streets, and water and wastewater treatment while creating an inviting public environment to both live and visit. The Public Works Department is responsible for the development, planning, design, construction, operations, maintenance, and management of the Town's public infrastructure, which includes private development review and the preparation and updating of the Town's Capital Improvement Program (CIP). The Public Works Department is responsible for providing safe and well maintained public facilities and operations in the Town.

GUIDING PRINCIPLES SUPPORTING VISION STATEMENT

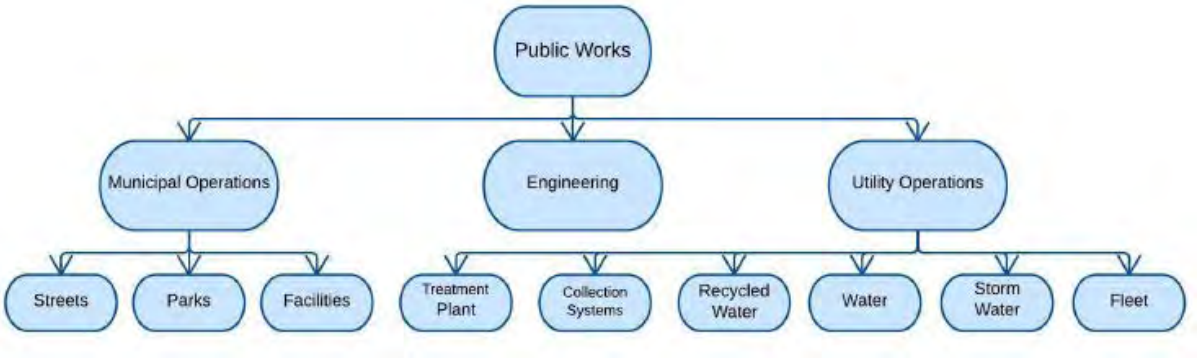
The Town of Yountville guiding principles are as follows:

- Provide our residents, guests and businesses and our Napa Valley neighbors with high quality public services and facilities;
- Encourage citizen engagement and welcome a variety of viewpoints;
- Maintain the unique character that is "Yountville"; and
- Assure the long-term vitality of our town through good planning and prudent financial management.

The Public Works Department is staffed by the Public Works Director, Deputy Public Works Director, Engineering Technician, Public Works Manager, three Maintenance Workers, Facility and Grounds Worker, part-time seasonal Maintenance Assistant, Utility Operations Manager, three Utilities Operators, Water Facilities Worker, a shared Management Analyst, and shared part-time Office Assistant with a total staff allocation of 15.13 FTE. The Public Works Department consists of 13 full-time staff, a full-time Management Analyst shared with the Planning Department, and five part-time staff, with assistance for capital improvement projects from the contracted part-time Town Building Inspector; funding for these positions is distributed among each division.

The Public Works Department staff provides service in Engineering, Municipal Operations including Streets, Parks, and Facilities, and Utility Operations including Treatment Plant, Collection Systems, Recycled Water, Water, Storm Water, and Fleet, as shown in Public Works Department Organizational Chart below (Figure 2-7).

Figure 2-7 Public Works Department Organizational Chart



The Public Works Department services, capital projects, and programs are accomplished by the staff in the following six Divisions (Yountville, 2015c):

- Administration and Engineering
- Streets Maintenance
- Parks and Grounds Maintenance
- Government Buildings
- Water
- Wastewater

Awards to Town

The Town of Yountville has been recognized for its ongoing efforts to provide Town services in a financially competent and environmentally sensitive manner. The Town has received numerous awards and grants as listed below.

- Distinguished Budget Presentation Award from Government Finance Officers Association for years 2012 through 2015.
- Certificate of Achievement for Excellence in Financial Reporting Program (CAFR Program)from Government Finance Officers Association**,**
- Town Manager 30 years of service from the International City/County Management Association
- Credentialed Manager from the International City/County Management Association
- Recognized by ICMA and ESRI for the Town's use of GIS technology for its citizen app MYVille.
- HOME grant from U.S. Housing and Urban Development
- CalHome grant from California Department of Housing and Community Development
- Town Hall listed on the National Register of Historic Places
- Most Beautiful Town nominations from multiple magazines and websites as listed on http://www.townofyountville.com/about-yountville/accolades-press-and-publications

Data Source: (Yountville, 2016c)

CHAPTER 3: SOCIO-ECONOMICS

3.1 PRESENT AND PLANNED LAND USES

Existing Land Use

Land use decisions are some of the most important legal authorities available to a municipality. People living within a town may choose to move when social or economic situations change. However, a municipality is tied to its geography and cannot move. The Town is directly supported by the local water supply and other natural resources in its nearby proximity. The land use decisions a municipality makes are critical, since land use generates local economic conditions and associated tax revenues that support municipal services.

Napa County is located within the Napa Metropolitan Statistical Area, and it is within relatively feasible commuting distance to San Francisco, Oakland, and Sacramento. Additionally, there is easy access to airports and to ports for shipping agricultural and other products to customers around the world. These factors, along with its Mediterranean climate and scenic landscape make Napa County an economically robust area and a desirable place to live and work. There is some pressure on the five incorporated cities within the County to balance their opportunities for the development of housing and commercial facilities along with protecting the scenic agricultural and forested landscape. A general economic forecast for Napa County is provided for background information in Appendix C.

Yountville is a compact town set in a semi-rural atmosphere with a coveted “small town” feel. Yountville’s rustic and agricultural roots are present and visible throughout Old Town and the community’s other neighborhoods. The Town of Yountville’s main attractions are famous restaurants and inns, located along Washington Street, the Town’s main commercial corridor. About 30 percent of the population resides in the Veterans Home of California, located at the southwest corner of Town (Yountville, 2015a).

Being a small town of about 3,000 residents in the heart of the Napa Valley, Yountville is subject to a relatively heavy influx of people and cars related to wine country tourism. Traffic and parking are heaviest during weekend afternoons when visitors and tourists avail themselves of the many restaurants and inns of Yountville. Yountville aims to maintain its reputation for being pedestrian friendly by providing peaceful traffic flow, appropriate parking, and alternative modes of transportation. Yountville is split by State Route (SR) 29, a regional route that provides access to St. Helena, Calistoga, and Clearlake to the north, and Napa to the south. Yountville’s relatively small land area and flat topography create many opportunities for residents to walk, bicycle, or use the Town-funded free trolley service to destinations throughout the community (Yountville, 2015a).

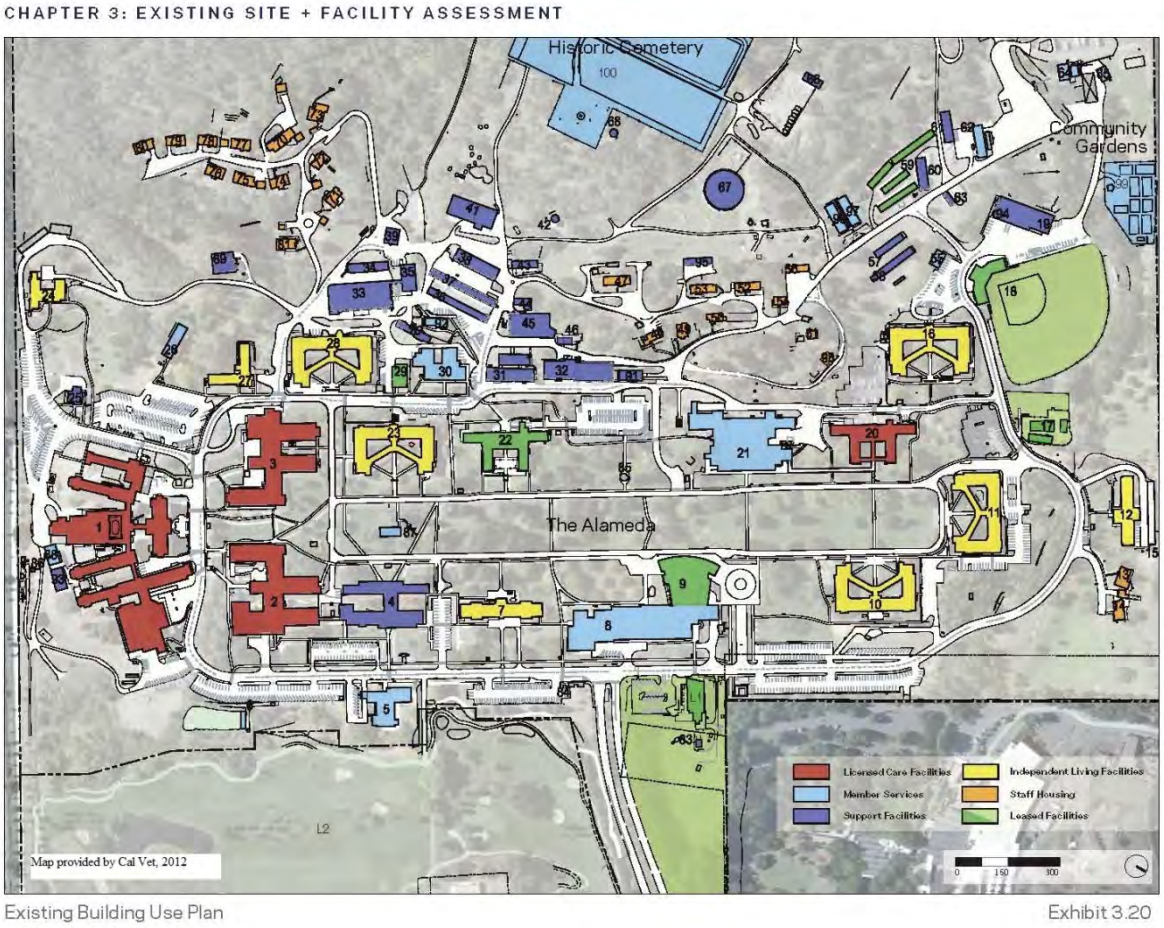
Land uses within Yountville are predominately urban, ranging from residential to commercial, and are consistent with the planned land uses contemplated under the Yountville General Plan. There is a variety of housing types in Yountville, from single-family homes to townhouses to mobile home communities to the State of California's Veterans Home. Maintaining the rural, small town character of Yountville, while accommodating the tourism industry is a Town goal and a challenge (Yountville, 2015a). All land within Yountville's existing boundary/sphere is incorporated.

Land outside and adjacent to the sphere is primarily in agricultural use and under the land use authority of Napa County. One exception is the Domaine Chandon property which has buildings and paved areas that support agricultural uses (Napa LAFCO, 2007b). Yountville has included the commercially developed portion of the Domaine Chandon property within the Town's Planning Area and has indicated the site (known as Study Area #1) will be pre-zoned Primary Commercial, consistent with Napa County's current zoning of *Commercial Limited*. Other than Study Area #1, Yountville has not designated or prezoned land outside its sphere.

Veteran's Home Land Use

The Veterans Home is a state-owned property containing four contiguous parcels encompassing a total of 615 acres as shown in Figure 3-1, below. An additional 1,285 acres is owned by the State for watershed protection of Rector Reservoir and managed by the Veteran's Home and these acres are not shown on Figure 3-1 (CalVet, 2009). The Veterans Home includes a total of 1,120 beds within a range of facilities including an intermediate care facility, a skilled nursing facility, assisted living facility, adult day health care, a memory care unit for Alzheimer's/dementia vets and domiciliary facilities. The Veteran's Home campus is also host to a Napa County Fire station, the Yountville Wastewater Treatment ponds (with the remainder of the facility owned and operated by the Town), and the Vintner's Golf Club. Also it should be noted that traditionally, local zoning regulations often do not apply to state-owned property, such as the Veteran's Home.

Figure 3-1: Site Plan of Veteran's Home



General Plan, Zoning, and Policies

Yountville's 1992 General Plan establishes land use policies for the physical development of the Town through the year 2020. The General Plan is supported by a Zoning Ordinance and Design Ordinance, and includes a number of objectives and policies aimed at preserving the Town's small-town character and protecting surrounding agricultural and open-space lands (Napa LAFCO, 2007b). Listed below are the land use designations established by the Town's General Plan for residential, commercial, open space/parks, agricultural, civic and community facilities:

- Agricultural
- Master-Planned Residential
- Mixed Residential
- Mobile Home Park Residential

- Primary Commercial
- Old Town Historic
- Parks and Playfields
- Planned Development
- Public Facilities
- Residential Scaled Commercial
- Retained Commercial
- Old Town Commercial
- Single Family Residential

The Yountville General Plan and Zoning Districts Map is provided as Figure 3-2. The Town Planning Department will perform a comprehensive update of the 1992 General Plan in the upcoming fiscal year. In June 2016, the Town amended its General Plan to extend the protection of the County Agricultural Preserve by eliminating the sunset date of 2020. At the same time the Town contemplated the inclusion of Domaine Chandon within its sphere of influence. In addition, the Town prepared an Initial Environmental Study and Negative Declaration on May 19, 2016 for General Plan Amendments associated with the Town's physical boundary and service area.

Property located outside the Town boundaries is subject to classification by the Napa County General Plan Land Use Map, which 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 (40) 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 (Yountville, 2016d).

Figure 3-2

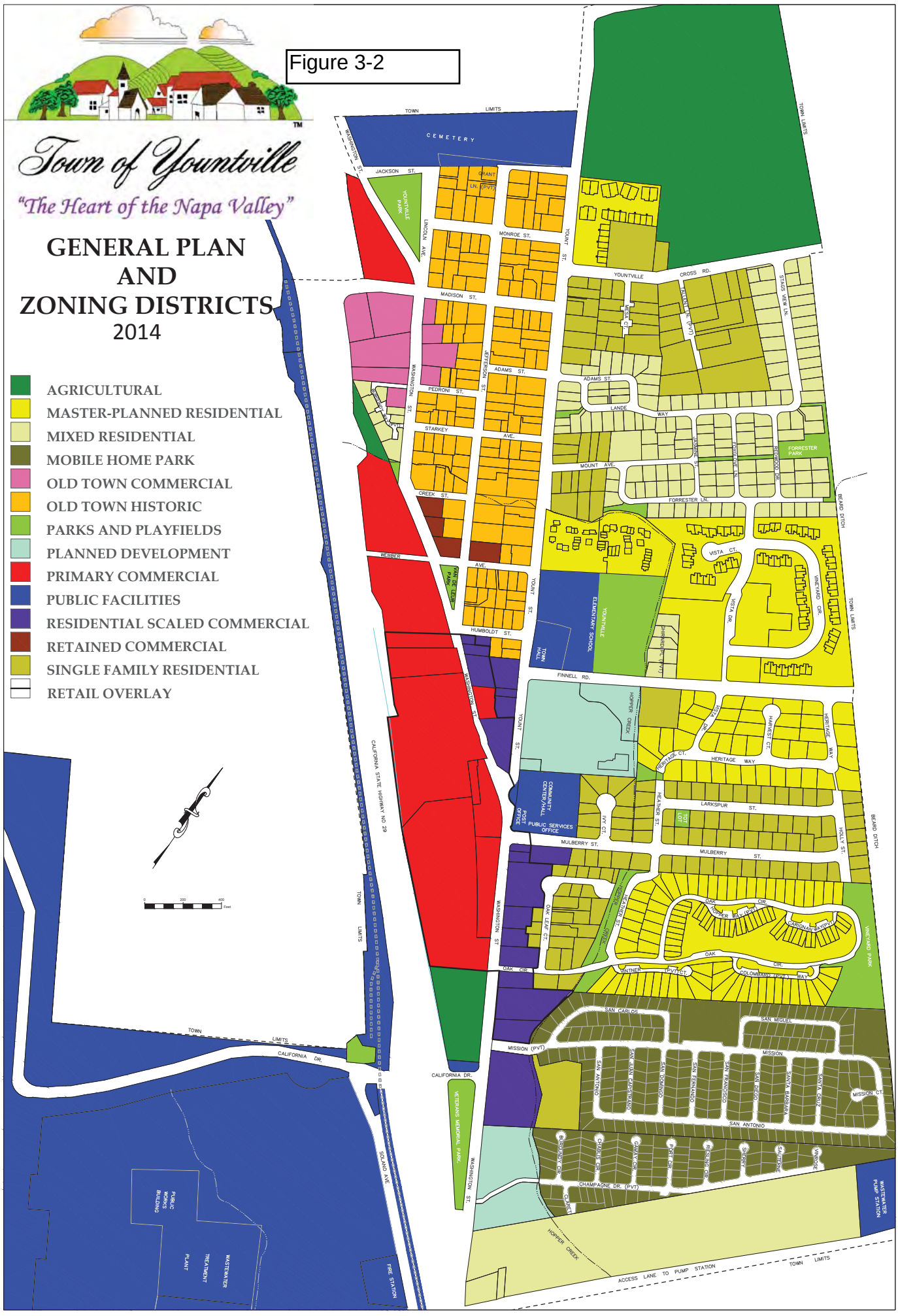
Town of Yountville

"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



The lands surrounding the Town are also subject to the Napa County Zoning Map. These unincorporated properties are zoned as Agricultural Preserve (AP), corresponding to the AR General Plan designation, Agricultural Watershed (AW), which corresponds to the AWOS General Plan designation, or Commercial Limited (CL) for the Domaine Chandon property which has buildings and paved areas. The use of these lands is further limited by the County's Winery Ordinance and Napa County Measures J and P. Measure J (effective through 2020) and Measure P (effective through 2058), which were approved by the voters of Napa County in 1990, provide robust protection of adjacent agricultural lands (Yountville, 2016d). 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 connected to the Town's wastewater system that is part of a study area described in Chapter 7. This commercially developed property, occupied by a restaurant[7], visitors' center, and corporate offices, is zoned Commercial Limited (CL).

Future Development Potential

A primary concern of LAFCO is whether a municipality has sufficient infrastructure and public services to support anticipated future growth. The portion of Yountville located east of Hwy 29 is near complete buildout with residential units, retail, restaurant, lodging, and civic land uses based on current zoning. However, rezoning potential provides opportunities to meet the Town's future regional housing needs assessment. It is anticipated that there will be 17 additional residential units built under the proposed General Plan land use assumptions of the housing cycle ending 2022, as well as the development of three parcels along Washington Street into restaurants, specialty retail, and office buildings (Yountville, 2015a).

The Town's current Housing Element (January 2015) includes a recent survey of land availability and opportunity sites in the Town. The Vacant Land Map from the 2015 Yountville Housing Element shows the very limited availability of developable parcels in the Town. A comparison of the 2015 Vacant Land Map with the 1992 Yountville General Plan Map of Unbuilt Parcels shows that nearly all of the large parcels that were previously identified as unbuilt have now been developed (Yountville, 2016d). As shown in Table 3-1 and Figure 3-3 below, the remaining vacant land in the eastern portion of 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. Therefore, up to 71 additional units could be accommodated through development on vacant or underutilized sites zoned for residential use. These units would accommodate approximately 131 persons, assuming a continuation of Yountville's current average household size of 1.85 persons (Yountville, 2016d).The Town has approximately 10% of its housing stock in deed restricted affordable contracts.

[7] The restaurant is currently closed to the public but opens on occasion for private special events.

Table 3-1: Potential Housing Units	
Land Status	**Potential # Housing Units**
Vacant land	45
Underutilized land	26
Total	71
Data Source: Personal communication, S. Liston, Planning Director, September 2016	

The Town Planning and Building staff prepared information regarding proposed and entitled development projects as well as the development potential of several vacant properties in Town (Table 3-2). This information is consistent with the recent data included in the 2015 Housing Element and confirms the lack of developable parcels in the eastern portion of Town and the existing economic pressure to develop remaining available land in Yountville (Yountville, 2016d).

The high level of demand for commercial and residential uses in the Napa Valley has transformed the Town over the previous three decades. Town staff has noted a trend such that wineries (vineyards) located in the unincorporated area, have opened retail wine tasting establishments in downtown areas. In response to this trend, the Town has adopted a retail diversity ordinance in order to maintain some retail space as non-tasting room.

Veteran's Home Development Potential

In addition to the development opportunities described above, the Veteran's Home property, owned by the State of California and located within the Town's jurisdictional boundaries, may also have significant future development potential. The 2012 Master Plan was developed by the California Department of Veterans Affairs, Capital Assets and Facilities Management Division, in Sacramento and the prospective site plan is shown in Figure 3-4, below. Several public-private partnerships are conceptualized to develop facilities for members, improve operations of the Home, and to generate revenue[8]. The public-private partnership future development areas are shown in purple as "PPP Development Zones" in the map below. Renovation of cottages and independent living buildings and construction of 129 new senior housing units, up to 1,400 sq. ft. in size are also conceptually described. Expansion of outpatient clinical services has been preliminarily discussed. The Cal Vet Plan proposes to add 380 addition beds to the Vet's Home, bringing the total up to 1,500 beds.

[8] Yountville's 2015 Housing Element, Program 29 states that the Town will "Work closely with the Veterans Home of Yountville, California Department of Veterans Affairs, and other relevant parties to refine concepts for changes and upgrades to the Veterans Home facility, as envisioned in the Facilities Master Plan" (Yountville, 2015b).

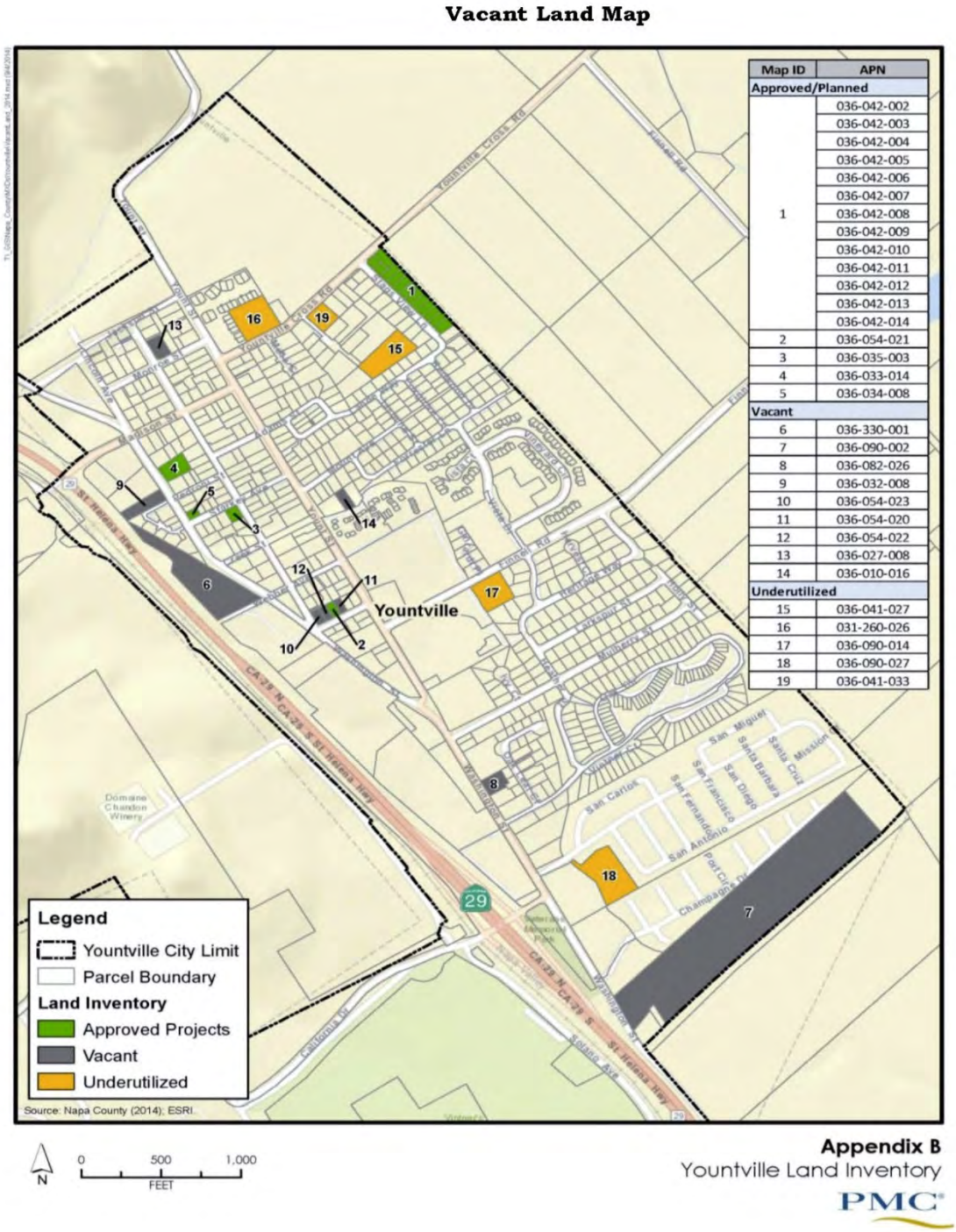
Table 3-2: Approved and Potential Projects[9]

Location	Project Name / Owner	Project Description	Status
6505 Washington	Yountville Brewing Company	Use Permit for a change in use to replace existing retail with a proposed brew-pub.	Planning Application Submitted
6481 Washington	Villagio Inn	Use Permit for a change in use to replace existing spa with a proposed 5 suite lodging unit.	Planning Approved
6526 Yount	Bardessono Inn	Use Permit to construct a new 3 suite lodging unit.	Planning Approved
6702 Washington	Winkleman Residence	Design Review to raze existing and build new single-family residence and attached garage.	Planning Approved
6494 Washington	Handwritten Wines	Master Development Plan to construct two ground-floor retail units and one second-floor apartment, with associated parking, landscaping, and site improvements.	Building Permit Application Submitted
2080 Humboldt	Gates Remodel	Use Permit from a change in use to replace existing single-family residence with ground-floor office and second-floor apartment and Design Review for major remodel.	Building Permit Application Submitted
1950 Yountville Cross Road	Glembocki Residence	Design Review to raze existing and build new two-story single family residence, detached two-car garage, and granny unit.	Building Permit Application Submitted
6725 Washington	RH Gallery	Master Development Plan to construct three new retail structures, with associated parking, landscaping, and site improvements.	Building Permit Application Submitted
5 Tallent	Bloch Residence	Design Review to raze existing and build new two-story single-family residence and detached garage.	Building Permit Application Submitted
2009 Webber	Hess Residence	Design Review to raze existing and build new single-family residence and detached garage.	Under Construction
6462 Washington	Hotel Yountville Exercise Room	Design Review and Use Permit to construct a new 400 square foot guest exercise room.	Under Construction
1874 Larkspur	Johnson Residence	Design Review to add a granny unit above the garage of an existing one-story single-family residence.	Under Construction
6640 Washington	The French Laundry Kitchen Expansion	Master Development Plan for kitchen expansion and construction of new annex building, with parking, landscaping, and site improvements.	Under Construction

(Yountville, 2016d)

[9] Yountville's list of approved and potential project is continually updated as projects proceed through the planning and development process. Updated data is available on the Town's website using GIS at: https://myyountville.maps.arcgis.com/apps/MapTour/index.html?appid=3166db3a89c540b68f1ea9b688ea048a# .

Figure 3-3: Vacant Land Inventory (Yountville)



Road, parking, and other infrastructure improvements are also analyzed in the study. The 2012 Master Plan notes that development of a new (replacement) skilled nursing facility is a top priority and the Administrator of the Veterans Home of California in Yountville has indicated that a new skilled nursing facility may be the first project to physically implement the 2012 Facilities Master Plan[10]. Infrastructure assessments, planning and feasibility studies, and an environmental impact report are proposed as next steps in the process of redeveloping this site (Cal Vet, 2012).

Since redevelopment of the Veteran's Home property is in the early conceptual phase, projected future population of Yountville provided in this MSR does not consider these redevelopment and new development items. It should be noted that the Veteran's Home is a state institution, located on state owned property and is exempt from local planning regulations. The State is not required to adhere to the Town's land use regulations and the Town is unable to direct the growth or land uses on the state property. However, the Town and the Veteran's Home have a unique relationship with each other. Many state institutions do collaborate with local government agencies in planning efforts and in this specific case, since the Town own and operates the Joint Wastewater Treatment Plant, presumably the capacity of the JWTP could influence the level of development allowed at the Veteran's Home (Cal Vet, 2012). There is a service agreement between the Town and the Veterans Home details plant capacity, cost sharing for the operations, initial and future facility renovation, and compliance with regulatory terms. Pursuant to the agreement, plant capacity was initially allocated and there exists a process for either the Town or the Veterans Home exceeding the allocations with the cost borne by the party that permits development beyond plant capacity. In summary, there are opportunities for both mutual benefits and impacts as future growth occurs at the Veteran's Home site.

[10] Personal communication, Donald Veverka, Administrator of the Veterans Home of California in Yountville, September 2016.

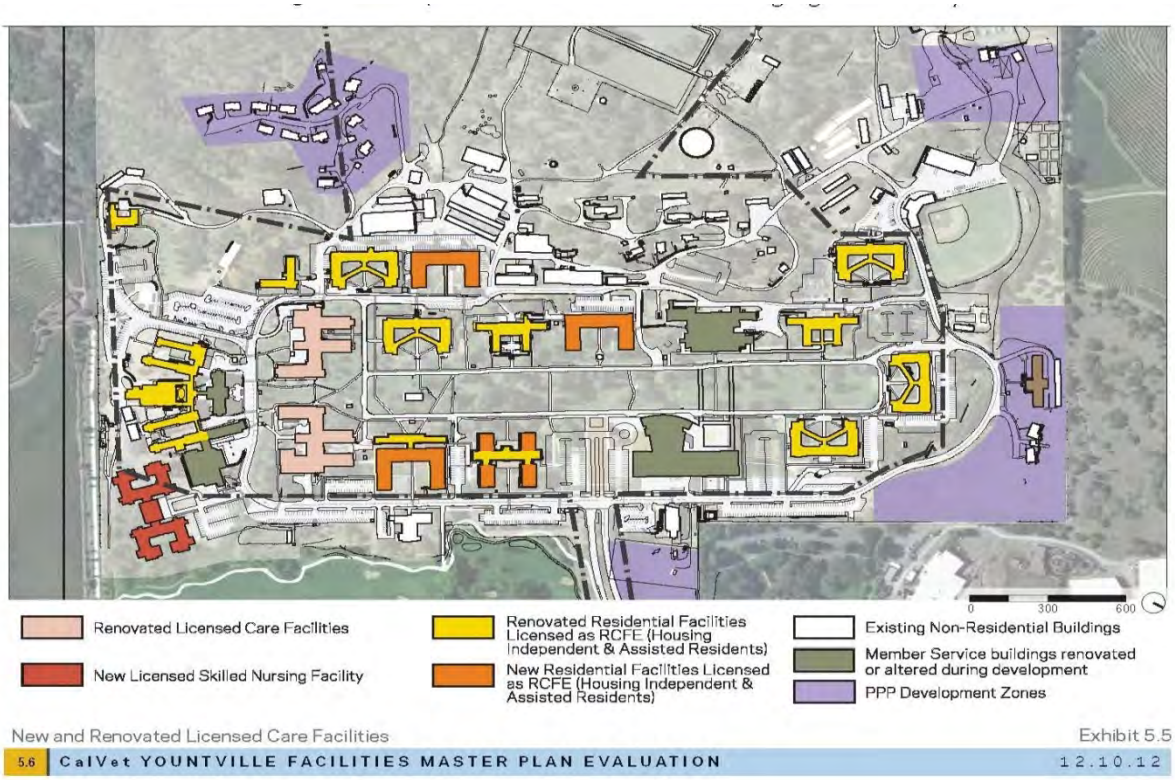


Figure 3-4: Master Plan - Vet's Home

Regional Transportation Plans & Sustainable Community Strategies

SB 215 (Wiggins) was approved by the California Legislature in 2009, and chaptered in 2010 as part of Government Code Section 56668, relating to local government. This Bill requires LAFCOs to consider regional transportation plans and sustainable community strategies before making boundary decisions.

The Town of Yountville and the four other municipalities of Napa County participate in the Napa Valley Transportation Authority (NVTA). The NVTA functions as the region's Congestion Management Agency and provides input to the Bay Area-wide Metropolitan Transportation Commission's 20-year Regional Transportation Plan for prioritizing projects and allocating state and federal transportation funds. As a result of this collaboration, there are several local and regional transportation plans which are applicable to Yountville (Table 3-3).

Table 3-3: Regional and Local Transportation Plans

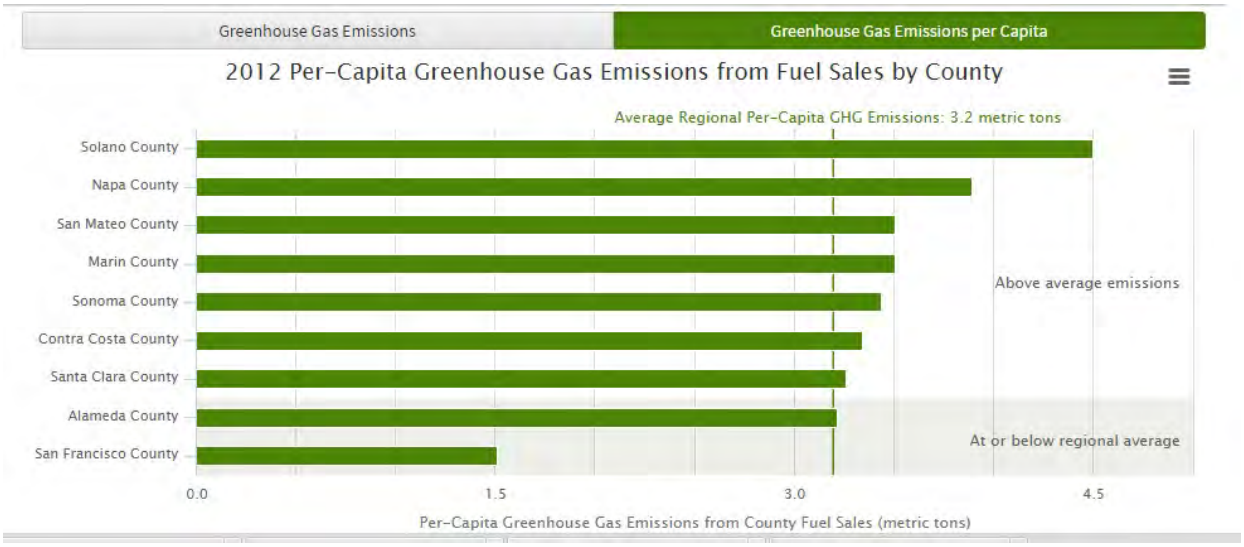
Name of Plan	Date	Plan Sponsor	Website Link
2015 Circulation Element of the Town General Plan	April 7, 2015	Town of Yountville	*http://www.townofyountville.com/home/showdocument?id=4006*
Napa Countywide Pedestrian Plan,	January	Napa Valley	http://www.nvta.ca.gov/sites/d

DRAFT	2016	Transportation Authority	efault/files/NCPMP_Public_Draft_Updated_3.9.16.pdf
Vision 2040 Moving Napa Forward. A Countywide Transportation Plan	Sept., 16, 2015	Napa Valley Transportation Authority	*http://www.nvta.ca.gov/sites/default/files/Vision%202040%20Countywide%20Plan.pdf*
Countywide Bicycle Plan	January 2012	Napa Valley Transportation Authority (formerly NCTPA)	*http://www.nvta.ca.gov/nctpa-countywide-bike-plan-0*
SR 29 Gateway Corridor Implementation Plan	October 2014	Napa Valley Transportation Authority (formerly NCTPA)	*http://www.nvta.ca.gov/sr29-gateway-corridor-improvement-plan*
Plan Bay Area	July 18, 2013	MTC and ABAG	*http://planbayarea.org/the-plan/adopted-plan-bay-area-2013.html*

The Complete Streets portion of Yountville's 2015 Circulation Element identifies how the Town can safely accommodate the circulation of all users of the roadway including pedestrians, bicyclists, children, seniors, individuals with disabilities, and transit riders, as well as motorists.

The provision of regional transit and alternative transportation is especially important in Napa County, because Napa County has the second highest per capita greenhouse gas emissions from automobiles on a per capita basis of the nine Bay Area Counties, as shown in Figure 3-5, below (MTC, 2016). Napa County's high GHG emissions from autos of 3.9 metric tons per capita are significantly higher than the 3.2 metric tons per capita rate that is the average of the nine Bay Area Counties. Napa County's GHG emissions are mostly due to the lack of alternative transit options in the region. Napa County and each of the five municipalities have actively tried to mitigate this through the adoption of various sustainable transit and climate plans. The Town of Yountville formed a Go Green Team to discuss and evaluate policies included in the Town's adopted Climate Action Plan (September 20, 2016). Additionally, construction of several trails in the area serves to increase the use of alternate transportation, reduce emissions from vehicular sources, reduce road and highway traffic, and implement adopted plans.

Figure 3-5. Per-Capita greenhouse gas emissions from fuel sales



Source: Metropolitan Transportation Commission, Vital Signs Website at: http://www.vitalsigns.mtc.ca.gov/greenhouse-gas-emissions. Accessed on 21March2016.

The 3.9 metric tons per capita of GHG from autos was calculated based on a survey of fueling stations. Greenhouse gas emissions were calculated by MTC based on the gallons of gasoline and diesel sales. Per-capita greenhouse gas emissions were calculated by dividing emissions attributable to fuel sold in that county by the total number of county residents. It is acknowledged that there may be a slight bias in the data given that a fraction of fuel sold in a given county may be purchased by non-residents (i.e. visitors). Since Yountville's and Napa County's economy is heavily dependent upon tourism and since most of the visiting tourists drive into Napa County, it affects the per capita calculation.

All regions in California must complete a Sustainable Communities Strategy (SCS) as part of a Regional Transportation Plan (RTP), consistent with the requirements of state law, Senate Bill 375. SB 375 requires California's 18 metro areas to integrate transportation, land-use and housing as part of an SCS to reduce greenhouse gas emissions from cars and light-duty trucks. In the Bay Area, the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG) work together, along with local governments, to develop an SCS that meets greenhouse gas reduction targets adopted by the California Air Resources Board. The RTP and SCS for the Bay Area is called "Plan Bay Area: Strategy for A Sustainable Region" and was adopted on July 18, 2013 (Table 3-3). A few of the goals and outcomes of Plan Bay Area include:

- Climate Protection: Reduce per-capita carbon dioxide (CO2) emissions from cars and light-duty trucks by 15 percent (Statutory requirement is for year 2035, per SB 375);
- Healthy and Safe Communities: Reduce by 50 percent the number of injuries and fatalities from all collisions (including bike and pedestrian);

- Open Space and Agricultural Preservation: Direct all non-agricultural development within the urban footprint (existing urban development and urban growth boundaries) (Note: Baseline year is 2010.); and
- Economic Vitality: Increase gross regional product (GRP) by 110 percent — an average annual growth rate of approximately 2 percent (in current dollars).

3.2 POPULATION AND GROWTH

Existing Population

This section describes the existing population and future growth projections for the Town of Yountville, since these factors must be considered when planning for the provision of services and since a determination is required. An Economic Forecast for Napa County is presented in Appendix C and a population study of Napa County is presented in Appendix D.

Yountville is estimated to have 2,987 full-time residents as of January 2016 (DOF, 2016). This includes 1,120 veteran's living in the Veteran's Home and 1,867 private residents living in the eastern part of Town. Between census years 2000 and 2010, the Town's population grew by 17 people representing an average annual growth rate of 0.18 percent. Between census year 2010 and 2015, the Town's population grew by 54 persons representing an average annual growth rate of 0.55 percent. The average population concentration is 1,991 persons per square mile (Table 3-4).

Table 3-4: Historic and Existing Population

	Total population	Land area (sq. miles)	Population per sq. mile
2000	2,916	1.5	1,944
2010	2,933	1.5	1,955
2015	2,987	1.5	1,991

Data Source: http://www.bayareacensus.ca.gov/cities/Yountville.htm

Projected Growth and Development

The Association of Bay Area Governments (ABAG) publishes population, household, job, labor force, and income projections for the nine-county San Francisco Bay Region. ABAG's Projections 2013 includes a range of growth-related estimates for Yountville through 2040. ABAG projections for Yountville relating to population, households, and jobs are listed in Table 3-5 (next page).

Table 3-5: ABAG Growth & Population Projections, Town of Yountville

	2015	2020	2025	2030	2035	2040
Population	3,000	3,100	3,300	3,400	3,600	3,800
Households	1,060	1,080	1,090	1,100	1,100	1,110
Total Jobs	1,700	1,810	1,840	1,870	1,930	1,980

(Source: *Projections 2013*)

According to Yountville's 2015 General Plan 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 136,484. 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 (Yountville, 2015b).

Regional Housing Allocation

In compliance with state law, the California Department of Housing and Community Development identifies the number and affordability level of housing units needed for the San Francisco Bay Area at-large for an eight-year period (in this cycle, from 2014 to 2022). ABAG[11] distributes these housing needs to local governments in a way that is compatible with the Sustainable Communities Strategy. Once a local government has received its final Regional Housing Need Allocation, it was required to update its Housing Element to describe how its portion of the region's housing need can be accommodated.

The housing numbers provided in Table 3-6 reflect the final allocations adopted for Napa County jurisdictions.

Table 3-6: ABAG Regional Housing Need Allocation

Affordability: ⟹	Very Low	Low	Moderate	Above Moderate	Total
American Canyon	116	54	58	164	392
Calistoga	6	2	4	15	27
Napa	185	106	141	403	835
St. Helena	8	5	5	13	31
Yountville	4	2	3	8	17
Unincorporated	51	30	32	67	180
Napa Total	370	199	243	670	1,482

Data Source: ABAG, 2014.

In Table 3-6, above, "Very Low: is up to 50 Percent of Area Median Income, "Low" is between 51 and 80 Percent of Area Median Income, "Moderate" is between 81 and 120 Percent of Area Median Income, and "Above Moderate" is Above 120 Percent of Area Median Income. Yountville is responsible for accommodating a total of 17 new housing units by 2022 (Table 3-6). If developed, this amount would represent a 1.6 percent increase to Yountville's existing number of housing units. Town staff indicates there are

[11] ABAG's Regional Housing Need Allocation is described on its website at: *http://abag.ca.gov/planning/housingneeds/*

currently 100 existing affordable housing units (approximately 10% of the total housing units), 72 of which are rental restricted units and 28 of which are resale restricted units.

3.3 DISADVANTAGED UNINCORPORATED COMMUNITIES

Senate Bill (SB) 244, which became effective in January 2012, requires LAFCO to consider the presence of any Disadvantaged Unincorporated Communities (DUCs) when preparing a MSR that addresses agencies that provide water, wastewater or structural fire protection services. By definition, a DUC is not within the incorporated boundaries of a municipality. A DUC is an unincorporated geographic area with 12 or more registered voters with a median household income of 80 percent or less of the statewide median household income. This state legislation is intended to ensure that the needs of these unincorporated communities are met when considering service extensions and/or annexations, in particular, water, wastewater, drainage, and structural fire protection services. Since Yountville is an incorporated municipality, it does not have any DUC's within its boundaries.

A disadvantaged community is characterized as having a median household income of 80 percent or less of the statewide median household income. The median household income in California[12] is $61,489 and 80 percent of this equals $49,191 (U.S. Census, 2016). The median household income (MHI) for Yountville, as a whole, is $66,136 (US Census, 2014). This is higher than the DUC threshold MHI of less than $49,191 (80 percent of the statewide MHI of $61,489). Within the eastern portion of the Town, sufficient water and wastewater service is provided and the Town contracts for adequate structural fire protection services.

No DUCs have been formally identified in the unincorporated area near the Town of Yountville (LAFCO Executive Officer, personal communication, January 2017). LAFCO has the authority to define DUCs including specific parameters and data sources. However, Napa LAFCO does not yet have a local policy that defines DUCs. Napa LAFCO and Napa County Planning Department would benefit from gathering recent socio-economic information (including data from the U.S Census) and analyzing that data to serve as a foundation for future DUC policies that could potentially be adopted by LAFCO.

Disadvantaged Community Requirements Within a Municipality

LAFCO is not required to study the status of disadvantaged neighborhoods that are located within incorporated cities that provide water, wastewater, drainage and structural fire protection services. However, SB 244 required cities to update their land use and housing elements to include an analysis of the water, wastewater, storm water, and structural fire protection services in the area along with financing options to help encourage investment in disadvantaged areas, should it be needed. As part of this effort, the bill required cities to identify and address any disadvantaged communities within their sphere of influence (SOI). Cities typically base their analysis on income levels from the U.S. Census, American Community Survey, or other supplemental sources. Disadvantaged communities, even

[12] Median income data from: https://www.census.gov/quickfacts/table/INC110214/06,2412150,00

those within incorporated municipalities, are sometimes eligible for grants related to wastewater and drinking water facilities.

Yountville does appear to contain households which meet the "disadvantaged" status within the Veteran's Home site as shown in Table 3-7, below. The average annual income of Veteran Home residents is $8,090, well below the disadvantaged financial threshold. The potentially disadvantaged population on the Veteran's Home site receives public services from the State of California. No health and safety issues have been identified. LAFCO is not required to analyze public services provided by State agencies.

Table 3-7: Average Income of Households/Residents at Veteran's Home- Yountville for August 2016

Category	Facility Wide	Facility Wide Annual	DOM - Monthly	DOM - Annual	RCFE - Monthly	RCFE - Annual	ICF - Monthly	ICF - Annual	SNF - Monthly	SNF - Annual
Average	$942.46	$11,309.58	$643.74	$7,724.93	$870.99	$10,451.91	$1,374.01	$16,488.15	$1,516.08	$18,192.94
Median	$674.23	$8,090.70	$540.15	$6,481.74	$664.40	$7,972.80	$1,200.18	$14,402.16	$1,466.40	$17,596.80
Income Grand Total	$917,960.78	$11,015,529.36	$379,809.28	$4,557,711.36	$40,065.65	$480,787.80	$138,775.26	$1,665,303.12	$359,310.59	$4,311,727.08

Data Source: **Michael A Bunch,** Chief Business Officer (SSMII), Veterans Home of CA - Yountville

Note: Acronyms as follows:

- RCFE = residential care facility for the elderly.
- DOM = domiciliary
- ICF = independent care facility
- SNF =services and nursing

CHAPTER 4: MUNICIPAL SERVICES & INFRASTRUCTURE

This Chapter is organized into four main sections as described in Table 4-1, including: 1) Municipal Services; 2) Infrastructure and Public Facilities; 3) Adequacy and Challenges in Provision of Service and Infrastructure and 4) Opportunities for Shared Facilities.

Table 4-1: Directory to Chapter 4

Section Title	Section	Page
MUNICIPAL SERVICES	**4.1**	**4-1**
Water	4.1.1	4-2
Wastewater (Sewer)	4.1.2	4-12
Planning and Building	4.1.3	4-19
Parks and Recreation	4.1.4	4-20
Public Works	4.1.5	4-22
Contract/JPA Services	4.1.6	4-25
INFRASTRUCTURE AND PUBLIC FACILITIES	**4.2**	**4-31**
Adequacy and Challenges in Provision of Service and Infrastructure	**4.3**	**4-32**
Opportunities for Shared Facilities	**4.4**	**4-32**

4.1: MUNICIPAL SERVICES

Service Overview

Yountville provides a full range of municipal services either directly or through contracts or joint powers agreements with other governmental agencies or private companies. Municipal services provided directly by Yountville include: domestic water, wastewater (sewer), planning and building, parks and recreation, and public works. Municipal services provided by Yountville through contracts or joint-powers agreements with other agencies or companies include: law enforcement, fire protection and emergency medical, garbage (solid Waste) collection, street cleaning, building inspection and plan checking, and other specialized services as needed.

Yountville estimates that the number of customers for most of the services is equivalent to the number of people living in the Town (i.e. 3,000 customers). However, the definition of a water or sewer customer is different and is based on the number of service connections; hence the lower number of "customers" listed in Table 4-2, below.

Table 4-2: Number of Customers for Municipal Services		
Service	Number of Customers in 2010	Number of Customers in 2015
Water[1]	767	800
Sewer[1]	732	772
Law Enforcement	2933	2987
Fire Protection	2933	2987
Emergency Medical	2933	2987
Streets	2933	2987
Planning	2933	2987
Building Inspection	2933	2987
Plan Check Services	2933	2987
Specialized Engineering Services	2933	2987
Community Recreation	2933	2987
Garbage Collection	866	889

Notes: [1] Measured by number of connections.
Data Source: Yountville, 2016c

4.1.1: Water Services

Water – Overview

Yountville's Public Works Department is responsible for providing water services in the Town, with the exception of the Veterans Home property which provides water storage and distribution on the Veterans Home grounds, and to 32 properties (with 36 meters) outside the Town limits. The Town has approximately 800 water service connections to residential, commercial, and public facilities. Public Works also operates a recycled water program that serves six wineries in the unincorporated County and one golf course within Town limits.

The Town of Yountville is located within the Napa River watershed. Although Yountville is not required to have an Urban Water Management Plan, the Town does participate in the Bay Area Integrated Regional Water Management Plan (IRWMP) (Yountville, 2016c). Regulatory requirements related to the provision of municipal water are described in Appendix E.

Water Facilities

The water system for the Town is limited to the distribution of domestic water to its customers in the eastern part of Town. The Town purchases treated water from the California Department of Veterans Affairs (CDVA) which is responsible for water supply and treatment. The Public Works Department operates the Town's water distribution system.

The CDVA provides water service directly to residents at the Veteran's Home[13].

Collection Facilities

The Town's primary water supply is drawn from Rector Reservoir[14] on Rector Creek, a tributary to the Napa River (CalVet, 2009). The Town has an agreement with CDVA (per Contract No. 04YS0027) to provide 500 acre-feet of drinking water each year through 2024. As listed in Table 4.4, during an emergency, the Town currently may obtain water from three other sources: 1) City of Napa, 2) "spot market", and 3) Town municipal emergency well.

Treatment Facilities

Water delivered to the Town is treated by the CDVA and the City of Napa prior to entering the Town's distribution system (Napa LAFCO, 2004).

Distribution Facilities

The Town's distribution system is gravity fed and is under a single pressure zone. Since Yountville operates without treated water storage facilities, the distribution system is continually drawing water from its interconnections with the Veterans Home of California Yountville. Potable water drawn from the Veterans Home is delivered through two separate interconnections. These interconnections are located near the intersections of Yountville Cross Road and Finnell Road and Yount Street and Finnell Road. During an emergency, potable water can be drawn from the City of Napa through two interconnections with the Town's 36-inch Conn Dam Transmission Line, which underlays State Highway 29 in Yountville. These interconnections are located near the intersections of Mulberry Street and Washington Street and Webber Street and Washington Street (Napa LAFCO, 2004).

The Water Utility Operations and Distribution Division is part of the Yountville Public Works Department and supports the operation and maintenance of the water distribution system providing potable water service to residential, commercial, public and other properties in the Town and customers located outside the Town limits. The Division is responsible for maintenance and operation of the water distribution system which includes:

- Yountville Municipal Emergency Water Well.
- 6.9 miles of water distribution mains (pipeline system).
- 800 service connections and meters.
- Backflow prevention devices.

[13] LAFCO is not required to analyze public services provided by State agencies.

[14] The State's Rector Reservoir has twelve service connections. These include: The State of California's Veterans Home, The California Department of Fish and Game's Region 3 Headquarters building and fish production hatchery, the Napa State Hospital for mental health (not currently using water from this source), the Town of Yountville, Paraduxx Winery, the Napa County Corporation Yard, the City of Napa (only used by Napa as an emergency source), and a few private residences. The Veterans Home system wholesales water to the Town of Yountville on a regular basis. Approximately half of the water produced by Rector Reservoir is sold to the Town of Yountville (CalVet, 2009).

Figure 4-1: Water System

Sources: Esri, HERE, DeLorme, TomTom, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community

- Two pressure regulator stations between the State's transmission line from the Rector Water Treatment Plant and the Town water distribution system.

The Division utilizes the Orion electronic meter reading system to remotely read water meters for each monthly billing cycle. The use of meter reading technology has allowed two crew members to completely read all of the water meters in the Town's system in three hours compared to the hand read meters which took up to three days (Yountville, 2015c). To further improve efficiency, the Division is implementing a Badger Beacon cellular network meter reading system to electronically read water meters for each monthly billing cycle. This will eliminate the need for two crew members to completely read all of the water meters in the Town's system and will also allow the account holder to review water usage data from a smart device (Yountville, 2016e).

Current Infrastructure Needs

The Town's Five-Year Capital Improvement Plan (CIP) provides a long-range program for capital projects based on the development of an advanced financial plan. The CIP is a planning document used by the Town to identify capital improvement needs and to coordinate the financing and timing of those needs in a manner that maximizes the return to the public. As each annual budget is developed, additional projects and priority needs are identified and added to the program to maintain the ongoing comprehensive Five-Year Plan. Table 4-3 below includes several CIP projects to expand and upgrade the existing water system infrastructure.

Table 4-3: Town of Yountville Water Distribution (WA) Capital Improvement Program (FY 2016-2020).

Project / Program #	Project Name	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020	2020/2021	Total
WA-0004	Groundwater Management Plan Update	$0	$0	$30,000	$0	$0	**$30,000**
WA-0007	Regulator Pit Relocation Project	$0	$0	$15,000	$100,000	$0	**$115,000**
WA-0008	Yountville Crossroads Water Main Replacement	$160,000	$0	$0	$0	$0	**$160,000**
WA-0009	Water Dist. System Improvements and Blow-offs	$70,000	$0	$0	$0	$0	**$70,000**
WA-2017	Water Meter Replacement Program	$40,590	$42,620	$20,000	$21,000	$22,050	**$146,260**
WA-3017	Main and Service Lateral Replacement Program	$105,000	$150,000	$150,000	$150,000	$150,000	**$705,000**
WA-4017	No Des--Hydrant & Main Flushing	$0	$35,000	$0	$20,000	$0	**$55,000**
Water Distribution Totals		**$375,590**	**$227,620**	**$215,000**	**$291,000**	**$172,050**	**$1,281,260**

Water Supply

The Town of Yountville obtains its water supply from the California Department of Veterans Affairs (CDVA), which has rights to water from Rector Reservoir. Rector Reservoir is located on Rector Creek, a tributary to the Napa River. CDVA's water rights to Rector Creek are secured through license 10911 with the State Water Resources Control Board, Division of Water Rights. This license authorizes the CDVA to divert and store up to 1,937 acre-feet of water annually from Rector Creek for beneficial uses (Napa LAFCO, 2004). Rector Reservoir supplies local surface water to the Veterans Home, the Town of Yountville, the City of Napa, several wineries, and to the California Department of Fish and Wildlife (CDFW) for environmental uses and a fish hatchery (Cal Vet, 2012). Additionally, the Napa State Hospital maintains water rights to water in the reservoir, but does not usually exercise those rights due to limited infrastructure.

The CDVA provides the Town with an annual allocation of 500 acre-feet via Contract No. 04YS0027 which is set to expire in 2024. The Town's agreement with CDVA allows the Town to purchase more than their annual allocation amount when surplus water is available. The availability of surplus water supply from Rector Reservoir has continued to be reliable for the Town during the last four years of drought conditions. The Town has exceeded its 500 acre-foot allocation in all but one year for the past 10 years. During the years 2010 to 2014, the Town purchased an average of 574 acre feet per year from the CDVA, as listed in Table 4-5. In recent years, the cost of purchasing this water has increased by 50 percent (Yountville, 2014c). The Town's reliance on one water source (Rector Reservoir) for 100 percent of its regular water supply is a risk that would benefit from a risk assessment.

In addition to its regular supply, during an emergency, the Town may also obtain water from three other sources: 1) the City of Napa[15], 2) the "spot market"[16], and 3) the Town's municipal emergency well (Yountville, 2014c). Additionally, the 1991 Agreement with Domaine Chandon describes potential access to emergency water supplies, as described in Appendix A and as described in Napa LAFCO's 1992 Sphere of Influence Study for the Town of Yountville (Napa LAFCO, 1992). Yountville previously had rights to water from the State Water Project via the North Bay Aqueduct. However, in 2009 Yountville sold those rights to the City of Napa. The Town's regular and emergency water sources are listed in Table 4-4, (next page).

[15] Yountville sold its total SWP Table A entitlement of 1,100 AF per year, along with its NBA conveyance capacity to the City of Napa in 2009 via a signed water transfer agreement. This agreement allows Yountville to purchase up to 25 AF from the City of Napa at retail rates for emergency and fire flow needs only (City of Napa, 2011).

[16] California's spot market allows single year surface water transfers from the State Water Project and the Central Valley Project.

Table 4-4: Yountville Water Supplies	
Regular Source	**Annual Allocation**
Rector Reservoir (CDVA)	500 acre-feet
Rector Reservoir (CDVA) Surplus	Varies per year, depending on surplus availability
Emergency Source	**Amount**
City of Napa via State Water Project and miscellaneous sources	25 acre-feet
Yountville Municipal Emergency Well	300 acre-feet
Spot market purchases	200 acre-feet
Potential Future Emergency Supply	
Domaine Chandon groundwater	Infrastructure to connect well to Town is not installed. Also quantity and quality of water available from this potential future source has not been studied as part of this MSR.
Source: Yountville, 2014c and Yountville, 1991	

Water provided by Rector Reservoir is generated from Rector Creek, a tributary of the Napa River. The Reservoir was formed following the construction of Rector Dam in 1946 and was subsequently raised in 1985, resulting in a total storage capacity of 4,600 acre-feet (Napa LAFCO, 2004). CDVA administers operations at Rector Reservoir and the Rector Water Treatment Plant. The Rector Water Treatment Plant has a daily treatment capacity of 4.5 million gallons. A 1.0 million gallon treated water storage tank is located near the Treatment Plant (Napa LAFCO, 2004).

Rector Reservoir's capacity is estimated at 4,535 acre-feet. The Reservoir's annual safe yield is estimated to be 1,670 acre-feet (CalVet, 2009). An additional amount of raw water is bypassed (to in-stream releases) to meet the California Department of Fish and Wildlife requirements. The Town's contractual capacity allowance in Rector Reservoir is 500 acre-feet per year (although the Town is typically allowed to purchase more than 500 AF). Based on safe yield reliability analyses developed by the DWR, this supply is estimated to be reduced to 125 acre-feet per year in dry years (Yountville, 2013).

City of Napa

Yountville previously had rights to water from the State Water Project via the North Bay Aqueduct. However, in January 2009 Yountville sold those rights to the City of Napa. According to Town Council Resolution No. 2744-09 which approved the sale of the Town's State Water Project Entitlements, the City of Napa agreed to provide water conservation education services to the Town (20 staff hours annually), to offer the purchase of limited fire flow and emergency water at retail rates (maximum of 25 acre-feet each fiscal year), and to serve as the Town's broker for the purchase of water on the "spot market" during drought (maximum of 200 acre-feet annually). The City of Napa has water rights to three major sources: Lake Hennessey and Milliken Reservoir which are local surface water reservoirs along

tributaries of the Napa River and the State Water Project water delivered through the North Bay Aqueduct (Yountville, 2014c). According to Town Council Resolution No. 2745-09, the Town established a Water Drought Reserve Fund from the proceeds of the sale of the Town's water rights to the City of Napa. This reserve fund provides approximately $2,000,000 for the purchase of additional water supply on the "spot market" in the event of an extended drought or other emergency situations.

Groundwater

The Town overlies the Napa-Sonoma Valley Groundwater Basin, Napa Valley Subbasin, which provides municipal and agricultural water supply in the area (Yountville, 2013). Yountville's municipal well was constructed to provide a back-up supply during drought conditions or an emergency, and this well is not relied upon as a primary water source. Monitoring sites have been established in the vicinity of the municipal well to monitor water quality and the groundwater level. If groundwater levels drop substantially, then adjustments are made to well production. West Yost & Associate prepared a Groundwater Management Plan (GMP) for the Town in 2004. The GMP projected a total water demand for the Town at maximum Town buildout of 679 acre-feet (af) in normal years, 611 af in below normal years, and 543 af in dry years. The GMP also assigned a direct water allocation for known projects and projected an availability of 31 acre-feet for future projects (Yountville, 2016d). The Napa County Flood Control and Water District developed the 2050 Napa Valley Water Resources Study (2005) to review the water supply and demand balances for municipal and agricultural uses in Napa County. This study projected the safe yield of the Napa Valley groundwater subbasin to be approximately 28,000 acre-feet (Yountville, 2013). Groundwater quality is generally good; however selected areas along the Napa Valley floor have elevated levels of nitrates and boron. In summary, the groundwater supply system is anticipated to yield 300 acre-feet annually for the Town (Yountville, 2013).

The Yountville Public Works Department maintains and operates the water treatment system at the Municipal Water Well so that it will be ready in case of an emergency. Town staff takes weekly, monthly, semi-annual, and annual water samples from the distribution system and Municipal Water Well for testing and reporting to the California Department of Public Health and to Town water customers (Yountville, 2015c).

Recycled Water

In addition to providing potable water service, Yountville operates a reclaimed water service program at the Joint Wastewater Treatment Plant (JWTP) at the Veterans Home. Initiated in 1979, the original intent of the Town's reclamation program was to reduce storage requirements for treated wastewater when discharge to the Napa River is prohibited by the San Francisco Bay Regional Water Quality Control Board. In 2010, the Town completed a Title 22 Upgrade and Modernization project which improved the quality of the recycled water from advanced secondary treated reclaimed water to Tertiary Title 22 unrestricted reclaimed water (Napa LAFCO, 2004 and Yountville, 2014a). The Town currently provides Tertiary Title 22 unrestricted reclaimed water for irrigation and landscaping uses to seven non-residential

customers, six of which are vineyards in the unincorporated County (Refer to Figure 4-2). In the Calendar Year 2015, 396 acre-feet (132 million gallons) of wastewater or approximately 89% of the Town's wastewater was beneficially reused through this program.

The Town established a study area for the Recycled Water Expansion Project which encompasses the Town's municipal boundaries, including the Yountville Veterans Home, and approximately 4,000 acres of vineyards within a 5-mile radius of its existing recycled water pipelines. This study area covers approximately 10-percent of the groundwater basin area (Yountville, 2013). Construction of the Recycled Water Expansion Project was completed in August 2015 as part of Capital Improvement Project WW-0002.

Water Conservation

Chapter 13.24 of the Yountville Municipal Code (Water Shortage Emergencies) allows the Town Council to determine that a water shortage emergency exists and has four phases of regulations for requesting volunteer rationing for minor shortages and prohibiting nonessential uses of water for major shortages of water (Yountville, 2014c). Chapter 13.20 of the Yountville Municipal Code (Water Conservation) prohibits water waste subject to penalties, civil fines, and discontinuing service, requires new residential projects to mitigate their water demand through retrofitting existing homes with ultra-low flush toilets and other water saving devices, and also provides voluntary water conservation guidelines. The Town has also adopted a Water Use Efficiency Plan and a Water Efficient Landscape Ordinance.

The Town actively promotes water conservation through rebate programs such as "Cash for Grass", washer rebate, plumbing retrofit, and smart irrigation controllers (Yountville, 2015c). These water conservation programs help to encourage water use efficiency and augment the overall potable water supply.

Water Demand

The amount of water purchased from CDVA varies each year based on the availability of surplus water supply. In recent years, the Town has been able to purchase more than 600 acre-feet of water because Napa State Hospital was not able to use their allocation (Yountville, 2016e). The actual amount of water purchased from CDVA since fiscal year 2006-07 is listed in Table 4-5 below.

Table 4-5: Amount of CDVA Water Purchased	
Fiscal Year	Water (acre-feet)
2006-07	522
2007-08	513
2008-09	507
2009-10	497
2010-11	514
2011-12	559
2012-13	581
2013-14	612
2014-15	604
Source: Yountville, 2016e	

Veterans Home Yountville Facilities Master Plan

The 2012 California Veterans Home Yountville Facilities Master Plan Evaluation recommended the Veteran's Home complete the following action: "Create a water management plan with the State and town of Yountville regarding the Rector Dam system, including funds for maintenance and repair of the distribution system. Increase the use of non-potable water, from the Hinman Reservoir, for fire protection and irrigation, thereby, reducing demand on potable water supplies". As of December 2016 there has been no action on the part of the State to create a water management plan. Presumably, Yountville's collaboration in this future planning effort would be beneficial.

Demand from Out-of-Boundary Customers

Yountville's Public Works Department provides water services to 32 properties (with 36 meters) located outside the Town limits as shown in Figure 4-2. When the Town incorporated, it took responsibility for the existing water customers served by a water transmission line along Silverado Trail and Yountville Cross Road. A map showing outside water customers, outside sewer customers, and recycled water customers is presented in Figure 4-2, below. Water use is metered and the Town has noted a trend of increasing demand for water from these customers as the size of houses grow larger. Since the properties may access groundwater via private on-site wells to utilize for landscape and vineyard/agriculture, the Town prohibits use of municipal water for these outdoor purposes. The Town does expend resources to manage and monitor the 32 customers in the unincorporated county. The Town indicates that on a per-unit basis, the out-of-boundary customers utilize a greater quantity of water as compared to in-town customers. Additionally, water was conserved at a lower rate here, during the drought. New water connections to parcels located outside the Town's

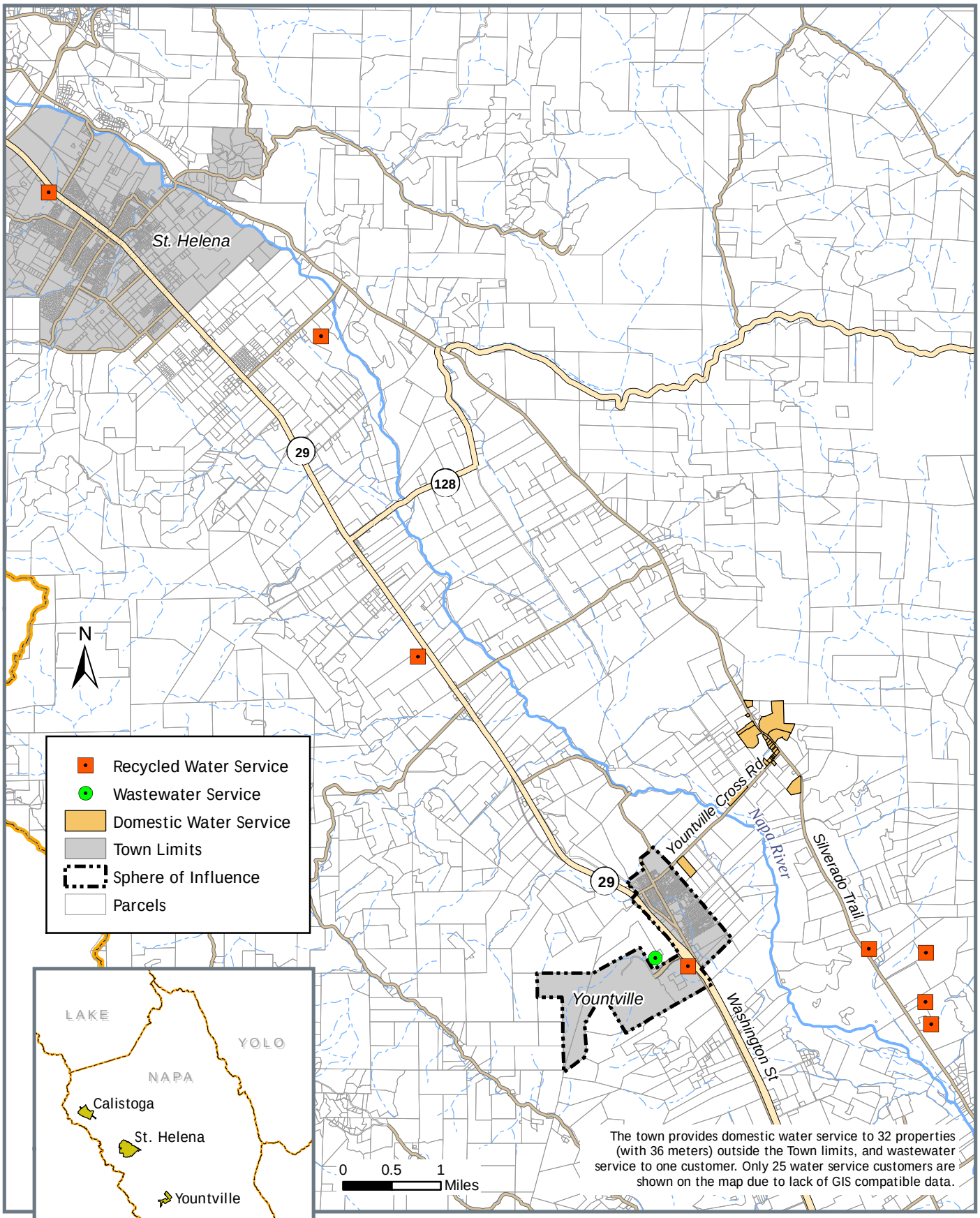


Figure 4-2: Parcels Outside Boundary Receiving Municipal Services

Town of Yountville

jurisdictional boundary has been prohibited since 1977, although three new connections were allowed in 1993 due to hardship situations. The Town has adopted several resolutions to provide strict policies governing out-of-boundary water customers as listed in Table 4.6, below.

Table 4-6. Town Resolutions Regarding Out-of Boundary Water Customers

Date	Town Resolution Number
May 11, 1976	288
March 10, 1981	473
October 22, 1985	645
February 3, 1993	943-93
April 23, 1996	1192-96

Summary of Water Service

In summary, the July of 2004 update to the Town's 1998 Water Supply Plan (WSP) concluded that the Town has adequate water supply for existing and future development needs that were identified in the Town's General Plan. This included the construction of a municipal well for emergency and drought backup. The Plan also projected water demands for all future projects during normal and single-dry year conditions. Annual water demand from the Town has exceeded 600 AF in recent years. This is 100 AF more than the contractual allocation from the CDVA; however the Town has been able to purchase additional water from the CDVA. Given the willingness of CDVA to sell surplus water to the Town and given the available emergency water supply listed in Table 4-6, above, Yountville has sufficient water to meet its current needs. Additionally, the Town will likely have a future opportunity to collaborate with CDVA to create a water management plan regarding the Rector Dam system, upon which the Town is reliant. Yountville's water recycling and water conservation programs help the Town to reduce overall demand on potable water supplies.

4.1.2: Wastewater (Sewer) Service

Yountville's Public Works Department is responsible for providing wastewater services to residential, commercial, public, and other properties in the Town. All of the Town's wastewater customers are within its limits except one – a commercial customer (Domaine Chandon) that receives service per a 1991 agreement approved by the Town Council in the early 1990's. The Town has approximately 772 wastewater service connections (695 residential, 76 commercial and one connection to the California Veterans Home, which serves about 1,200 residents and 900 employees) (Yountville, 2016f and Napa LAFCO, 2005). Public Works also operates a recycled water program that serves six wineries and one golf course.

Wastewater Collection System

The Public Works Department Wastewater Division operates and maintains the sewer collection system (or piping) under the streets of the Town, the force main to the wastewater treatment plant (JWTP), and the recycled water pipeline across the floor of the Napa Valley that serves six (6) vineyards northwest and southeast of the Town limits in unincorporated Napa County (Refer to Figure 4-2). All wastewater from the Town drains by gravity to the Peter J. Bardessono Memorial Pump Station, where it is then pumped to the JWTP for treatment. The wastewater system consists of:

- 8.5 miles of sewer collection piping (primarily gravity fed) in Town
- Approximately 772 sewer lateral connections, which includes 695 residential service connections, 77 commercial service connections, and one connection to the Veteran's Home.
- 0.75 miles of force main from the pump station to the JWTP
- 1.5 miles of gravity discharge piping from the JWTP to the Napa River
- 5.5 miles of recycled water force main lines to vineyard customers.
- A duplex (two pumps) wastewater pump station and associated level control and other equipment.

The collection system includes all residential and commercial customers in the Town limits with the exception of the internal collection system for the State of California (operated and maintained by the Veterans Home of California), the guard station on California Drive, the Napa Valley Museum, and the Domaine Chandon restaurant and tasting room, which are maintained by others. A map showing the Sanitary Sewer System is presented in Figure 4-3, below.

The Utility Operations staff maintains the Town's collection system, including the operation of equipment such as a jetting and vacuum truck and video camera system to facilitate the regular maintenance of the pipeline system. On May 5, 2015 the Town Council adopted the updated Sewer System Management Plan (SSMP) which staff has implemented, including sections on Sanitary Sewer Overflow Emergency Response Plan and Fats, Oils and Grease (FOG) Program, which is required every five years. Town staff distributed FOG prevention kits to all of the 25 restaurants in Town. As new food service facilities open, staff provides education regarding the importance of keeping "FOG" out of the collection system.

The Peter J. Bardessono Memorial Wastewater Pump Station has undergone several upgrades and improvements during the 2014/15 fiscal year. These improvements include; installation of a new level control system, new variable frequency drives (VFD's) that control the pump speed based on incoming flow conditions, removal of an "interlock" that prevented the two pumps from operating simultaneously, and the installation of a new pump control system that has Supervisory Control and Data Acquisition (SCADA) functionality that can be integrated in to the new Town-wide SCADA system.

In addition, in FY 2014/15 one of the older 47 horsepower submersible pumps was replaced with a more efficient 45 horsepower pump that is also less prone to plugging. The second of these older type pumps was replaced in fiscal year 2015/16. These improvements will reduce the risk of sanitary sewer overflows (SSO's) and reduce the potential for damage to the Napa River ecosystem. In addition to the improvements at the pump station, three manholes were repaired or replaced to prevent infiltration of groundwater into the system. The collection system is hydro-cleaned completely at least once every year.

The staff also coordinates the design and construction of capital improvement projects, such as the Inflow and Infiltration Reduction Program (WW-2017), Sewer Main Replacement Program (WW-3017) and the Pump Station Equipment Replacement Program (WW-5017). These projects ensure the wastewater collection system operates in a manner consistent with State and Federal NPDES regulations. The inflow and infiltration projects reduce the amount of rainwater inflow and groundwater infiltration that enters the wastewater collection system, and which must be treated and discharged during wet weather conditions (Yountville, 2015).

Wastewater Treatment & Disposal

The Joint Treatment Plant (JWTP), located at 7501 Solano Avenue in Yountville, is owned and operated by the Town. Advanced secondary treatment is provided at the JWTP. The advanced secondary treatment consists of filtration following regular secondary treatment. During the winter and spring, the effluent is discharged to the Napa River when river flows are sufficiently high.

The JWTP operation is supervised by the Utility Operations Manager and three certified Utility Operators. Facilities include the JWTP, storage ponds, and recycled water facilities. Expenses are shared with the VA Home based on flow volumes, solids loading, and strength of influent determined by weekly testing consistent with the agreement.

As flow volumes increase, there may 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 Plant 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 (Yountville, 2016d).

Permits: The Town's wastewater operations are the subject of two permits issued by the San Francisco Regional Water Quality Control Board (RWQCB):

- General Order 96-011, General Water Reuse Requirements for Municipal Wastewater Agencies, permits the water recycling activities and;
- National Pollutant Discharge Elimination System (NPDES) No. CA0038121 (Order No. R2-2015-0029) issued in June 2015 permits the Town's discharge to the Napa River[17].

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 one month may be allowed upon written request to the RWQCB provided that adequate dilution is available within the river. When discharge to the River is not allowed, the Town utilizes a recycled water program, described below.

Wastewater Service Demand

The design capacity and flow estimates associated with the JWTP are described in Table 4-7, below.

Table 4-7: Joint Wastewater Treatment Plant Design Capacity	
	mgd
Permitted Daily Dry-Weather Flow Capacity	0.55
Average Daily Dry-Weather Flow Demand	0.248 (INF 0.308)[18]
Peak Flow design capacity	2.00
Peak flow within the past year	1.013 (INF 1.063)
Average Daily Flow Demand (Dry and Wet)	.302 (INF .362)
Data source: Yountville May 2016 Sewer System Management Plan available at: *http://www.townofyountville.com/departments-services/public-works/wastewater*	

Between 2004 and 2007, the average discharge rate for the joint wastewater treatment plant was 0.57 million gallons per day (mgd), and the highest maximum daily effluent flow rate during this period was 1.76 mgd. The JWTP can accept up to 2.8 mgd through its primary system during peak wet weather conditions. Flows in excess of the JWTP's secondary treatment capacity are stored in a 3.8-million-gallon pond for later treatment.

The Town's 1992 General Plan projected that at buildout, the JWTP would serve a population of 5,300 persons, representing 1,700 residents in the Veterans Home, 2,700

[17] This permit (NPDES No. CA0038121) is available on-line at: http://www.waterboards.ca.gov/sanfranciscobay/board_info/agendas/2015/June/5b_final_to.pdf

[18] Average Daily Dry Weather Flow Demand at the JWTP was reported to be 0.295 MGD in year 2014 and the 3 year average for 2011-2014 was reported to be 0.332 MGD by a different study by RSA+ dated June 10, 2015 entitled "Domaine Chandon OnSite Wastewater Capacity Analysis".

residents in the Town, plus 900 for tourism and non-residential employment (Yountville, 1992).

The Town commissioned a report prepared by RSA+ dated June 10, 2015 to consider the potential addition of Domaine Chandon to the Town's Planning Area and the affect this may have on the property's wastewater service. Page 4 of the RSA+ 2015 report contains the following table:

Table 4-8: RSA+ 2015 Analysis of Capacity at WWTP.

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

This Table by RSA+[19] provides data that indicates that the JWTP[20] has adequate capacity to treat flows from the service area to the Town's projected build out (Yountville, 2015b). Potential redevelopment of the Veterans Home site within western Yountville is described in the 2012 Veterans Home Facilities Master Plan and it recommended that infrastructure analysis, including sewer capacity, be conducted to identify any potential limitations (Cal Vet, 2012).). Pursuant to the operating agreement between the Town and the State for the JWTP, any significant redevelopment of the Veterans Home facility that creates the need for additional treatment capacity would make the State responsible for the cost of the improvements. The effect of potential future growth at the Veteran's Home has not yet been studied and information is not yet currently available for inclusion in this MSR. Typically, constraints on wastewater service and water supply tend to limit capacity for additional development; although improvements to infrastructure could be completed from a technical perspective if the need arose. The Town does not have any pending will-serve commitments and does not anticipate extending municipal services outside the Town limits within the timeframe of this MSR.

[19] The RSA report dated June 10, 2015 was not specifically designed to provide a thorough evaluation of JWTP capacity; although it does provide a limited analysis of capacity as shown in the Table (4-8). The primary focus of the RSA+ 2015 report was an evaluation of the feasibility of constructing an onsite sewage disposal system at Domaine Chandon. Because of the limited scope of the report, it was never intended to address the impact of visitors (which demand is already accounted for in the system) or redevelopment at the Veterans Home (because the Town's agreement with the Veterans Home would require them to upgrade the plant for additional development at the Home).

[20] Under the 1991 agreement between the Town and Domaine Chandon, either party can terminate service for non-performance with one-year notice, in which case Domaine Chandon would need to provide for onsite disposal. The RSA report studied the environmental impacts of discontinuance of domestic wastewater service and concluded that there is the potential loss of two acres of prime agricultural land to construct an onsite septic system to service the commercial portion of Domaine Chandon.

Recycled Water

During the summer and fall, reclaimed water is sprayed on the Vintner's Golf Course and transported to six vineyards. The six vineyards currently served in the unincorporated Napa County area include Chimney Rock, Regusci, 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 (Refer to Figure 4-2). 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. In 2015, the facility recycled 89 percent 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. The effluent remaining post- recycling was discharged to the Napa River during the wet season (October 1st through May 15th) in compliance with the NPDES Permit for the JWTP.

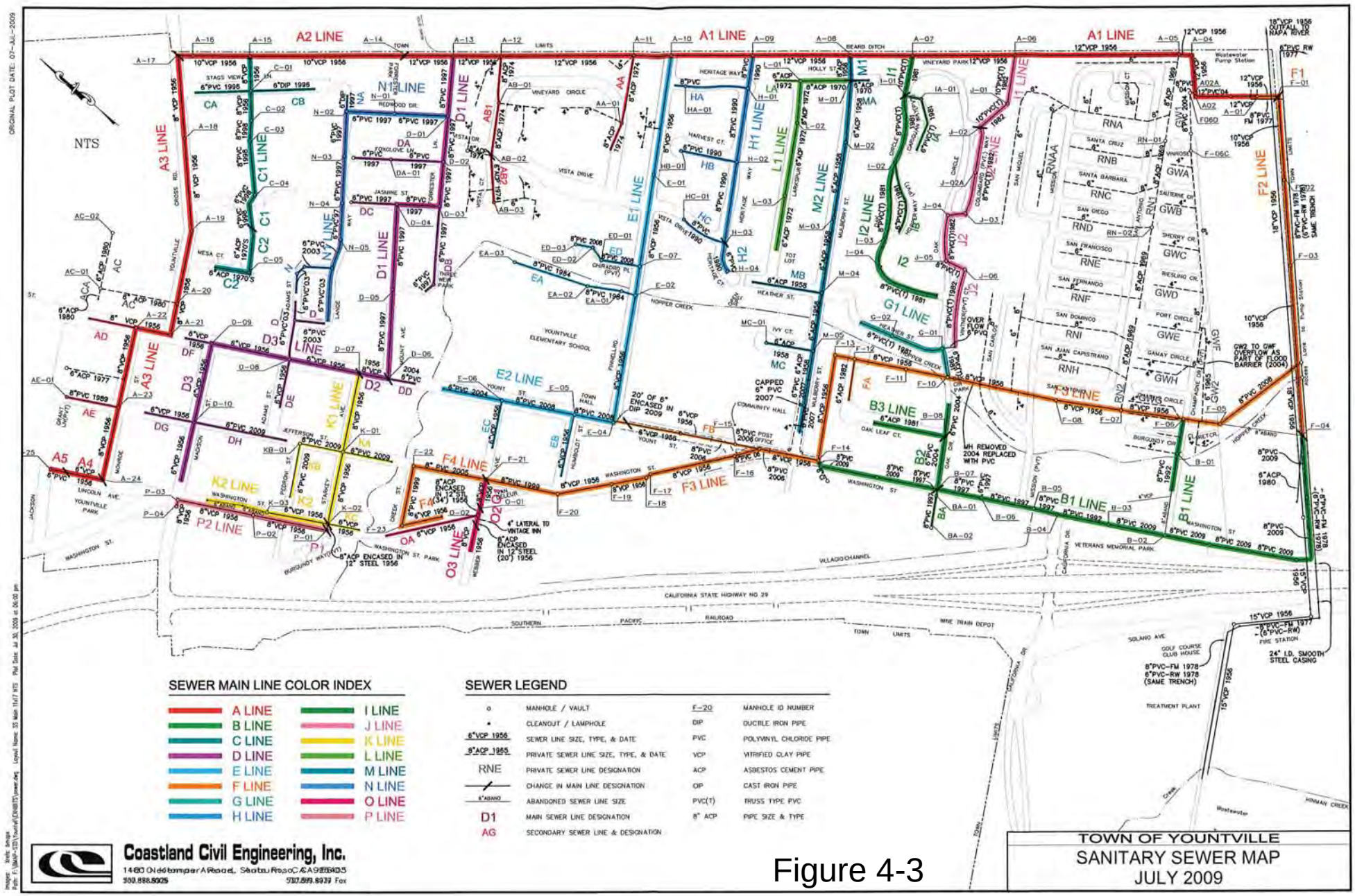
Current Infrastructure Needs

The Town's Five-Year Capital Improvement Plan (CIP) provides a long-range program for capital projects based on the development of an advanced financial plan. The CIP is a planning document used by the Town to identify capital improvement needs and to coordinate the financing and timing of those needs in a manner that maximizes the return to the public. As each annual budget is developed, additional projects and priority needs are identified and added to the program to maintain the ongoing comprehensive Five-Year Plan. Table 4-8 below includes several projects to expand and upgrade the existing wastewater and water reclamation system infrastructure.

Table 4-8: Town of Yountville Wastewater and Water Reclamation (WW) Capital Improvement Program (FY 2016-2020)

Project / Program #	Project Name	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	Total
WW-0005	Dredge Wastewater Ponds	$0	$100,000	$0	$0	$0	**$100,000**
WW-0011	Wastewater Building Remodel	$0	$0	$0	$30,000	$350,000	**$380,000**
WW-0012	SCADA Controls	$0	$0	$0	$0	$75,000	**$75,000**
WW-2017	Inflow and Infiltration Reduction Program	$67,863	$71,256	$74,819	$78,560	$82,488	**$374,986**
WW-3017	Sewer Main Replacement and Repair Program	$65,825	$68,116	$72,572	$76,200	$80,010	**$362,723**
WW-4017	Plant Equipment Replacement Program	$60,774	$63,813	$67,003	$70,354	$73,872	**$335,816**
WW-5017	Town Pump Station Equipment Replacement Program	$10,000	$10,500	$11,025	$11,576	$12,155	**$55,256**
Wastewater / Water Reclamation Totals		**$204,462**	**$313,685**	**$225,419**	**$266,690**	**$673,525**	**$1,683,781**

The Town anticipates that there is adequate capacity in its wastewater (sewer) system to serve existing and future customers since the Town is close to buildout and Town staff regularly monitors and maintains existing facilities and schedules and implements capital projects consistent with the Town's Capital Improvement Plan (CIP).



NTS
A2 LINE
A1 LINE
A3 LINE
C1 LINE
N1 LINE
D1 LINE
E1 LINE
H1 LINE
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M2 LINE
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G1 LINE
F2 LINE
E2 LINE
F4 LINE
F3 LINE
B3 LINE
B1 LINE
K1 LINE
K2 LINE
P2 LINE
O3 LINE
CALIFORNIA STATE HIGHWAY NO 29
SOUTHERN PACIFIC RAILROAD
TOWN LIMITS
SEWER MAIN LINE COLOR INDEX
A LINE
B LINE
C LINE
D LINE
E LINE
F LINE
G LINE
H LINE
I LINE
J LINE
K LINE
L LINE
M LINE
N LINE
O LINE
P LINE
SEWER LEGEND
MANHOLE / VAULT
CLEANOUT / LAMPHOLE
6"VCP 1956 SEWER LINE SIZE, TYPE, & DATE
8"ACP 1965 PRIVATE SEWER LINE SIZE, TYPE, & DATE
RNE PRIVATE SEWER LINE DESIGNATION
CHANGE IN MAIN LINE DESIGNATION
6"ABAND ABANDONED SEWER LINE SIZE
D1 MAIN SEWER LINE DESIGNATION
AG SECONDARY SEWER LINE & DESIGNATION
F-20 MANHOLE ID NUMBER
DIP DUCTILE IRON PIPE
PVC POLYVINYL CHLORIDE PIPE
VCP VITRIFIED CLAY PIPE
ACP ASBESTOS CEMENT PIPE
CIP CAST IRON PIPE
PVC(T) TRUSS TYPE PVC
8" ACP PIPE SIZE & TYPE
Coastland Civil Engineering, Inc.
TOWN OF YOUNTVILLE
SANITARY SEWER MAP
JULY 2009

Figure 4-3

4.1.3: Planning and Building Services

The Planning and Building Department is responsible for preparing, amending, maintaining, and implementing policies and regulations contained in the Town's General Plan, Zoning Ordinance, Design Ordinance, Subdivision Ordinance, and Building Code. The implementation of these ordinances ensures balanced land uses, orderly development, protection of public health and safety, and conservation of environmental resources. The Department is responsible for all aspects of community development[21] including the following functions:

- Assist citizens and applicants in understanding land use and building regulations and the entitlement process from pre-application through construction; Consult directly with applicants and provide information to the general public via the Town website, informational handouts, public notices, and press releases.
- Provide staff support to the Zoning and Design Review Board (ZDRB).
- Maintain planning and building ordinances by preparing and proposing amendments as necessary; engage the public, ZDRB, and Town Council in topic specific discussions to develop policy.
- Prepare and incorporate State-mandated codes related to building, handicapped access, energy conservation, water conservation, greenhouse gas reduction, stormwater management, and air quality.
- Coordinate with outside agencies such as Napa County Planning, Building and Environmental Services, Napa Valley Transportation Authority (NVTA), California Department of Fish and Wildlife, CalFire, and the U.S. Army Corp of Engineers in carrying out planning and building approvals.
- Maintain and report demographic and housing data as required to other agencies including:
- California Department of Housing and Community Development (HCD), California Department of Finance, the Napa Valley Unified School District, and Association of Bay Area Governments (ABAG).
- Implement the Town's affordable housing goals by applying inclusionary housing policies to qualifying projects; Partner with Napa Valley Community Housing (NVCH) for the development of affordable housing; coordinate with the Housing Authority of the City of Napa (HACN) for support services to advance the affordable housing goals.
- Evaluate development proposals, prepare and present staff reports, develop and draft recommendations, conditions of approval, and findings for review by the Town Council and ZDRB; Ensure post-approval project implementation.
- Evaluate and process amendments to approved projects.
- Direct and manage the Town's consultant in conducting building permit plan check and building inspection services.

[21] It must be noted that the Town does not have land use authority over the state-owned Veteran's Home. The State Architect issues building permits for state owned facilities. See their website for additional details at: https://www.dgs.ca.gov/dsa/Home.aspx.

- Perform code enforcement investigations, site inspections, and compliance follow-up.
- Review applications and issue other licenses and permits as required (e.g., tree removal, home occupations, ABC reports).

(Yountville, 2015c; pages 148, 151)

The Planning Department will perform a comprehensive update of the 1992 General Plan in Fiscal Year 2016-2017.

4.1.4: Parks and Recreation

The Parks and Recreation Department provides a wide range of recreation programs, events and services to the residents and visitors of Yountville and to residents of surrounding communities. Programs and services include fitness classes, lifelong learning programs, dance, martial arts, sports, school break camps, after school programs, special events and aquatics programs (Yountville, 2015c). The responsibilities of the Parks and Recreation Department include:

Photo Courtesy of Town of Yountville

- Manages the daily operations as well as the long range planning of the Parks and Recreation Department, all of its services and facilities.
- Supervises department personnel including the hiring, training, evaluation, and discipline; mentoring employees and fostering creativity.
- Oversees, develops and implements administrative procedures and policies associated with recreation programs and facilities.
- Reviews and analyzes the effectiveness of departmental services and make necessary improvements.
- Prepares and monitors the annual budget, make recommendations regarding fees and fee collection.
- Provides staff support to various committees as assigned including the Parks and Community Services Commission, Recycling and other ad hoc committees.
- Works collaboratively with citizen and other public groups, agencies, and organizations to bring about coordinated, effective delivery of recreation, Community Center and other related community services.
- Prepares reports and studies related to recreation programs, capital improvements, facility maintenance and other assigned activities.
- Organizes and develops volunteer programs.

- Assists in the planning and organizing of community events; coordinates, develops, and distributes various public information and marketing materials related to Town services and programs including the administration of the Town newsletter.
- Prepares and monitors grants.
- Assists in the planning, financing and development of recreational facilities and Community Center renovation and expansion.
- Responds to and resolves difficult and sensitive citizen inquiries and complaints.
- Performs others related duties and special projects as assigned by the Town Manager.

(Yountville Parks and Recreation Department website available at: <*http://www.townofyountville.com/departments-services/parks-recreation/staff*>.)

The Town owns and operates several parks and recreation facilities totaling over 7 acres (Table 4-9).

Table 4-9: Yountville Parks and Recreation Facilities

Park Name	Type	Acreage	Features
Yountville Community Park	Community Park	2.03	Playground, 2 restroom facilities, 4 picnic areas
Veterans Memorial Park	Community Park	1.29	1 picnic area, 4 bocce courts, 1 restroom facility, 1 sand volleyball court, walking path
Vineyard Park	Neighborhood	2.5	2 tennis courts, 1 restroom facility, 1 half-court basketball court, walking path
Toyon Terrace	Neighborhood	0.16	Toddler playground
FLG Park	Linear/Greenway	0.10	Native plantings, outdoor art, picnic area
Van de Leur Park	Neighborhood	0.23	Path, Fountain, Picnic Tables, Outdoor Art
Oak Circle Park	Neighborhood	0.25	Passive park with native gardens, benches, path.
Forrester Park	Neighborhood	0.36	Playground, path, picnic table
Hopper Creek	Greenway/Open Space	.17	None
Heritage Way Area	Greenway/Open Space	0.16	None
Forrester Area	Greenway/Open Space	0.16	Bench
Paths		0.11	
TOTAL		**7.52**	

Although the Town population includes the Veterans Home (1,200 people), the Town parkland inventory does not take the Veterans Home acreage into account which skews the calculation for park standards (3 to 5 acres per 1,000 residents). By subtracting the 1,200

person Veterans Home population, the Town meets the park standard with 3.96 acres per 1,000 residents (Table 4-10).

Table 4-10: Yountville Park Standards and Parkland Needs			
Park Facilities	Standard per 1,000 Residents	Existing Acres as of 2012	Current Park Acres per 1,000 Residents
Neighborhood	Follow Quimby Act 3 to 5 Acres	3.50	1.21
Community		3.32	1.14
Linear/Greenways		0.59	0.20
Other		0.11 (Paths)	0.04

The Town is in year two of implementing the Town's 2014 Americans with Disabilities Act (ADA) Transition Plan; improvements have been made in many parks and indoor recreation facilities. Due to the closing of Yountville's only indoor fitness facility, there may be an unmet need for an indoor, self-directed exercise space.

4.1.5: Public Works Services

The Public Works Department is responsible for the development, planning, design, construction, operations, maintenance, and management of the Town's public infrastructure, which includes private project development review and the Capital Improvement Program (CIP). The Public Works Department is responsible for providing safe and well maintained public facilities and operations in the Town.

The Public Works Department staff provides service in Engineering, Municipal Operations (including Streets, Parks, and Facilities), and Utility Operations)including Treatment Plant, Collection Systems, Recycled Water, Water, Storm Water, and Fleet).

The Administration and Engineering Division of the Public Works Department administers the Capital Improvement Program (CIP), ensures private development projects comply with Federal, State, and Town regulations/code requirements, and provides support for agreements, contracts, regulations, programs and procedures for streets, parks, facilities, water and wastewater. The Division administers the Capital Improvement, Pavement Management, Floodplain Management, NPDES Municipal Stormwater, and Water Conservation Programs. The Division also supports the Planning & Building Department for the plan review, approval and inspection of private development projects and other planning and administrative functions.

The Administration and Engineering Division is currently staffed by one department head position, the Public Works Director, with an assistant Deputy Director, Engineering Aide and a shared Management Analyst who performs the majority of the work for Capital Projects and assisting the Planning Department in performing development and plan review services. Over the past few years, considerable effort has been made to execute one time

and annual (recurring) professional services agreements, general service agreements and construction purchase orders with consultants, contractors and suppliers to meet the Town's "hybrid service" delivery goals and objectives.

The Administration and Engineering Division funds a contract for Civil Engineering services to assist with administration and technical duties and funds a part-time contract for Building Inspector services for inspecting encroachment permit work by utility companies and private development contractors on an as needed basis. The Division also contracts for technical or specialty expertise as needed to review large private development projects such as having a licensed land surveyor review and sign final subdivision maps (Yountville, 2015c;).

The Streets Maintenance Division of the Public Works Department provides for the routine and regular maintenance and repair of the Town's streets and sidewalk related infrastructure which includes:

- 8.45 miles of paved streets
- 5.6 miles of storm drainage systems
- 225,000 square feet of sidewalks
- 45,000 linear feet of curbs & gutters
- Signage (300 street, stop, traffic control, etc.)
- Striping and painting
- Street lighting (approximately 130 lights)
- 350 trees in the public right-of-way
- Vegetation removal in public right-of-way

This maintenance level does not include the streets located within the mobile home parks or the Veteran's Home of California, which is the property of the State and therefore maintained by the State.

The Streets Maintenance Division is supervised by the Public Works Manager and includes one (1) Maintenance Worker, and relies heavily on outside contractors/vendors for street sweeping, striping, and tree care services. This Division is also responsible for the maintenance and construction of Yountville's unique wood framed sign and wood post street identification signs. These signs are created, installed and maintained by Town staff.

Most construction and repairs are included in the five year Capital Improvement Program (CIP) Budget. Street maintenance also coordinates with the accessibility, tree, sidewalk, curb and gutter projects listed in the CIP Budget. This Division is also responsible for creeks, flood reduction, and a portion of the Town's Storm Water Pollution Prevention Program (Yountville, 2015c).

The Parks and Grounds Maintenance Division of the Public Works Department maintains the Town's parks, restrooms, picnic tables, benches, Town parking lots, trees, and landscape areas at Town facilities. The Division also provides invasive weed control through herbicide

application and mechanical removal at all Town facilities. The Town facilities are categorized as follows:

- Parks: Yountville Community, Veteran's Memorial, Van de Leur, Forrester, Vineyard, Toyon Terrace Tot lot, and vacant lot on Oak Circle; 13 acres
- Pathways: Hopper Creek (Finnell to Yount), Hopper Creek (along Heather Street), Hopper Creek (Mission to Town limits), Holly Street to Heritage Way, and Washington Park Subdivision (three entrances to Forrester Park); 1 acre
- Open Space: "Three Weir Park" on Forrester Lane, Heritage Way to Bardessono Hotel, Lande Way to Yount Street, Washington Street at Hopper Creek, Wayside Stop on California at Solano Avenue, and Veteran's Memorial Park (south end); 2 acres
- Grounds: Town Hall, Community Hall, Community Center and Library, and Post Office; 2 acres

This Division is supervised by the Public Works Manager and includes one (1) Maintenance Worker, one (1) Facilities and Grounds Worker shared with Government Buildings, part-time seasonal staff who provide weekend coverage for maintenance during events and reservations of parks; and also relies on outside contractors/vendors for tree and arborist services (Yountville, 2015c).

The Government Buildings Division of the Public Works Department is responsible for providing maintenance and repair services to the Town owned buildings which include:

- Town Hall: 8,000 square feet
- Community Center, Library, and Plaza: 11,100 square feet
- Community Hall: 8,000 square feet
- Post Office: 7,000 square feet
- Sheriff's Office: 7,500 square feet
- Corporation Yard Buildings: 40,000 square feet

This Division is supervised by the Public Works Municipal Operations Manager and includes one (1) Maintenance Worker, one (1) Facilities & Grounds Worker shared with Parks, and part-time seasonal staff, that maintain over 80,000 square feet of facility and also the pool at the Veterans Home. There is a custodial service contract for two (2) days a week at Town Hall, Community Hall and the Community Center. The Government Buildings budget also includes janitorial services for the Sheriff's office and the Library and maintenance services for the Post Office. Town staff also provides scheduled planned maintenance for the HVAC systems replacing the contract services agreement for this task (Yountville, 2015c).

4.1.6: Contract/JPA Services

Municipal services provided by Yountville through contracts with other agencies or companies include:

- Law Enforcement (Napa County Sheriff's Office)
- Fire Protection and Emergency Medical (Napa County Fire Department and CalFire)
- Garbage Collection (Upper Valley Disposal & Recycling)
- Street Cleaning (Commercial Power Sweep, Inc.)
- Building Inspection (Interwest Consulting Group)
- Plan Checking (Interwest Consulting Group)
- Affordable housing administration and monitoring (Housing Authority of the City of Napa)
- Code Enforcement (City of Napa)
- GIS technology implementation (City of Rancho Cucamonga).
- Library services (Napa County Library)
- Animal shelter (Napa County Animal Services)
- Other specialized services as needed

The Yountville Library is operated by the Napa County Library system via a Napa County Library Services Contract for a base level (number of hours) based on countywide property tax allocation by the County. The Town has elected to enhance the level of service provided by the County by contracting for additional hours and supporting extended hours by volunteers. The Yountville Library is located in the Yountville Community Center at 6516 Washington Street. Animal Control Services are provided by the Town through a contract with the County of Napa to provide animal shelter services including receiving and impounding animals, pet redemption, animal boarding, pet adoption and placement services, quarantine, micro chipping, dead animal disposal, spay and neuter, and a cat trapping program.

The Town is part of Joint Powers Agreements (JPAs) as follows:

- Napa Valley Transportation Authority, regional transportation services
- Napa County Flood Control and Water Conservation District, water supply contracts, watershed management, and stormwater management programs
- Napa Valley Tourism Improvement District, promotes Napa Valley tourism
- Housing Authority of the City of Napa, Section 8 Rental Assistance Program
- Code enforcement services via JPA with the City of Napa Code Enforcement Division of the Community Development Department

- Upper Valley Waste Management Agency, garbage collection and recycling
- North Bay Agency Chemical Pool, furnishing chemicals for wastewater treatment
- Western Recycled Water Coalition, locally managed recycled water projects
- Public Agency Risk Sharing Authority of California, insurance pooling
- Regional Government Services, staffing resources
- U.S. Communities Government Purchasing Alliance, cooperative purchasing program
- Marin Clean Energy, energy provider

(Data Source: Yountville, 2016c)

Law Enforcement Services

Since its incorporation in 1965 Yountville has contracted with Napa County for law enforcement services to protect its residents, workers, and visitors. The contract provides Yountville with year-round law enforcement services through the County Sheriff's Office ("County Sheriff"). County Sheriff is responsible for enforcing all State statutes, local codes and ordinances, including traffic enforcement and investigation within the confines of the Town limits. This fixed rate contract relieves the Town of any uncertainty in the budget process by providing an exact and maximum financial liability for police services during the term of the contract. The current contract obligates the County Sheriff to provide a minimum of 160 hours of patrol services in Yountville weekly and provides for a full spectrum of municipal law enforcement services including:

- enforcement of State statutes, Town codes and ordinances
- Personnel management- recruitment, training, hiring, etc.
- Patrol support for major incidents from other Sheriff's Deputies including police K-9 units when needed.
- Specialized support- Investigative services in Major Crimes and/or Major Traffic Collisions.
- Crime Scene and lab processing.
- Dispatch services and Records Management.
- Property/Evidence management and storage.
- Participation in DARE program.
- Attendance at Town Council, commission, and other Town meetings as requested
- Animal Control Services.
- Hazardous Device Mitigation.
- SWAT and Hostage Negotiations Teams.
- Vehicle and equipment, including maintenance.
- IT Services, including network and equipment maintenance and upgrades.
- Office furniture and supplies.

There are three dedicated deputies assigned to the Town as well as one sergeant who acts as the Chief of Police for the Town for a total of 4 FTEs. The sergeant attends Town Council meetings, and supervises any deputies working in the Town. The sergeant also prepares quarterly reports for the Town Council and acts as the liaison between Yountville and County Sheriff. County Sheriff evaluates and makes recommendations regarding Yountville's service levels at least once per quarter. The Town of Yountville is responsible for providing and maintaining the physical facility (Yountville Substation) located at 1950 Mulberry Street used by the deputies.

Law enforcement costs are among the most difficult to plan for and budget given the uncertainty in call volume, emergency needs, and rising costs associated with pensions, liability and workers compensation. Under the Town's fixed cost agreement with Napa County Sheriff's Department, the County of Napa accepts the burden for those costs which may exceed the service level provided. In years of significant unanticipated emergencies or incidents, this is an important benefit to the Town of Yountville.

In June 2012, LAFCO approved the Municipal Service Review: Countywide Law Enforcement Services which covered law enforcement within the Town of Yountville. The Town's law enforcement situation remains similar to that described in the 2012 MSR and readers are referred to that document for the details. This 2012 MSR contained several determinations which remain relevant and these are listed below:

- County Sheriff has established an effective animal control program now under contract by American Canyon, Napa, and Yountville; a program that has increased capturing strays by nearly 50% over the last several years and primarily in response to significant new demands tied to the economic downturn. This contracting arrangement provides streamlined animal control services for the south county region and helps to ensure the public receives services in a timely and consistent manner among all four affected jurisdictions.
- Law enforcement dispatch services for four of the six affected local agencies – American Canyon, Napa, Yountville, and County Sheriff – are provided by Napa. This shared arrangement provides for streamlined and timely emergency response throughout the south and central regions while avoiding duplicative costs among the participating agencies.
- County appears to have established effective contract models in insourcing law enforcement services to American Canyon and Yountville. These models provide the contracting agencies the ability to deliver a full range of law enforcement services to their respective constituents in a tailored manner to meet community needs and preferences with enhanced near term cost certainty.

Fire Protection and Emergency Medical Services

Yountville contracts for fire protection services for its 1,800 residents and visitors located on the east side of Town with the Napa County Fire Department (ISO Rating of 3). The contract provides Yountville with year-round fire protection services through the County's Fire Department (County Fire). County Fire contracts with CAL FIRE, which is responsible for staffing the Yountville Fire Station and providing structure fire protection, wildland fire protection, emergency medical response, technical rescue/extrication, hazardous materials, water supply, dispatch, training, fire safety education, fire (arson) investigations, fire prevention, vegetation management, and fire marshal (code enforcement) within Yountville. Additionally, County Fire offers domestic preparedness planning and response.

The Veterans Home has had a separate contract with County Fire, which in turn contracts with CAL FIRE since 1982 to provide fire protection services to its 1,200 residents and 900 staff. The Town of Yountville and the Veterans Home paid for building the Yountville Fire Station. A three way cost sharing arrangement between Napa County/CAL FIRE, the Town, and the Veterans Home funds operation of the station such that costs are split equally between the parties. Yountville is assured a minimum level of staffing of four-persons 24 hours per day, seven days per week (Napa LAFCO, 2007a; page 11 and Yountville, 2016c). Service levels are evaluated on a regular basis by County Fire. Regular reports by the

Station 12 Battalion Chief in published reports to the Town Council indicate that the Town has the lowest utilization of service amongst the three parties to this shared service station model.

The Town of Yountville's municipal fire hydrant system has a fire hydrant strategically placed within 1000-feet of all locations throughout the Town limits. The hydrant capacity/rating is sufficient at more than 1000 gallons per minute (gpm). There are 7 water tenders in the Napa County Fire Department that can be utilized in addition to or in place of the hydrant system should it fail. Two of the water tenders (the 2 closest to the Town of Yountville) carry 3000 gallons of water each. One carries 2500 gallons, and the remaining four carry 1800 gallons each.

Napa City Fire Department's dispatch (Napa4) is the Public Safety Answering Point (PSAP) for all of Napa County. Once Napa4 receives the call and it is determined to be a Napa County Fire Department (including Town of Yountville) response, the call information is transferred to the Napa County Fire Department 911 dispatch center in St. Helena (called St. Helena Emergency Command Center). St. Helena then dispatches all emergency calls.

The average response time is 3 minutes. The response time goal is to be at scene within 4 minutes 90 percent of the time. The response time includes the 911 call, dispatching, turnout time and response time to the scene.

Table 4-11: Summary of 2014 Incidents

	Fire Suppression	EMS/ALS	Rescue	Hazardous Materials
Number of calls in 2014	21	312	5	9

AMR Ambulance Company provides paramedic service to Napa County. Also, there are other Napa County Fire Department career and volunteer stations as well as CAL FIRE stations throughout Napa County that would respond to significant calls within Town limits. Additionally, the automatic and mutual aid system with the other fire agencies within Napa County is well organized.

The current staffing of two people per apparatus is adequate for the current call volume. However, studies show that three to four persons staffing per apparatus provides a higher level of efficiency, effectiveness and firefighter safety. This is also the National Fire Protection Associations 1710 Standard.

Table 4-12: Current Staffing Levels and Type

Staff	**Career**
Fire Chief	1
Fire Captain	2
Engineers	11
Emergency Medical Technician	15
Paramedic	0
Battalion Chief	1

Following is a list of personnel training (including regular day, time, and length of training):

- In February of each year there is a 4 hour drill held in which all fire agencies within Napa County participate. The drill is designed to test the mutual aid system.
- In May of each year there is a 4 hour Multi Casualty Incident drill in which all fire agencies within Napa County participate. The drill is designed to test and train on the MCI plan.
- All employees receive a minimum of 12 hours of training per month. There is no set schedule for this. It is a requirement of the Joint Apprenticeship Committee (JAC).
- Napa County career fire stations participate in multi company trainings two times per month for 3-4 hours per drill.
- Napa County Fire hosts 2 monthly drills for each our 9 volunteer companies. It is mandatory for the career station closest to each volunteer company to attend and participate in the training. Yountville station attends Dry Creek/Lokoya and Rutherford volunteer fire company drills.
- Yountville Station hosts the Napa County Explorer Post 104. The crew at Yountville Station trains these prospective firefighters in all aspects of the fire service. The training is every Thursday night for 3 hours.
- Napa County Fire hosts a new volunteer firefighter academy every year. The academy is from January through early May. The crew from Yountville Station assists with instructing various topics throughout the academy.
- Yountville Station is the home of the Napa County Technical Rescue Team. Nearly all personnel assigned to Yountville Station are a part of the Technical Rescue Team and the Station houses specialized rescue equipment. The Technical Rescue Team trains two times each month for four hours each time.
- Additionally, employees are sent to formalized classes through CAL FIRE, Napa County Fire, and other fire agencies.
- Additionally, there is required training that employees must have each year. Eight hours of hazardous materials, 12 hours of EMS, one hour each of communicable diseases, ladders, SCBA, engine pumping and fire shelter.

The partnership between the County, State and Town has provided the following benefits:

- construction of the Yountville Fire Station by the County,
- the lease of State owned land for a Fire Suppression Training Ground at minimal cost, and
- fire and life safety services provided to the unincorporated area, the Town and the Veteran's Home.

Additionally, County Fire participates in many community events and meetings throughout the year including: National Night Out, Fire Prevention Week (Station open house), Town of Yountville Council Meetings, Town of Yountville Management Team Meetings, Town of Yountville Quarterly Report, prevention/education section in the Town of Yountville

monthly newsletter, Yountville Sun newspaper, Taste of Yountville, Festival of Lights, Father's Day Car Show, Breakfast with the Bunny, Movie nights at the park, and Kiwanis Club events. During these events there is fire prevention material available and personnel present to discuss fire prevention with the public. Also, there is a fire prevention education program with the Yountville Elementary School.

Garbage Collection Services

Garbage collection in Yountville is provided on a weekly basis by Upper Valley Disposal Service, Inc. (UVDS). UVDS is a private company under Franchise Agreement with the Upper Valley Waste Management Agency, a joint-powers authority that represents Calistoga, St. Helena, Yountville, and Napa County. Upper Valley Waste Management Authority (UVWMA) contracts for staff support, which is provided by Napa County Public Works Department. UVDS' contract runs through 2025 and specifies that it is the exclusive contractor for the collection of garbage and rubbish in Yountville.

Garbage is disposed of at the Clover Flat Landfill, located east of Calistoga. Recycling is handled through the Whitehall Lane Recycle Center, located between St. Helena and Rutherford. Clover Flat Resource Recovery Park has been producing power made from landfill methane since the end of 2014.

Hazardous materials are disposed of properly through a private, licensed hazardous waste handling company. UVDS hosts an annual one-day hazardous waste collection event that allows local residents to bring in used paint cans and other household hazardous materials for disposal. Electronic Waste (or e-waste) consists of computer equipment and printers etc. and UVDS also hosts an annual one-day hazardous waste collection event that allows local residents to bring in and dispose of their household e-waste.

Street Cleaning

Yountville contracts with Commercial Power Sweep, Inc. for street cleaning services.

Building Inspection and Plan Check Services

Yountville contracts with Interwest Consulting Group to provide plan check services and building inspection services.

Other Specialized Services

Yountville contracts with a variety of private firms to provide specialized audit, financial, legal, planning, information/communication systems, and other services for the Town. This is a typical and cost effective method of municipalities to contract for these types of periodic and specialized services instead of providing the services with town staff.

4.2: INFRASTRUCTURE AND PUBLIC FACILITIES

Infrastructure development and maintenance is an important part of the service that the Town provides. The Town has a Capital Improvement Plan as part of FY 16/17 Budget. The Town has approximately $9.54 million in capital assets as of 2015. (Table 4-13 and Table 4-14).

Table 4-13: Major Town Facilities	
Department/Division/Service	**Infrastructure/Facilities**
Administration	Town Hall, Community Center, Community Hall, Post Office, Sheriff's Office Sub-Station, Corporation Yard
Water	, Pipelines, interconnections to Veterans Home, distribution lines connecting to City of Napa, and an emergency well as described in section 4.1.1
Wastewater (Sewer)	Pipelines, Wastewater Treatment Plant, other infrastructure as described in Section 4.1.2
Planning and Building	none
Parks and Recreation	Parks as listed in Section 4.1.4
Public Works	Street system as listed in Section 4.1.5
Contract/JPA Services	No additional facilities

Table 4-14: General Capital Assets Used in Governmental Operations	
Asset Type	Asset Value
Land	$1,441.112
Buildings	$19,687,634
Improvements	$3,097,742
Equipment	$946,575
Infrastructure	$13,212,087
Construction in progress	$2,265,763
Data Source: Yountville, 2015d	

The Town believes its existing facilities are sufficiently sized to accommodate the minimal growth anticipated for the next 5, 10, and 20 years.

4.3: Adequacy and Challenges in Provision of Service and Infrastructure

The biggest challenge the Town has identified regarding its infrastructure needs or deficiencies is water availability in a prolonged drought situation.

One challenging regulatory issue, which most cities in California face, is water quality regulation and compliance with the RWQCB. As the Town continues to dispose of treated wastewater and continues to deal with stormwater, this issue is likely to continue into the future.

The eastern portion of Town is approaching buildout which will limit the collection of development impact fees. Build-out is further constrained by the Town's 2016 General Plan amendment, which in conjunction with the County's Agricultural Preserve measures, restricts annexation opportunities in general and limits growth. Currently, the Town's primary source of revenue is from Transient Occupancy Tax (TOT). The Town may need to consider increasing rates for certain Town services and/or identifying other means for establishing multiple revenue streams. Further, with the upcoming comprehensive update to the Town's 1992 General Plan, there is the potential for new development proposals and/or requests to intensify existing development that will need to be addressed in relation to the capacity level for existing services.

4.4: Opportunities for Shared Facilities and Services

Although its small size represents a constraint to collaboration, Yountville's staff indicates that the Town actively pursues and has a high and demonstrated level of use of collaborative partnerships to provide the appropriate level of service to its community. Yountville probably has the highest level of "shared use agreements" within the County (personal communication, S. Rogers, August 2016).

Arrangements to share facilities and services with neighboring government agencies include the following:

- Yountville and the Veterans Home have a critical collaborative relationship such that resources and infrastructure are shared including:
    - A Joint Wastewater Treatment Plant and recycled water system is owned and operated by the Town (Yountville, 2016c).
    - Jointly paid for construction of Yountville Fire Station and share the costs of operating and maintaining the station, along with the County of Napa (Yountville, 2016c).
    - Veterans Home owns and manages the local water supply (Rector's Reservoir) and provides the Town's municipal supply.
    - Veterans Home water treatment plant is utilized to ensure water quality for the Town's drinking water.
    - Yountville operates a community swimming pool located on the Veteran Home campus.
- The Town contracts police services with the County Sheriff.
- The Town contracts for fire protection services with the Napa County Fire Department.
- The Town contracts with the Housing Authority of the City of Napa to administer the Town's affordable housing programs

- The Town contracts with the City of Rancho Cucamonga for its GIS technology implementation.
- The Town contracts with private vendor Lescure Technology for its IT service.

Also, the Town is part of Joint Powers Agreements (JPAs) as follows:

- Napa Valley Transportation Authority, regional transportation services
- Napa County Flood Control and Water Conservation District, water supply contracts, watershed management, and stormwater management programs
- Napa Valley Tourism Improvement District, promotes Napa Valley tourism
- Code enforcement services via JPA with the City of Napa Code Enforcement Division of the Community Development Department
- Upper Valley Waste Management Agency, garbage collection and recycling
- North Bay Agency Chemical Pool, furnishing chemicals for wastewater treatment
- Western Recycled Water Coalition, locally managed recycled water projects
- Public Agency Risk Sharing Authority of California, insurance pooling
- Regional Government Services, staffing resources and services on a regional basis in-lieu of internal staffing.
- U.S. Communities Government Purchasing Alliance, cooperative purchasing program
- Marin Clean Energy, energy provider

Data Source: Yountville, 2016c

It is recommended that the Town continue to assess the feasibility of shared facilities when new opportunities arise.

CHAPTER 5: FINANCING

5.1: FINANCIAL OVERVIEW

This section evaluates the factors affecting the financing of operations and improvements for the Town. Information on financing is derived from audited financial statements and Town budgets for several Fiscal Years including 2013 to 2016, as well as information provided by Town staff. The Town has implemented several financial best management practices and other municipalities may benefit from Yountville's experience implementing these practices. A few of the best management practices are highlighted in this Chapter.

The Town of Yountville prepares an annual operating budget which includes capital projects, and also prepares an annual audit in the form of a Comprehensive Annual Financial Report (CAFR). Yountville's adopted budget serves as the basis for the Town's financial planning and budget control systems. The Town Council has a General Fund Emergency Reserve target of 20% of General Fund annual operating expenses plus other reserves as detailed on page 5-12. For the current 2016-2017 FY, the Town is projected to end with a General Fund balance of $5,294,236 and healthy reserves including the General Fund Emergency Reserve of $1,766,300 (set at 20% of revenues) and Revenue Stabilization Reserve Fund of $1,500,000. Budgets for FY 2016-2017 and FY 2015-2016 are available to the public via the Town's website, at Town Hall, and at the Yountville Library. Audits (CAFRs) for FY 2014-2015 and FY 2013-2014 are also available on the website, at Town Hall, and at the Yountville Library. Budgets and CAFR's are all available on the Town webpage under the Agendas and Minutes tab, going back to 2009. A special request to Town Hall may be made to obtain copies of older budgets, financial reports (audits), and capital improvement plans.

Yountville practices an annual budget process for the fiscal year beginning on July 1st and ending on June 30th. Preliminary budget review occurs in April, followed by two publically noticed Budget Workshops in May. The Final Budget is approved by resolution of the Town Council in June. Yountville utilizes a series of planning processes to assist in preparation of the final budget, as well as the Town Council's adopted goals and priorities for the upcoming fiscal year. The Town updates the budget periodically throughout the fiscal year to reflect current conditions.

Yountville's budget is divided into several units including: 1) Government Funds (General Fund, Capital Improvements, and Special Revenue Funds); 2) Enterprise Funds (Water Utility and Wastewater Utility); and 3) Debt Service Funds. General Fund revenues are primarily drawn from taxes, fees, and charges for services. These revenues support discretionary governmental services. Enterprise Fund revenues are collected from user fees and charges, and are intended to pay for the costs of providing services such as sewer and domestic water. Special Fund revenues are generated from a variety of sources, including impact fees and governmental subventions, and are used to fund specific programs and projects. More detailed information on these budget units is provided later in this chapter. Please note that for purposes of this MSR, the financial analysis relies upon the Town's Financial Statement and Independent Auditor's Report. Budget information is also included in this MSR and is primarily utilized to compare expenditures for each functional category or Town department.

The most recent independent auditor's report was prepared for Fiscal Year (FY) 2014-2015 and dated December 31, 2015, and was attached to the Agency's Financial Statements. The audit found that there were no issues of noncompliance with financial regulations that could have an effect on the financial statement. The Yountville Town Council also oversees the Yountville Finance Authority, a non-profit public benefit corporation for the financing of Town facilities and equipment (Yountville, 2015).

The Town recently concluded protracted litigation with Swank Construction Inc. and moved forward with the repairs of the Yountville Community Center from the settlement. Resolution of this matter resulted in significant decline in legal expenditures in the 2015 budget as compared prior years (Yountville, 2016). For some cities, the costs associated with litigation can affect its financial status. In Yountville's case, the costs of litigation have been significant; however, the Town's overall financial status remains strong.

In 2007, LAFCO's Final MSR found that two-thirds of Yountville's annual operating revenue is generated from transient occupancy taxes (TOT), and although generally reliable, is dependent on tourism for which the Town does not have direct control. As a result, the Town generally is conservative in budgeting revenue estimates for TOT. Recent operating revenue is less dependent on TOT, although it comprises approximately 65% of total General Fund revenue. Town staff has noted that the Revenue Stabilization Reserve and

the Emergency Reserve Fund adequately address the 2007 MSR/LAFCO comment. The Town's Fiscal Policies set a target of 15% of the projected TOT revenues for the Revenue Stabilization Fund with a goal of 20% by FY17/18. In the adopted FY 16-17 budget the Town exceeded the 20% goal by 3% and set the Revenue Stabilization Reserve Fund at $1,500,000. The Town's Emergency Reserve Fund is set at $1,766,300 or 20% of General Fund Expenditures (per Fiscal Policies). This leaves the Town well poised with a total of $ 3,266,300 in reserves or 37% of total General Fund expenditures. Additionally, Fitch Ratings[22] affirmed bonds issued by the Yountville Finance Authority, as follows:--$3.4 million lease revenue bonds series 2013 at 'A+'. In addition, Fitch affirmed the Long-Term Issuer Default Rating for the Town at 'AA-' and gave it a "stable" Rating Outlook.

Revenues and Expenses

As indicated, the Town of Yountville tracks its operations through two types of funds: 1) Government Activities; and 2) Business Activities. This section describes sources of revenues and expenses associated with the Town's overall operations.

Revenue

Yountville's total revenues from both government and business activities in FY 14-15 were approximately $14.62 million as shown in Figure 5-1. The Town derives revenue from several sources including sales tax, property tax, transient occupancy tax, charges for services, grants, and other sources[23]. Nearly 21 percent of Yountville's total revenue is generated from charges for water and sewer service, which are part of the Utility Enterprise Funds (CAFR, 2015). The Town has increased multiple revenue streams including sales and property tax.

[22] Fitch Ratings Inc. is a credit rating agency and a nationally recognized statistical rating organizations (NRSRO) designated by the U.S. Securities and Exchange Commission.

[23] The Town's cost recovery on parks and recreation fees and charges has significantly improved. Detailed analyses of these improvements are beyond the scope of this MSR.

Figure 5.1: Revenues

Data Source: Yountville CAFR for FY 14/15

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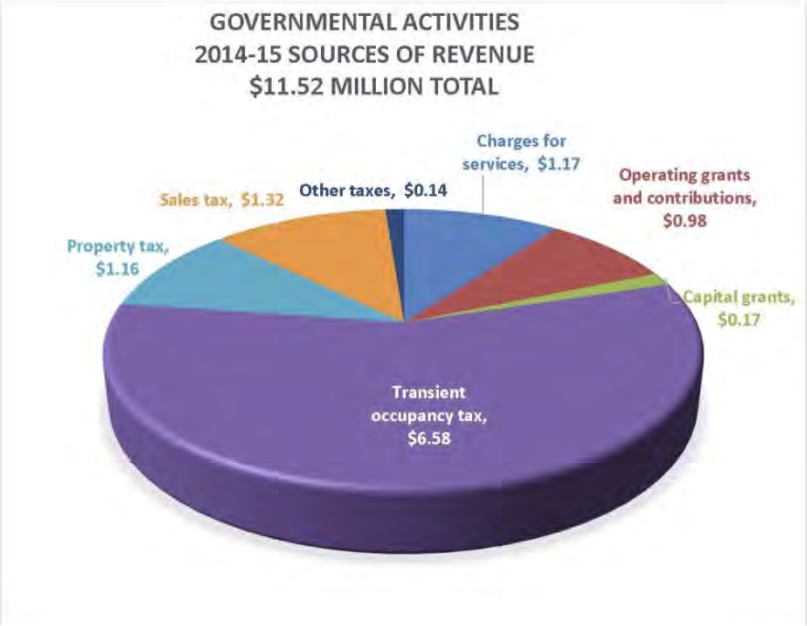
Changes in Town of Yountville's Revenue (in millions of dollars)							
	Gov. Activities		Bus. Activities		Total		%Change
	2014	2015	2014	2015	2014	2015	2013-14
Revenue							
Program revenues:							
Charges for services	1.45	1.17	2.80	2.99	4.25	4.16	-2.1%
Operating grants and	0.68	0.98	-		0.68	0.98	44.1%
Capital grants	0.38	0.17	1.69	0.11	2.07	0.28	-86.5%
Total Program Revenue	2.51	2.32	4.49	3.10	7.00	5.42	-44.5%
Transient occupancy tax	6.26	6.58	-		6.26	6.58	5.1%
Property tax	1.09	1.16	-		1.09	1.16	6.4%
Sales tax	1.26	1.32	-		1.26	1.32	4.8%
Other taxes	0.16	0.14	-		0.16	0.14	-12.5%
Total revenue	**11.28**	**11.52**	**4.49**	**3.10**	**15.77**	**14.62**	**-40.7%**



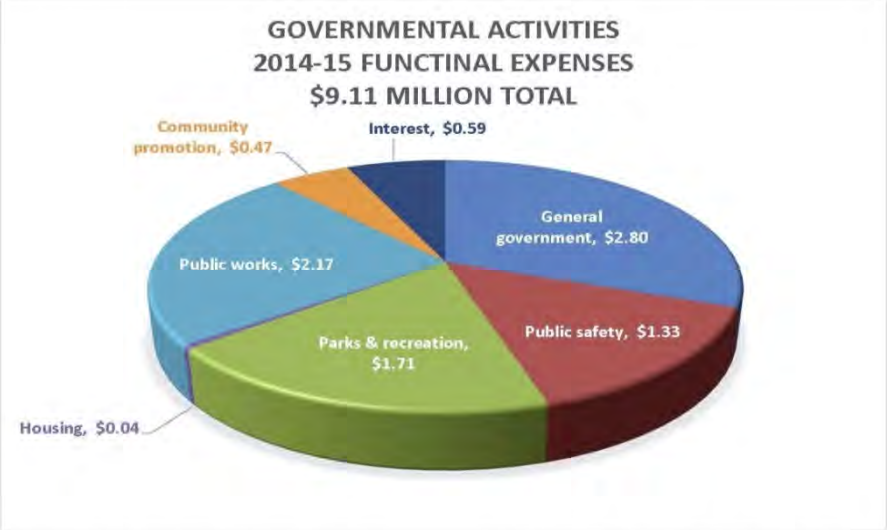
Expenses

The Town expended approximately $11.51 million of its funds in 2015 to provide a full range of services for residents and businesses. This includes $1.33 million for public safety, $2.80 million for general government services, $2.17 million for public works, $1.00 million for water service, $1.40 million for sewer service, and $2.81 on other governmental services, as shown in Figure 5-2.

Figure 5.2
Governmental Activities – Expenses

Changes in Town of Yountville's Expenses (in millions of dollars)

	Gov. Activities		Bus. Activities		Total		
	2014	2015	2014	2015	2014	2015	%Change 2013-14
Expenses							
General government	4.45	2.80	-		4.45	2.8	-37.1%
Public safety	1.30	1.33	-		1.30	1.33	2.3%
Parks & recreation	1.65	1.71	-		1.65	1.71	3.6%
Housing	0.03	0.04	-		0.03	0.04	33.3%
Public works	1.44	2.17	-		1.44	2.17	50.7%
Community promotion	0.44	0.47	-		0.44	0.47	6.8%
Water	-		0.89	1.00	0.89	1	12.4%
Wastewater	-		1.27	1.40	1.27	1.4	10.2%
Interest	0.59	0.59	-		0.59	0.59	0.0%
Total expenses	**9.90**	**9.11**	**2.16**	**2.40**	**12.06**	**11.51**	-4.6%



Expenses in the governmental type activities decreased a total of $ .79 million or 8.0% from the prior year as a result of changes in the following categories:

General Fund

This section discusses the major General Fund financing components for the Town of Yountville and identifies the General Fund revenue sources and expenditures currently being experienced by the Town. All Town services are funded by the General Fund except: Water Service and Wastewater Service which are operated as Enterprise Funds; and Special Revenue Funds, which are restricted for specific purposes.

General Fund Revenues

General Fund Revenues for the past three Fiscal Years are shown in Table 5-1. In FY 13/14 The Town's Other general revenues included a $1.64 million litigation settlement related to the community center design and construction and this temporarily boosted the revenues shown in Table 5-1 (Yountville, CAFR 2014).. Other than this, the Town's total revenues have remained stable in recent years. The core operations of the Town are accounted for in the General Fund, and the General Fund balance is a key measure of the financial health of the Town. For the period ending June 30, 2014, the Available General Fund balance was $5,515,205. In the most recently adopted budget, the estimated FY 15-16 Budget was adjusted to $7,012,255 based on FY 14-15 actuals. It is a budget practice to use the estimated fund balance at year end for FY 15-16 for the following fiscal year. This is a conservative practice that will safeguard the Town from exceeding its budget. Although the Fiscal year 15-16 audit is not yet complete, it is expected that the fund balance will be approximately $7,200,000 and further strengthen the Town's fiscal position

Yountville relies on General Fund revenues to fund 79% of Town expenses. (Refer to Figure 5-1.) Primary revenue generators for the Town are property tax, sales tax, and transient occupancy tax (TOT), of which TOT is a major contributor, accounting for 65% of General Fund revenues (refer to Table 5-1, below). TOT revenue increased in FY 14-15. The Town has provided details on its TOT collections for the period of July 1, 2015 - June 30, 2016, as shown in Appendix G. The Town is anticipating an increase in property tax, sales tax, and TOT as new development projects (both lodging and retail commercial) are completed.

General Fund Expenditures

Expenditure fund categories in Table 5-1 are broken down by Town Department. Generally stated, costs for services by Department continue to increase each year, as Net Income (Revenues minus Expenses) continues to decline. Town Attorney costs have declined significantly since settlement of the Community Center litigation. Total General Fund expenditures for FY 13-14 were $8.4 million, for FY 14-15, $7.4 million, and for FY 15-16, $8.1 million. The adopted FY 16-17 Budget anticipates General Fund Expenditures at $8.8 million as costs by Department continue to increase. Other types of expenditures[24] are described later in this report.

[24] Please see discussion of the Town's OPEB Irrevocable Trust on page 5-26.

Table 5-1: Three-year General Fund Revenue and Expenditure Comparison

Fiscal Year	*FY 13-14*		*FY 14-15*		*FY 15-16*	
Revenues						
Property Tax	$1,086,164	9%	$1,139,161	11%	$1,156,200	12%
Voter Approved Property Tax		0%		0%		0%
Sales Tax	$1,260,279	11%	$1,337,240	13%	$1,120,000	11%
Transportation Tax		0%		0%		0%
Transient Lodging Tax	$6,262,880	54%	$6,582,041	63%	$6,500,000	66%
Fines and Forfeitures	$2,730	0%	$9,223	0%	$3,300	0%
Licenses and Permits	$139,865	1%	$86,419	1%	$57,581	1%
Rents and Concessions	$244,410	2%	$251,091	2%	$262,425	3%
Franchise Fees	$122,764	1%	$129,044	1%	$120,000	1%
Parks & Recreation Fees	$358,690	3%	$347,695	3%	$326,500	3%
Other Non-Property Taxes	$37,068	0%	$38,043	0%	$37,000	0%
Investment Earnings - Interest	$6,230	0%	$16,150	0%	$7,500	0%
Intergovernmental	$97,007	1%	$134,605	1%	$109,300	1%
Charges for Services	$257,063	2%	$185,853	2%	$90,100	1%
Miscellaneous Revenue	$1,818,892	16%	$229,414	2%	$122,000	1%
Transfers In		$0		$0		$0
Total Income	***$11,694,042***	*100%*	***$10,485,979***	*100%*	***$9,911,906***	*100%*
Expenses						
Town Council	$62,242	1%	$62,203	1%	$96,980	1%
Town Manager	$336,595	4%	$395,099	5%	$453,510	6%
Town Clerk	$216,273	3%	$244,952	3%	$345,195	4%
Town Attorney	$2,212,226	26%	$583,498	8%	$156,500	2%
Community Promotion	$438,066	5%	$473,578	6%	$420,660	5%
Finance	$309,222	4%	$372,058	5%	$556,002	7%
Planning and Building	$552,222	7%	$568,517	8%	$784,986	10%
Housing	$31,790	0%	$44,624	1%	$40,620	1%
Public Works	$1,274,704	15%	$1,578,067	21%	$1,642,775	20%
Law Enforcement Services	$884,791	11%	$882,895	12%	$899,500	11%
Fire & Emergency Services	$411,054	5%	$444,275	6%	$477,500	6%
Parks & Recreation	$1,247,067	15%	$1,346,300	18%	$1,504,511	19%
Non-Departmental	$85,450	1%	$111,256	1%	$288,200	4%
Other Expenditures	$337,953	4%	$325,709	4%	$400,230	5%
Total Expenses	***$8,399,655***	*100%*	***$7,433,031***	*100%*	***$8,067,169***	*100%*
Net Income (or Loss)	***$3,294,387***		***$2,859,618***		***$2,323,128***	
Available General Fund Balanc	**$5,515,295**		**$7,012,255**		**$6,202,700**	

Note: Town staff has shared updated information on Transient Lodging Tax for FY 15/16 that indicates TOT payments have been received, showing actual revenue of $6,800,000 as further described in a Town Memo dated August 6, 2016.

Enterprise Funds

Enterprise Funds account for Yountville's municipal operations that are intended to be self-funding through the collection of user fees and charges. Enterprise Funds in Yountville include water utility and wastewater utility services.

Total revenue for the Enterprise Funds was $2.7 million in FY 15-16, as shown in Tables 5-2 and 5-3. For FY 15-16 the enterprise funds had operating net income loss of $198,077, and this is a reduced loss as compared the previous year (FY 14/15) where the net loss was $234,141. These losses are attributed to the new Government Accounting Standards Board (GASB) Statement No. 68, requiring municipalities to account for pension benefits as an annual expense beginning in FY 14-15; as well as increased personnel, services and supplies costs. Overall, the enterprise funds continue to operate with sufficient working capital as detailed below.

Water Enterprise Fund

As detailed in Table 5-2, charges for services comprise the vast majority of revenue for the Water Utility Operating Fund, with Residential water sales accounting for 65% of total revenue in FY 15/16. However, operating expenses (including the cost to purchase water) have increased substantially over the past three fiscal years as indicated in Table 5-2. As a result, the Water Utility Operating Fund has been operating on working capital from previous years. The fund experienced a net loss in income in FY 15-16, and is expected to do so again in FY 16-17. Water rates were last updated by the Town Council in February 2011, with annual increases through the 5-year period ending in FY 15-16. However, given the losses that are beginning to be incurred, the Town should revisit the rates, fees, and charges associated with the Water Utility Operating Fund. Town staff has noted an innovative highlight of the Town's 2011 water rate structure is the change to three components which has benefited the water enterprise fund as all fixed operating costs are captured on a fix fee per meter, actual water consumption, and a system replacement fee based on meter size. As a result, the Town has not experienced significant revenue reductions affecting fixed operating costs as have other public agencies. This is a best financial practice which the Town can share with other agencies. As of July 2016 the Town is under contract with Bartle and Wells for preparation of a sewer and water rate study which is expected to be ready for review in 2017. The Town's $2 million Emergency Drought Reserve Fund is described Section 4.1.1, Water Services of this MSR.

Wastewater Enterprise Fund

As with Water, the Wastewater Utility Operating Fund generates a majority of its revenue from Charges for Services, with approximately 38% derived from wastewater services to the Veteran's Home in FY 15/16. As detailed in Table 5-3, over the past three fiscal years, costs for collection and treatment have continued to rise, with the GASB 68 pension expense requiring significant funds in FY 14-15. Over this time period, the Wastewater

Table 5-2: Three-year Comparison of Water Revenues and Expenditures

Fiscal Year	*FY 13-14*		*FY 14-15*		*FY 15-16*	
Beginning Fund Balance	***$ 352,269***		***$ 679,732***		***$ 736,110***	
Revenues						
OPERATING REVENUES						
Charges for Services						
Residential Sales	$725,586	63%	$750,284	61%	$768,173	65%
Non-Profit Sales	$83,546	7%	$81,971	7%	$88,084	7%
Commercial Sales	$323,863	28%	$374,896	31%	$367,118	31%
Industrial Sales		0%		0%		0%
Other Revenues	$14,392	1%	$19,921	2%	$20,064	2%
NON-OPERATING REVENUES						
Investment Earnings	$486	0%	$1,210	0%		0%
Principal on Interfund Loan					-$55,627	
Interest on Interfund Loan	-$4,176		-$2,818		-$1,427	
Total Revenues	***$1,143,697***	*100%*	***$1,225,464***	*100%*	***$1,186,385***	*100%*
Expenses						
OPERATING EXPENSES						
Personnel	$220,828	25%	$249,283	26%	$325,955	29%
Services & Supplies	$97,512	11%	$108,281	11%	$133,276	12%
Capital Outlay	$4,759	1%	$6,485	1%	$3,000	0%
Water Purchases	$493,135	56%	$528,331	60%	$578,450	65%
Depreciation Expense	$69,408	8%	$70,208	7%	$75,000	7%
NON-OPERATING EXPENSES						
None		0%				
Total Expenses	***$885,642***	*100%*	***$962,588***	*100%*	***$1,115,681***	*100%*
Income (or Loss) Before Transfers	***$258,055***		***$262,876***		***$70,704***	
Transfers From or (To) Other Funds	***$69,408***				***-$200,000***	
GASB 68 Pension Expense Adjustment			***-$206,498***			
Net Income (or Loss)	***$327,463***		***$56,378***		***-$129,296***	
Working Capital Available at Year End	***$679,732***		***$736,110***		***$606,814***	

Table 5-3: Three-year Comparison of Wastewater Revenues and Expenditures

Fiscal Year	*FY 13-14*		*FY 14-15*		*FY 15-16*	
Beginning Fund Balance	***$ 239,083***		***$ 402,166***		***$ 111,647***	
Revenues						
OPERATING REVENUES						
Charges for Services						
Residential Sales	$332,310	23%	$395,843	25%	$425,000	27%
Commercial Sales	$416,114	29%	$476,682	30%	$480,000	31%
Veteran's Home Sales	$654,370	45%	$650,197	41%	$594,543	38%
Reclaimed Water Sales	$46,638	3%	$51,478	3%	$60,000	4%
NON-OPERATING REVENUES						
Investment Earnings	$664	0%	$568	0%	$500	0%
Refunds & Reimbursements			$637	0%		
Total Revenues	***$1,450,096***	*100%*	***$1,575,405***	*100%*	***$1,560,043***	*100%*
Expenses						
OPERATING EXPENSES						
Personnel	$548,274	43%	$570,447	44%	$667,420	44%
Supplies & Services	$455,009	36%	$476,861	37%	$503,075	33%
Capital Outlay	$19,554	2%				
Debt Service	$4,176	0%	$15,434	1%	$21,275	1%
Depreciation Expense	$240,019	19%	$237,964	18%	$330,000	22%
NON-OPERATING EXPENSES						
None		0%		0%		0%
Total Expenses	***$1,267,032***	*100%*	***$1,300,706***	*100%*	***$1,521,770***	*100%*
Income (or Loss) Before Transfers	***$183,064***		***$274,699***		***$38,273***	
Transfers From or (To) Other Funds	***-$19,981***		***-$102,804***		***-$107,054***	
GASB 68 Pension Expense Adjustment			***-$462,414***			
Net Income (or Loss)	***$163,083***		***-$290,519***		***-$68,781***	
Working Capital Available at Year End	***$402,166***		***$111,647***		***$42,866***	

Utility Operating Fund has utilized 90% of its available working capital, and is expected to have a negative fund balance at the end of FY 16-17. The negative fund balance is projected to be under $8,000 and could potentially be addressed with the implementation of new and increased water rates. Similar to Water rates, Wastewater rates were last updated by the Town Council in 2011 and were effective through June 30, 2016. Rates for wastewater service will be reviewed as part of the next 5 year utility rate study, which the Town Council is expected to review in 2017.

Special Funds

Special Funds account for non-discretionary monies that may be used by Yountville for specific purposes. Yountville has established eight special revenue funds, most of which derive their monies from specific sources, such as governmental subventions and developer fees, state transportation funds, fees for services, and transfers from other funds. Current Special Funds and their budgeted amounts for FY16/17 are as follows:

State Gas Tax Fund (Restricted) – used for maintenance and capital expenditures for street improvement projects. Funded by three State Streets and Highways Code Sections. ($67,123)

Public Art Program Fee Fund (Restricted) – established in 2016 to enhance public art in the commercial district. Funded by commercial development equal to 1% of the project valuation. ($20,000)

Housing Grant Fund – a CalHome Program Grant provides funds for home improvement projects for low income eligible residents. ($396,000)

Fire Emergency Service Fund – Designed to offset additional costs for fire personnel, facilities, and equipment. Funded by impact fees on new development. ($29)

Flood Barrier Capital Maintenance Fund – Reserve fund to provide capital improvements and maintenance for the flood hazard barrier constructed in 2004. ($170,569)

Youth Subsidy Program Fund – Provides funds for sponsorships to Parks & Recreation programs for eligible youth. Funded by contributions from individuals, fundraising efforts, and interest earned. ($20,626)

Tallent Lane Private Road Benefit District Fund – Provides funds to widen Tallent Lane for safety and improved access. Funded by a fee of $2,270 per home or lot, and $1,125 for a second unit dwelling. Currently no projects, but the funds are still active and available. ($13,824)

Mesa Court Drainage Benefit District Fund – Established to correct drainage problems within the area of Mesa Court. Initial improvements were completed in FY 98-99 financed by new development. Currently no projects, but the funds are still active and available. ($47,467)

Agency Fund

In 2010, Napa County approved creation of the Napa Valley Tourism Improvement District (NVTID), which is a benefit assessment district including the County and all incorporated cities, including the Town of Yountville. Assessments are levied at a rate of 2% on gross revenues from lodging room rentals. Of the 2% levy, 1.5% goes to NVTID and 0.5% to the Town of Yountville. These funds are utilized for tourism-related sales and marketing activities. This fund has a current fund balance of $135,654.

Asset Maintenance and Replacement

The Town owns buildings, facilities, vehicles and equipment, and other infrastructure. These capital assets are depreciated over their estimated useful lives. Asset maintenance is a significant issue for the Town, given the age of the water, wastewater, and storm drainage pipes. The General Fund primarily pays for storm drainage, parks, and facilities projects and equipment, while Enterprise Funds or Gas Tax Funds provide funding for water, sanitary sewer, streets and sidewalks projects and equipment.

Capital Improvements

The Capital Improvement Program (CIP) plan schedules permanent improvements, such as major maintenance projects, new construction, and rehabilitation projects that are needed to keep the Town's infrastructure in good shape. The CIP covers a five year timeframe; however, each annual budget provides funding for that particular fiscal year[25]. The CIP is reviewed on an annual basis for conformance to and consistency with the General Plan and Town Council Goals and Objectives.

The budget for FY 16-17 allocated nearly $2.0 million towards major capital improvement projects and equipment. This includes $157,433 in Civic Facilities (Town Hall, Community Center); $393,522 in Community Projects (ADA Accessibility, GIS and WiFi Hotspot, Parking Improvements); $110,000 in Drainage and Flood Control (Washington Street Drainage, other drainage improvements); $529,310 in Parks & Recreation (park renovations, restroom repair, fencing, swimming pool replacement); and $765,000 in Streets and Transportation (Hopper Creek Bridge rail, streetlight replacement, Yountville Crossroad Street reconstruction).

Long-term Financial Considerations

In this section, the long-term liabilities and the debts the Town has accumulated are briefly summarized. Additional details about liability and debt can be found in the Town's Annual Financial Statement, available on the Town's website. To cover capital expenses associated with general government and enterprise activity, it is common for local

[25] The CIP is a rolling 5 year plan with only the updated first year fully funded as a part of annual budget adoption.

governments to take advantage of low interest rates by borrowing money from the state or other sources. The Town's positive bond rating also helps it secure low interest rates (see paragraph on bond rating on page 5-16).

Financial and Audit Reports

Each fiscal Year, the Town Staff prepare a Comprehensive Annual Financial Report (CAFR). Contained within the CAFR is an audit prepared by a qualified Certified Public Accountant. The most recent Town Audit was for the 2014-15 Fiscal Year and was prepared by Badawi and Associates Certified Public Accountants from Oakland. The FY 2014-15 CAFR is available on the Town's website. Financial reports for previous years are available upon request from Town staff. The Town has received the GFOA Certificate of Achievement for its Financial Reporting for its past five CAFRs.

Reserves

As of June 30, 2016, the Town maintained a number of assets which can be considered to be reserves[26], although some are restricted for specific purposes. Yountville maintains six reserve funds as follows:

Budget Contingency Fund	$240,000
Emergency Reserve Fund	$1,766,300
Revenue Stabilization Reserve Fund	$1,500,000
Legal Contingency Reserve Fund	$250,000
Water Enterprise Drought Emergency Fund	$2,107,570
Public Agency Risk Sharing Authority Of California (PARSAC)	$50,000

Outstanding Debt

Since 2008, the Town has incurred $18.3 million in long-term funding instruments to fund three projects:

The 2008 Lease Revenue Bond issued by the Yountville Financing Authority to fund construction of the Yountville Town Center Project (Community Center, Library, remodel of existing Town Hall, new Sheriff's Substation, and landscaping of the new Town Square. The bond was issued for $11,197,600 and requires an annual payment of $699,099, based on a 30-year payment period ending in 2039.

The 2013 Lease Revenue Bond issued by the Yountville Financing Authority to fund a seismic retrofit of the historic Town Hall and the reconstruction of streets and sewers on Madison and Yount Streets. The bond was issued for $4,260,000 and requires an annual payment of $356,213, based on a 15-year payment period ending in 2027.

[26] Yountville has $3.8 million in available general fund reserves combined (Personal Communication, S. Rogers, September 2016).

The Measure A Debt Service Fund was established in FY 04-05 to account for the Town's proceeds from the Napa County Flood Control Authority county-wide half-cent sales tax to fund flood improvement projects. This is a Certificate of Participation (COP) secured by the Town's portion of the Measure A. Debt service payments are $261,618 per year and structured so as to be paid off in conjunction with the Measure A sales tax in 2018.

All required payments are being made on a timely basis.

Bond Rating

The Town has not defaulted on repayment of any bonds or other debt (Yountville, 2016). In 2014, the Town received an overall rating of AA+ from Standard & Poor's Financial Services LLP. In June 2016, Fitch Rating service of San Francisco gave the "Yountville Financing Authority" the following bond ratings:

- 'A+' for the $3.4 million lease revenue bonds (LRBs) series 2013; and
- 'AA-' for the Long-Term Issuer Default Rating (IDR).

Risk Management

The Town of Yountville utilizes insurance and business practices to minimize its financial risk, including reducing hazards and injury to people, and damage to property in providing Town services and implementing projects. The Town is an active member[27] of a joint powers authority, PARSAC, for the management and insuring of general liability, property, employee, workers compensation and other risks. The Town Manager and the Management Analyst serve as representatives to PARSAC. Processing liability or property claims as well as processing and management of the insurance certificates required by agreements is a responsibility of the Town Clerk's office. Additionally, the Town conducts an annual review of the Town's self-insured retentions, insurance coverage, and provides programs for training of Town staff on safety. Town facilities, programs and services are periodically surveyed to identify hazards and improve efficiencies. Legal contracts for construction and other services are carefully considered in order to identify risks in the activity and mitigate or transfer the risk.

Cost Avoidance

This section highlights cost avoidance practices given necessary service requirements and expectations. Ideally, proposed methods to reduce costs would not adversely affect service levels. The Town pursues an array of cost avoidance techniques that each contribute incrementally towards keeping costs at a reasonable level, including:

- minimization of financial risks by maintaining professional insurance as a member of PARSAC. PARSAC is a Joint Powers Authority (JPA) that provides comprehensive insurance to cities, towns and non-municipal public agencies through the State. PARSAC offers a variety of insurance coverage programs and the Town participates in several.

[27] The Town Manager service on the Executive Board and as Treasurer on the Executive Committee for PARSAC

- standardized bidding practices implemented by the Town ensure the lowest and most responsive bid for services, supplies, and equipment.

Please note that the 2008 recession did not affect Yountville to the same extent that it affected other cities in Northern California. The Town of Yountville did not experience staff layoffs during the recession and instead utilized other cost reduction measures. Regardless, each Town department sought cost avoidance opportunities.

Yountville also participates in joint-power arrangements with the Upper Valley Waste Management Agency, the Napa County Transportation and Planning Agency now Napa Valley Transportation Authority, Regional Government Services (RGS), the City of Napa, and the Napa County Flood Control and Water Conservation District. These arrangements help maximize local resources among participating agencies in providing garbage collection, public transportation, affordable housing, code enforcement, and flood control services within their respective jurisdictions as well as providing alternative staffing support options[28].

5.2 FINANCIAL METRICS

To make best use of available funds, the Town must manage its finances expediently and responsibly. This section describes several measures of fiscal health. These metrics serve as a public report card to provide information about service and administrative efficiency. The same financial metrics have been used in the MSRs for the Cities of Calistoga and St. Helena to allow cross comparison.

Change in Assessed Value

In FY 14-15, the properties within the Town of Yountville had a total assessed value of $611 million, which was a 7.91 percent increase over the previous year. Figure 5-3, below, depicts the percentage change in assessed value year-to-year.

[28] Town staff has noted that Yountville has heavily utilized its membership in RGS for shared services staffing to provide for optimization of staffing by utilizing shared staffing opportunities through RGS and with the City of Rancho Cucamonga for GIS services (S. Rogers, personal communication, September, 2016).

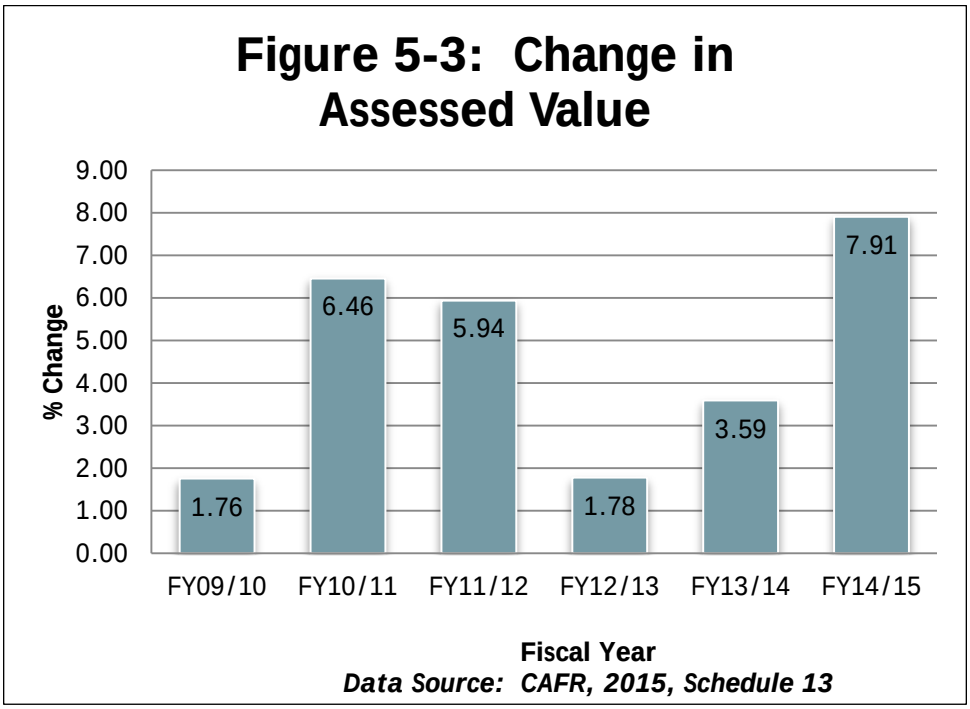


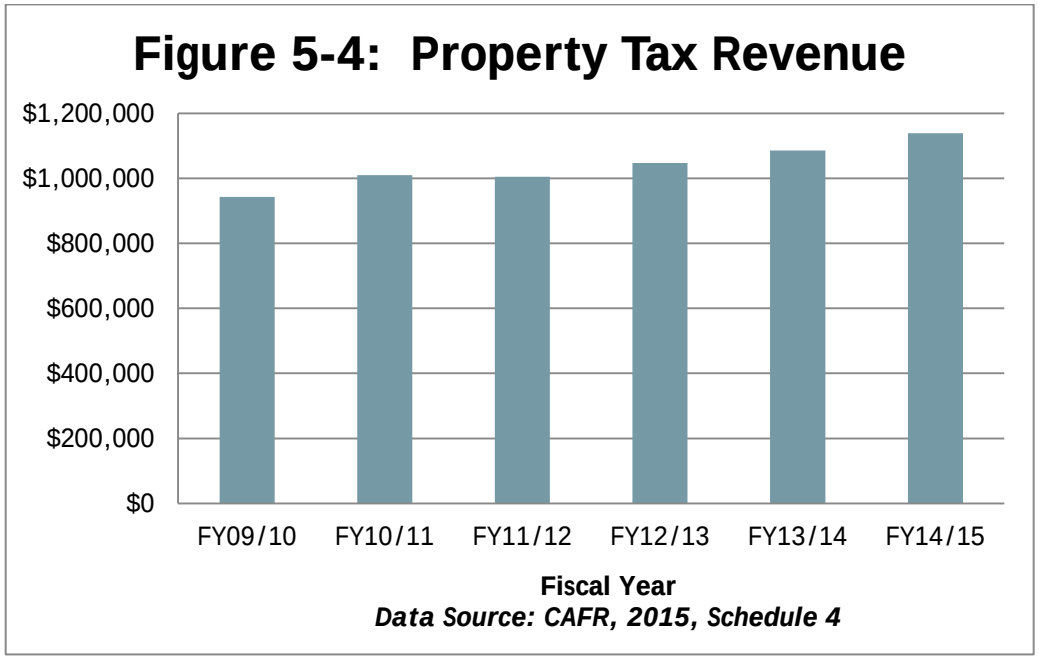
Table 5-4: Data for Assessed Property Value						
	FY09/10	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15
End FY Taxroll Value	$476,052,223	$506,813,775	$536,931,027	$546,477,582	$566,095,263	$610,851,007
Beginning FY Taxroll Value	$467,840,883	$476,052,223	$506,813,775	$536,931,027	$546,477,582	$566,095,263
Source of Data: Schedule 13 Demographic & Economic Statistic						

The Town has a few small development projects that have been approved but not yet fully constructed. When complete, these projects will likely increase the total Assessed Property Value within the Town by a small fraction. A recent report given by the Napa County Assessor reported an assessed valuation increase of 11.68%. From 2015-16 to 2016-17 the net increase was $74,823,232. Town staff has also noted that assessed property value will increase significantly in 2017 due to the 2016 sale of the Vintage Estate (Villagio Inn, Vintage Inn, and V Marketplaces) at $148 million (S. Rogers, personal communication, September, 2016).

Property Tax Revenue

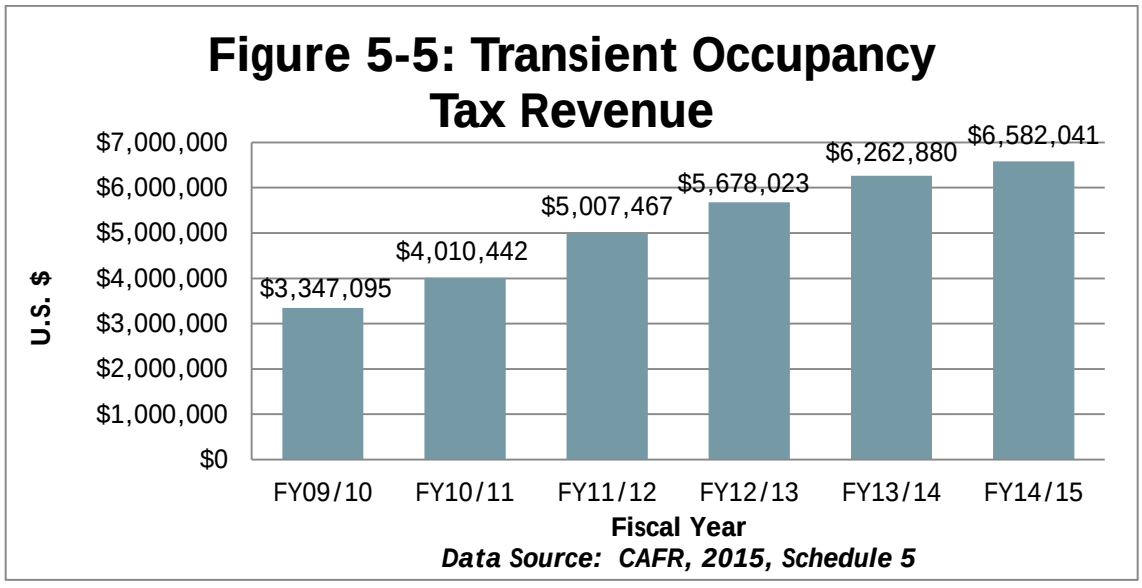
Annual property tax revenue is used as a fiscal indicator for cities. Although property tax revenue can be relatively stable, it does lag approximately two years behind changes in market conditions. In 2015, Yountville received $1.4 million in property tax revenue as shown in Figure 5-4, below. During the six year study period, property tax revenue was at its lowest ($943,000) in FY 09/10 and has been steadily increasing since then. This increase is likely due to increased property values as the region recovers from the national

economic recession of 2008-2009. Please note that there is a significant amount of state-owned property (Veterans Home) that is located within the Town limits that does not pay property taxes to support either Town or County operations. This significantly skews Yountville data when compared to other jurisdictions. These data were derived from Schedule 4 of the Town's Annual Financial Report, 2015.



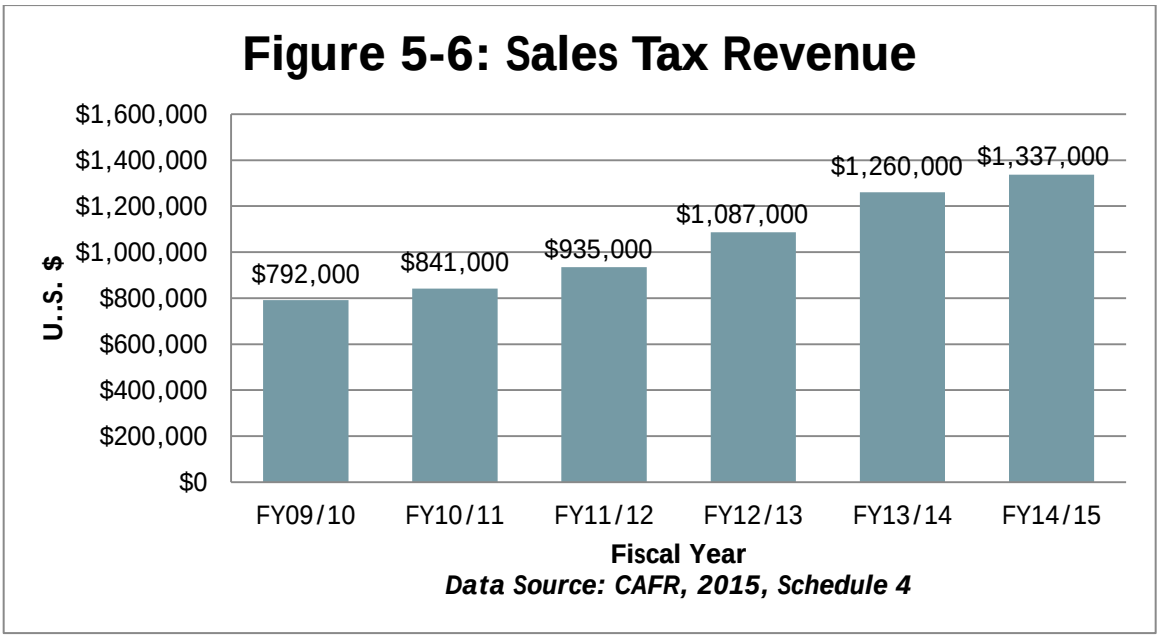
Transient Occupancy Tax

In 2015, the Transient Occupancy Tax represented 65% of the Town's total General Fund revenue and totaled approximately $6.6 million, as shown in Figure 5-5, below. The revenue from the Transient Occupancy Tax has been steadily increasing over the six-year study period. Additionally, in FY 15-16 TOT tax revenue was recorded at $6.8 million, which is higher than previous years



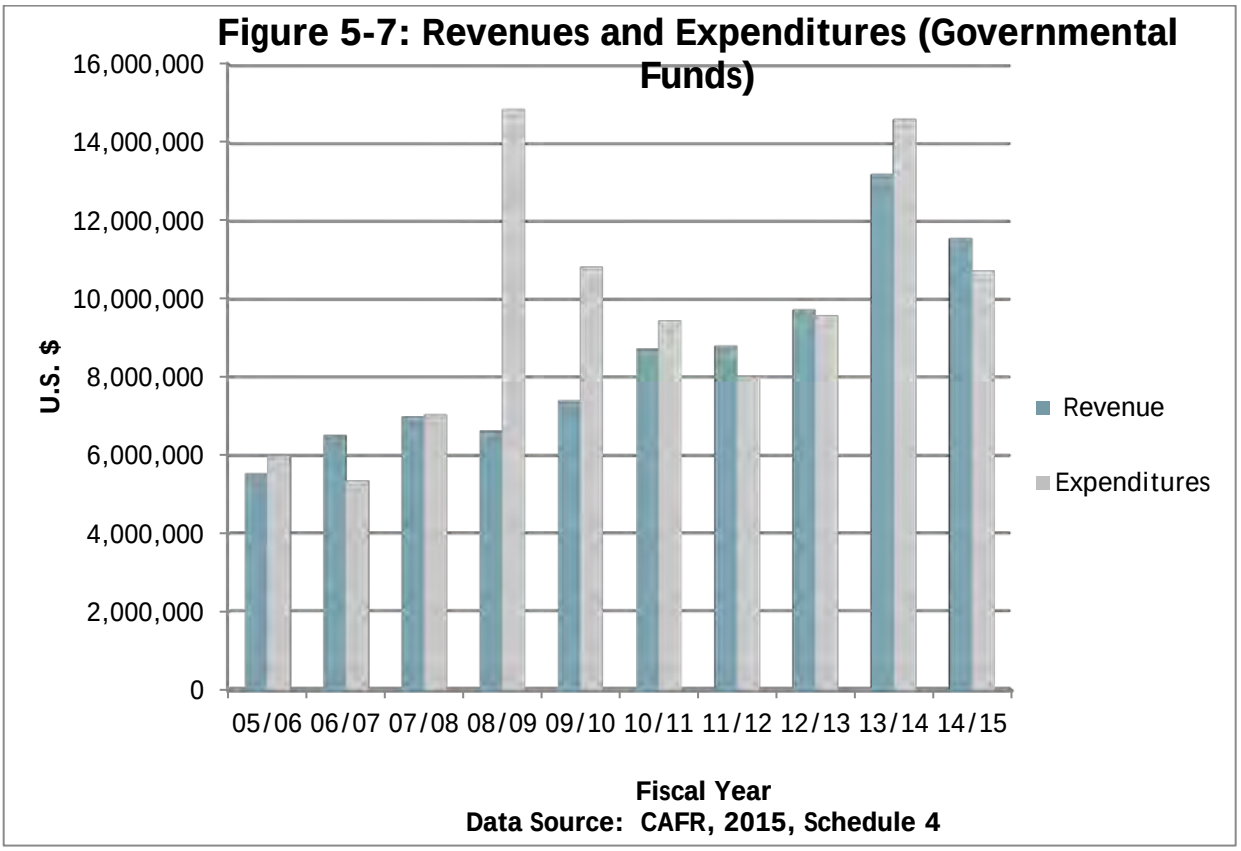
Sales Tax Revenue

Annual sales tax revenue is used as a fiscal indicator for cities because it can help determine sensitivity to changes in local economic conditions, possibly impacting the ability of cities to fund and provide services. In 2015, sales tax revenue in Yountville was approximately $1.3 million, as shown in Figure 5-6, below. Sales tax revenue has increased steadily since FY 09/10. The most recent sales tax receipts show total revenue of $1,452,602 for FY 15-16 (not shown).



Revenues vs. Expenditures

Revenues for Government Funds exceeded expenses in four out of the ten years studied as shown in Figure 5-7, below. Since FY 11/12, revenues have been trending upward. In FY 14/15 the Town's revenues for governmental funds were approximately $11,551,000 and expenses were approximately $10,722,000 (rounded to the nearest thousand). This represented a positive difference of $829,000.



The expenditure peak shown in Figure 5-7 above for FY 08/09 is attributed to a $7.5 million capital improvement project for the Community Center Project plus other capital expenditures.

Service Obligation Ratio

The Service Obligation Ratio (governmental) measures whether or not an agency's annual revenues were sufficient to pay for annual operations. A ratio of one or higher indicates that a government lived within its annual revenues. The formula for calculating this ratio is the division of the operating revenue by the operating expenditures. As shown in Figure 5-8 below, the ratio for Yountville was greater than one in all of the five years studied. Table 5-5 describes governmental funds only. The "Statement of Revenues, Expenditures, and Changes in Fund Balances" in the CAFR for fiscal years 2015, 2014, 2013, 2012, 2011 were utilized as the source of data as shown in Table 5-5, below.

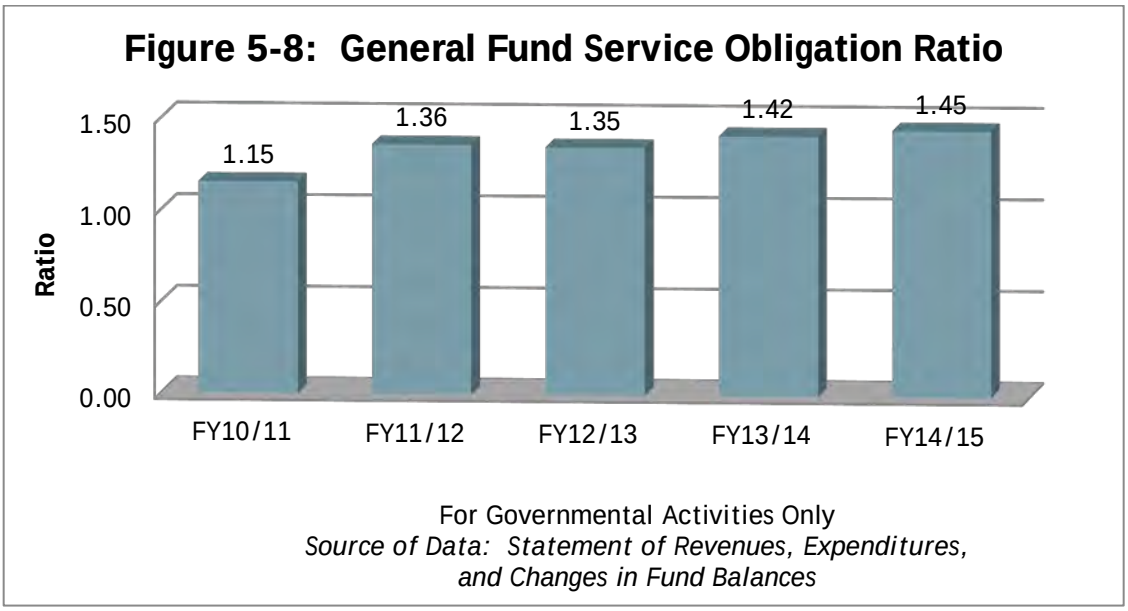
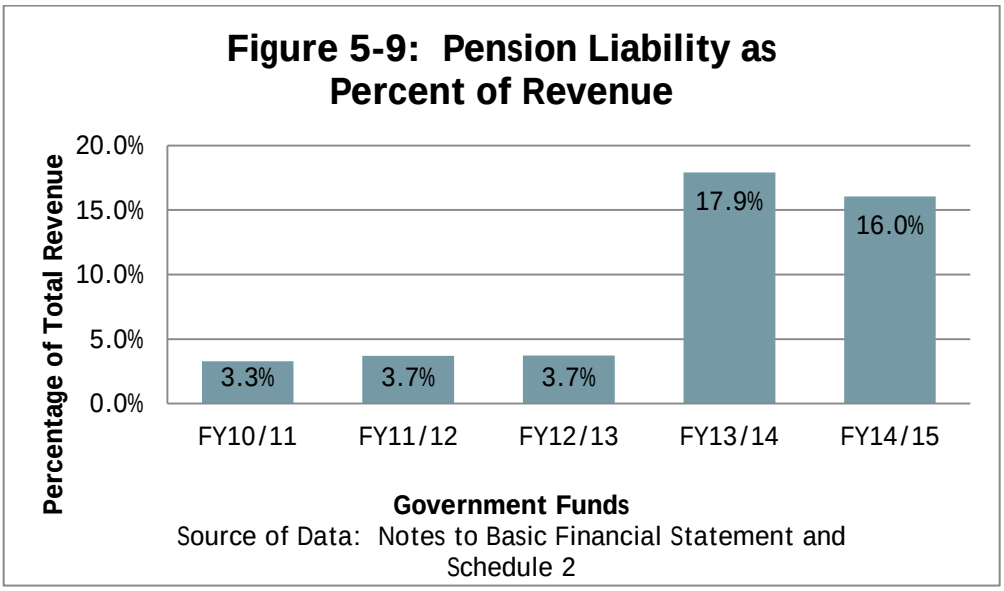
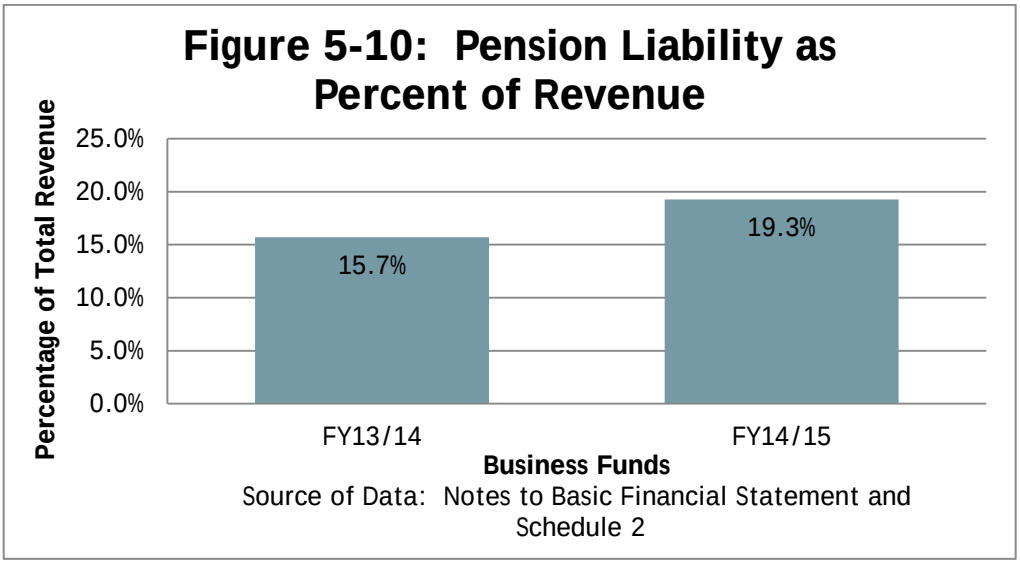


Table 5-5: Data for Service Obligation Ratio (Governmental)					
	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15
Operating Revenue	$7,028,689	$8,267,163	$9,088,548	$11,911,213	$10,776,437
Operating Expenses	$6,090,993	$6,076,774	$6,731,990	$8,399,877	$7,423,527
Source of Data: Statement of Revenues, Expenditures, and Changes in Fund Balances CAFR 2015, 2014, 2013, 2012, 2011.					

Pension Payments

The amount of pension payments as a percentage of total revenues is a fiscal health indicator, as shown in Figures 5-9 and 5-10, below. This was calculated by dividing the annual pension cost by the total revenue in Government Funds (Table 5-1) and Enterprise Funds (Tables 5-2 and 5-3). For Governmental Funds, FY 13-14 saw the highest percentage paid at 17.9 percent.





Liquidity Ratios

Liquidity measures a government's ability to meet its short-term obligations. A high ratio suggests a government is able to meet its short-term obligations. This liquidity ratio was calculated by dividing "cash and cash equivalents" by "current liabilities". The data for Figure 5-11, below was derived from the Statement of Net Assets within the CAFR, years 2011 to 2015, as shown in Table 5-6 below. The Enterprise Funds and the Government Funds were summed together. The Town's Liquidity Ratio has been improving in recent years and the Town was best able to meet its short term obligations in FY 14/15 when the liquidity ratio was 6.3, as shown in Figure 5-11, below.

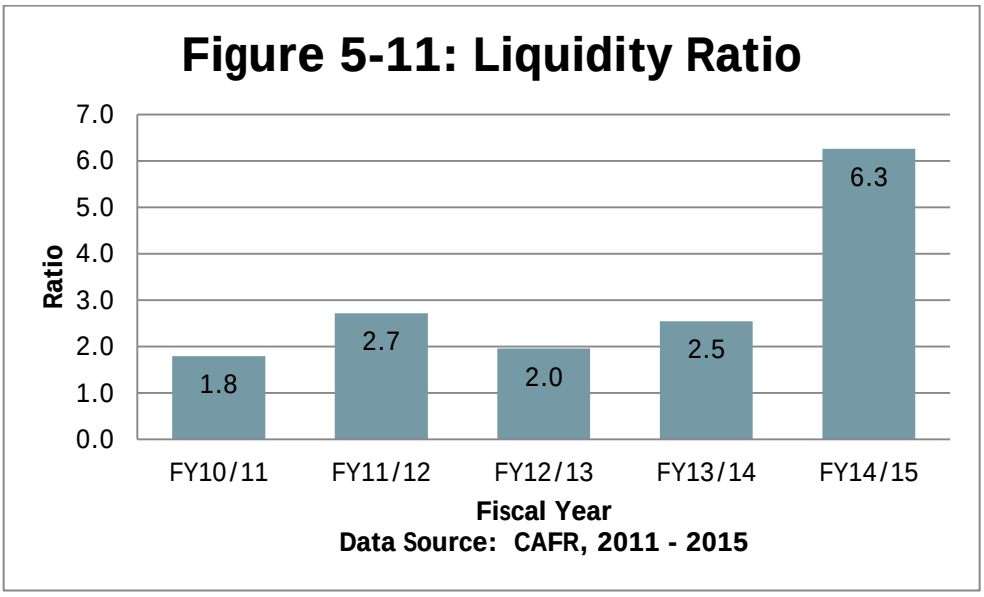


Table 5-6: Data for Liquidity Ratio

	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15
Cash and Investments	$2,341,912	$2,748,643	$4,295,820	$9,179,320	$14,440,955
Current Liabilities	$1,305,947	$1,010,867	$2,191,197	$3,608,259	$2,307,011
Source of Data: Statement of Net Position, CAFR, 2011 to 2015					

Enterprise Fund Ratio of Charges

The Ratio of Charges for Services (business) is a metric that addresses the extent to which charges for service covered total expenses. A ratio of one or higher indicates that the service is self-supporting. The formula for calculating this ratio is the "charge for service" divided by the "operating expenses". The data originated from CAFR, 2011-2015 Schedule 2. As shown in Figure 5-12, below, the Enterprise Fund is currently self-sustaining. In FY 14/15, the Town collected $2,990,025 in fees for water and sewer service, as shown in Table 5-7, below.

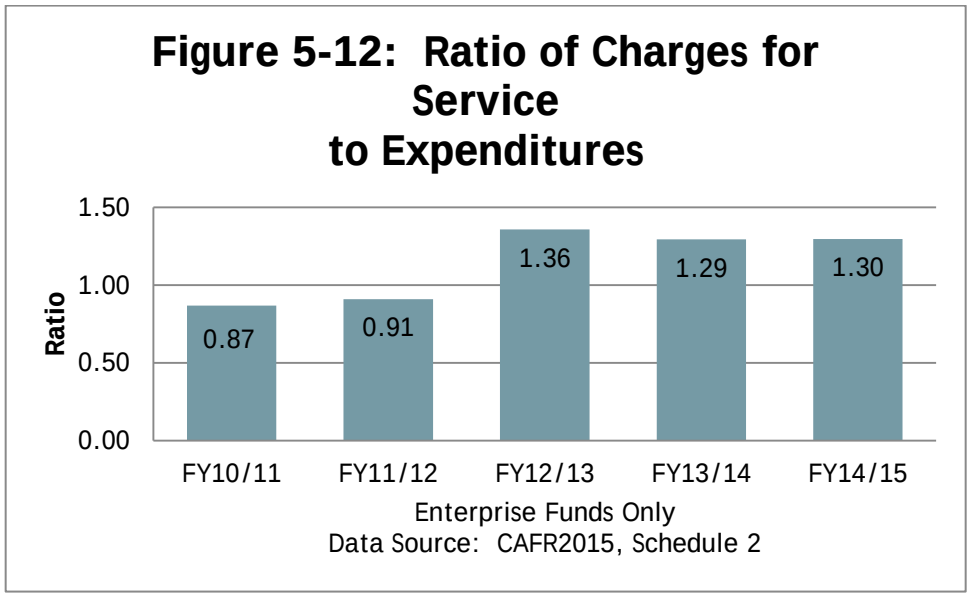


Table 5-7: Data for the Ratio Charges for Service to Expenditures (Business-Enterprise)					
	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15
Charges for Service	$1,595,777	$1,869,908	$2,635,708	$2,804,225	2,990,025
Operating Expenses	1,837,829	2,055,534	1,940,666	2,167,225	2,305,729
Source of Data: CAFR, 2011-2015, Schedule 2					

Change in Cash and Cash Equivalents

Cash and Cash Equivalents are the most liquid assets of an agency's assets and can be readily converted into cash, as needed. A positive percentage change indicates that an agency's cash position has improved. The "Change in Cash and Cash Equivalents" metric shown in Figure 5-13, below, was calculated by dividing the ending year total cash and cash equivalents for the Enterprise Funds by the previous years. Although FY 13/14 had the largest change, the actual value of cash and its equivalents was larger in FY 14/15 ($6,166,562) as shown in Table 5-8, below.

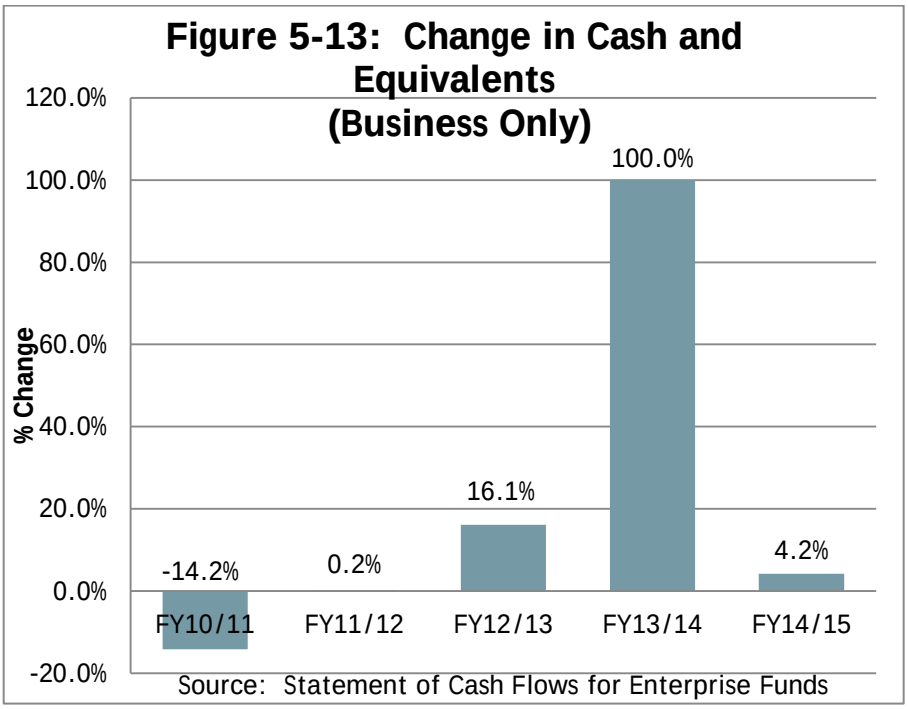


Table 5-8: Data for Change in Cash and Cash Equivalents (Business Only)					
	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15
End Cash and cash equivalents	$2,542,877	$2,548,056	$2,959,301	$5,918,923	$6,166,562
Beginning Cash and cash equivalents	$2,962,572	$2,542,877	$2,548,056	$2,959,301	$5,918,923
Data Source: Statement of Cash Flows for Enterprise Funds					

Debt Service

The percentage of "Debt Service" to operating expenses (minus depreciation) is used as a fiscal indicator because it considers the service flexibility by determining the amount of total expenses committed to annual debt service. Service flexibility decreases as more resources are committed to annual debt service. In FY 14/15 the annual service on debt related to regular governmental activities was $1,302,000 and this represented 14.9 percent of the $8,710,000 in governmental expenditures, as shown in Figure 5-14 and Table 5-9.

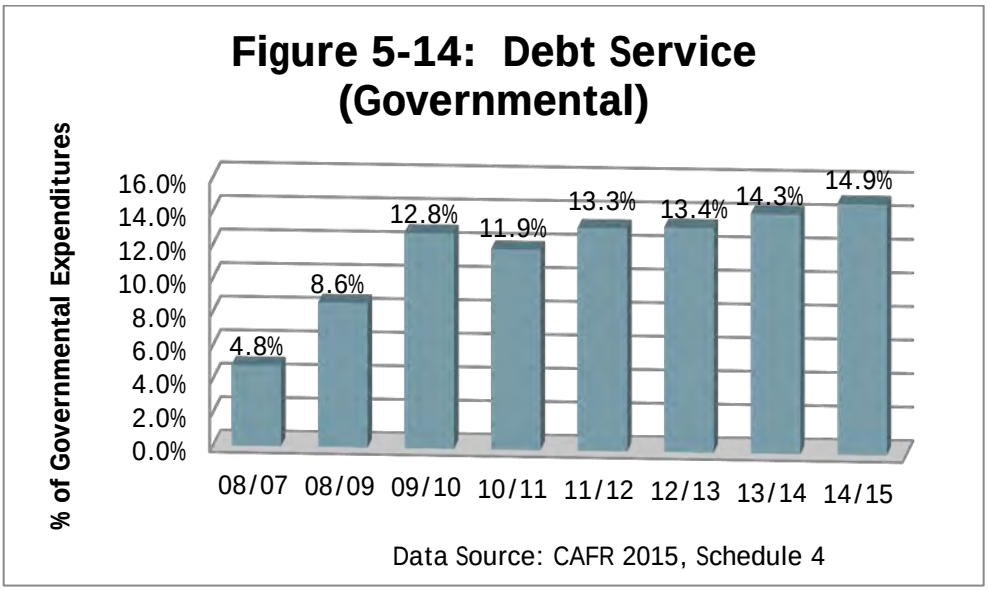


Table 5-9: Data for Debt Service (Governmental) Analysis (In rounded Thousands of Dollars)								
	08/07	08/09	09/10	10/11	11/12	12/13	13/14	14/15
Annual Gov Debt Service (Principal & Interest)	$264	$606	$764	$935	$9,052	$1,084	$1,207	$1,302
Operating Expenditures (minus depreciation)	$5,494	$7,045	$5,952	$7,828	$7,160	$8,090	$9,148	$8,710
Data Source: CAFR, 2011 – 2015, Schedule 4.								

Other Post Employment Benefit

The Town's annual "Other Post-Employment Benefit" (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of Governmental Accounting Standards Board (GASB) Statement 45. OPEB is a budgeted item in the Town's Fund 02. Figure 5-15, below shows the ratio between the OPEB payments and the OPEB Annual Cost (Expense). This ratio is variable from year-to-year and the highest ratio in FY 10/11 indicates that the Town made the best payment in terms of cost, comparatively. As shown in Table 5-10, the payments exceeded costs in all years.

Town staff has noted that the Town's OPEB Irrevocable Trust has, as of March 1, 2016, assets totaling $1,826,999. The Town will fund an additional $355,000 in FY16/17. The Town has also fully funded its ARC with 14% internal charge while paying for full costs and remaining balance added to the trust fund balance (S. Rogers, personal communication, September, 2016).

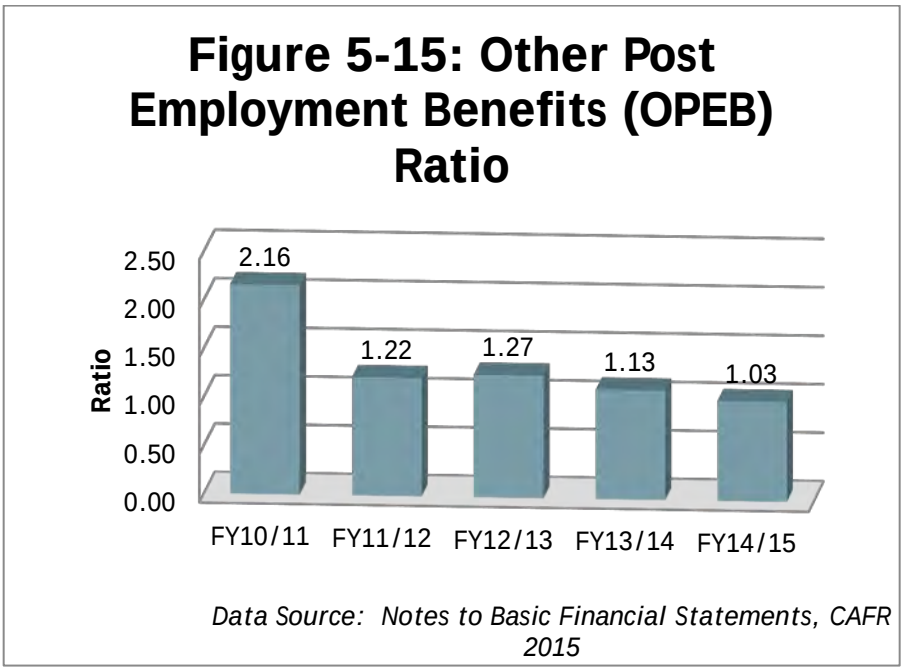


Table 5-10: Data for OPEB Payments Analysis					
	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15
OPEB Payments	$630,452	$372,404	$341,988	$310,730	$292,788
OPEB Annual Cost	$292,000	$305,000	$270,346	$275,064	$284,325
Data Source: Notes to Basic Financial Statements					

Bond Rating

The Town has not defaulted on repayment of any bonds or other debt (Yountville, 2016).In June 2016 Fitch Rating service of San Francisco gave the "Yountville Finance Authority" the following bond ratings:

- 'A+' for the $3.4 million lease revenue bonds (LRBs) series 2013; and
- 'AA-' for the Long-Term Issuer Default Rating (IDR).

Comparison of Revenues Per Acre

The average revenue the Town generated on a per acre basis in 2015 was $15,114 and this is higher than its neighboring Cities of St. Helena and Calistoga, as shown in Figure 5-16, below. Revenue per acre is used as a fiscal indicator in this MSR/SOI because land development patterns have a significant influence on the finances of a city or *town*. A Town has no management authority over its residents or businesses and they are free to move as they wish. Management of a Town's water and air resources are regulated for the most part by state and federal agencies. The key management authority of a Town is its land-use and zoning authority as found in its general plan and Town ordinances. The revenue per acre metric measures the efficiency of cities in utilizing its land use authority to maximize local revenue generation. Since land is a finite resource, this metric also provides an indication of land-use sustainability (SMA, 2013).

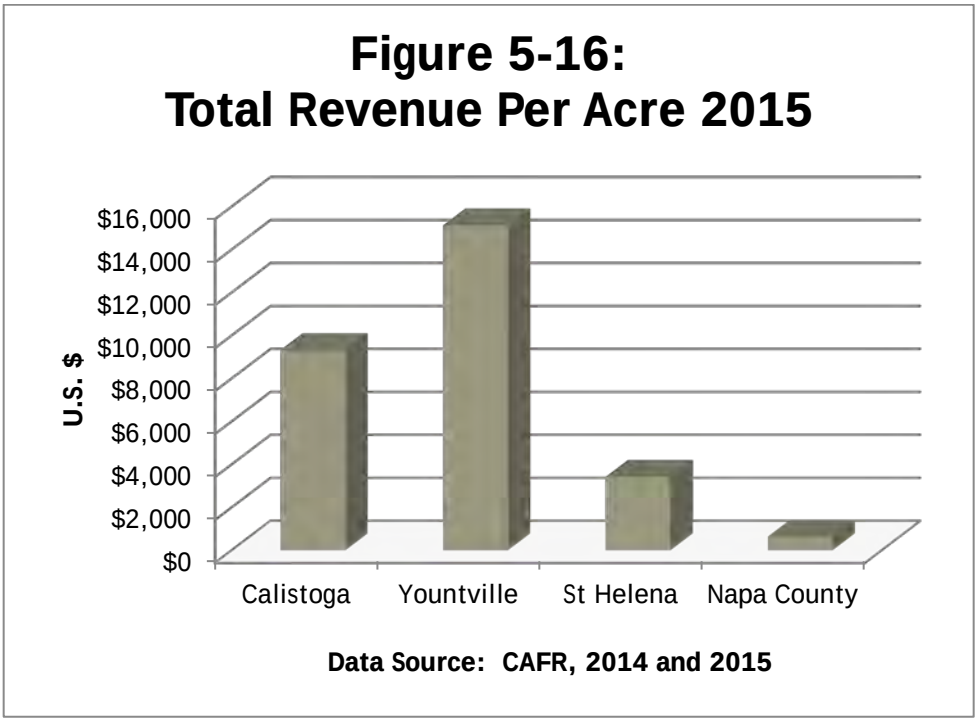


Figure 5-16, Total Revenues Per Acre, above, shows that the unincorporated area of Napa County generates a much lower amount of revenue on a per acre basis ($638), as compared to the three cities[29]. This is due to several factors related to different land-use patterns in the unincorporated area, including the preservation of agriculture and open space. The County's Measure J in 1990, as extended by Measure P in 2008, requires the protection of agricultural land in the unincorporated area and focuses residential and commercial development in cities. Another factor is Proposition 13, a statewide ballot initiative passed by voters in 1978, which resulted in a state-wide standard for the amount and distribution of property tax.

[29] Yountville staff shared information regarding total property tax assessment for each of the cities and for Napa County as shown in Appendix F.

CHAPTER 6: RECOMMENDED MSR DETERMINATIONS

6.1: MSR DETERMINATIONS

Based on the information included in this report, the following written determinations make statements involving the service factors the Commission must consider as part of a municipal service review, consistent with California Government Code §56430(a). The determinations listed below are recommendations from the consultant to the Commission and are subject to editing, review, and approval by the Commission. The Commission's final MSR determinations will be part of a Resolution which the Commission formally adopts during a public meeting.

Growth and Population Projections

1. Yountville's population is 3,000 full-time residents, of which 1,200 reside at the Veteran's Home. The Town's population increased slightly from 2,916 in 2000 to 2,933 in 2010, an increase of approximately one percent.
2. The Association of Bay Area Governments estimates a population growth of approximately 300 residents for Yountville over the next 10 years, which represents an annual increase of 0.1 percent. This estimate reflects a regional assumption that growth in the Bay Area will increasingly migrate towards existing urban areas.
3. The eastern portion of Yountville is near buildout with residential units, retail, restaurant, lodging, and civic land uses. It is anticipated that there will be 17 additional residential units built under the proposed General Plan land use assumptions of the housing cycle ending 2022, as well as the development of three parcels along Washington Street into restaurants, specialty retail, and office buildings. The Vacant Land Map, from the Yountville Housing Element, 2015, is shown in Figure 3-3.
4. The California Department of Veterans Affairs in Sacramento approved a 2012 Facilities Master Plan for the Veteran's Home of California located within Yountville's Town Boundaries. It is possible that the population residing at the Veteran's Home may increase as a result of future implementation of the 2012 Master Plan.

Disadvantaged Unincorporated Communities

5. Since Yountville is an incorporated town, there are no disadvantaged unincorporated communities within its boundaries.
6. The median household income (MHI) for Yountville is $66,136. This is higher than the DUC threshold MHI of less than $49,191 (80 percent of the statewide MHI of

$61,489). Additionally, the Town provides sufficient water and wastewater service. No health or safety issues have been identified.

7. Yountville does appear to contain households which meet the "disadvantaged" status within the Veteran's Home site as shown in Table 3-7. The average annual income of Veteran Home residents is $8,090, well below the disadvantaged financial threshold. Notably, the Veterans Home requires residents to have low income in order to quality to live at the facility. The Town is not responsible for providing services to State owned property. The wastewater treatment plant is jointly owned by the Town and the Veteran's Home.

Present and Planned Capacity of Public Facilities

8. The Town of Yountville has been diligent in developing Capital Improvement Plans to accommodate the service needs of current and future customers. Yountville regularly reviews and updates its service plans to help ensure that infrastructure needs and deficiencies are addressed in a timely manner.
9. Yountville has made a significant investment over the last several years in funding various capital improvements which reflects a concerted effort by the Town to enhance the level and range of its municipal services.

Water Facilities

10. Yountville's local municipal average annual water demand is approximately 600 AF.
11. Yountville's water supply is drawn from the Rector Reservoir which is owned and managed by State of California Department of Veterans Affairs. CDVA has been providing the Town with the majority of its water supply since 1967.
12. It is recommended that Yountville collaborate with the Veteran's Home to create a water management plan regarding the Rector Dam system, including funds for maintenance and repair of the distribution system. This plan may consider increasing the use of non-potable water from the Hinman Reservoir, for fire protection and irrigation, thereby, reducing demand on potable water supplies.
13. In an emergency, the Town purchases water from the City of Napa and can use the Municipal Well that the Town built in 2005.
14. Factors that influence the Town's ability to supply and/or deliver water to its customers include prolonged drought, reliance on one water source for its regular supply, unscheduled failure of aging facilities, and increasing operating costs related to increasing regulatory requirements.
15. Only 25 of the 36 water customers located outside the Town limits have been mapped on Figure 4-2 in this MSR. It is recommended that the Town update this map to show all 36 water customers prior to preparation of the next MSR.

Wastewater Facilities

16. The Wastewater Treatment Plant is owned and operated by the Town and serves the residential and commercial customers of the Town and the Veteran's Home of California (VA Home). Approximately 38 percent of the expenses are paid by

Veteran's Home based on flow, solids loading, and strength of influent determined by weekly testing consistent with the agreement. The remainder of the operating funding is provided through ratepayer service charges.

17. The Domain Chandon parcel is the only parcel located outside of the Town boundaries that receives wastewater services from the Town, and it receives this service under the 1991 Agreement.
18. The Town anticipates that there is adequate capacity in its wastewater (sewer) system to serve existing and future customers since the Town is close to buildout and Town staff regularly monitors and maintains existing facilities and schedules and implements capital projects consistent with their Capital Improvement Plan.

Law Enforcement

19. Law enforcement costs are among the most difficult to plan for and budget given the uncertainty in call volume, emergency needs, and rising costs associated with pensions, liability and workers compensation. Under the Town's fixed cost agreement with Napa County Sheriff's Department, the County of Napa accepts the burden for those costs which may exceed the service level provided. In years of significant unanticipated emergencies or incidents, this is an important benefit to the Town of Yountville.
20. LAFCO's June 2012, Municipal Service Review: Countywide Law Enforcement Services analyzed law enforcement within the Town of Yountville. The Town's law enforcement situation remains similar to that described in the 2012 MSR and it contained several determinations which remain relevant and these are listed as determinations # 20-23 below.
21. County Sheriff has established an effective animal control program now under contract by American Canyon, Napa, and Yountville; a program that has increased capturing strays by nearly 50% over the last several years and primarily in response to significant new demands tied to the economic downturn. This contracting arrangement provides streamlined animal control services for the south county region and helps to ensure the public receives services in a timely and consistent manner among all four affected jurisdictions.
22. Law enforcement dispatch services for four of the six affected local agencies – American Canyon, Napa, Yountville, and County Sheriff – are provided by Napa. This shared arrangement provides for streamlined and timely emergency response throughout the south and central regions while avoiding duplicative costs among the participating agencies.
23. County appears to have established effective contract models in insourcing law enforcement services to American Canyon and Yountville. These models provide the contracting agencies the ability to deliver a full range of law enforcement services to their respective constituents in a tailored manner to meet community needs and preferences with enhanced near term cost certainty.

Fire Protection

24. Yountville contracts for fire protection services for its 1,800 residents and visitors located on the east side of Town with the Napa County Fire Department. The contract provides Yountville with year-round fire protection services through the County's Fire Department.
25. The Veterans Home has had a separate contract with County Fire, which in turn contracts with CAL FIRE, since 1982 to provide fire protection services to its 1,200 residents and 900 staff.
26. The Town of Yountville and the Veterans Home paid for building the Yountville Fire Station. A three way cost sharing arrangement between Napa County/CAL FIRE, the Town, and the Veterans Home funds operation of the station such that costs are split equally between the parties.

Financial Ability of Agency to Provide Services

27. The Town's budget process includes an annual budget with the fiscal year beginning on July 1st and ending on June 30th. The Final Budget is typically approved by resolution of the Town Council in June. The Town updates the budget periodically throughout the fiscal year to reflect current conditions.
28. The Town receives an audited financial statement on an annual basis and this is incorporated into its Comprehensive Annual Financial Report.
29. Both the Water and the Wastewater Enterprise Fund are managed efficiently.
30. Yountville adopts its budget at public meetings in which members of the public are allowed to comment with regard to expenditures and service programs. The budget process enhances the accountability of elected officials and provides a clear directive towards staff with regard to prioritizing local resources.
31. Yountville has been diligent in the development of policies and service plans that address the existing and future needs of the community. These efforts provide effective performance measures and demonstrate a commitment by Yountville to hold itself accountable to the public.
32. Yountville's rates and fees for municipal services are established by ordinance or resolution. The ordinances or resolutions are based on staff recommendations and adopted by the Town Council. This administrative process provides an opportunity for public input and strengthens the ability of Yountville to allocate costs with the desired levels of service of its constituents.
33. Yountville periodically reviews and updates its rates for public services. The City Council is expected to review updated utility rates in 2017.
34. Yountville benefits from participating in a number of cost-sharing programs with other local governmental agencies. These programs promote the benefits of regional partnerships and provide significant cost-savings in providing key governmental services, such as affordable housing, garbage collection, and public transit.
35. Yountville maintains and annually reviews a capital improvement plan (part of FY 16/17 – annual -Budget) to coordinate the financing and construction of needed

infrastructure and facility improvements. This process enables Yountville to maximize its operational efficiencies while avoiding unnecessary expenditures associated with deferring improvements.

36. Yountville's annual budget process includes several checks and procedures during the fiscal year to help allocate available funding with appropriate levels of service.
37. The Town generated $15,114 per acre in average revenue in 2015 and this is higher than its neighboring cities.
38. In 2015 Yountville collected approximately $6.6 million in transient-occupancy tax revenues. In the past overreliance on this one revenue stream created a risk. Since then, the Town has worked to increase multiple revenue streams including creation of the Revenue Stabilization Reserve Fund targeted at a minimum of 15% of projected TOT collections to address a concern that was expressed in the 2007 MSR. The Town has also received positive bond ratings from Fitch and others.

Opportunities for Shared Facilities

39. Yountville has a solid track record of working cooperatively with neighboring jurisdictions.
40. Yountville participates in joint-power arrangements with the Napa Valley Transportation Authority. Napa County Flood Control and Water Conservation District, Napa Valley Tourism Improvement District , Housing Authority of the City of Napa, City of Napa Code Enforcement Division, Upper Valley Waste Management Agency, North Bay Agency Chemical Pool, Western Recycled Water Coalition, Public Agency Risk Sharing Authority of California, Regional Government Services, U.S. Communities Government Purchasing Alliance, and Marin Clean Energy. These arrangements help maximize local resources among participating agencies in providing public services within their respective jurisdictions.

Accountability for Community Service Needs

41. Yountville Town Council meetings are held twice a month and are open to the public.
42. Regularly scheduled meetings provide an opportunity for residents to ask questions of elected representatives and help ensure service information is effectively communicated to the public. The meetings are noticed and conducted according to the Brown Act.
43. Yountville provides effective services through its council-manager form of government, and utilizes other governmental advising bodies, community organizations, and the general public to help inform its decision-making process. Through this structure, public engagement is encouraged and Town plans and programs reflect citizen input.

Any Other Matters Related to Service Delivery as Required by LAFCO Policy

44. There are no other aspects of Town services required to be addressed in this report by LAFCO policies that would affect delivery of services.

CHAPTER 7: SPHERE OF INFLUENCE ANALYSIS AND DETERMINATIONS

7.1: SPHERE OF INFLUENCE UPDATE OPTIONS

Sphere of Influence Considerations

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires that LAFCO review and update the Sphere of Influence (SOI or Sphere) for each Town within the County. In determining the Sphere of Influence for an agency, LAFCO must consider and prepare written determinations with respect to five factors [Government Code §56425(e)]. These factors relate to the present and planned land uses including agricultural and open-space lands, the present and probable need for public facilities and services, the present capacity of public facilities and adequacy of public services, the existence of any social or economic communities of interest in the area, and the present and probable need for public facilities and services of any disadvantaged unincorporated communities within the existing sphere. An SOI is defined in GC § 56425 as "a plan for the probable physical boundary and service area of a local agency or municipality as determined by the Commission." Further, Napa LAFCO policies relating to Spheres specify that:

- The Commission shall consider removal of lands from an agency's SOI if the lands are not expected to be developed for urban uses or require urban-type services within the next 10 years (Policy III[B][5)]).
- Spheres of Influence further emphasizes that Town SOIs are intended to be guides for urban growth and development (Policy III[C]).
- A city's (town's) sphere of influence shall generally be used to guide annexations within a five-year planning period (General Policy Determinations Policy C[6]).
- Spheres should be developed with input from the affected City/Town and Napa County (General Policy Determinations Policy A[3]).
- Use the County General Plan to determine agricultural and open-space land use designations (General Policy Determinations Policy B[1]).

These policies also require the relevant MSR data be utilized to document service and facility capacity. This chapter represents Napa LAFCO's periodic review of the sphere of influence for the Town of Yountville. The most recent comprehensive review of Yountville's sphere was presented to the Commission in August 2007.

Objective

The objective of this Chapter is to update LAFCO's 2007 SOI study and to identify and evaluate potential areas to consider for inclusion in Yountville's sphere as part of a comprehensive review. The aim is to be consistent with the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and the Commission's adopted policies. The Commission's "General Policy Determinations" provide direction with respect to establishing and amending an agency's sphere in relationship to local conditions and circumstances. The General Policy Determinations state that "The Commission shall use the most recently adopted County General Plan as the basis to identify designated agricultural and open-space lands in establishing, amending, and updating a city's sphere of influence." The General Policy Determinations also state that "Land specifically designated as agricultural or open-space lands shall not be approved for inclusion within any city's sphere of influence for purposes of urban development unless exceptions are warranted based on the criteria outlined in Section B(3) and (4)". It has been the practice of the Commission to update each local agency's sphere in a manner emphasizing a probable five year annexation or outside service area plan; actual boundary change approvals, however, are subject to separate analysis with particular emphasis on determining whether the timing of the proposed action is appropriate.

Yountville's General Plan Land Use Element was adopted in 1992. The Land Use Element will soon be updated as part of a planned comprehensive update to the Yountville General Plan funded via the Town's Operating Budget.

State law suggests that all LAFCOs review and update each local agency's sphere by January 1, 2008 and every five years thereafter, as needed. Accordingly, it has been the practice of the Commission to review and update each local agency's sphere in a manner that emphasizes a probable five-year service area.

Existing Sphere of Influence

Yountville's sphere was established by the Commission in 1974. LAFCO designated the sphere to be coterminous with Yountville's incorporated boundary. LAFCO studied the SOI in 1992 and August of 2007. No amendments to the sphere have been approved by the Commission since its original establishment in 1974. In terms of proportions, Yountville's sphere of influence and boundary area is approximately 966 acres or 1.5 square miles in size. The sphere includes a total of 848 assessor parcels with an average size of 0.37 acres (when the Veterans Home comprised of two parcels is excluded).

SOI BACKGROUND INFORMATION

The intent of an SOI analysis is to identify the most appropriate areas for an agency's service area in the present and *probable future.* Territory included in an agency's Sphere is an indication that the probable need for service has been established, and that the subject agency has been determined by LAFCO to be the most logical service provider for the area.

There are a number of ways to envisage Spheres of Influence. One option is to consider growth and development and the need for municipal services over time. A second option is to determine an agency's ability to provide municipal services beyond its current boundary. For a Town or District that does not plan to provide municipal services beyond its present boundary, a Sphere boundary that is the same as the agency boundary is called a *Coterminous Sphere of Influence*. A third option is related to reducing the current Sphere of Influence of an agency by adopting a *Minus Sphere of Influence* (or Reduced Sphere of Influence) by excluding territory currently within an agency's Sphere. A fourth option relates to Sphere areas for which municipal services are not intended to be provided; that is, areas within a Sphere which will remain undeveloped (such as open space or 'protected lands'). Such an area is a special case, and requires the agency to demonstrate why an area should be included within a Sphere for which no municipal services will be provided. LAFCO also has the ability to determine a *Zero Sphere of Influence* for a Town or District, signaling that the Town or District does not have the wherewithal, governance capability, financial means, and/or operational capability to provide the municipal services for which it was formed, and should be dissolved or its function(s) reallocated to another agency.

In the future, Napa LAFCO could potentially create an additional category related to Spheres called *Areas of Interest.* Areas of Interest are defined herein as a geographic area beyond the Sphere of Influence in which land use decisions or other government actions of one local agency impact directly or indirectly upon another local agency.

Presented within this Chapter are Sphere of Influence Options for the Town of Yountville. The options presented are not mutually exclusive, but can be utilized in combination to allow the Commission to adopt the most appropriate Sphere Update for the Town. One study area is described using a matrix of factors LAFCO considers in updating a Sphere of Influence. Additionally, three Sphere Options are presented, followed by a brief discussion of each option.

Agricultural Preservation

During their July 18, 2016 public meeting, the Commission requested that MSR/SOI Update documents include additional information on the regional importance of agriculture and associated agricultural protection policies and programs. Agricultural preservation has long been important to the citizens of Napa County and the County's policies, as well as associated city/town policies, aim to ensure a sustainable future. This approach has eased Napa County's retention of its prime vineyard lands in production by directing development to the incorporated cities/town, as compared to the large tracts of farmland in other parts of the Bay Area which have been urbanized. The County established the first Agricultural Preserve in California in 1968. Measure J was adopted by County voters in 1990 and this ordinance has provided a significant level of agricultural protection since its adoption. Measure J's term was extended beyond the original sunset date of 2020 when the voters adopted Measure P in 2008. Measure P is scheduled to sunset in the year 2058. Policies and regulations that implement Measure J and P are located within the Napa County General Plan and the Napa

County Zoning Ordinance (Napa County, 2013b). Measures J and P require a two-thirds vote of the county's citizens to rezone any land from Agricultural to a different use. Only a handful of these rezoning attempts have passed, and all were very specific, such as allowing the sale of pumpkins and produce in a rural site and allowing a local restaurant to serve meals on its existing patio. The Yountville General Plan contains policies and regulations that support Napa County's Measures J and P. The Town General Plan was recently updated to restrict the annexation of any land in the County with the exception of Domain Chandon, because the Town believes it is uniquely situated. County policies, Town policies, and local voter actions reflect local values and the importance placed on agricultural land. Additional details regarding the importance of the Agricultural Preserve can be found in Appendix H, Napa Vitners: 40 years of Agricultural Preservation. Figure 7-2 shows that Measures J and P do not apply to the Domaine Chandon area zoned Commercial Limited that is located immediately adjacent to Yountville.

Although Measures J and P and the Napa County General Plan are important in the context of countywide land use planning, they do not apply to land located within the incorporated boundaries of local cities such as Calistoga, Yountville, and St. Helena[30] nor to the annexation of land in the County to a city/town. Since local jurisdictions retain land-use authority, city councils and/or planning commissions have the ability to rezone land from Agriculture to other uses. It is important to note that one result of Measures J and P is that cities are invited to absorb residential and commercial growth and development in the Napa Valley, since these uses are generally not permitted in the Agricultural Preserve. This issue of land-use authority relates to the sphere of influence update because a potential future annexation of land into a municipality allows the city/town to rezone an annexed parcel from Agriculture to a non-agricultural zoning designation. However, it should be noted that rezoning has not been proposed and is not contemplated by the Town. Furthermore, ten acres of Study Area #1 described in this Chapter are currently zoned Commercial Limited by the County and is presently developed and used for commercial services.

Summary of Sphere Update Process

This Chapter presents options for updating the SOI for the Town of Yountville. The presented options are informational and may assist the Commission in considering next steps. When LAFCO moves to choose a specific option for updating the SOI, the Commission may request additional information from LAFCO staff or the Town at that time. LAFCO's process provides for a meeting/conference between cities and the County prior to updating a Town's SOI. Additionally, the Commission will hold a public hearing and adopt written statements of fact regarding the SOI prior to adopting any option for a specific update. Consideration of requirements of the California Environmental Quality Act could also be required.

[30] An exception to Measures J and P applies when "land is annexed or otherwise included within a city or town."

This SOI analysis relied upon a wide range of data, including the information provided in the municipal service review contained in Chapters 1-6 of this document. When selecting study areas, the consultants significantly relied upon the factors listed in Table 7-1, below:

Table 7-1: Factors Utilized to Select Study Area
Planning area of the Town and County General Plan
Proximity of study area to Town boundaries
Provision of public services o Fire protection area (per agreement) o Police protection area (per agreement) o Parcels that receive water/sewer service
Infrastructure capacities
Opportunity for infill development rather than SOI expansion

STUDY AREA

One study area was chosen to form the basis of an analysis of various options for the Commission to consider regarding the Town's SOI. Several factors were used to identify this study area for evaluation in relation to Yountville's sphere as listed in Table 7-1, above. The provision of public service is a factor in depicting study areas and Study Area #1 is the only area that receives wastewater services and road access from the Town of Yountville. Background and historical information on the Domaine Chandon parcel (Study Area #1) has been provided by Town Staff as shown in the text box on page 7-12, below. It should also be noted that Yountville provides several types of public service to other customers located outside its boundaries[31] as described in Chapter 4 and as depicted in Figure 4-2.

One study area relating to the role of the sphere in designating the Town's present and probable future service area is analyzed in this Chapter. The study area is presented in Table 7.2 and is described as Domaine Chandon, located west of Town, adjacent to the Veteran's Home.

[31] Traditionally, cities and special districts have been required to request and receive written approval from LAFCO before providing new or extended services by contract or agreement outside their jurisdictions but within their spheres. AB 402 (Dodd), effective in January 2016 and codified under Government Code §§ 56133.5, establishes a pilot program to authorize service provision outside a local agency's jurisdictional boundary and sphere of influence under special circumstances that do not involve a threat to public health. Although AB 402 applies to out-of-boundary water customers, it does not currently apply to Study Area #1 (Domaine Chandon). Domaine Chandon's wastewater service from the Town is exempt from LAFCO approval under G.C. §§ 56133(e)(4). AB 402 would only apply to Domaine Chandon if the Town wished to provide new services to the site, such as potable water. A prerequisite to using AB 402 is for LAFCO to identify the service need or service deficiency in an MSR. Given that there is no identifiable service need or deficiency for Domaine Chandon, there is no need at this time to discuss AB 402 in relation to Domaine Chandon.

Figure 7-1
Study Area #1
Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

Table 7-2: Analysis of Study Area #1	
Issue	Comments
Parcel Numbers	A portion of one parcel is included in Study Area #1, with Assessor's Parcel Number 034-140-022-000. This parcel is 13.41 acres in size.
Location	Study Area #1 is located adjacent to the Town of Yountville, towards the center of the "V" shaped Town. The site is west of Hwy 29 and north of California Drive. Access to the Domaine Chandon site is via California Drive within the Town limits.
Boundary Status	This parcel is currently located outside and adjacent to the Town's jurisdictional boundary and sphere of influence.
Services Provided	The parcel and the business located thereon currently receives wastewater collection and disposal service from the Town of Yountville. Treatment of wastewater is also provided by the Town at the Joint Wastewater Treatment Plant, owned and operated by the Town. A 1991 service agreement between the Town of Yountville and the property owner provide for the wastewater service. This agreement allows discontinuation only for non-performance, by either party with a one-year notice. Only the commercial uses at Domaine Chandon are connected to the Town's wastewater system. The winery process wastewater is disposed of onsite (Yountville, 2016). LAFCO classifies this provision of sewer service as an out-of-boundary-service arrangement. Access to Domaine Chandon is exclusively provided via Town streets and the actual entry is on a Town provided easement. Streets, sidewalk and related maintenance are Town provided services to the Domaine Chandon site. Water is currently obtained from a private well accessing groundwater. Napa County provides other public services to the Domaine Chandon property, such as planning, building inspection, and health and safety. For emergency service calls within Study Area #1 (Domaine Chandon), the closest unit responds to the call regardless of jurisdiction. However, regular service calls for police protection from Study Area #1 are handled by the beat Deputy assigned to the unincorporated area. In the case of an emergency call where the Sheriff's officer assigned to Yountville arrives first on scene, any follow up, including producing the investigation and written report, is the responsibility of the officer assigned to the unincorporated area[32]. . Fire protection services are provided through Napa County Fire Department and CalFire.
Present and planned land uses in the area	The parcel contains the Domaine Chandon Visitor Center which hosts retail sales, wine tasting, wine club membership, and office within a 7,500 square foot facility. Special events such as group dinners are held periodically for Club Chandon members in an on-site restaurant (not publically advertised). Additionally, the site contains a parking lot, a

[32] The Yountville budget provides that the Napa County Sheriff Deputy position based in Yountville is paid for under the Town contract.

Table 7-2: Analysis of Study Area #1	
Issue	Comments
	private access lane, and associated landscaping. This portion of the site has been in commercial use for over 25 years. Hinman Creek, a tributary to the Napa River, traverses the southwestern corner of the study area. Since this parcel lies within the unincorporated area, the Napa County General Plan and Zoning Ordinance serve as the guide for land use decisions. The Napa County General Plan land-use designation is "*Agriculture, Watershed and Open Space*". The Napa County Zoning designation for most of Study Area #1 is Commercial Limited (CL) and within this zoning classification a winery may be allowed, subject to a conditional use permit. The area also includes portions of the County's AP district (location of the corporate offices) and AW district (the access road from California Drive)[33]. Napa County approved a use permit for Domaine Chandon winery in 1974. In 1990 Napa County allowed expansion of the uses on this site. The Town General Plan and Zoning Map do not pre-designate land uses or pre-zone uses for Study Area #1. However, the Town has recently processed a General Plan Amendment to include Study Area #1 in its "Planning Area" (Yountville, 2016).
Potential effects on agricultural and open-space lands	Most of 13.41 acre study area (Domaine Chandon) is zoned Commercial Limited by Napa County (only a very small portion is zoned AW and AP). The site does support the adjacent vineyard operation by providing the visitor center, winery, restaurant etc. The State Dept. of Conservation Farmland Mapping and Monitoring Program indicate study area #1 is considered "urban" and therefore does not contain important farmland. Including Study Area #1 into the Town's SOI and boundary would not remove agricultural soils from production and would not convert open space. However, there are agricultural policy considerations.
Present and probable need for public facilities and services in the area	Presently, Study Area #1 receives adequate public services with the Town providing wastewater services and Napa County providing the remaining public services such as police protection and fire protection services. Both Town and County land use policies generally provide that if a parcel needs municipal services, it should be annexed into the municipality. Additionally, study area #1 is accessed by Town streets, sidewalks, and easements. The present arrangement for public service provision could remain as is into the future. Alternatively, Option #B below studies inclusion of the site into the Town SOI (and boundary) and under this scenario, the mix of public service providers could change slightly.

[33] Per page 5 of LSA's February 25, 2016 letter to S. Rogers.

Table 7-2: Analysis of Study Area #1	
Issue	Comments
Present capacity of public facilities and adequacy of public services	Presently, Study Area #1 receives adequate public services with the Town providing wastewater services and Napa County providing the remaining public services such as police protection and fire protection services, as described in Chapter 4. The Napa County Fire Department provides fire protection to Study Area #1. Please see section 4.1.5 for more information on fire protection services and mutual aid agreements. The Napa County Sheriff provides police protection to Study Area #1. Please see section 4.1.4 for more information on police protection services and mutual aid agreements.
The existence of any social or economic communities of interest in the area	The Town incorporated in 1965 and has a long history as an established community. For purposes of this MSR, it is assumed that no DUCs are located near the Town of Yountville in the unincorporated area surrounding Yountville are described in Chapter 3 of this report.
The present and probable need for water, sewer and structural fire protection of any DUC within the existing SOI	The existing SOI is congruent with the Town's jurisdictional boundaries. For purposes of this MSR, it is assumed that no DUCs are located near the Town of Yountville in the unincorporated area surrounding Yountville are described in Chapter 3, Section 3.3 of this report. As described in Chapter 3, the population residing in the Veteran's Home (within the Town boundaries) may be considered economically disadvantaged.
Effects on other agencies	Including Study Area #1 in the SOI as a stand-alone action would not likely affect other agencies[34]. However, if this area were to eventually be annexed, some agencies that provide services to this area, such as the Napa County Planning Department could see a reduction in service demand. Other agencies such as Caltrans could see an increase in service demand.
Policy Considerations	The following Napa County policies should be considered: ▪ Napa County General Plan, including policies related to agricultural protection; ▪ Napa County Zoning Ordinance policies for the Commercial Limited land use designation; ▪ The exclusion of 10 acres of the study area from the requirements of Measures J and P (See Figure 7-2). ▪ Measure J, approved by voters in 1990, is the Agricultural Lands Preservation Initiative; and ▪ Measure P, approved by voters in 2008, extends the life of Measure J through to the year 2058. Please see the description of Agricultural Preservation written in the above pages of Chapter 7 for additional detail on agricultural policy considerations.
Potential for consolidations or other reorganizations when boundaries divide communities	The Town's existing boundary and SOI do not divide communities. Study Area #1 is adjacent to the existing Town boundary. There are no topographic or geographic barriers between the Town and Study Area #1.

[34] However, potential future annexation could affect the revenues to other agencies, such as Napa County, as partially described in the Towns Fiscal Impact Analysis prepared by ALH Urban & Regional Economics.

Table 7-2: Analysis of Study Area #1	
Issue	Comments
Location of facilities, infrastructure and natural features	Study Area #1 is located adjacent to the Town boundary and is served by the Town's wastewater treatment system. The existing infrastructure is sufficient for the current land-use. Hinman Creek is a natural feature located on this site. Another natural feature on this site is the presence of groundwater. The private property owner accesses the groundwater using private wells. Per a 1991 agreement, the Town has the contractual ability to utilize these wells and groundwater for emergency water supply. The Town's proposed boundary line appears to cross between separate buildings that are connected by an overhead arch and the setback between the property line and the building should be reviewed. Therefore, a field investigation by LAFCO and the County Planning Department is recommended to determine if the proposed SOI/boundary line configuration makes sense. No new infrastructure would need to be extended to this parcel, upon annexation in the near-term future. However, if upon further study (and after annexation) the Town wished to provide other public service to the parcel or change land use requirements for this parcel, then the provision of new infrastructure could be considered at that time. If land-use change is contemplated by the Town (if expansion of the SOI and annexation are approved by LAFCO), then protection of Hinman Creek as a natural feature should be considered.
Willingness to serve	Spheres of influence are established by LAFCO to identify the probable physical boundaries and service areas of municipalities. It has been the Commission's practice to consider expansion of an agency's SOI to be considered as the first phase in a process that implies that annexation could eventually occur, and that additional municipal services could be provided to the Study Area. This paragraph analyzes the willingness of the Town to provide municipal services to the Study Area. The Town's approach to the provision of public services as part of an annexation has recently changed as the Town adopted Resolution 16-3351[35] to provide a six month time period to reengage the County in a committee process prior to taking any action to annex the commercial component of the Domaine Chandon. The Town has not provided a plan to provide additional municipal services to the Study Area. The Town's schedule for doing so is not clear given that it has "no plans for future annexation" of the Domaine Chandon site as stated in its letters to LAFCO dated July 13, 2016 and August 25, 2016 as listed in Table 7.5.
Potential environmental impacts	Environmental review in compliance with CEQA will be required prior to moving this study area into the Town's sphere of influence. If a change in land-use is contemplated on the site, then new environmental analysis will also be required[36].

[35] Resolution 16-3351 approved by the Town on June 21, 2016 is available on the Town's website at: https://townofyountville.legistar.com/LegislationDetail.aspx?ID=2762079&GUID=DA9403CA-FD8E-4CCE-8D1E-82E8A9082561

[36] In their letter dated February 25, 2016 regarding Growth Inducing Impacts Analysis of Proposed General Plan Policy Revisions and Potential Future Annexation of Domaine Chandon Property, the Town's Consultants (LSA) noted that the annexed portion

In July 2016, staff from the Town of Yountville provided the following background information regarding the Domaine Chandon parcel (see following text box).

Domaine Chandon Area History – Authored by Yountville Town Staff
Study Area #1

In 1990, the County granted approval to construct a 7,500 square foot corporate office expansion and a 37 space parking lot to serve employees. The new office facility would generate domestic wastewater that would require Domaine Chandon to significantly increase the capacity of its onsite sewage treatment facilities. Based on the potentially large area needed for onsite disposal, Domaine Chandon initiated discussions with the Town regarding the possibility of connecting to the Town's wastewater system. Yountville expressed a willingness to accept domestic wastewater, but indicated that annexation to the Town would be required.

The Napa County Department of Environmental Management supported approval of the project and recommended to the County Planning Department that the proposed office be connected to the Town's wastewater system and annexed to the Town. The Planning Commission, however, expressed reservations about annexing a portion of the parcel to the Town, concerned about possible future land use conflicts as well as the potential loss of sales tax and other revenues. As a result, the Commission approved a condition requiring the applicant to furnish proof that the office could be serviced by an onsite sewage disposal system prior to issuance of a building permit for the office expansion.

Domaine Chandon obtained a consultant to conduct an engineering feasibility report to satisfy the above-noted condition of approval. Conducted by North Point Engineers and dated August 16, 1990, the report finds that two or more acres would be required to support an onsite leach field that would be needed for the office expansion. 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 that two acres of existing vineyard be removed from cultivation. Rather than remove vineyards, Domaine Chandon's preference was to connect to the Town's sewer system.

In 1991, the Town and Domaine Chandon entered into an agreement where the Town agreed to allow Domaine Chandon to connect to the Town's wastewater system in order to treat Domaine's domestic wastewater.

Thereafter, the Domaine Chandon visitor center, Etoile restaurant, tasting room, and

"would be governed by the conditions of a 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."

corporate offices were connected to the Town's wastewater system and the County finaled the building permit. Only the commercial uses at Domaine Chandon are connected to the Town's system; winery process wastewater is disposed of onsite. The commercial component of the Domaine Chandon property represents 13.41 acres of the total 88.41 acre parcel.

The result of connecting to the Town's sewer system is that Domaine Chandon did not need to remove two or more acres of existing productive vineyard to develop a leach field. Domaine Chandon actually gained back one or more acres as usable vineyard, which is universally a positive result for the business and the Agricultural Preserve.

In 2007, during the last MSR conducted for the Town of Yountville, the potential to include this area was studied. However, at that time, the Town's General Plan Policies would not allow consideration of inclusion of this area. Recently, the Town amended its General Plan which would allow consideration of the inclusion of these commercial areas into the SOI.

SOI OPTIONS

Sphere of Influence Options

Three preliminary options have been identified for potential future action regarding the Town of Yountville Sphere of Influence, as listed below. The Commission may consider each option individually or may combine two or three options to form a new SOI plan. These options are intended to provide the Commission with examples of the types of actions that could be taken in regards to the SOI. It is not intended to be a comprehensive or all-inclusive list of potential actions. If the Commission has a suggestion for a new or different option, they may direct staff to further study that new option. The baseline assumption for this current MSR/SOI Update is that each of the three SOI options has equal merit. The three preliminary options are as follows:

A. Retain the Existing Sphere of Influence
B. Transfer Study Area #1 into the Sphere of Influence
C. Designate Study Area #1 as an Area of Interest

Discussion of Preliminary Three Options

A. Retain the Existing Sphere of Influence

If Napa LAFCO determines that the existing government structure is appropriate to provide public services, then the existing Sphere of Influence should be retained. Under this option, the status quo would continue such that the Town would continue to provide existing public services within its Town boundary and the Town could continue to provide domestic water, recycled water, and wastewater service to specific parcels located outside its jurisdictional boundary as shown in Figure 4-3. The existing SOI, which is coterminous with the Town boundary, allows sufficient opportunities for infill development as shown in Figure 3-3, Vacant Land Map, from the Yountville Housing Element, 2015. If a need for new service to properties located outside Town boundaries arises in the future, the provisions of AB 402 (Dodd) can be evaluated at that time.

B. Transfer Study Area #1 into the Sphere of Influence

This option considers the transfer of Study Area #1 (shown in Figure 7-1, above) into the Town's Sphere of Influence. This option is consistent with the Town's Resolution Number 16-3351. This option would expand the Town's SOI to add the commercial portion of the Domaine Chandon site, consisting of 13.41 acres.

LAFCO's Executive Officer searched LAFCO's files and found that the Town of Yountville has expressed interest in annexing the Domaine Chandon site periodically over the past several decades as listed in Table 7-3, below.

Table 7-3: Summary of Commission's Past Review of Town's Interest in Annexing Domaine Chandon		
Date	**Action**	**Result**
June 13, 1990	Commission authorized preparation of an SOI Update on the Yountville	EO authorized to issue a contract to consultant to prepare SOI Update report
July 24, 1990	Town officially applied to LAFCO for annexation of a 9.24 acre portion of the Domaine Chandon site.	On August 6, 1990 LAFCO determined the Town's application was complete for filing purposes. However, the LAFCO's Executive Officer also noted that a tax sharing agreement between the County and the Town was needed before the application could be submitted to a public hearing. Additionally, the EO concluded that the annexation would be inconsistent with the Town's SOI and that LAFCO would first need to do a comprehensive update of the Town's SOI before considering annexation.
1992	SOI Update report (Napa LAFCO, 1992).	Report concluded that it was best to keep the SOI coterminous with the jurisdictional boundary based on the Town Council's philosophy and the General Plan holding capacity which follow the concept of retaining the Town's small rural residential character, among other factors.
August 2007	SOI Update report (Napa LAFCO, 2007).	LAFCO Resolution #07-24 affirmed the Town's existing SOI (i.e. did not expand SOI to include Domaine Chandon site).

In 2007, LAFCO's SOI update indicated that Yountville's existing sphere designated an appropriate service area for the Town in a manner that provides for the present and future needs of the community. At the time, LAFCO staff recognized there was merit to consider the modification of Yountville's SOI to include the commercial portion of Domaine Chandon based on delivery of sewer service, existing commercial use, and the County's commercial zoning assignment. However, the commercial portion of Domaine Chandon was not included in the SOI at that time, partially based upon the Commission's great deference to the Napa County General Plan designation of "*Agriculture, Watershed and Open Space*" on the subject site. The 2007 SOI report also noted that the Domaine Chandon site was located outside of Yountville's planning area and this was offered as another reason to exclude the site from the SOI.

In response to the 2007 SOI, the Town recently approved a General Plan Amendment that includes the Domaine Chandon Visitor Center within the Town's planning area and revises Town policies related to its boundary. The Town of Yountville has expressed interest in having LAFCO evaluate the merits of expanding the Town's SOI to include a portion of the Domaine Chandon site as part of this MSR/SOI Update. To facilitate this, the Town has prepared extensive documentation including: 1) an Initial Study, consistent with CEQA, of the proposed General Plan amendment related to the Town's boundaries and planning area, 2) Domaine Chandon On-site Wastewater Capacity Analysis, 3) Domaine Chandon Supplemental Economic Evaluation of Alternatives for Waste Water Treatment and 4) Domaine Chandon Yountville Annexation Fiscal Impact Analysis. Please see Appendix J for more information.

If LAFCO were to approve Option #B and allow Study Area #1 to be transferred into the Town's SOI, then the area would not necessarily be annexed into the Town immediately. Rather, including this area into the SOI indicates that the Town may annex the area at some future time, after the appropriate cost analysis, environmental, plan for service, and other studies have been completed. At this early state, inclusion of a study area into a sphere of influence would have no immediate impact on the type and level of services now being provided by the County to residents in the unincorporated area. Expansion of a sphere of influence will, however, provide the Town of Yountville[37] with suitable assurance and means to properly plan for its most cost-efficient manner of adequate service provision. Prior to including Study Area #1 into the Sphere of Influence, the Commission may wish to obtain additional study of potential fiscal, policy, public service, environmental, and agricultural impacts.

Analysis of Tradeoffs

Table 7-2 contains an analysis of factors related to determinations. However, at their July 18, 2016 meeting, the Commission requested that the consultant provide additional analysis of tradeoffs regarding the decision to either include or exclude Study Areas from the SOIs of the three municipalities being studied by LAFCO in 2016-2017. The consultant's analysis of tradeoffs presented in Table 7-4 is offered as a mechanism to begin a conversation with the Commission. For example, the Commission may add or remove factors from Table 7-4. Based on feedback from the Commission, Table 7-4, below, may be modified.

[37] Town of Yountville staff has indicated they have no plans to annex Study Area #1 (Domaine Chandon). However, if annexation were to occur at some future date, it is possible that the existing land uses could change to optimize development and operations and this change could bring along associated traffic, air quality, solid waste, storm drainage changes. An increased demand for public facilities and services is inherent in urban settings and if Study Area #1 were to be annexed into the Town, increased public service could become necessary. For annexations, LAFCO has limited authority.

Table 7-4: Preliminary Analysis of Potential Tradeoffs Associated with Including Study Area in the SOI.

Tradeoff	Inclusion Factor	Exclusion Factor	Insufficient information	Notes
The geographic proximity of Study Area #1 is such that it is adjacent to the Town boundary	X			
Parcels located within Study Area #1 likely contain agricultural uses and/or soils	X			Although Study Area #1 contains agricultural support uses, it is paved and developed with a winery etc. However, agricultural policies issues also apply.
Future development potential in the Study Area has been evaluated			X	Site is currently developed. However, upon annexation, future redevelopment and/or operational optimization is within the realm of possibility and has not been studied.
Amount of existing vacant or underdeveloped land located within an affected agency's jurisdiction		X		Yountville's jurisdictional boundaries contain sufficient vacant land to accommodate infill development, as described in Chapter 3.
Service provision			X	LAFCO typically assesses how areas would receive public services such as wastewater, water, and fire protection. The Town currently provides wastewater collection[38] and treatment service[39] and road access/maintenance to the Study Area. It is assumed that water service would continue to be provided via private well[40]. Other services could be

[38] Back in 1991 the County approved the Domaine Chandon commercial expansion on the condition that it prove that wastewater could be disposed of onsite. Since this alternative would likely have removed prime agricultural land from production, the Town supported providing Domaine Chandon with a municipal sewer connection. Town staff has analyzed alternative provision of wastewater service to this site using septic tanks and although technically feasible, it could result in the removal of two or more acres of prime agricutural lands from production as described in the Town's June 10, 2015 report by its consultants RSA+ (included as part of bibliographic reference Yountville, 2016d).

[39] Domaine Chandon is the largest sewer customer in terms of flow volume.

[40] The Town does not provide water service to this parcel and is unlikely to do so in the future due to constraints on its water supply. Domaine Chandon does access groundwater via a well and that appears to be a stable source, with extra supply potentially available to the Town during an emergency. Napa County also provides public services to this site as detailed in Chapter 2 and elsewhere in this document.

				provided by the Town & via contract to the County and other service providers. See also "Willingness to serve" in Table 7-2, above.
Financial effects on other agencies			X	Impacts to other service providers such as Napa County has been at least partially studied by the Town of Yountville[41].
Financial effects on property owners within the Study Area	X			Although this issue has not been studied, property owners have not requested/provided this information. Therefore it is assumed that financial effects on property owner will be minimal.
Area is expected to be developed for urban uses or require urban-type services within the next 10 years	X			Study Area #1 is currently developed. Any potential for future redevelopment has not been studied.
Consistency with County General Plan and Town General Plan			X	Option #B is consistent with Town's General Plan. LAFCO could request a certificate of compliance from Napa County regarding consistency with their General Plan.
Adopted Urban Growth boundary	X			Not applicable. Yountville does not have an adopted urban growth boundary.
Would vacant or under-developed land that requires the extension of urban	X			Not applicable since Study Area #1 is developed. However, adequacy of well

[41] The potential fiscal impact of future annexation of Study Area #1 on both Napa County and Yountville were evaluated by the Town as part of the CEQA Initial Study / Neg Dec for its General Plan amendment related to the Town's boundary and planning area. This Fiscal Impact Analysis by ALH Urban & Regional Economics recognizes that "if the Domaine Chandon 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 study found that the County's foregone revenues would be partially offset through shifting responsibility and costs of public service on the property from the County to the Town, reducing the County's costs. The Fiscal Impact Analysis estimates that the County will experience a $95,590 annual decline in sales tax and property revenues plus a nominal decline in Property Tax in Lieu of VLF revenues (Yountville, 2016b). Usually collaborative planning efforts rely upon studies that contain factual information that both parties in the collaboration can agree upon and in this case Napa County has not yet indicated whether it agrees with the Town's Fiscal Impact Analysis. LAFCO's consultants noted that the Fiscal Impact Analysis indicates that the portion of Domaine Chandon to be annexed (the winery and associated facilities) includes 65 FTE employees. Yet the Town's annual Financial Statement (CAFR) indicated that Domaine Chandon has between 250 to 499 employees. The Commission may choose to seek additional perspectives on the Town's Fiscal Impact Analysis.

facilities, utilities, and services be added to SOI?				serving parcel has not been studied.
Town & County agree Study Area should be added to SOI.		X		An agreement has not been reached.

Town Approach to SOI and Annexation

The Town's approach to LAFCO action regarding the 13.41 acre portion of Domaine Chandon has evolved over time. Prior to June 2016 the Town's approach to the Domaine Chandon site was to seek annexation as described in the four documents listed in Table 7-3 on page 7-12 and as described in first six documents listed in Table 7-5, below. After June 1, 2016, Town Resolution 16-3351 and letters from Town staff to LAFCO indicate that the Town no longer wishes to seek annexation and instead prefers to have the Domaine Chandon site included in its SOI only and these letters are listed in Table 7-5, below.

Table 7-5: List of Documents Regarding Town Approach to SOI and/or Annexation of Study Area #1

Document	Date	Author	Description of Town Approach to Domaine Chandon Site
Domaine Chandon OnSite Wastewater Capacity Analysis	6/10/15	RSA+, Consultants for the Town	Seeking to Annex
Letter to S. Rogers, Town Manager (6-pages)	2/25/16	LSA Associates, Inc., Consultants for the Town	Annexation: Letter regarding Growth Inducing Impacts Analysis of Proposed General Plan Policy Revisions and Potential Future Annexation of Domaine Chandon Property.
Sewer System Management Plan	5/2016	Town of Yountville	Could be annexed
Town Resolution 3138-13	9/17/13	Town of Yountville	Resolution of Town requesting that LAFCO amend the Town's Sphere of Influence to include Domaine Chandon
Town Resolution 3162-14	3/18/14	Town of Yountville	Resolution authorizing staff to proceed with steps to designate Domaine Chandon as part of the Town's planning area, urban limit, and SOI in General Plan.
Initial Environmental Study and Negative Declaration which entitled the project as "General Plan Amendments related to Annexations & Land Preservation"	May 2016	Town of Yountville	Describes the project as "Town of Yountville including future potential annexation of a portion of APN 034-140-022 (Domaine Chandon)".
Town Resolution 16-3351	6/21/16	Town of Yountville	Town expresses commitment to Provide time for discussions with Napa County prior to taking any action to annex Domaine Chandon

Correspondence to LAFCO	July 13, 2016	Town of Yountville	Letter states that the Town has "*No Plans to Annex Domaine Chandon…..While the General Plan Amendment will make annexation possible, it neither proposes annexation nor rezoning of the Domaine Chandon property. The Town has not made any decision on whether or how to pursue annexation and rezoning of this area. Annexation is simply not on the table*."
Correspondence to LAFCO	August 25, 2016	Town of Yountville	SOI Only: Town states "reference to annexation is inappropriate and should be deleted from the sphere analysis." and the Town has "No Plans to Annex Domaine Chandon".

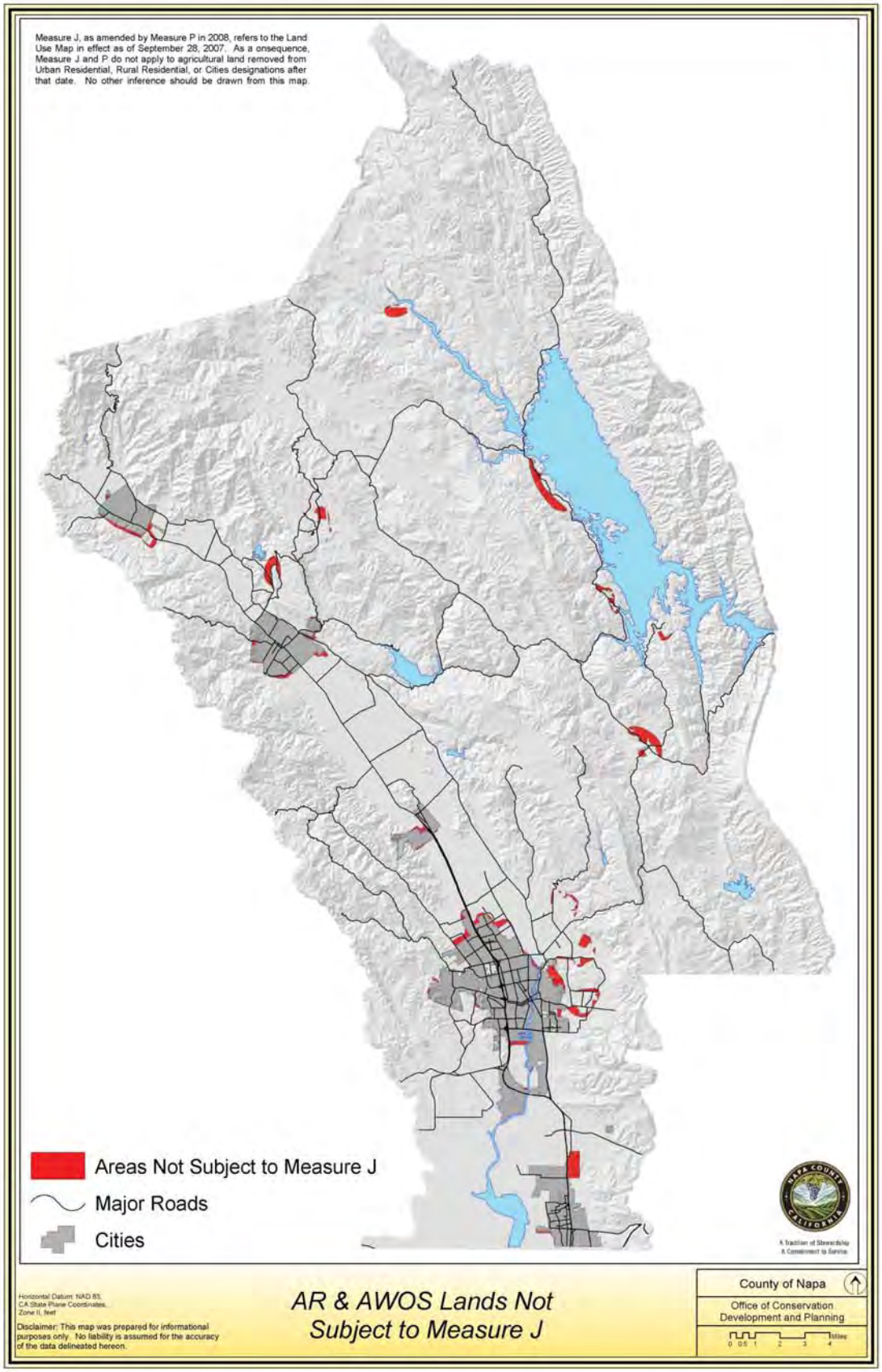
It has been the Commission's practice that potential expansion of an agency's SOI is to be considered as the first phase in a process that implies that annexation could eventually occur, and that additional municipal services could be provided to a Study Area. Additionally, LAFCO policies and practices maintain that SOIs are intended to be guides for urban growth and development (Policy III[C]) and for annexations within a five-year planning period. It is recognized that the Town's current preferred approach[42] to present and discuss no plan for future annexation, land-use preview, and service provision may not be consistent with LAFCO's policies. See also "Willingness to serve" in Table 7-2, above.

Next Steps

If the Commission wishes to expand the SOI to include Study Area #1, the consultants recommend several next steps and these recommendations can be provided to the Commission upon request.

[42] The Town's approach is described in its letters to LAFCO dated Town's letters dated July 13, 2016 and August 25, 2016,

Figure 7-2 **AR AND AWOS LANDS NOT SUBJECT TO MEASURE J**



C. Designate Study Area #1 as an Area of Interest

This Option #C provides an approach that is new to Napa LAFCO, suggesting that Napa LAFCO could potentially create a sphere of influence category called *Areas of Interest.* Areas of Interest are defined herein as a geographic area beyond the Sphere of Influence in which land use decisions or other government actions of one local agency impact directly or indirectly upon another local agency. Please note that LAFCO's policies would need to be amended in order to create this category. The category is included in this SOI analysis because it is commonly used by other LAFCOs throughout the State[43]. Study Area #1 meets the definition of an Area of Interest since both the Town and the County provide municipal services to the site and since the site is located directly adjacent to the Town boundary. Updating a MSR/SOI is not held to a specific timeline and an amendment to LAFCO's policies could occur prior to adopting Option #C.

Consultant Recommendation

The consultants recommend that the LAFCO staff and the Commission consider the following when selecting a preferred SOI option:

- LAFCO's adopted policies.
- All of the information presented in this MSR/SOI Update.
- Preliminary indication from the Town of Yountville is that a change to Yountville's sphere is desired at this time and Option #B is the Town's preferred option.

Additionally, the consultants recommend that the Commission carefully consider each of the three options presented above. The Consultant is not recommending a specific option to be adopted by LAFCO. The determinations for Option #A are provided as an example of the type of determinations that could be adopted by LAFCO. After the Commission provides direction to staff regarding the preferred option, formal determinations will be provided for the Commission's consideration as described in further detail in the Executive Officer's staff report.

7.2: DRAFT SOI DETERMINATIONS: OPTION # A

In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies to advantageously provide for the present and future needs of the county and its communities, LAFCO is required to develop and determine the sphere of influence of each local governmental agency within the county. As part of this process and pursuant to CA Government Code Section

[43] LAFCOs in other counties that have adopted SOI policies or other agreements that define *Area of Interest* include Merced, Nevada, San Luis Obispo, Stanislaus, and Ventura.

56425-56434, the Commission is required to make specific written determinations on five factors as follows:

1. Present and planned land uses in the area, including agricultural and open-space lands.
2. Present and probable need for public facilities and services in the area.
3. Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. Existence of social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.
5. Present and Probable need for Public Facilities and Services of Disadvantaged Unincorporated Communities.

Chapters 1-6 of this MSR/SOI Update provide sufficient factual information to support the Commission's determinations for the five SOI factors listed above. Chapter 7 of this MSR/SOI Update provides a detailed analysis of three options for updating the sphere of influence for the Town of Yountville. Each of these three options plus other options may be considered by the Commission. The Commission may request additional information regarding the options, as needed.

This section provides draft SOI determinations for Option #A and these determinations will be modified to fit the specific option that the Commission chooses. The provision of draft determinations for Option #A should not be construed as a recommendation from the consulting team in favor of Option #A; rather these determinations serve as a starting point for discussion with the Commission. These draft SOI determinations are provided to exemplify the type of determinations the Commission could potentially make in the future. After the Commission provides feedback to LAFCO's Executive Officer regarding the SOI options, the Executive Officer may draft formal SOI determinations based on the required five factors to fit the Commission's specific option. The final determinations will be part of a Resolution that the Commission formally adopts during a public meeting.

The present and planned land uses in the sphere, including agricultural and open-space lands.

1. The present and planned land uses in the sphere are adequately contemplated under the Yountville General Plan. The Yountville General Plan provides for the current and future urban uses characterizing the majority of the existing sphere.
2. Present land uses within the jurisdictional boundary and SOI include residential, commercial, and institutional uses. A small amount of land located in the sphere is under agricultural use. These existing agricultural uses will not be affected by their retention in the sphere.
3. The territory within Yountville provides several opportunities for infill development and SOI expansion is not necessary.

The present and probable need for public facilities and services in the study area.

4. The Town of Yountville provides a full range of municipal services to the eastern part of Town either directly or through contracts with other public or private entities. These public services support the present and planned urban uses within the boundary and sphere as contemplated in the Yountville General Plan.
5. The Veteran's Home is located in the western part of the sphere of influence and it receives services arranged by the State of California. Implementation of its 2012 Facilities Master Plan would likely require infrastructure assessments, planning and feasibility studies, and an environmental impact report. LAFCO is not required to analyze public services provided on state-owned property.
6. Undeveloped and unincorporated parcels located adjacent to the Town do not need traditional urban services, as the area is currently agricultural.

The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

7. Yountville has demonstrated its ability to provide an adequate level and range of public services within its sphere of influence. The Town has developed policies, service plans, and programs to provide adequate and effective municipal services for the area. These public services were comprehensively evaluated by LAFCO as part the municipal service review update provided in Chapters 1-6 of this document.

The existence of any social or economic communities of interest in the sphere if the commission determines that they are relevant to the agency.

8. The Town of Yountville has established social and economic interdependencies within the sphere that are distinct from neighboring unincorporated areas. This MSR/SOI Update acknowledges these established community ties.
9. The social and economic health of the area is measurably enhanced by the municipal services provided by the Town of Yountville.

Present and Probable need for Public Facilities and Services of Disadvantaged Unincorporated Communities.

10. Since Yountville is an incorporated municipality, there are no unincorporated communities within its boundaries and sphere of influence. The three data sources utilized in Chapter 3's discussion of disadvantaged community status indicate that the

unincorporated area surrounding Yountville does not contain disadvantaged unincorporated communities meeting the definition under State law.

11. Yountville does appear to contain households which meet the "disadvantaged" status within the Veteran's Home site as shown in Table 3-7. The average annual income of Veteran Home residents is $8,090, well below the disadvantaged financial threshold. The Town is not responsible for providing services to State owned property.

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CHAPTER 9: ACKNOWLEDGEMENTS

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Town of Yountville	Steven Rogers, Town Manager Sandra Liston, Planning Director Nathan Steele, Management Analyst
California Department of Veteran's Affairs	Donald Veverka, Administrator of the Veterans Home of California in Yountville Michael A Bunch, Chief Business Officer (SSMII), Veterans Home of CA - Yountville

Report Preparers

A team of consultants authored this MSR and SOI Update and provided an independent analysis. The expertise and contributions provided by this consulting team are greatly appreciated. The names and roles of the individual experts responsible for writing this MSR are provided below.

SWALE Inc.	Kateri Harrison, Project Manager
Uma Hinman Consulting	Uma Hinman, Planner, Technical Writer Larkyn Feiler, Planner, Technical Writer
Judy Stolen	Geographic Information System Maps
Baracco & Associates	Bruce Baracco, Project Advisor, Financial Analyst

Appendices

Appendix A. 1991 Agreement between Town of Yountville and Domaine Chandon

Graham

AGREEMENT

This is an Agreement between the TOWN OF YOUNTVILLE (hereafter Town), and DOMAINE CHANDON, INC. (hereafter Domaine). It is entered into in relation to the following facts:

A. The Town has a serious need for emergency water supplies which has become apparent because of drought conditions which have persisted over a five (5) year period.

B. Domaine has wells on its property which it uses for domestic and irrigation purposes which have capacity greatly in excess of that needed by Domaine and which are located such that water from these wells could be used to satisfy emergency water needs of Town.

C. Domaine presently disposes of its domestic wastewater by use of a septic system. It would prefer to dispose of such water through Town's sewage treatment facilities. It could then use its treated wastewater for irrigation purposes thus freeing additional well water for uses which require potable water.

D. Town has excess capacity in its wastewater treatment plant which could be used to process Domaine's domestic wastewater.

In light of the above facts, the parties agree as follows:

1. Town and Domaine agree that Domaine shall forthwith connect to Town's sewage treatment system and that Town shall thereafter treat Domaine's domestic wastewater through its sewage treatment facilities. As a connection fee, Domaine shall pay to

Town the sum of One Hundred Twenty-Six Thousand Five Hundred Ninety-Eight Dollars ($126,598) prior to making the sewer connection. Town shall charge Domaine for sewage treatment on the same basis and at the same rates that it charges similarly situated customers within Town limits.

2. In consideration therefore, Domaine agrees as follows:

a. It will accept treated wastewater from Town to be used for irrigation purposes on Domaine property in such amounts as Town shall direct up to the amount of domestic wastewater from Domaine treated pursuant to this Agreement, or, in such greater amounts as the parties shall mutually agree.

b. Domaine shall permit Town to use water from the two (2) wells described in Exhibit "A" as an emergency water supply on the following terms and conditions:

(i) Town shall only have the right to use water from said wells when either the State of California or the Town has declared that a water emergency exists. In order to make such a declaration, the Town must find that existing water sources cannot meet the reasonable water needs of the Town. The Town will use this water supply to temporarily replace or supplement existing supplies for the duration of the water emergency. This temporary water supply is not to be used for ongoing needs or to increase water supplies to support the future growth of Town.

(ii) Town shall only have the right to use water from said wells to the extent that the wells produce water in excess of that reasonably needed by Domaine for domestic and

irrigation purposes. The parties agree that Domaine's "reasonable needs" shall be deemed, on an annual basis, to be the largest amount of water which Domaine used from the wells in any one of the five (5) calendar years preceding the water emergency plus ten percent (10%).

(iii) Domaine will permit Town to install piping and any necessary pumping of filtering facilities over and on its property to connect the wells to its water system. The cost of said installation shall be born by Town. The location of the pipe, pump and filtering facilities, and the manner of installation shall be determined by mutual agreement of the parties provided that Domaine shall not unreasonably withhold its consent and shall cooperate to permit the installation of such facilities in a timely fashion. Domaine understands that Town's need for water pursuant to this Agreement would be triggered by an emergency and would require expeditious action by both parties to meet vital needs of Town and its citizens.

(iv) Town will pay to Domaine for water provided pursuant to this agreement the operating costs incurred by Domaine to produce the water and depreciation costs relating to the cost of the wells and the well equipment.

3. Domaine agrees that should Town in the future determine that an annexation of Domaine's property to Town is feasible, Domaine will not object to such annexation of commercially zoned area.

4. This Agreement shall remain in full force and effect until cancelled in writing by one of the parties. Such

cancellation shall be based solely on non-performance of this agreement by either party and shall not become effective for three hundred sixty (360) days after written notice of cancellation is delivered. Upon cancellation:

a. Domaine shall disconnect its connection to the Town's sewerage treatment system and shall have no further right to the use of Town sewerage treatment facilities for the treatment of any of its wastewater; and

b. Town's right to use water from wells located on Domaine property shall cease and terminate. Town, at its expense, shall remove any piping, pumping or filtering facilities on Domaine's property.

THE FOREGOING IS AGREED TO BY:

DOMAINE CHANDON

Dated: May 2, 1991.

By: _____
John H. Wright, President

TOWN OF YOUNTVILLE

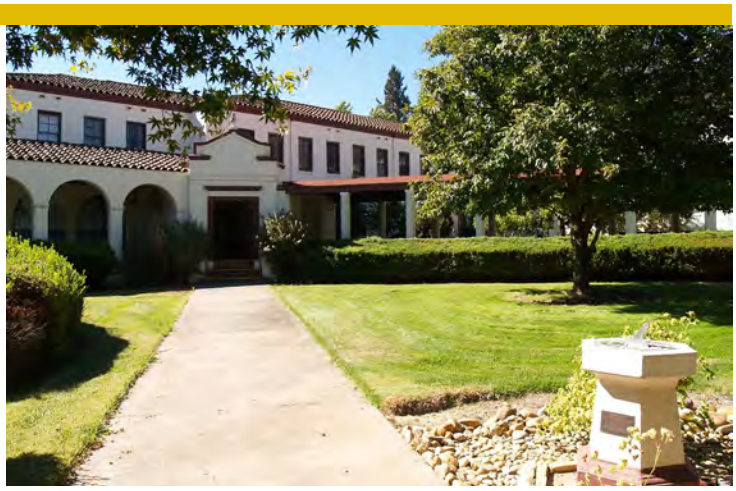
Dated: April 23, 1991.

By: _____
Mayor

Appendix B. Fact Sheet, Veteran's Home of California – Yountville

CAL VET

VETERANS HOME OF CALIFORNIA
YOUNTVILLE



The Veterans Home of California—Yountville is located in the heart of scenic Napa Valley is a community of and for veterans. Founded in 1884, VHC-Yountville is the largest veterans' home in the United States. Over 1,000 aged or disabled veterans (both men and women) from World War II, to Operation Enduring Freedom/Operation Iraqi Freedom now live at the home. The Veterans Home provides California veterans with a living environment that protects their dignity and contributes to their feeling of self-reliance and self-worth.

The Veterans Home of California—Yountville offers five levels of care.

1. Domiciliary (Independent Living): for veterans who are self-sufficient and do not require assistance or supervision with daily living activities.
2. Assisted Living (RCFE): Residential Care for the Elderly is available for residents who require minimal assistance and supervision with some activities of daily living.
3. Intermediate Care - Residents in this care level often require licensed nursing assistance with medications and treatments, and minimal assistance with other activities of daily living.
4. Skilled Nursing Care: Residents at this level of care are provided 24 hour Nursing Care and skilled therapy services such as Occupational, Physical, and Speech Therapy and includes Memory Care Services for residents with dementia in an area designed to provide a safe environment with an emphasis on supporting the cognitively impaired.

Amenities include:

- Room and board – three meals plus snacks
- Medical care and medications
- 200 acres of public space which includes a community pool, museum and world class theater
- Optical care, dental care and podiatry services
- Transportation services to medical appointments and off campus activities
- Additional services include a beauty and barbershop, limited banking, café, and a convenience store.
- Opportunities for worship for all denominations through the Chaplaincy Program
- A modern fitness room and exercise classes
- Library and cable television
- Rehabilitation services
- Caring and compassionate staff, and
- Variety of community outings and an enhanced activity program

The Veterans Home of California—Yountville enjoys the strong support from the VA San Francisco Healthcare System, the local community as well as camaraderie from the many local Veterans organizations. Veterans Homes of California are also located in Barstow, Chula Vista, Fresno, Lancaster, Redding, Ventura, and West Los Angeles.

For Admissions Information,contact:

Veterans Home of California, Yountville
260 California Drive
Yountville, CA 94599
Phone: (707) 944-4601
Toll Free: (800) 404-8387

Updated 3/14

Appendix C. Economic Forecast within Napa County by Caltrans

Appendix C

Napa County Economic Forecast

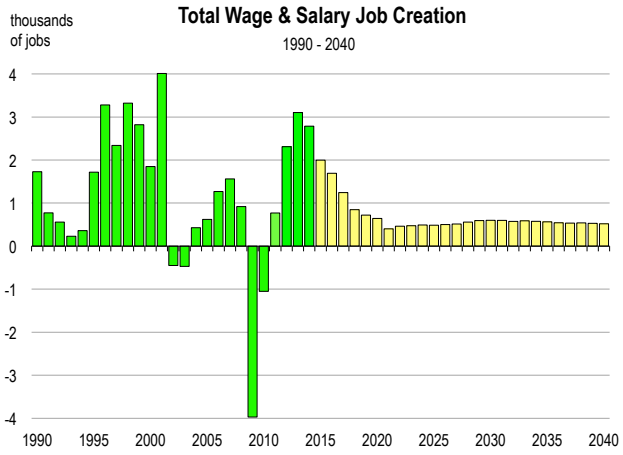
Napa County is home to the Napa Valley, a popular tourist destination known for wine grapes and premium wine production. Napa County has a population of 140,300 people and a total of 74,200 wage and salary jobs. The per capita income in Napa County is $60,576, and the average salary per worker is $58,557.

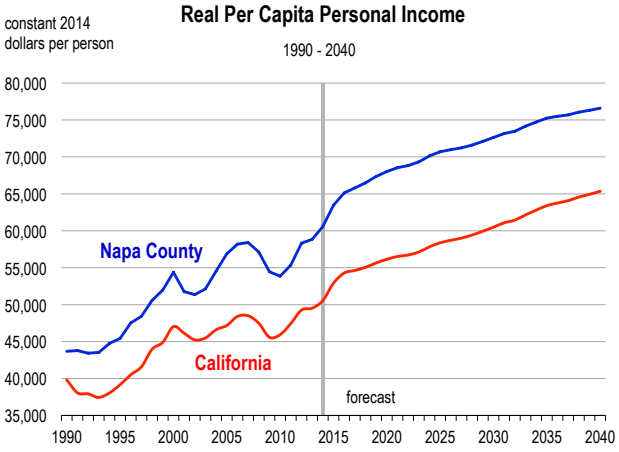
Wine grapes account for 99 percent of all agricultural output in Napa County. Red grapes are dominant in the region, with a total value that is almost 5 times than that of white grapes. The viticulture industry also attracts a large number of tourists to the county each year, generating a substantial amount of economic activity.

In 2014, employment in Northern California increased by 3.4 percent, whereas employment in the greater Bay Area grew by 4.0 percent. In Napa County, a total of 2,800 jobs were created, representing a growth rate of 3.9 percent. Non-farm employment increased by 4.1 percent, while farm employment increased by 1.8 percent. The unemployment rate improved substantially, falling from 6.8 percent in 2013 to 5.6 percent in 2014.

During 2014, the largest employment increases were observed in leisure and hospitality (+670 jobs), manufacturing (+670 jobs), education and healthcare (+420 jobs), and construction (+410 jobs). No industries were characterized by jobs losses.

Between 2009 and 2014, the population of Napa County grew at an annual average rate of 0.7 percent. Net migration accounted for more than 60 percent of this growth, with an average of 600 net migrants entering the county each year.





Forecast Highlights

- Job growth of 2.7 percent is forecasted for 2015. Between 2015 and 2020, the annual growth rate for total wage and salary jobs will average 1.3 percent.

- Average salaries are below the California average, and will remain so over the foreseeable future. In Napa County, inflation-adjusted salaries are forecasted to rise by 0.6 percent per year from 2015 to 2020.

- Between 2015 and 2020, job creation will be concentrated in leisure services (+1,700 jobs), professional and business services (+1,000 jobs), education and healthcare (+530 jobs), and wholesale and retail trade (+500 jobs). Together, these industries will account for 71 percent of net job creation in the county.

- Population growth is expected to average 0.4 percent per year from 2015 to 2020.

- During the 2015-2020 period, an average of 470 net migrants will enter the county each year, accounting for 77 percent of total population growth.

- Real per capita income will rise by 4.8 percent in 2015. From 2015 to 2020, real per capita income is forecasted to increase by 1.4 percent per year.

- Total taxable sales, adjusted for inflation, are expected to increase by an average of 2.7 percent per year between 2015 and 2020.

- Industrial production is expected to rise by 4.1 percent in 2015. From 2015 to 2020, industrial production will grow at an average rate of 2.6 percent per year.

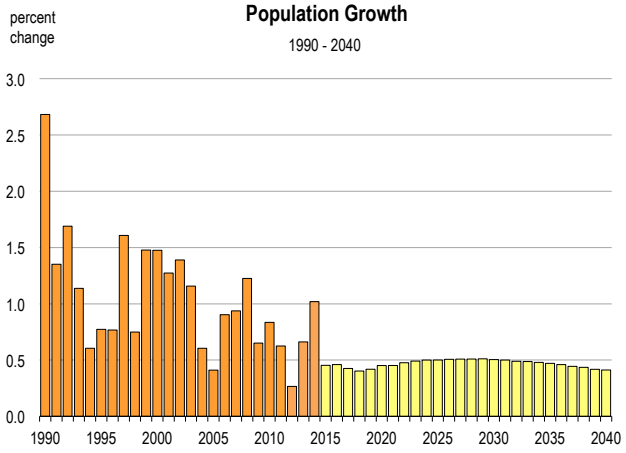
- Farm production is forecasted to increase by 1.2 percent per year between 2015 and 2020. Wine grapes will continue to account for the vast majority of all output.

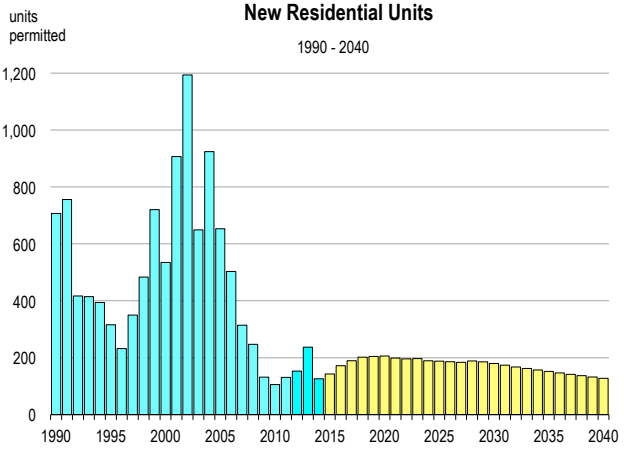
This Forecast was prepared by Caltrans, Economic Analysis Branch. On-line at: http://www.dot.ca.gov/hq/tpp/offices/eab/socio_economic_files/2015/Final%20Forecasts/Napa.pdf

Napa County Economic Forecast

2006-2014 History, 2015-2040 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy-ment Rate (percent)
2006	131,920	630	138	48.4	503	$2.4	$6.4	$58,181	3.2	576.3	2.4	3.9
2007	133,155	701	138	48.8	314	$2.6	$6.7	$58,407	3.4	562.1	2.6	4.0
2008	134,786	1,170	139	48.9	247	$2.5	$6.8	$57,124	2.9	463.4	3.0	5.1
2009	135,664	321	138	48.9	132	$2.2	$6.6	$54,441	0.8	564.0	2.7	8.6
2010	136,798	648	138	48.9	106	$2.3	$6.6	$53,865	1.3	511.5	2.6	10.3
2011	137,653	496	137	49.0	131	$2.5	$7.1	$55,359	2.7	464.8	2.5	9.8
2012	138,019	-43	137	49.1	153	$2.7	$7.7	$58,326	2.7	699.7	2.8	8.4
2013	138,932	742	141	49.2	237	$2.9	$7.9	$58,830	2.3	681.0	2.9	6.8
2014	140,348	1,149	143	49.2	126	$3.1	$8.5	$60,576	2.8	682.0	3.1	5.6
2015	140,984	537	144	49.4	143	$3.3	$9.1	$63,464	1.2	696.6	3.2	5.1
2016	141,633	542	146	49.5	172	$3.6	$9.6	$65,126	3.2	700.0	3.3	4.3
2017	142,235	477	147	49.7	189	$3.8	$10.1	$65,791	3.2	708.1	3.4	4.1
2018	142,808	434	147	49.9	202	$4.0	$10.5	$66,499	3.0	711.2	3.5	4.0
2019	143,405	438	148	50.1	204	$4.2	$11.0	$67,355	2.8	720.5	3.6	3.9
2020	144,053	468	148	50.3	206	$4.4	$11.5	$68,033	2.9	739.1	3.7	3.9
2021	144,704	455	149	50.5	199	$4.6	$12.0	$68,562	3.0	737.9	3.8	3.9
2022	145,393	473	149	50.7	196	$4.8	$12.5	$68,824	3.1	750.1	3.9	3.9
2023	146,107	477	149	50.9	197	$5.0	$13.0	$69,327	2.7	754.3	4.0	3.8
2024	146,837	479	150	51.1	189	$5.2	$13.5	$70,149	2.6	762.4	4.1	3.8
2025	147,572	474	150	51.3	188	$5.4	$14.1	$70,699	2.8	768.9	4.2	3.8
2026	148,320	475	150	51.5	186	$5.6	$14.6	$70,990	2.8	776.2	4.4	3.8
2027	149,074	472	151	51.6	184	$5.8	$15.2	$71,230	2.8	783.3	4.5	3.8
2028	149,833	470	151	51.8	189	$6.0	$15.7	$71,598	2.7	790.6	4.6	3.8
2029	150,599	465	152	52.0	186	$6.2	$16.3	$72,096	2.5	797.9	4.8	3.8
2030	151,359	454	152	52.2	180	$6.4	$16.9	$72,628	2.4	805.5	4.9	3.8
2031	152,116	442	152	52.4	174	$6.6	$17.5	$73,177	2.3	813.1	5.1	3.8
2032	152,860	426	153	52.6	167	$6.8	$18.1	$73,480	2.5	820.7	5.3	3.8
2033	153,604	420	153	52.7	162	$7.1	$18.8	$74,152	2.1	828.3	5.4	3.8
2034	154,341	411	154	52.9	157	$7.3	$19.4	$74,725	2.3	836.2	5.6	3.8
2035	155,068	404	154	53.0	152	$7.6	$20.1	$75,264	2.4	844.0	5.8	3.8
2036	155,781	395	154	53.2	147	$7.8	$20.8	$75,501	2.8	851.9	5.9	3.8
2037	156,473	387	155	53.3	142	$8.1	$21.6	$75,702	2.8	860.1	6.1	3.8
2038	157,154	382	155	53.5	137	$8.4	$22.4	$76,071	2.7	868.0	6.3	3.8
2039	157,811	375	155	53.6	132	$8.6	$23.2	$76,311	2.8	876.4	6.4	3.8
2040	158,460	368	156	53.8	128	$8.9	$24.0	$76,587	2.8	884.6	6.6	3.8

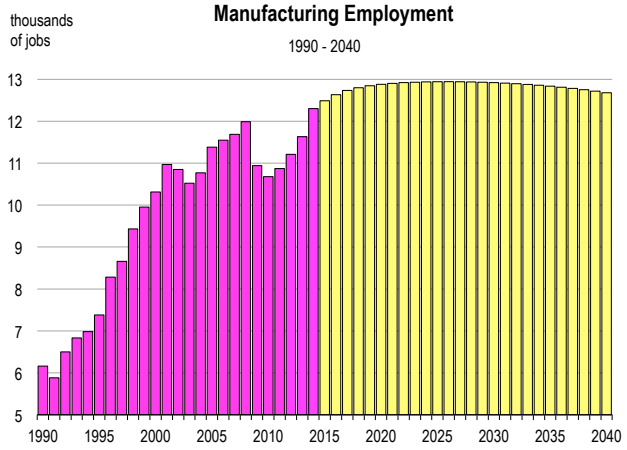


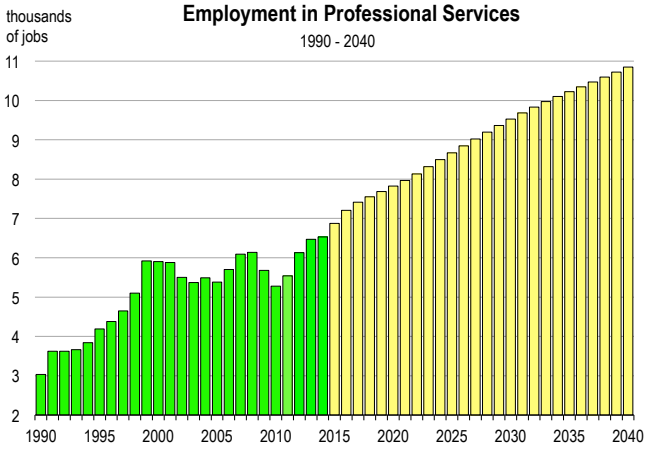


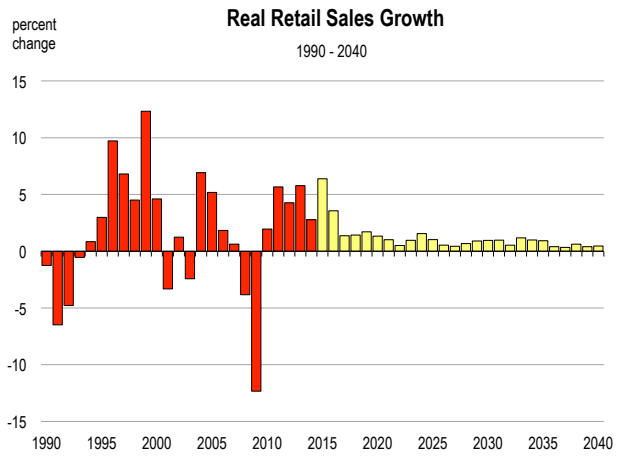
Napa County Employment Forecast

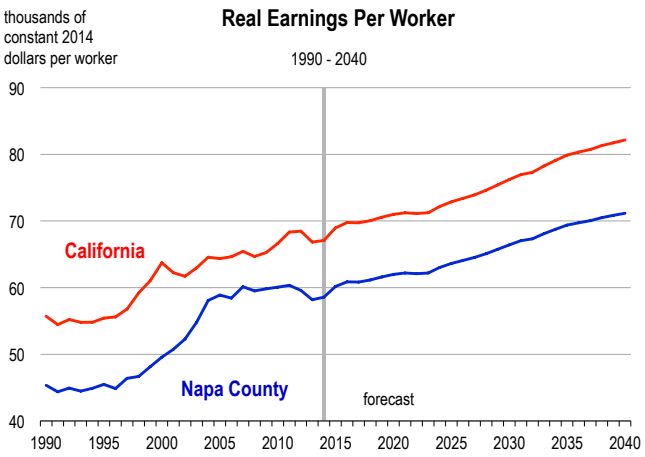
2006-2014 History, 2015-2040 Forecast

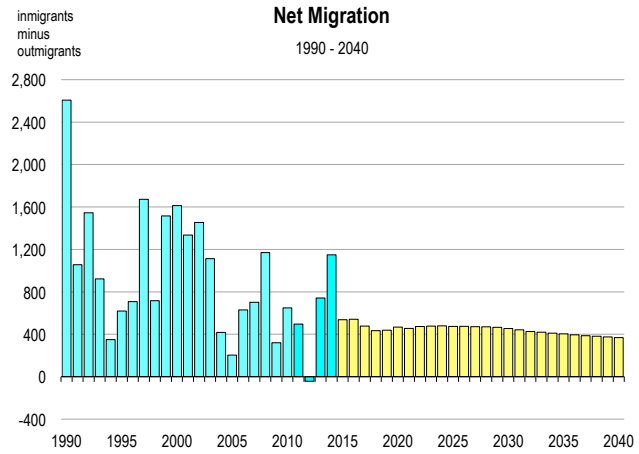
	Total Wage & Salary	Farm	Construction	Manufac-turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	employment (thousands of jobs)											
2006	67.8	4.74	5.1	11.6	1.4	7.6	2.8	5.7	0.7	8.0	8.5	10.0
2007	69.4	4.91	4.6	11.7	1.6	7.8	2.6	6.1	0.7	8.4	9.1	10.2
2008	70.3	4.87	4.0	12.0	1.7	7.7	2.6	6.1	0.7	8.6	9.3	10.6
2009	66.3	4.93	3.0	10.9	1.6	7.3	2.4	5.7	0.6	8.5	8.8	10.7
2010	65.3	4.67	2.6	10.7	1.5	7.3	2.3	5.3	0.6	8.7	9.3	10.4
2011	66.0	4.80	2.5	10.9	1.6	7.1	2.3	5.5	0.6	8.8	10.0	10.1
2012	68.3	4.81	2.7	11.2	1.8	7.3	2.3	6.1	0.6	9.1	10.7	9.9
2013	71.4	4.95	3.2	11.6	1.9	7.7	2.2	6.5	0.6	9.6	11.3	10.0
2014	74.2	5.04	3.6	12.3	2.0	7.9	2.2	6.5	0.6	10.0	12.0	10.1
2015	76.2	5.09	3.6	12.5	1.9	8.1	2.3	6.9	0.6	10.2	12.8	10.2
2016	77.9	5.12	3.7	12.6	2.0	8.2	2.2	7.2	0.6	10.4	13.4	10.3
2017	79.2	5.17	3.7	12.7	2.0	8.3	2.2	7.4	0.6	10.5	13.9	10.4
2018	80.0	5.19	3.7	12.8	2.0	8.4	2.2	7.6	0.6	10.6	14.2	10.4
2019	80.7	5.25	3.7	12.8	2.0	8.5	2.3	7.7	0.6	10.7	14.4	10.5
2020	81.4	5.38	3.7	12.9	2.0	8.6	2.3	7.8	0.7	10.7	14.4	10.5
2021	81.8	5.37	3.7	12.9	2.1	8.7	2.3	8.0	0.7	10.8	14.5	10.5
2022	82.2	5.45	3.7	12.9	2.1	8.7	2.3	8.1	0.7	10.9	14.5	10.5
2023	82.7	5.48	3.7	12.9	2.1	8.8	2.3	8.3	0.7	11.0	14.5	10.6
2024	83.2	5.53	3.7	12.9	2.1	8.8	2.3	8.5	0.7	11.1	14.5	10.6
2025	83.7	5.57	3.7	12.9	2.1	8.9	2.3	8.7	0.7	11.1	14.6	10.6
2026	84.2	5.62	3.6	12.9	2.2	8.9	2.4	8.8	0.7	11.2	14.6	10.7
2027	84.7	5.67	3.6	12.9	2.2	9.0	2.4	9.0	0.7	11.3	14.7	10.7
2028	85.3	5.72	3.6	12.9	2.2	9.0	2.4	9.2	0.7	11.4	14.8	10.7
2029	85.9	5.77	3.6	12.9	2.2	9.1	2.4	9.4	0.7	11.5	14.9	10.8
2030	86.5	5.82	3.6	12.9	2.3	9.1	2.4	9.5	0.7	11.7	15.0	10.8
2031	87.1	5.87	3.6	12.9	2.3	9.2	2.5	9.7	0.7	11.8	15.2	10.8
2032	87.6	5.92	3.6	12.9	2.3	9.2	2.5	9.8	0.7	11.9	15.3	10.8
2033	88.2	5.97	3.6	12.9	2.3	9.3	2.5	10.0	0.7	12.0	15.5	10.9
2034	88.8	6.02	3.6	12.9	2.4	9.4	2.5	10.1	0.7	12.1	15.6	10.9
2035	89.4	6.07	3.6	12.8	2.4	9.4	2.5	10.2	0.7	12.3	15.7	10.9
2036	89.9	6.12	3.6	12.8	2.4	9.5	2.5	10.3	0.7	12.4	15.9	11.0
2037	90.4	6.18	3.6	12.8	2.4	9.5	2.5	10.5	0.7	12.5	16.0	11.0
2038	91.0	6.23	3.6	12.8	2.4	9.5	2.6	10.6	0.7	12.6	16.2	11.0
2039	91.5	6.29	3.6	12.7	2.5	9.6	2.6	10.7	0.7	12.7	16.3	11.0
2040	92.0	6.34	3.6	12.7	2.5	9.6	2.6	10.9	0.7	12.8	16.5	11.1

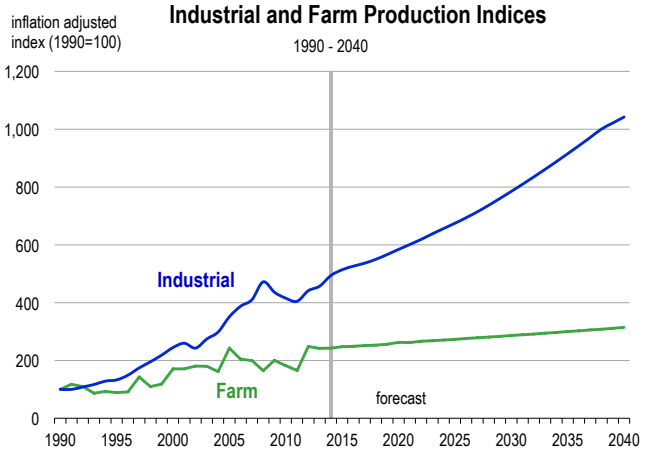












County Economic and Demographic Indicators

Projected Economic Growth (2015-2020)

Expected retail sales growth:	16.8%
Expected job growth:	9.6%
Fastest growing jobs sector:	Leisure Services
Expected personal income growth:	15.3%

Expected population growth:	2.6%
Net migration to account for:	76.8%
Expected growth in number of vehicles:	3.8%

Demographics (2015)

Unemployment rate (March 2015):	4.6%
County rank* in California (58 counties):	6th
Percent of population working age:(16-64)	63.6%

Population with B.A. or higher:	30.8%
Median home selling price (2014):	$485,000
Median household income:	$69,717

Quality of Life

Violent crime rate (2013):	262 per 100,000 persons
County rank* in California (58 counties):	15th
Average commute time to work (2015):	26.1 minutes

High School drop out rate (2014):	9.3%
Households at/below poverty line (2015):	7.3%

* The county ranked 1st corresponds to the lowest rate in California

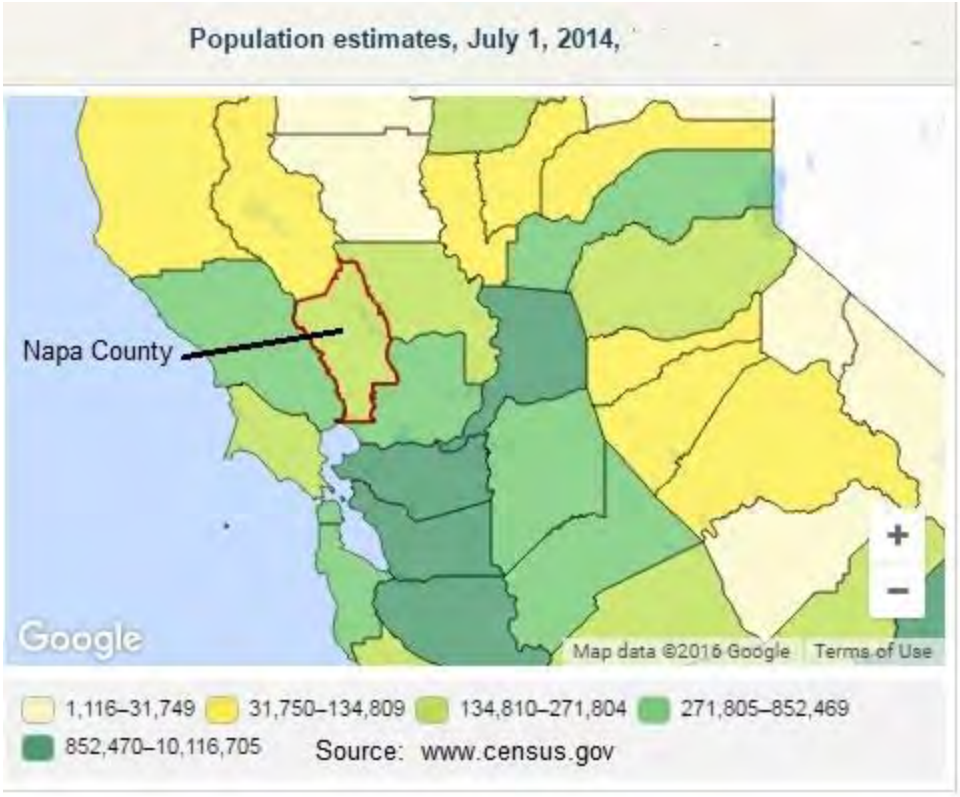
Appendix D. Population Study of Napa County

Appendix D

Population Study for Napa County

This appendix analyzes the existing and projected population in Napa County. This information is provided as context to the City of Calistoga as studied in this MSR/SOI.

Napa County has the smallest population of any of the nine bay area counties that participate in Association of Bay Area Governments (ABAG). The population of Napa County is approximately 140,300 persons in 2015. The second smallest county in the ABAG region is Marin County at 258,972 persons and this is 84% larger than Napa County (DOF, 2015). Figure D-1, below depicts the general population of Napa County in relation to the surrounding counties.



ABAG provides analysis of population data for local governments throughout the nine county region it serves. Projections 2013 is the most recent in the Association of Bay Area Governments' series of statistical compendia on demographic, economic, and land use changes in coming decades. This current version covers the period between 2010 and 2040. Table D.1, below lists ABAG's projected population for Napa County in the years 2020, 2025, 2030, 2035, and 2040. Between the years 2015 to 2040, Napa County's population will grow by 23,400 persons or an overall increase of 17%. Currently, most (56%) of the population of Napa County resides within the City of Napa, making Napa the largest city in the County. Nineteen percent live in the unincorporated area of the County.

Table D-1: Projected Total Population Napa County						
	2015	**2020**	**2025**	**2030**	**2035**	**2040**
AMERICAN CANYON	20,500	21,500	22,600	23,700	25,000	26,200
CALISTOGA	5,200	5,300	5,400	5,500	5,500	5,600
NAPA	78,800	80,700	82,800	85,100	87,700	90,300
ST. HELENA	5,900	6,000	6,100	6,100	6,200	6,300
YOUNTVILLE	3,000	3,100	3,300	3,400	3,600	3,800
UNINCORPORATED	26,900	27,600	28,400	29,300	30,400	31,500
NAPA COUNTY	**140,300**	**144,200**	**148,600**	**153,100**	**158,400**	**163,700**

Source: ABAG Projections 2013 for Napa County

The number of persons sharing a household is projected to increase slightly by the year 2040 to 2.77, on average as shown in Table D-2, below (ABAG, 2013).

Table D-2: Persons Per Household in Napa County						
	2015	**2020**	**2025**	**2030**	**2035**	**2040**
AMERICAN CANYON	3.41	3.40	3.40	3.40	3.41	3.43
CALISTOGA	2.53	2.54	2.55	2.56	2.58	2.60
NAPA	2.69	2.69	2.71	2.72	2.74	2.76
ST. HELENA	2.39	2.39	2.40	2.41	2.43	2.45
YOUNTVILLE	1.86	1.86	1.87	1.88	1.89	1.91
UNINCORPORATED	2.48	2.49	2.50	2.51	2.53	2.55
NAPA COUNTY	**2.70**	**2.70**	**2.72**	**2.73**	**2.75**	**2.77**
Source: ABAG Projections 2013 for Napa County						

The Metropolitan Transportation Commission analyzes and publishes various statistics about local counties as part of their transportation planning process. The historical trend of poverty rates is shown in Figure below. Napa County is shown as a blue line and it indicates that poverty in Napa County has become more variable and has increased during the past decade.

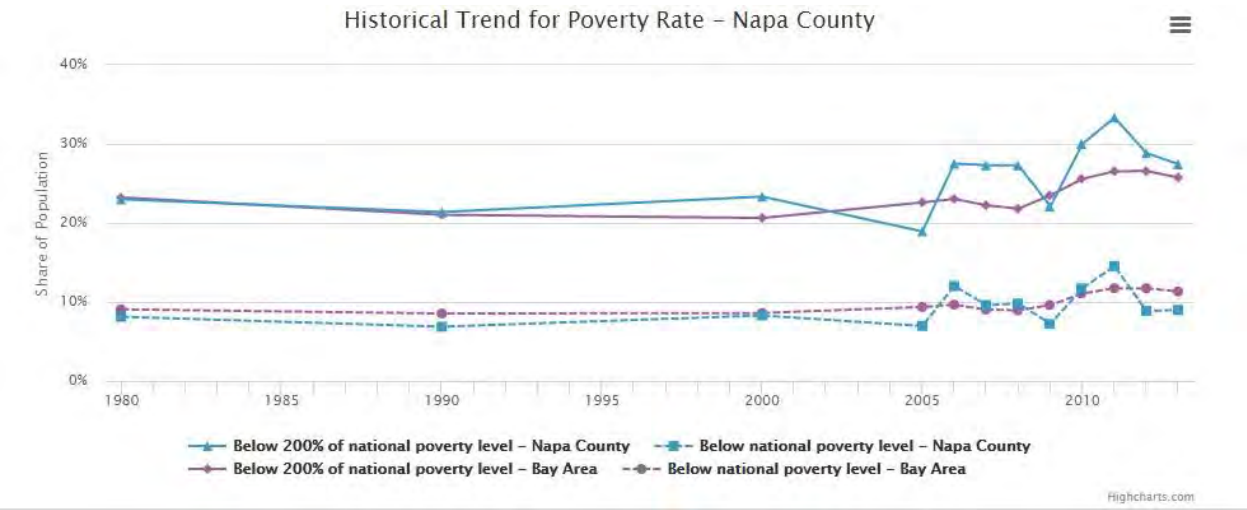
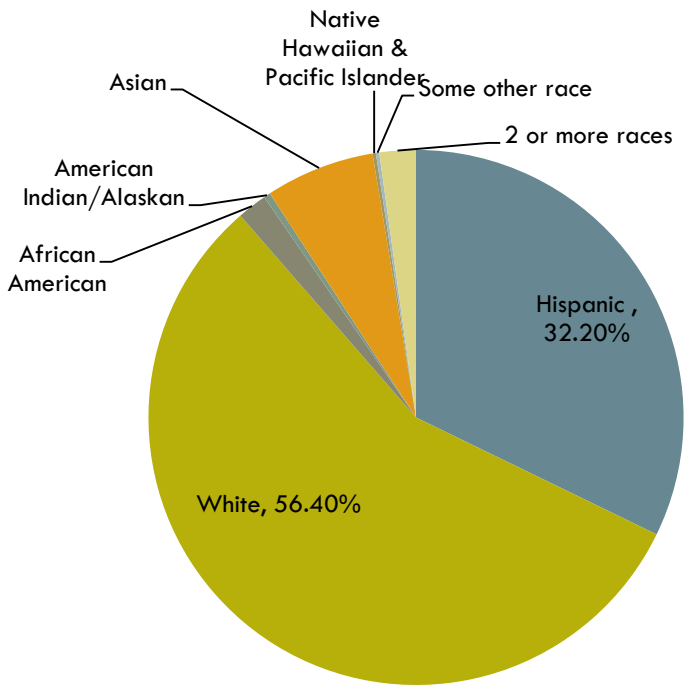


Figure D-2 with Data Source: Metropolitan Trans Commis

The U.S. Census collects data on race and this provides background information about ancestry and ethno-linguistic categories. This data also provides contextual information on the historical role of immigration, race and inequality in American society. The Bay Area Census[1] reports this data for Napa County. California is a racially diverse state and Napa County somewhat reflects this diversity. White and Hispanics are the two largest racial categories in Napa County as shown in Figure D-3 below. Other categories include African American (1.20%); American Indian/Alaskan (0.50%); Asian (2.90%); and Native Hawaiian & Pacific Islander (0.20%). 0.20% of people self-identify as belonging to some other race and 2.10% identify as belonging to two or more races (MTC-ABAG, 2010).

[1] The Bay Area Census is a project and website provided jointly by provided by the Metropolitan Transportation Commission and the Association of Bay Area Governments and it contains selected Census data for the San Francisco Bay Area.

Figure D-3: Racial Distribution Napa County



Data Source: MTC-ABAG , 2010

Age distribution

The Median age in Napa County is 39.7 years. There are 20,594 senior citizens living in the County, as shown in Table D-3, below.

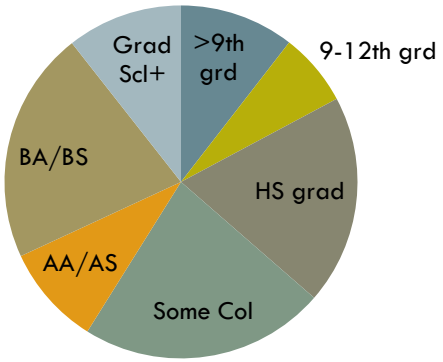
Table D-3: Age Distribution in Napa County	
Age Category	**# of residents**
Under 5 years	8,131
5 to 17 years	23,355
18 to 64 years	84,404
65 years and over	20,594
Data Source: http://www.bayareacensus.ca.gov/counties/NapaCounty.htm	

Average household size was 2.69 persons in 2010. There were a total of 54,759 housing units in Napa County in 2010. Approximately 11% or 5,883 of these units were vacant or used as vacation homes. Of the occupied homes, approximately 63% or 30,597 were owner-occupied and 37% (18,279 units) were rental homes (MTC-ABAG, 2010).

The total number households in the County in 2014 was 49,631. The median household income was $70,925. The Mean household income was estimated to be $95,454 in 2014. The percentage of people whose income in the past 12 months is below federal poverty level was 10.30% (approximately 13,000 people) (US Census, 2014).

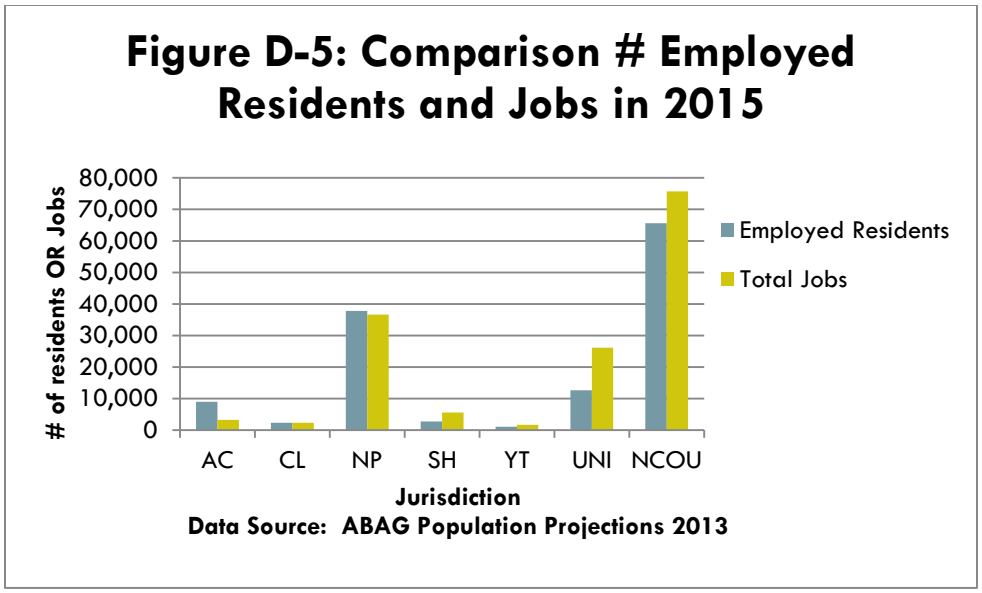
The Educational Attainment In the population aged 25 years and over is that 82.80% of the county's population is a high school graduate or higher. Almost 32% of the county's population has attained a bachelor's degree or higher, as shown in Figure D-4, below (US Census, 2014).

Figure D-4: Educational Attainment in Napa County, 2014

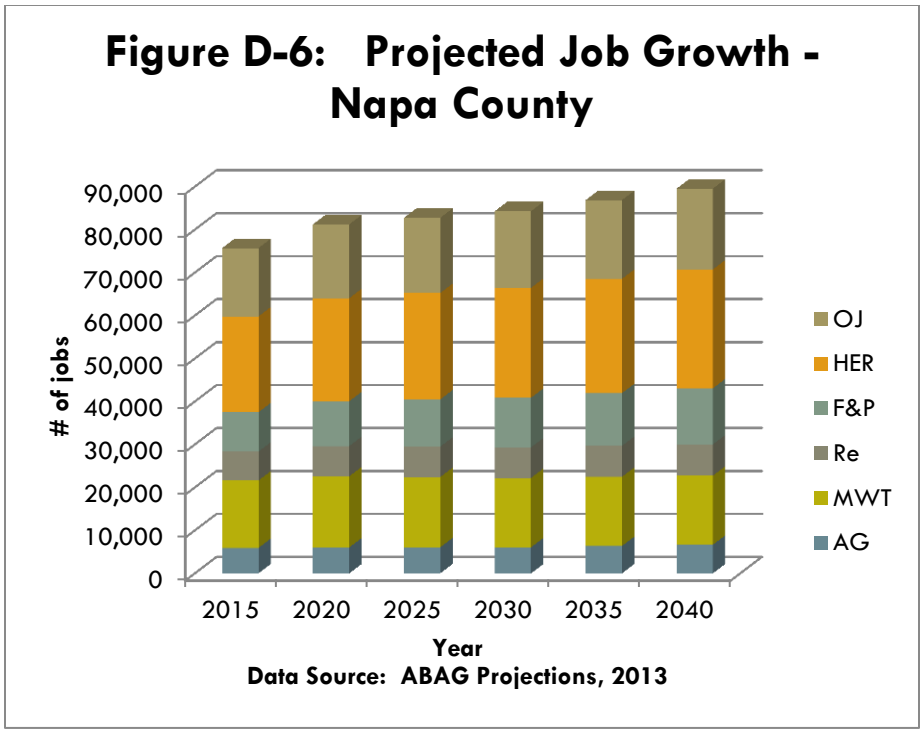


US Census, 2014

Figure D-5, below depicts a comparison between the number of employed residents an area has to the total number of jobs that area provides, as of 2015. In the Figure, abbreviations for the jurisdictions along the horizontal access are as follows: City of American Canyon, AC; City of Calistoga, CL; City of Napa, NP; City of St. Helena , SH; City of Yountville, YT; Unincorporated, UNI; and Napa County, NCOU. Three cities, such as American Canyon and Calistoga, and Napa have more employed residents and fewer jobs, in comparison. This indicates that many people commute out of the city to work. The cities of St. Helena and Yountville along with the unincorporated area provide more jobs than employed residents. This indicates that these areas provide jobs that attract people to commute there for work. By the year 2040, the number of employed residents in Napa County is expected to rise to 74,690 persons (ABAG, 2013).



There are 75,700 jobs in Napa County as of the year 2015, as shown in Figure D-6, below, according to ABAG. The number of jobs is expected to increase to 89,540 by the year 2040, an overall increase of almost two percent. The jobs cover a range of economic sectors. In the Figure below, these economic sectors are given the following abbreviations: Agriculture and Natural Resources Jobs, AG; Manufacturing, Wholesale and Transportation Jobs, MWT; Retail Jobs, Re; Financial and Professional Service Jobs, F&P; Health, Educational and Recreational Service Jobs, HER; and Other Jobs, OJ.



Although the agricultural sector represents only a small fraction of the number of current and projected jobs, this sector does provide many other ancillary benefits. For example, many of the retail jobs in Napa County are related to the wine industry. The scenic vineyards and pastures create an attractive visual amenity which increase the quality of life and helps other businesses and industries attract workers. The agricultural sector also supports the creation and protection of green open space which is one of LAFCO's goals.

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CA Department of Finance (DOF), Demographic Research Unit. Table E-1, Cities, Counties, and the State Population Estimates with Annual Percent change – January 1, 2014 and 2015. May 2015. Sacramento, California. Available on-line at: <*http://www.dof.ca.gov/research/demographic/reports/estimates/e-1/view.php*>. Accessed March 23, 2016.

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Appendix E. Regulatory Requirements - Municipal Water

APPENDIX E: REGULATORY REQUIREMENTS - MUNICIPAL WATER

Federal Regulations

U.S. Clean Water Act (1972)

The Clean Water Act (CWA) is the primary federal statute governing the protection of water quality. The EPA's implementation of this law provides a comprehensive program to protect the nation's surface waters. Under CWA Section 304, states are required to ensure that potable water retailed to the public meets specific standards.

Section 303(d) of the CWA requires states to identify water bodies that do not meet water quality objectives and that do not support beneficial uses. The 303(d) list includes the Napa River for pathogens, nutrients, and sedimentation/siltation.

U.S. Safe Drinking Water Act (1974)

Under the Safe Drinking Water Act (SDWA, 42 USC Sections 300f et seq.), U.S. EPA regulates contaminants of concern to domestic water supply. Contaminants of concern relevant to domestic water supply are defined as those that pose a public health threat or that alter the aesthetic acceptability of the water. The California Department of Public Health (CDPH) has been granted primary enforcement responsibility for the SDWA. Title 22 of the California Administrative Code establishes CDPH authority, and stipulates drinking water quality and monitoring standards.

State Regulations

California Porter-Cologne Water Quality Control Act (1969)

The Porter-Cologne Act provides the statutory authority for the protection of water quality in California. Consistent with the Porter-Cologne Act, the state adopts water quality policies, plans, and objectives to protect the state's waters. The Act outlines the obligations of the SWRCB and nine RWQCBs to adopt and periodically update basin plans.

San Francisco Bay (Region 2) Water Quality Control Plan

The State Water Resources Control Board and nine RWQCBs are responsible for ensuring implementation and compliance with the provisions of the CWA and the Porter-Cologne Act.

Urban Water Management Planning Act (1983)

The Urban Water Management Planning Act (California Water Code, Division 6, Part 2.6, Section 10610 et seq.) requires water suppliers to document water supplies available during normal, single dry, and multiple dry water years during a 20-year projection period, and to document the existing and projected future water demand during a 20-year projection period. The Act applies to municipal water suppliers that serve more than 3,000 customers or provides more than 3,000 afy of water.

Senate Bill 610 and Senate Bill 221

SB 610 (now CEQA Guidelines Section 15155) amended the Water Code requirements within the CEQA process and broadened the types of information required in a UWMP. SB 221 is applicable within the Subdivision Map Act and it allows jurisdictions to condition a tentative map such that documentation from a public water supplier regarding availability of sufficient water supply is needed.

Recycled Water Regulations

Recycled water is regulated by the U.S. Environmental Protection Agency (EPA), the State Water Resources Control Board (SWRCB), Regional Water Quality Control Boards (RWQCB), and the CA Department of Health Services (DHS). Resolution No. 77-1 from the SWRCB, allows the SWRCB and RWQCB to encourage and consider funding of water reclamation projects that do not impair water rights or beneficial instream uses.

California Water Code

The California Water Code outlines the general state authority and responsibilities over water in California.

Title 22

The California Water Code requires the DHS to establish water reclamation criteria. In 1975, the DHS prepared Title 22 to fulfill this requirement. Title 22 regulates the production and use of reclaimed water in California.

California Water Code (Division 3, Dams and Reservoirs)

The State of California inspects dams to prevent failure in order to safeguard life and protect property. DWR Division of Safety of Dams implements this legislation.

Local Regulations

Napa County has several policies related to water quality including its General Plan. The County Environmental Health Department also aims to ensure drinking water is safe.

Appendix F. Napa County Assessment Roll - Cities

2016-2017 NAPA COUNTY ASSESSMENT ROLL - CITIES
WITH COMPARISON TO 2015-2016

	LAND	IMPROVEMENTS	PERS PROP	TOTAL BEFORE EX	NON H/O EX	TOTAL	HOMEOWN EX	NET TOTAL
2016-2017	$14,504,193,716	$20,194,117,861	$1,360,709,672	$36,059,021,249	$1,043,110,492	$35,015,910,757	$153,719,398	$34,862,191,359
2015-2016	$13,357,993,724	$19,048,736,682	$1,305,029,755	$33,711,760,161	$1,001,805,034	$32,709,955,127	$153,863,683	$32,556,091,444
Difference	$1,146,199,992	$1,145,381,179	$55,679,917	$2,347,261,088	$41,305,458	$2,305,955,630	($144,285)	$2,306,099,915

NET INCREASE IN ASSESSED VALUES (WITHOUT UTILITY ROLL) FOR NAPA COUNTY 7.05% {6.39%/4.34%/5.34%/2.06%}

TOTAL NUMBER OF SECURED ASSESSMENTS 51,395
TOTAL NUMBER OF UNSECURED ASSESSMENTS 7,187

CITY OF NAPA	2016-2017	$11,078,939,851			
	2015-2016	$10,406,262,268			
	NET INCREASE	$672,677,583	% INCREASE	6.46%	{6.32%/6.18%/5.2%/1.13%}
CITY OF AMERICAN CANYON	2016-2017	$2,745,751,283			
	2015-2016	$2,568,876,137			
	NET INCREASE	$176,875,146	% INCREASE	6.89%	{7.75%/6.73/4.98%/0.23%}
CITY OF ST HELENA	2016-2017	$2,228,862,540			
	2015-2016	$2,068,670,056			
	NET INCREASE	$160,192,484	% INCREASE	7.74%	[5.56%/1.00%/9.61%/2.32%}
CITY OF CALISTOGA	2016-2017	$899,830,721			
	2015-2016	$843,564,016			
	NET INCREASE	$56,266,705	% INCREASE	6.67%	{13.76%/4.84%/2.97%/1.48%}
TOWN OF YOUNTVILLE	2016-2017	$715,618,300			
	2015-2016	$640,795,068			
	NET INCREASE	$74,823,232	% INCREASE	11.68%	{4.90%/7.91%/3.59%/1.78%}
UNINCORPORATED	2016-2017	$17,346,908,062			
	2015-2016	$16,181,787,582			
	NET INCREASE	$1,165,120,480	% INCREASE	7.20%	{6.02%/3.11%/5.13%/3.01%}

Appendix G. Yountville TOT collections

Town of Yountville
"The Heart of the Napa Valley"

M E M O R A N D U M

TO: Mayor & Council Members

FROM: Maria Ojeda, Finance Director

SUBJECT: TOT – June, 2016

DATE: August 6, 2016

CC: Steve Rogers, Town Manager

This report provides a summary analysis of our collections for the period of July 1, 2015 - June 30, 2016. Our report will be updated on the website and will include three year trend graphs showing monthly and cumulative totals, occupancy and room rates.

Town Council, at the meeting of April 5, 2016 increased the FY 15-16 budget from $6,400,000 to $6,500,000 which is reflected in this report. The collections for FY 15-16 exceeded the adopted revenue target by 5% or $308,531 for total revenues of $6,808,531.

Total TOT revenue for June, 2016 was $658,707. The amount received in June of 2015 was $607,671, this reflects an increase of 7.7%. This year, the actual increase for the month of June was $55,796 compared to the projected monthly budget of $602,911.

- Occupancy Rate for June, 2016: 84% compared to June, 2015: 78%
- Average room rates during June, 2016 increased to $481 from $480 for the comparable period last year.
- NVTID for June, 2016: $109,784.46
- Local TID for June, 2016: $ 27,446.11
- County TID for June, 2016: $ 81,240.50
- Town Administration: $ 1,097.84

Please let me know if I may provide any further information.

Attachment: TOT Report
MO:ck

TRANSIENT OCCUPANCY TAX REPORT

Fiscal Year 2015/2016

Town of Yountville
"The Heart of the Napa Valley"

PUBLIC DATA
Pages 1-9

REPORT PERIOD: Collections through June, 2016

TAX RATE: 12 percent

STATISTICS:
TOT/NVTID Collections - TOT Budget to Actual
Monthly Revenue - Three Year Trend
TOT Cumulative Revenue by Fiscal Year - Three Year Trend
Monthly Occupancy Rates - Three Year Trend
Monthly Room Rates - Three Year Trend
Historical Monthly Revenues
Historical Occupancy Rates
Historical Room Rates

PREPARED BY: *Maria Ojeda, Finance Director*
Celia King, Accounting Technician

DATE: August 3, 2016

Town of Yountville
Transient Occupancy Tax (TOT)/Napa Valley Tourism Improvement District (NVTID) Cash Flow - YTD Actual & Budget Projections
Year-to-Date Actual & Budget Projections
2015/16

Year to Date Collections

		Actual												
	Rooms	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	*June*	TOTAL
2015/16 TOT	451	$ 665,840	$ 653,887	$ 740,414	$ 807,611	$ 525,871	$ 345,567	$ 326,673	$ 387,258	$ 452,263	$ 585,475	$ 658,965	$ 658,707	$ 6,808,531
Local TID (25%)		27,743	27,245	30,851	33,650	21,911	14,399	13,611	16,136	18,844	24,395	27,457	27,446	$ 283,689
County TID (74%)		82,120	80,646	91,318	99,605	64,857	42,620	40,290	47,761	55,780	72,208	81,272	81,240	$ 839,718
Town Admin (1%)		1,110	1,090	1,234	1,346	876	576	544	645	754	976	1,098	1,098	$ 11,348
Total NVTID 2%*		110,973	108,981	123,403	134,602	87,645	57,594	54,446	64,542	75,378	97,578	109,828	109,784	$ 1,134,755

TOT Budget to Actual Comparison

2015/16 TOT	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	TOTAL
Adjusted Budget 4/2016	*$ 663,276*	*$ 659,646*	*$ 724,078*	*$ 782,588*	*$ 507,290*	*$ 323,331*	*$ 315,571*	*$ 340,693*	*$ 413,509*	*$ 529,410*	*$ 637,698*	*$ 602,911*	*$ 6,500,000*
Actual Collections	**665,840**	**653,887**	**740,414**	**807,611**	**525,871**	**345,567**	**326,673**	**387,258**	**452,263**	**585,475**	**658,965**	**658,707**	$ 6,808,531
Variance - Actual/Budget	*$ 2,564*	*$ (5,759)*	*$ 16,336*	*$ 25,023*	*$ 18,581*	*$ 22,236*	*$ 11,103*	*$ 46,565*	*$ 38,754*	*$ 56,065*	*$ 21,267*	*$ 55,796*	105%

Current Year to Prior Year Variance Analysis

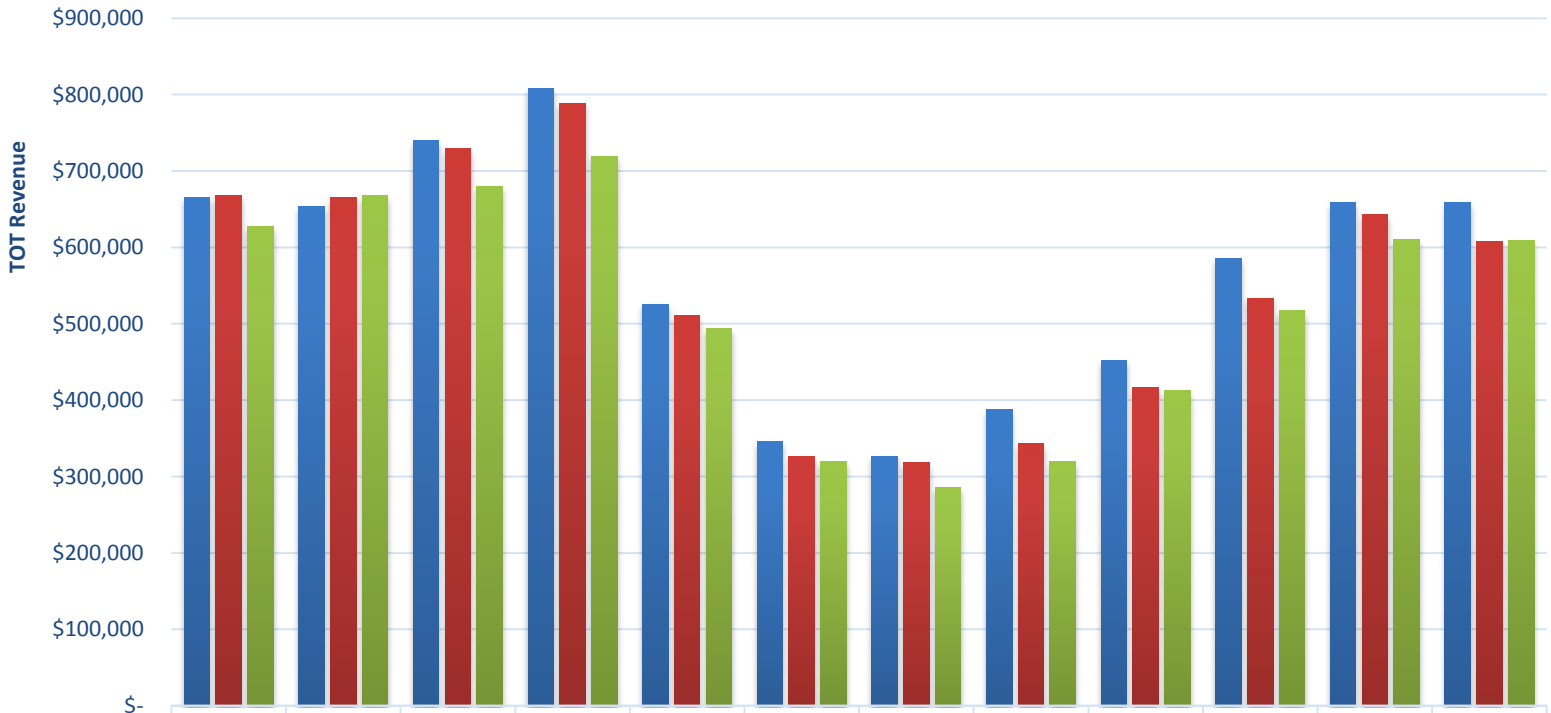
2015/16 Actual TOT		**665,840**	**653,887**	**740,414**	**807,611**	**525,871**	**345,567**	**326,673**	**387,258**	**452,263**	**585,475**	**658,965**	**658,707**	**$ 6,808,531**
Increase/(Decrease)	$	(2,672)	(10,967)	10,620	18,845	14,577	19,683	8,612	43,876	35,490	51,885	16,232	51,036	257,217
	%	-0.4%	-1.7%	1.4%	2.3%	2.8%	5.7%	2.6%	11.3%	7.8%	8.9%	2.5%	7.7%	3.8%

Five Year History

Fiscal Year	Rooms	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	TOTAL
2014/15	451	**668,512**	**664,853**	**729,794**	**788,766**	**511,295**	**325,883**	**318,062**	**343,382**	**416,773**	**533,590**	**642,733**	**607,671**	$ 6,551,314
2013/14	450	$ 627,087	$ 667,485	$ 679,638	$ 719,648	$ 493,483	$ 320,092	$ 285,463	$ 320,120	$ 412,894	$ 516,892	$ 610,197	$ 608,477	$ 6,261,477
2012/13	450	537,584	577,356	639,904	659,234	416,402	276,395	254,732	306,685	381,749	469,658	560,323	558,176	$ 5,638,198
2011/12	450	484,997	527,867	591,059	604,173	352,364	239,559	203,253	280,708	334,474	364,659	485,037	528,749	$ 4,996,899
2010/11	422	371,481	396,079	429,133	473,595	269,918	177,070	173,425	216,225	274,425	351,662	434,913	442,516	$ 4,010,442
5 year average		$ 537,932	$ 566,728	$ 613,906	$ 649,083	$ 408,692	$ 267,800	$ 246,987	$ 293,424	$ 364,063	$ 447,292	$ 546,640	$ 549,118	

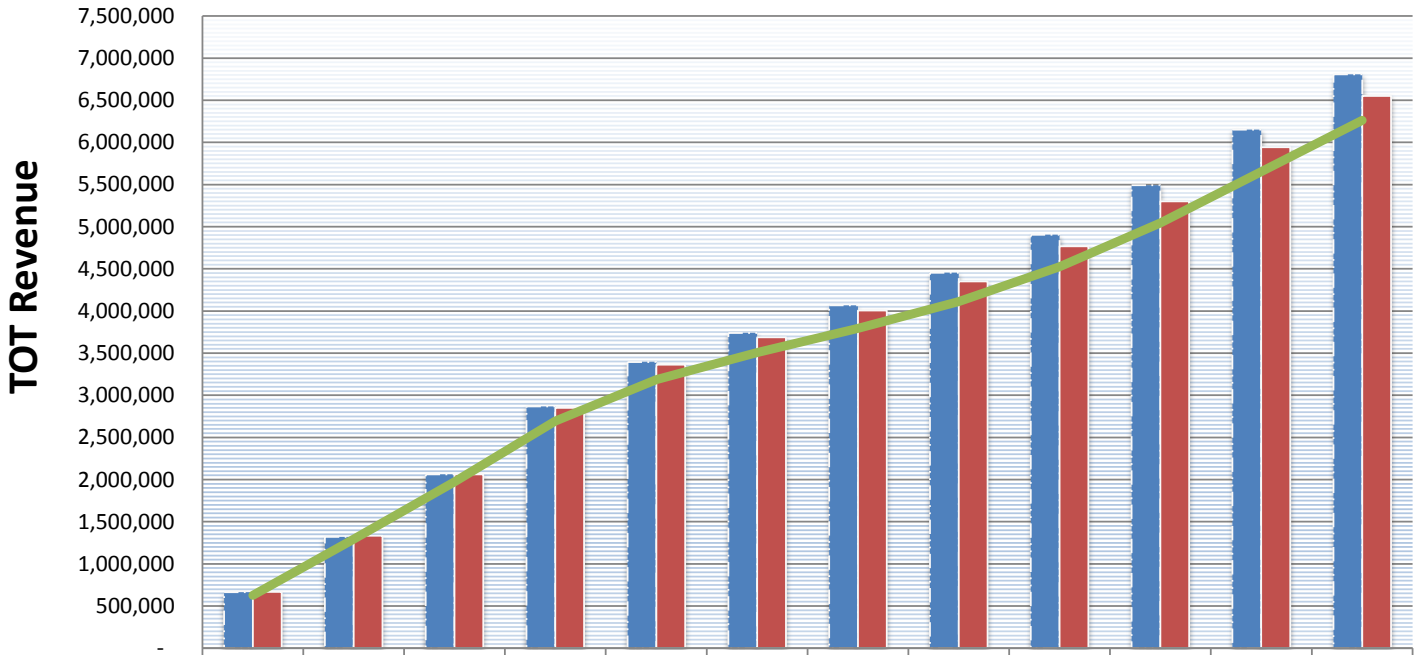
Notes: Bi-monthly collections prior to Jan 2010, assume even split between two months

Town of Yountville
TOT Monthly Totals - 3 Year Trend
2015/16 - 2014/15 - 2013/14



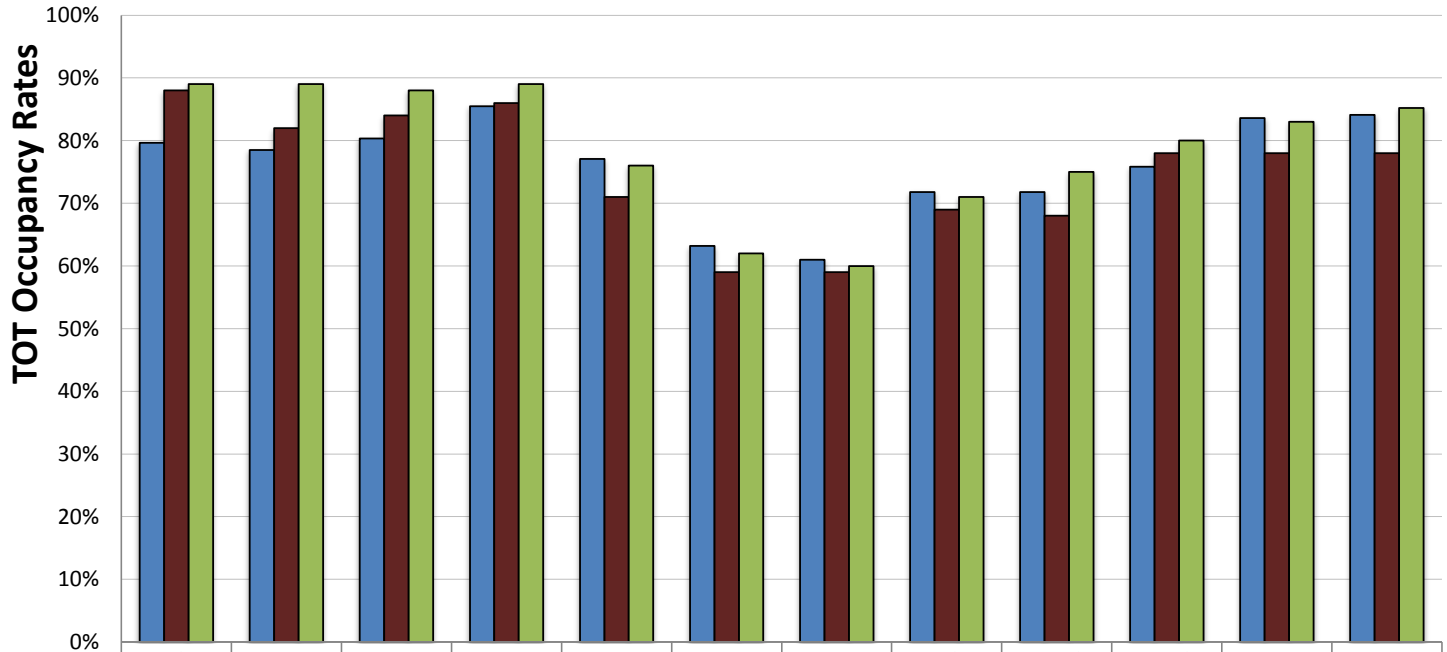
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
2015/16	665,840	653,887	740,414	807,611	525,871	345,567	326,673	387,258	452,263	585,475	658,965	658,707
2014/15	668,512	664,853	729,794	788,766	511,295	325,883	318,062	343,382	416,773	533,590	642,733	607,671
2013/14	627,087	667,485	679,638	719,648	493,483	320,092	285,463	320,120	412,894	516,892	610,197	608,477

Town of Yountville
TOT Cumulative Totals - 3 Year Trend
2015/16 - 2014/15 - 2013/14



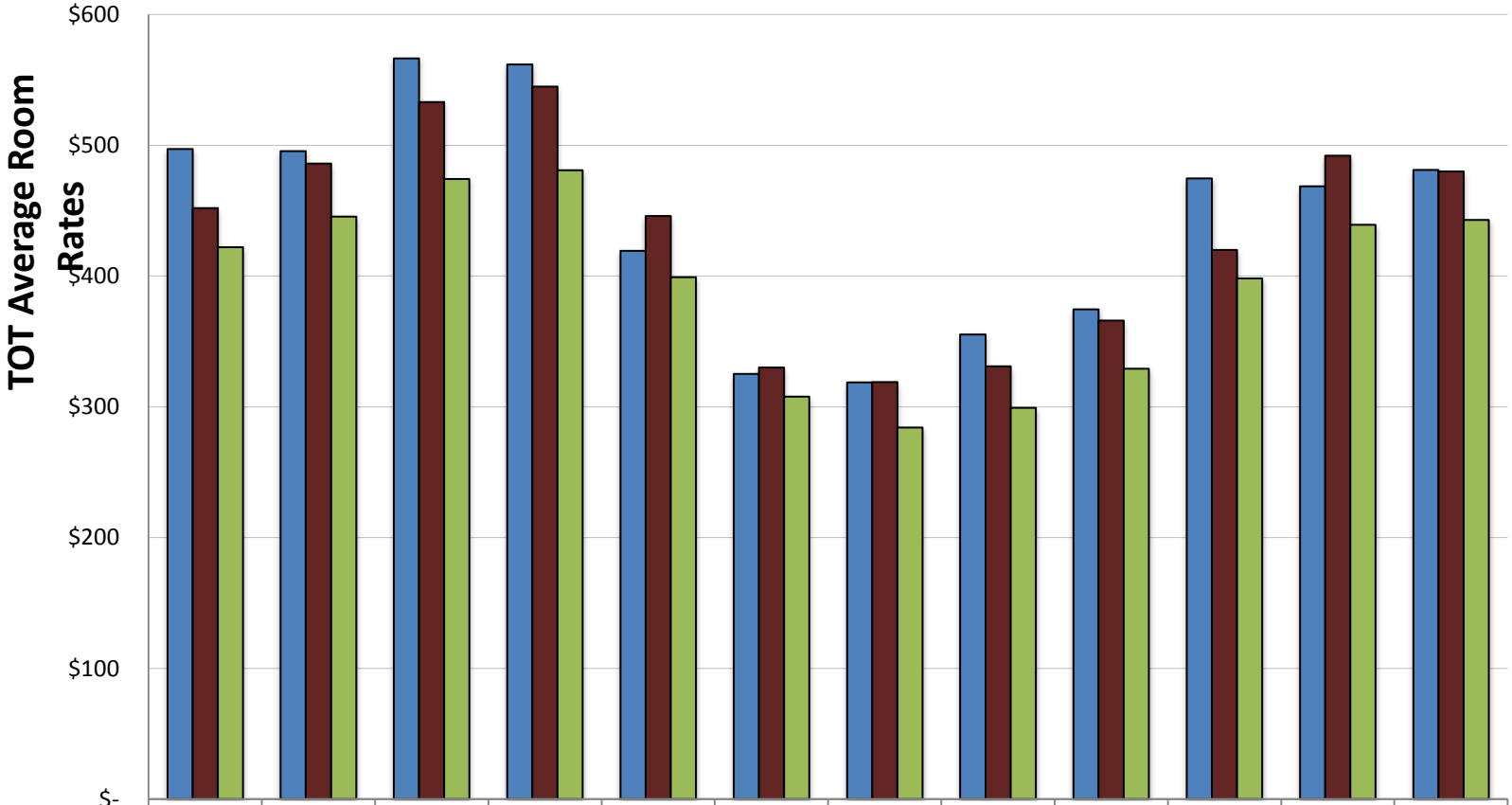
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
2015/16	665,840	1,319,727	2,060,141	2,867,752	3,393,623	3,739,189	4,065,863	4,453,121	4,905,768	5,491,243	6,150,208	6,808,531
2014/15	668,512	1,333,365	2,063,159	2,851,925	3,363,220	3,689,103	4,007,165	4,350,547	4,767,321	5,300,911	5,943,643	6,551,314
2013/14	627,087	1,294,572	1,974,210	2,693,858	3,187,340	3,507,432	3,792,895	4,113,016	4,525,910	5,042,802	5,652,999	6,261,477

Town of Yountville
TOT Monthly Occupancy Rates - 3 Year Trend
2015/16 - 2014/15 - 2013/14



	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
2015/16	80%	78%	80%	85%	77%	63%	61%	72%	72%	76%	84%	84%
2014/15	88%	82%	84%	86%	71%	59%	59%	69%	68%	78%	78%	78%
2013/14	89%	89%	88%	89%	76%	62%	60%	71%	75%	80%	83%	85%

Town of Yountville
TOT Room Rates - 3 Year Trend
2015/16 - 2014/15 - 2013/14



	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
2015/16	$497	$496	$567	$562	$419	$325	$319	$355	$375	$475	$469	$481
2014/15	$452	$486	$533	$545	$446	$330	$319	$331	$366	$420	$492	$480
2013/14	$422	$445	$474	$481	$399	$308	$284	$299	$329	$398	$439	$443

Appendix H. Napa Vitners: 40 years of Agricultural Preservation

How 40 years of Agricultural Preservation Transformed Napa Valley

BY PAUL FRANSON

If Prohibition was society's worst social experiment, Napa Valley's Agricultural Preserve is one of its best. For more than a century, our country had set aside land for national parks, scenic byways, historic sites, cultural attractions and recreation areas, but never for agriculture. That changed in 1968 with the establishment of the Napa Valley Agricultural Preserve.

2008 marks the 40th anniversary of the act that protected much of Napa Valley for agriculture. You only need to look around the valley to recognize its success: the valley is lush with grapevines, not tract housing and shopping malls. It has maintained a rural character long lost by adjoining counties around San Francisco Bay.

If Prohibition was society's worst social experiment, Napa Valley's Agricultural Preserve is one of its best.

If the act hadn't succeeded, there's little doubt that Napa Valley would have gone the way of Santa Clara Valley, which was called the Valley of Heart's Delight for its orchards and vines long before it became a symbol for technology and urban development. If Napa Valley hadn't been saved, a major divided highway would run through what are now some of the world's finest vineyards, and Yountville, St Helena and Calistoga would be a sea of housing development and their quaint downtowns would be bypassed and largely unused.

Instead, Napa Valley is America's premier wine destination, and its communities offer the lifestyle that both residents and visitors value so highly. The fact that Napa Valley wasn't lost is primarily due to the vision of vintners and growers of Napa Valley's wine community. That vision has led to great success, and the world-wide acclaim for Napa wines has helped support ever-heightened protection and leadership.

NAPA'S UNIQUE ENVIRONMENT

To understand why Napa Valley has maintained its unique character while much of coastal California has been overtaken by development, you have to start with its environment. Part of the answer is in Napa Valley's unique suitability for growing premium wine grapes. It boasts an incomparable combination of climate, geography and geology ideal for producing some of the world's best wines. The valley's natural beauty has captivated visitors to return time and again.

As one of the nine counties that front the San Francisco Bay, Napa County residents don't often consider themselves part of the Bay Area at all. Residents feel more on the fringe, but distance from the hub would not have kept the valley safe from development, as a drive through neighboring counties attests. As the Bay Area prospered in the years after World War II, progress inevitably spread. Though Prohibition had ended in 1933, there were only about 25 wineries in Napa Valley in the mid-1960s, and only a few small wineries had begun operation until Napa County's landowners and farmers could see development creeping toward them. The state of California talked of building a major highway through the valley while regional planners had considered placing the Bay Area's fourth major airport in the marshes south of Carneros, and the Army Corps of Engineers suggested turning the Napa River into a concrete channel like the once-flowing Los Angeles River. Projections envisioned 200,000 people in the city of Napa by 2000, half a million by 2020. Most people here think it's fine with today's 75,000.

Locals saw that rising land values would soon mean that property would be worth far more for development than for the nuts, fruit, dairy and cattle, grapes and other agricultural products then grown in the county. Grape growers were getting only $300 a ton for Cabernet Sauvignon but the most widely planted grapes were Napa Gamay, Petite Sirah and other varieties that sold for even less. In 1968, the county had less than 12,000 acres planted to grapevines compared to about 45,000 acres planted today. That price per ton for Cabernet Sauvignon has risen to nearly $4000 and the value of the grape crop from $6 million to nearly half a billion dollars. From 25 or so wineries in 1968, today there are over 325 producing wineries, and nearly 400 brands.

L. Pierce Carson came to the valley as a cub reporter only a month or so before the original proposal for the Ag Preserve was formulated, and he wrote the article about it when it was passed in April of 1968. "It sounded reasonable to me," he says. "I couldn't understand why some people were so adamantly against it." He says that emotions ran high, and as written in the local headlines, long-time friendships dissolved.

"Dirt Farmers Rebel Against Ag. Pres."
St Helena Star, February 25, 1968

"Landowners Launch Heavy Attack On Ag. Preserves"
St Helena Star, February 22, 1968

"Agricultural Preserves: Why They Are Needed"
St Helena Star, January 11, 1968

"Agricultural Preserves Under Heavy Fire Here"
St Helena Star, January 4, 1968

Back in the '60s, many landowners felt that their only attractive economic course was to sell their land to developers, or develop it themselves, as had already occurred on prime farm land from San Diego to Redding. Others wanted to maintain the special environment that is Napa Valley—beautiful views, slow pace and enchanted lifestyle. They recognized that Napa Valley had unique properties for

growing fine wine grapes: people could live most anywhere, but rare few places allowed noble grapevines to flourish. Conservationists felt that the highest and best use of the fertile valley and foothills of the county was in growing grapes—not in homes and development. They also knew that it would take a strong legal change to preserve that environment.

Basing their argument on the Williamson Act that allowed lower valuation, and hence lower taxes on land kept in agriculture, they mounted a campaign to create an agricultural preserve. Opponents charged that the measure would destroy the value of their land, restricting it to the low $2000 to $4000 per acre of farmland, not the far higher amount that would be paid by developers. Carson notes that the county assessor, George Abate, kept telling people that land would be worth more in agriculture than in subdivisions, but many didn't believe him. Ironically, later as the county's viable vineyard property approached its limit, land value skyrocketed. Scarcity combined with the mounting reputation of Napa's wines, and its attractive lifestyle, had created land prices 100 times what they were. It's unlikely that even the original supporters of the preserve could have anticipated such a benefit. "A lot of people believed that Napa Valley was a good spot for agriculture, but I don't think anyone expected the rise we've seen," says Carson.

As a result of the establishment of the Ag Preserve, agriculture remains the leading source of revenue in Napa County, unlike other Bay Area counties where farmland has largely been displaced by development.

Thus in 1968, encouraged by a small group of vintners and growers, Napa enacted changes in its county code that implemented an agricultural preserve. This tough-won, forward-thinking act, the best-known part called the Napa Valley Agricultural Preserve (zoning AP) lies primarily between the towns of Napa and Calistoga. It originally protected 26,000 acres of the valley floor and foothills and has since grown to more than 38,000 acres. No land has ever been taken from the preserve.

Beyond the protection of the valley floor, the county also designated a huge area as Agriculture, Watershed and Open Space (AW zoning), which is also protected, and in some ways, even more so. Together, the two total 482,000 acres and represent 91 percent of the county's 505,859 acres.

According to the county general plan, the "…Agricultural Preserve classification is intended to be applied in the fertile valley and foothill areas of Napa County in which agriculture is and should continue to be the predominant land use…the Agricultural Watershed classification is intended for areas of the county where the predominant use is agriculturally oriented, where watershed areas, reservoirs and floodplain tributaries are located…" This latter designation covers most of the mountainous areas as well as developed and undeveloped farm and range land, forests and some very remote areas indeed. Only a fraction of Napa County is seen by most visitors. More than half of the county lies over the mountains to the east of the Vaca range and another large portion is contained in the Mayacamas range to the west.

In these areas, the minimum new lot size is 160 acres, but that's only the start of the obstacles to building the allowed single-family home or winery, since intense environmental review must be passed to build or even plant vineyards in most cases.

AGRICULTURE RULES

Beyond county regulations, Napa landowners, many of whom are vintners and growers, formed the Land Trust of Napa County in 1976. They have placed their property in trust, some of which could have been used for vineyards, forever saving it from development. Now more than 50,000 acres of the county are in the Land Trust and will forever remain in agriculture or open space.

The success of establishing regulations to preserve Napa County for agriculture in 1968 led to further protection. In 1980, county voters adopted Measure A, which restricted growth via building permit limits, in the unincorporated areas of the county to 1 percent per year.

Again restating their approval of agricultural preservation, in 1990 voters approved Measure J which requires a two-thirds vote of the county's citizens to rezone any ag land. Only a handful of these rezoning attempts have passed, and all were very specific, such as allowing the sale of pumpkins and produce in a rural site and allowing a local restaurant to serve meals on its existing patio.

The resistance to rezoning attempts clearly reflected the residents' desire to maintain the integrity of the Ag Preserve. No one wants to let that camel's nose in the tent, fearing that its body would soon follow. Though seemingly innocuous, the challenges to the measures have historically been condemned as the first steps to weakening the protection and have been soundly defeated.

Another contentious point was defining what is a "winery." In other regions, wineries are sometimes considered to be in the entertainment and hospitality businesses as much as winemaking. Some offer extensive gift shops, restaurants, inns and wedding chapels, and derive much of their revenue from parties, wedding receptions, corporate dinners and non-wine retails sales. In Napa County, this issue was resolved with a hard-fought battle that ended in 1990 with the Winery Definition Ordinance that prohibited new wineries from engaging in ancillary activities like weddings, restaurants, inns and gift shops, and required all visitors to make appointments. Many

In an analysis of agricultural resources, approximately 45,000 acres, or about 9 percent of the county is planted to vineyards, with very limited opportunity for expansion.

have severe restrictions on the number of visitors allowed, some not even allowing the public to visit.

It seems as though 1990 was a watershed year for Napa County, for that year, the county also adopted a hillside erosion control ordinance. Also adopted were rules regarding setbacks from streams designed to protect the waters and wildlife. The stream setbacks were largely supported by the wine community even though the rules reduced plantable acreage in many vineyards.

Again in 1998, Napa County voters followed the wine community's lead and endorsed the common good by approving another measure, a project to control the periodic flooding of the Napa River in a forward-thinking plan that chose natural controls such as wide floodplains and acceptance of occasional flooding of certain areas instead of the all or nothing approach of fighting nature that has historically been favored by the Army Corps of Engineers.

In this effort as in the others noted, vintners and growers were strong supporters even though any of these measures could potentially affect their individual property rights.

THE AG PRESERVE AS A FOUNDATION FOR CONTINUING LEADERSHIP

Protecting the land is just one part of protecting Napa Valley. The success Napa has enjoyed by protecting its agricultural heritage, restricting development and focusing on its wines has encouraged Napa Valley Vintners to persist in their quest—and provided them with the resources to continue. The Napa Valley was the first recognized American Viticultural Area or appellation in California, and it remains by far the best known here and abroad.

"Napa" means quality, so much so that consumers understand the value and rely on the reputation for quality when a label reads "Napa," and outsiders have repeatedly tried to hijack the name. In 2000, a state law prohibited the selling of wines labeled "Napa" or its geographic subdivisions unless the wine contained at least 75 percent Napa grapes. This was contested by Bronco Wine Company, which had bought the Napa Ridge and other Napa place name brands and produced and marketed wines made from grapes from outside Napa, leading consumers to believe the products to be from the Napa Valley Appellation. The Napa Valley Vintners fought this practice all the way to the US Supreme Court and after a six-year court battle, Bronco lost. California state law SB25241 is now fully enacted requiring brands with a Napa place name on the label to contain at least 75 percent fruit from Napa County. Following Napa's lead, last year, Sonoma County requested and received similar legislation from the state.

Even the European Union has recognized Napa's renowned role, and granted Napa Valley status as a Geographic Indication in 2007. It was the first wine region outside a member state of the EU to receive this designation. Indeed, it's the first American product of any kind recognized with this status in Europe, and hence guaranteed protection from counterfeiting.

In the same way, Napa has also been a leader in protecting all wine appellations. It was a founding member in the Joint Declaration to Protect Wine Place and Origin signed by leading European and New World wine regions.

The quality of the wine, and the leadership of Napa's vintners, led them to create the first consumer charity wine auction in the United States in 1981. Auction Napa Valley has given nearly $78 million to local healthcare, affordable housing and youth services, and it's also been the inspiration for every other charity wine auction in the U.S. Napa Valley vintners have also donated wines and experiences that have helped make these other charities successful.

Napa Valley Vintners has also been at the forefront of wine education, including programs to teach consumers, educators, the media and the trade about the region's wine through programs like Master Napa Valley for advanced level MS and MW candidates, Napa Valley Wine Educators Academy for professional educators, Napa Valley Rocks for on- and off-premise trade and the Symposium for Professional Wine Writers for journalists. The NVV also supports the Rudd Center for Professional Wine Studies at the Culinary Institute of America in Napa Valley through part of the proceeds from Premiere Napa Valley.

Sustainable agriculture applies to a sustainable work force as well, and Napa County vintners and growers have been leaders in working conditions, pay, housing and opportunities for their workers. About 6,000 farm workers and 7,000 winery workers are employed by Napa's wine industry. Wages are higher than average in the Napa Valley, but housing costs are also higher, and Napa's leaders initiated a local, self-assessed tax whereby vineyard owners tax themselves nearly $10 an acre to subsidize the valley's three farm worker housing centers for seasonal workers. This tax along with a very affordable daily rate for residents provides the funding for this work force's housing.

The NVV is setting the standard with green programs such as Napa Green Certified Land. This program, begun in 2003, looks at all aspects of a grower's property from vineyards to roads, buildings and non-farmed land to curtail erosion, reduce or eliminate pesticide use and adopt practices that will ultimately enhance the Napa River watershed and preserve or restore wildlife habitat through sustainable agriculture practices. Currently, 22,000 acres are enrolled in the program. Nearly 90 percent of the Napa River watershed is in private ownership and this public/private partnership is vital to the long term viability of the Napa Valley winegrowing community.

As a complement to Napa Green Certified Land, the NVV developed a companion program for winery production facilities. Napa Green Certified Winery extends Napa Green through the winemaking process into the winery. The program covers such issues as water and materials recycling and energy conservation to reduce the carbon footprint of wine production facilities. One example is the many Napa Valley wineries powered by the sun. A winery's solar power system can generate as much power as that

used by 20 to 30 homes, and will keep more than 7 million pounds of greenhouse gasses out of the atmosphere.

Napa Green Certified Land and Winery go beyond compliance, meeting or exceeding environmental regulations to help the businesses become more sustainable through economically viable, environmentally sensitive and socially equitable practices.

As Napa looks ahead, one major concern is potential changes in climate that could affect grape growing. Some climate models suggest Napa Valley might be heavily affected as global temperatures rise, therefore, the NVV created a Climate Study Task Force and hired two of the state's leading climate researchers from Scripps Institute and Stanford University to investigate the situation, project climate models specific to Napa Valley and help prepare tools for the future.

WHAT THE FUTURE HOLDS

Napa Valley continues to maintain its commitment to agriculture with leadership from the NVV. The county sets a very high priority on maintaining the agricultural preserve and its recent draft of a new general plan states clearly: "Napa County in 2030 will remain a world-famous grape growing and winemaking region, with a viable and sustainable agricultural industry. Under this General Plan, the amount of land designated for agriculture will increase, assuming no further annexations of county land by incorporated cities and towns. New non-agricultural development will continue to be focused in the incorporated cities and already developed areas." The report continues, "Policies supporting agriculture include the long-standing 'right to farm' which ensures that new residents and new users of land understand they inhabit an agricultural area where the viability of agriculture comes first. These policies also define all the components of agriculture encompassed by the right to farm, and perpetuate the county's longstanding commitment to protections for agricultural land. "The Plan also establishes agriculture and rural residences as the principal users of ground water aquifers and calls for data collection and long-term monitoring to ensure adequate supplies remain in the future and states that vineyard development is expected to continue, and will become increasingly environmentally sensitive as business practices and conservation priorities converge. The Napa River will increasingly run clean and healthy, supporting native fish, plants, and animals and serving as an important part of the life of the county's people. The plan emphasizes, "Napa County in 2030 will retain its rural character and outstanding quality of life."

The Napa Valley Agricultural Preserve, established forty years, ago did more than protect the land and make Napa Valley a desirable place to live and grow grapes. Long-time observer Carson believes the preserve has played a key role in helping create Napa's reputation as the top spot in the United States to make wine. "After it passed, growers could concentrate on what they do best, growing grapes, not fending off the tax collector or worrying whether their neighbors were going to sell out or develop their land."

The experiment was a complete success. Carson concludes, "It was the foundation for great winemaking in Napa Valley," and the foundation for other leadership efforts that followed.

Photos © Jason Tinacci

napa valley vintners

Napa Valley Vintners

Now in our seventh decade, the Napa Valley Vintners (NVV) non-profit trade association is the sole organization responsible for promoting and protecting the Napa Valley Appellation as a winegrowing region second to none in the world. Respect for our history reinforces our commitment to the preservation and enhancement of the Valley's land, wine, and community for future generations. We address the shared interests of our more than 300 member wineries and aspire to be the essential organization for all Napa Valley vintners. To learn more about our organization and our programs, visit www.napavintners.com.

Appendix I. Yountville's Initial Study on General Plan Amendments related to Annexations

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.

__ Aesthetics	__ Agricultural & Forestry Resources	__ Air Quality
__ Biological Resources	__ Cultural Resources	__ Geology/Soils
__ Greenhouse Gas Emissions	__ Hazards/ Hazardous Materials	__ Hydrology/Water Quality
__ Land Use and Planning	__ Mineral Resources	__ Noise
__ Population and Housing	__ Public Services	__ Recreation
__ Transportation/Traffic	__ Utilities/Service Systems	__ 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 _____.

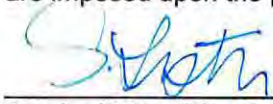
X I find that the proposed project **COULD NOT** have a significant effect on the environment and a **NEGATIVE DECLARATION** will be prepared.

__ 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**

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.

DISCUSSION:

- **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 ***no impact*** 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 ***no impact*** 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 ***no impact*** 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 ***no impact*** associated with light and glare.

ISSUE				
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 complied 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?	**Potentially Significant**	**Less Than Significant With Mitigation**	**Less Than Significant**	**No Impact**
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?				**X**
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?				**X**
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))?				**X**
d) Result in the loss of forest land or conversion of forest land to non-forest use?				**X**
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?				**X**

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.

DISCUSSION:

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

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**

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).

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.

DISCUSSION:

- **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 ***no impact***.
- **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**

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.

DISCUSSION:

- **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 ***no impact***.
- **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 ***no impact***.
- **e.** No trees are proposed to be removed as a result of this project. Therefore there is ***no impact***.
- **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 ***no impacts*** 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**

SETTING:
The Domaine Chandon Visitor's Center site is a developed and paved property that has been used for commercial purposes for several decades.

DISCUSSION:

- **a.** There are no potential impacts to historic resources at the project site; therefore there is ***no impact***.
- **b.** The Domaine Chandon site does not propose any changes which would disturb soil on site and therefore, ***no impact***.
- **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**

SETTING:

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.

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 Rogers 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.

DISCUSSION:

a. (i. to iv).

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.

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***.

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.

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

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**

SETTING:

The project site is located within the Bay Area Air Quality Management District (BAAQMD) and emissions from the site fall under their jurisdiction.

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.

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.

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**

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.

DISCUSSION:

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 ***no impact*** as a result.

b. With the adoption of the General Plan Policies proposed and site prezoning, the use will be consistent with the uses allowed in the zoning designation and, therefore, would result in ***no impact.***

c. There are no habitat conservation or natural community conservation plans that apply to the project site, therefore, ***no impact*** 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:

- **a.** Mineral resources of regional or state significance are not located within Yountville. Therefore, the project would have ***no impact***.
- **b.** Mineral resources of local significance do not exist within or adjacent to the project site. Therefore, the project would result in ***no impact***.

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 are to excessive noise levels?				**X**
f) For a project within the vicinity of a private airstrip, would the project expose people residing or working 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:

a. The Domaine Chandon site is not proposed for any changes resulting in ***no impacts*** 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 directly (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**

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.

DISCUSSION:

- **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, ***no impact*** is associated with the project.
- **b)** See (a) above.
- **c)** See (a) above.

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:

- **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 ***no impact*** 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:

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
Yountville Cross Rd
Madison St
Lincoln Ave
Jefferson St
Adams St
Pedroni St
Starkey Ave
Mount Ave
Creek St
Webber Ave
Vista Ct
Vineyard Cir
Finnell Rd
Larkspur St
Mulberry St
Washington St
Oak Cir
California Dr
Solano Ave
CA-29
CA-29 N
CA-29 S
Esri, HERE, DeLorme, MapmyIndia, © OpenStreetMap contributors

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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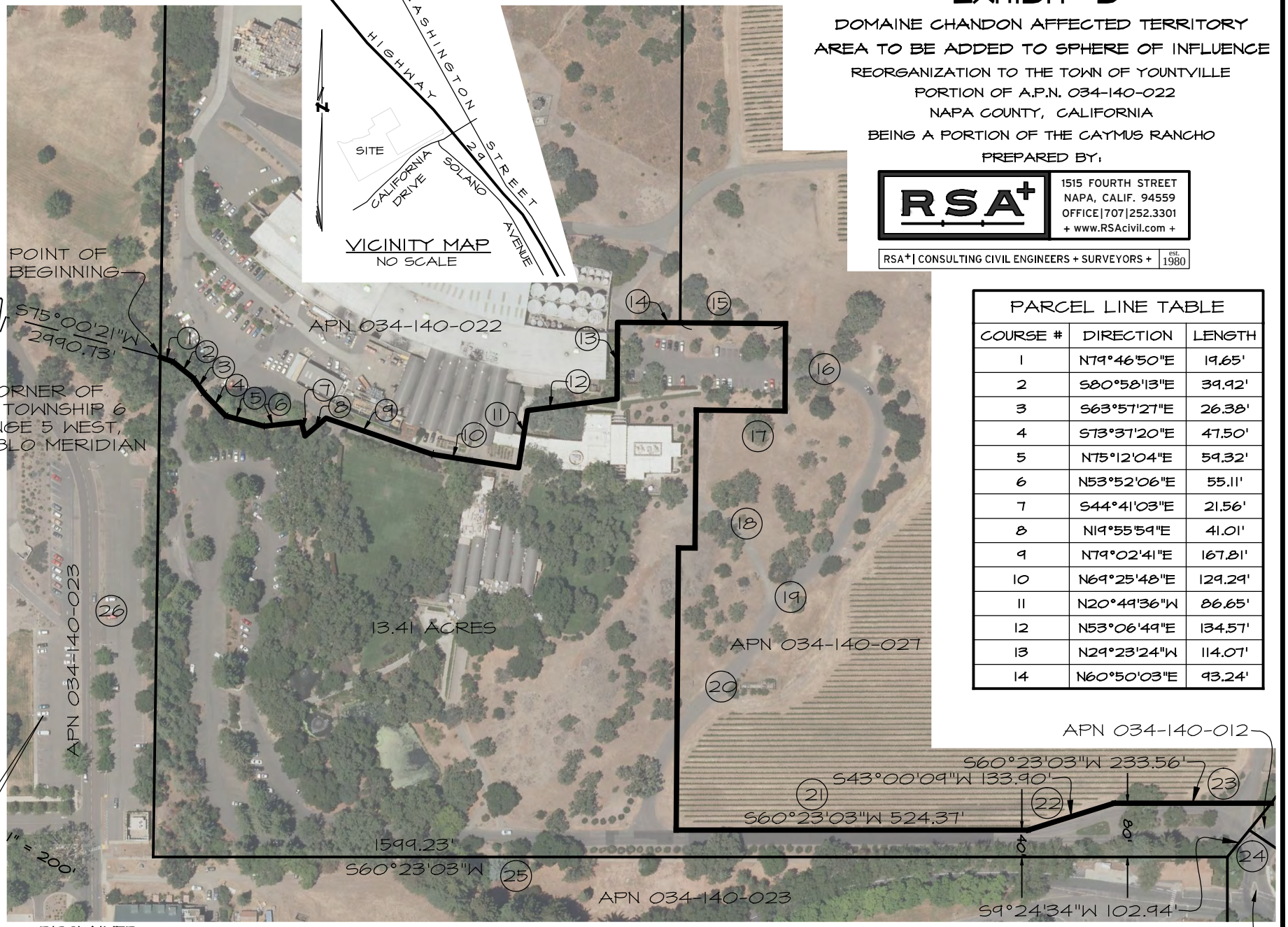

PARCEL LINE TABLE		
COURSE #	DIRECTION	LENGTH
1	N79°46'50"E	19.65'
2	S80°58'13"E	39.92'
3	S63°57'27"E	26.38'
4	S73°37'20"E	47.50'
5	N75°12'04"E	59.32'
6	N53°52'06"E	55.11'
7	S44°41'03"E	21.56'
8	N19°55'59"E	41.01'
9	N79°02'41"E	167.81'
10	N69°25'48"E	129.29'
11	N20°49'36"W	86.65'
12	N53°06'49"E	134.57'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

F:\4600\4679_California_Drive\4679rev.dwg 4-11-16

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

1515 Fourth Street, Napa, CA 94559 www.rsacivil.com (707) 252-3301 v. (707) 252-4966 f.

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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 mgl BOD, 30 mgl 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:

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

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

GRAPHIC SCALE

300 0 300 600

(IN FEET)
1 inch = 300 FT

LEGEND

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

HIGHWAY 29

LANDS OF
NAPA VALLEY WINE TRAIN INC
APN: 034-140-012

LANDS OF
TOWN OF YOUNTVILLE
APN: 036-330-008

CALIFORNIA DRIVE

100' WELL SETBACK

28' ROAD SETBACK, TYP

28' ROAD SETBACK, TYP

10' PROPERTY LINE SETBACK, TYPICAL

25' UNLINED DITCH SETBACK

SEE PRE-TREATMENT SCHEMATIC ON SHEET 2 FOR DETAIL OF THIS AREA

100% RESERVE FIELDS

PRIMARY FIELD

VINEYARD

OFFICES

VISITORS CENTER & RESTAURANT

SHIPPING & RECEIVING

WAREHOUSE #1

WAREHOUSE #2

TANK STORAGE & WINERY

SHOP

EMPLOYEE PARKING

VISITOR PARKING

POND

PROCESS WASTEWATER PONDS

100' CREEK SETBACK

LANDS OF DOMINUS
ESTATE CORP
APN: 027-421-005

100' WELL SETBACK

50' RESERVOIR SETBACK

LIMIT OF AREA WITH SLOPES > 30%, TYPICAL

LANDS OF STATE OF
CALIFORNIA VETERANS HOME
APN: 034-140-023

LANDS OF DOMINUS
ESTATE CORP
APN: 027-421-016

LANDS OF DOMAIN
CHANDON INC
APN: 034-140-027

LANDS OF DOMAIN
CHANDON INC
APN: 034-140-022

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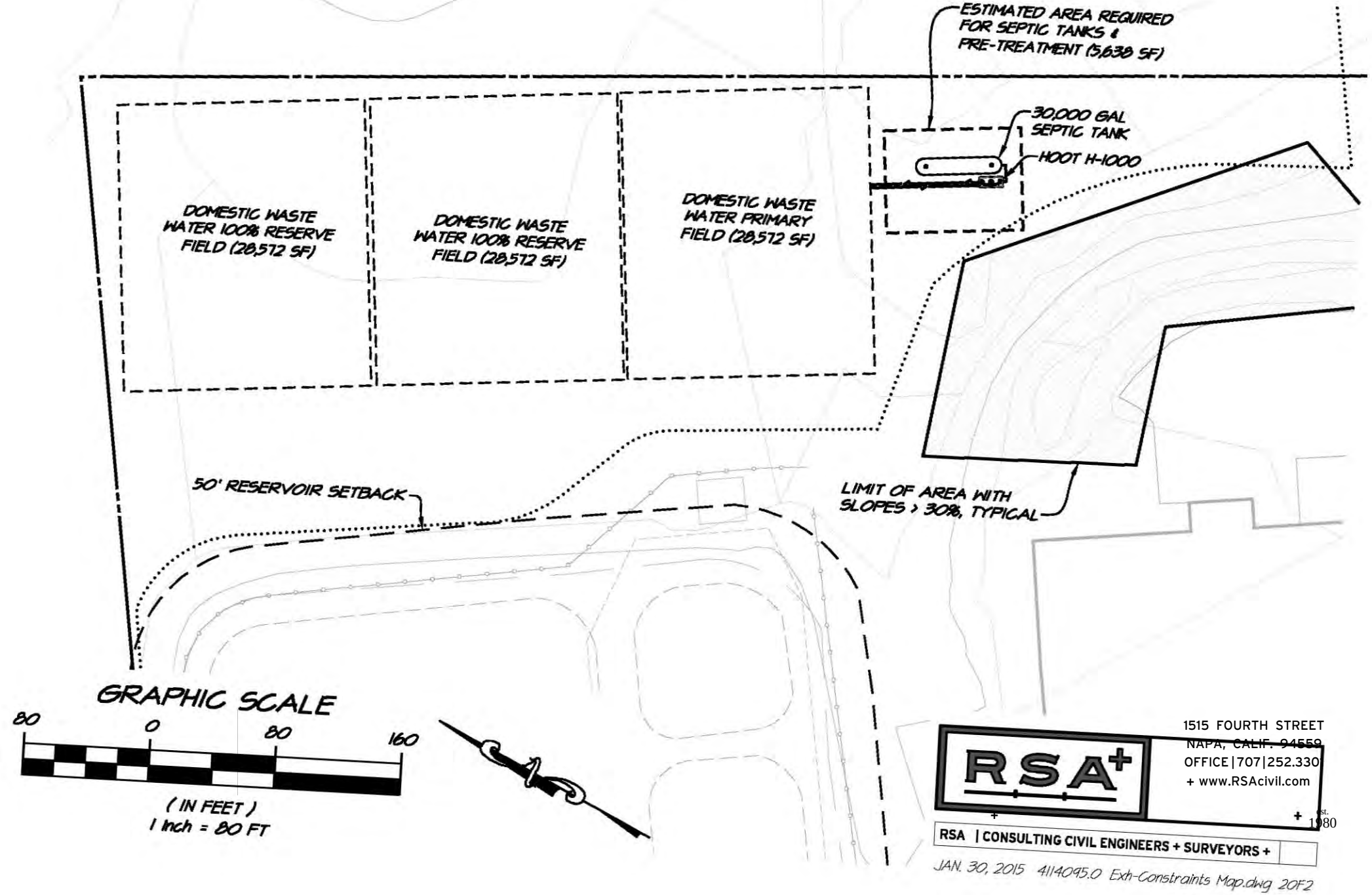
ATTACHMENT 2

Pretreatment Schematic

DOMAINE CHANDON
ON SITE DOMESTIC WASTEWATER DISPOSAL SCHEMATIC



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JAN. 30, 2015 4114095.0 Exh-Constraints Map.dwg 2OF2

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

1515 Fourth Street, Napa, CA 94559 www.rsacivil.com (707) 252-3301 v. (707) 252-4966 f.

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***	

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FRESNO
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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 136,484[1].

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 Plan[1] and Zoning Map[2] 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 Ordinance[1]. 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 prezoned 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.

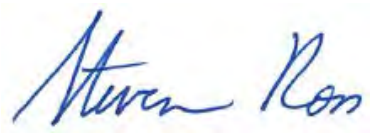
The popular Étoile Restaurant at Domaine Chandon closed on January 1, 2015. The restaurant space has since been repurposed to provide winery visitors with more space as well as an expanded Tasting Lounge menu, and the Club Chandon dedicated space in the Tasting Lounge has migrated to more luxurious and exclusive accommodations within the restaurant space. Private events and gatherings continue to be held at the site[1]. 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-1daccaa2f500.html (accessed December 31, 2015).

LSA

LEGEND

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

FIGURE 1

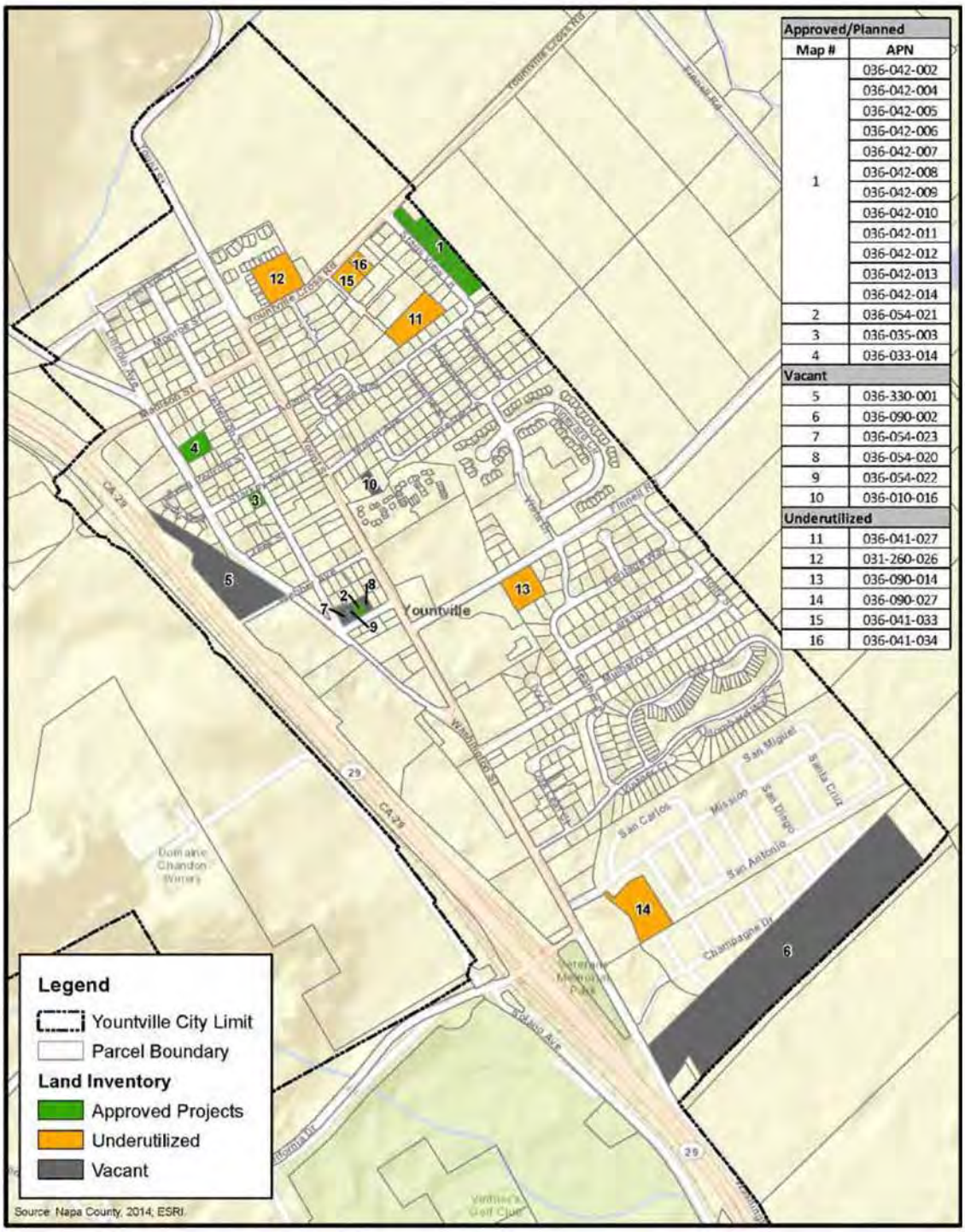
N

0 750 1500
FEET

Yountville General Plan Policy Revisions
Domaine Chandon Annexation Site

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

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



LSA

FIGURE 2

N

0 500 1000

FEET

SOURCE: Yountville Housing Element (01/15)

Yountville General Plan Policy Revisions

Vacant Land Map

P:\TOY1401\g\GeneralPlan_PolicyRevisions\Figure 2_Vacant Land Map.cdr (2/25/2016)

LSA

FIGURE 3

N

0 400 800

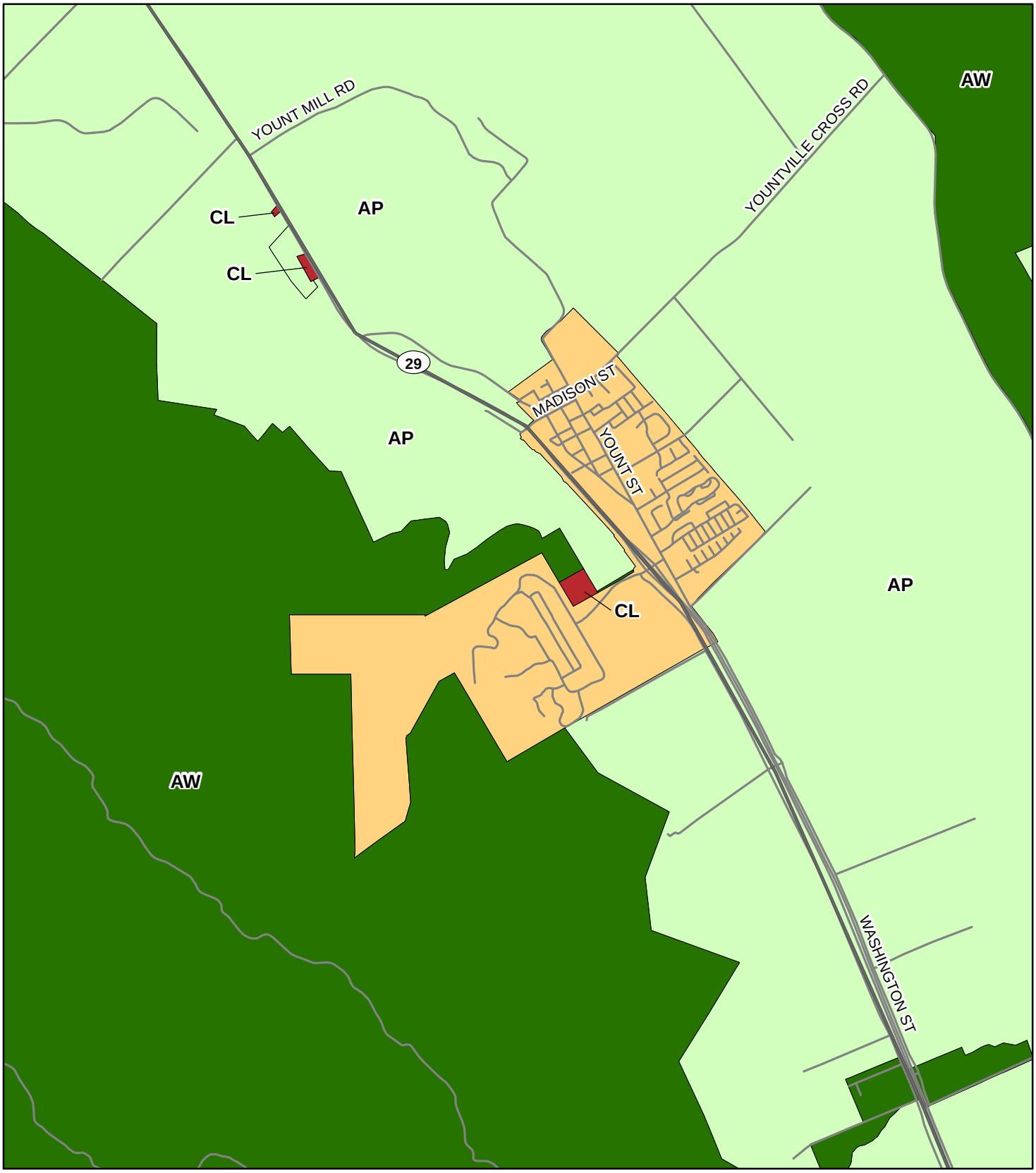
FEET

SOURCE: Town of Yountville (12/14)

Yountville General Plan Policy Revisions

General Plan and Zoning Districts

P:\TOY1401\g\GeneralPlan_PolicyRevisions\Figure 3_General Plan and Zoning Districts.cdr (2/25/2016)



LSA

LEGEND

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

N

0 1500 3000
FEET

FIGURE 4

Yountville General Plan Policy Revisions

County Zoning Map

SOURCE: Napa County (2011).

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

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.

ATTACHMENT C

Domaine Chandon
Yountville Annexation
Fiscal Impact Analysis

Prepared for:

LSA Associates, Inc.

Prepared by:

ALH | ECON
ALH Urban & Regional Economics

March 2016

ALH | ECON
ALH Urban & Regional Economics

2239 Oregon Street
Berkeley, CA 94705
510.704.1599
aherman@alhecon.com

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

C:\ALH Econ\2014 Projects\1418 LSA Yountville\Report\1418.r05.doc

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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	-$68,910
Net Annual Fiscal Impact	$39,580

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
	-$95,590
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)
		Annexed Area				
	Total (1)	% of Total (2)	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

Taxable Retail Sales and Tax Basis Data	***Parameters and Annual Revenue***
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)

Franchise Taxes and PEG Fees and Population Basis Data	***Parameters and Annual Revenue***
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

Licenses and Permits Revenues and Population Basis Data	***Parameters and Annual Revenue***
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
Domain Chandon Licenses and Permits Revenues, rounded (6)	$580

Fines & Forfeitures

Fines & Forfeitures Revenues and Population Basis Data	***Parameters and Annual Revenue***
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) Title	Population Factor (4) Amount	Expenditure per Service Population (5)	Expenditure per Resident (6)	Expenditure per Employee (7)
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 Sherriff 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	$108,490
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	$68,910
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 equilvanet 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 EDUCATIOI	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

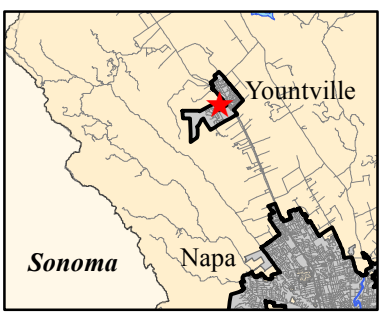
A B E K

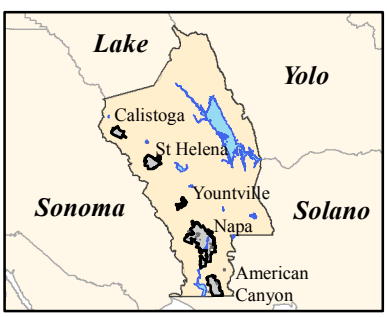
SCHEDULE A- Worksheet

	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	
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

Town of Yountville





Not to Scale
February 2017
Prepared by BF

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LAFCO of Napa County
1030 Seminary Street, Suite B
Napa, California 94559
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Town of Yountville
"The Heart of the Napa Valley"

December 5, 2016

Local Agency Formation Commission of Napa County
1030 Seminary Street, Ste B
Napa, CA 94559

RE: Yountville Municipal Service Review / Sphere of Influence Update

Dear Commissioners,

The Town of Yountville has reviewed the public draft of the Yountville MSR/SOI update and we provide our comments herein. We believe that the document is an improvement upon earlier drafts that had mischaracterized the nature of the update as a Town-initiated action, had recommended removal of incorporated land from the Town's SOI, had attempted to impose additional burdens on the Town that are inconsistent with LAFCO sphere of influence law, and provided inconsistent treatment of similar jurisdictions, among many other items.

While we still have concerns with the document that are outlined in this letter and the attachment, we are encouraged that they can be addressed. We met with the LAFCO Executive Officer and received a very positive response and a willingness to incorporate our requested changes into the final MSR/SOI.

SOI Option B to "Transfer Study Area #1 into the Sphere" is Superior Alternative. The document treats all three SOI options equally and fails to lead the reader to the conclusion that Option B is the most appropriate alternative based on the balance of factors. The delivery of wastewater service by the Town, the existing commercial use of the facility, the inclusion of the parcel within the Town's planning area, and the County's commercial zoning district all weigh heavily in favor of the transfer of Study Area #1 into the Town's sphere. We recognize that the staff report recommends this option, but believe that the document itself should come to this conclusion.

This approach would be consistent with the previous MSR/SOI studies that concluded there was merit in considering the inclusion of the commercial portion of the Domaine Chandon property within the Town's sphere of influence. The most recent report in 2007 provided that "the delivery of sewer service by Yountville along with its commercial use and zoning assignment by the County support the inclusion (of Domaine Chandon) in the sphere. However, the area is outside the planning area of the Yountville General Plan and designated under the County General Plan as Agriculture, Watershed and Open Space." In response to this concern and to eliminate a barrier to expanding the town's sphere of influence, the Town has amended its General Plan to include the commercial portion of Domaine Chandon within the town's planning area.

Lack of Focus in Document. We appreciate the effort to comprehensively include all relevant information in the document, but we find the result is a rambling document that lacks focus. Rather than present information in the traditional format of data, analysis, and conclusion, the document misleads and confuses the reader because it fails to come to clear conclusions.

A good example is the discussion of DUCs. First, let us state that we support the state law that requires LAFCO to addresses disadvantaged unincorporated communities in MSR and SOI

updates. Under these requirements, Yountville's draft need only state that no DUCs are located anywhere in Napa County (Executive Officer report to LAFCO, Town of Yountville Housing Element). The document goes far beyond what is necessary and relevant because there are no DUCs in Napa. There are many other examples of this type of approach in the document.

We believe that the document would benefit from a more concise presentation of information with a clear analytical link between fact and conclusion.

Inconsistent Treatment Amongst Similarly Situated Jurisdictions. The Town is surprised at what we perceive the use of different parameters in evaluating Yountville and Calistoga in their respective MSR/SOI updates. We feel that this inconsistency is one of the most significant flaws in the document. The Town wants to bring the Commission's attention to this inconsistent treatment even though some instances have been eliminated from the current public draft.

In the first administrative draft, the consultant had included study areas for the two large vineyard tracts in town. Both vineyards are within the Town's incorporated boundary, yet the consultant had studied both areas for removal from the Town's sphere and eventual detachment. In Calistoga's document there is no mention of removing agricultural land from its sphere, even though Calistoga has significantly more agricultural land within its city limits, at 21% of total land inventory, than does Yountville. Furthermore, we believe that any reference to detachment is unprecedented and inappropriate. LAFCO has no authority to order a detachment and the CKH Act specifically provides cities with the authority to halt detachments initiated by others.

Author Takes Questionable Tone. We are not sure why the author has taken an aggressive tone that reflects negatively on Yountville throughout the document. We believe that this tone shows bias and that the consultant has not conducted a neutral third party review, but rather has taken an adversarial position. Many examples are provided in the attachment to this letter.

Public Draft is First Chance Staff has had to Review Completed Finance Chapter. A completed Finance Chapter was not included in the earlier administrative drafts that were reviewed and commented upon by the Town. The Town has extensive comment on this Chapter that could have been addressed before the public draft was released. Since we did not have the opportunity, our comments are provided in full in the attachment to this letter.

Comments on Draft Document. Rather than provide comments as tracked changes to the document, we are including each of the Town's comments in the body of this letter, listed on a page-by-page basis in Attachment A.

Conclusion. There are a significant number of edits, corrections, and clarifications that are necessary before the final MSR/SOI update can be presented to the LAFCO Commission for approval. In our communications with the LAFCO Executive Officer, he has indicated to us that this can be achieved in order to jointly represent the interests of LAFCO and Yountville.

Thank you for allowing us to express these thoughts.

Sincerely,

Steven Rogers
Town Manager

Sandra Liston
Planning and Building Director

cc: Mayor and Town Council
Brendon Freeman, LAFCO Executive Officer
Kateri Harrison, SWALE Inc.

ATTACHMENT A

Cover page. The first instance of negative tone is found in the photograph selected for the cover of the document. The Town provided many photos to the consultant, any one of which would have been appropriate for the cover, but the photo selected is not one of them. The dark photo reflects negatively on the Town, rather than illustrating the positive. The Town is concerned that this photo represents an unstated tone and bias that is present throughout the entire document.

Page 1-3. First paragraph states that "the Town of Yountville did express to the Commission that it believed an MSR and SOI update were necessary, and that it was dissatisfied with the delay in preparing those documents." It is irrelevant whether the Town expressed this belief because this MSR/SOI is a LAFCO-initiated study prompted by LAFCO's statutory responsibilities. A more accurate depiction of the Town's position would be that it had expressed concern over a boilerplate statement in an earlier draft of the document that spoke to the five year timeline for MSR/SOR reviews, but did not note the delay in updating the Town's 2007 document, which can reasonably be described as overdue.

We believe that the sentence noted sets an unnecessary tone. The tone is found throughout the document and suggests that the LAFCO consultant or staff has taken a punitive approach to addressing comments, questions, or factual corrections provided by Yountville staff in the earlier drafts. The result is that the consultant analysis does not come across as neutral, but rather positional and confrontational, which is a significant departure in tone from the 2007 MSR/SOI.

Page 2-7. Second paragraph should replace "has" with "as". Furthermore, the language of this paragraph appears defensive since LAFCO was involved with the applications and correspondence related to Domaine Chandon and the extension of the Town's wastewater service to the property. It is more accurate to state that LAFCO did not take any formal action, but to state that it had no role is incorrect.

Page 2-8. The header "Areas of Interest" should be relabeled "Study Areas" to be more accurate. Since adding Domaine Chandon as an "area of interest" is one of the three recommended actions before the commission, it is confusing and actually gives the option greater standing based on the method of presentation.

The section on the Vice Mayor should be updated to explain that the election was cancelled because there were no more candidates than positions available. As of December 6, Kerri Dorman will be seated on the Town Council.

Page 2-9. The last sentence states that the "Town Council *appears to comply*." The tone taken, while subtle, is different from the Calistoga MSR/SOI where it states simply the "City Council *does* comply."

Page 2-13. In the last paragraph on the discussion of employee efficiency, we note that the County is not included in the analysis. Furthermore, the document is inconsistent in whether analysis of the County is included or not. For example, the County is included in the analysis of property taxes in an attempt to show that it has a lower assessed value than the cities, but it is not included here to show the County would have a lower employee efficiency. We find this curious.

The last sentence states "However, Yountville relies upon quality of services provided and other factors, rather than efficiency alone" and footnote 7 references the number of visitors to the Town. This is important data that should be included in the body of the report, rather than diminished in a footnote. Another factor that influences the quality of services is the robust Parks and Recreation Department and the significant number of employees that are necessary to run the programs that are available not just to town residents but to County residents. For this reason, it too should be noted in the body.

Page 3-2. The second paragraph should replace "traditionally" with "state law exempts". The last paragraph should be modified to indicate that the Fire Department building is a Napa County Fire Department station and that Napa County Fire contracts with CalFire to occupy the building.

Page 3-6. In the first paragraph we note that there is no discussion in the Calistoga MSR/SOI regarding the nearest commercially zoned parcel outside of Calistoga.

Page 3-8. Table 3-2 is outdated and not representative of the status of current projects. The Town has requested that the table be updated with current projects that are constantly updated on the Town's webpage under the Planning and Building tab. If the table is not going to be updated, it should be removed and the footnote should be added to the body of the document.

Page 3-10. It should be noted that there are no actual or submitted development plans to develop the Veterans Home. The second paragraph states that the Town "manages the JWTP", but the Town actually owns and operates the plant and has a service agreement contract with the Veterans Home, which details cost sharing for the operations, initial and future facility renovation, and compliance with regulatory terms. The Town notes that pursuant to the agreement, plant capacity was initially allocated and there exists a process for either the Town or the Home exceeding those allocations with the cost borne by the party that permits development beyond plant capacity. Long term ability of the Town to continue to serve an out-of-town customer could be jeopardized if plant capacity were needed to support infill development within town limits.

Page 3-12. The first paragraph should be amended to reflect that the Town has adopted a Climate Action Plan since it was approved prior to the completion of this report.

Page 3-16. The first paragraph states "Per the Town's request...it is assumed that no DUCs are located in the unincorporated area." Again, we note an unnecessary tone. The Town had questioned the identification of DUCs surrounding Yountville in an earlier administrative draft, based on a June 6, 2016 Legislative Report from Napa LAFCO Executive Officer. That report concluded that "No DUCs have been identified anywhere in Napa County as of the date of this report." Our intent was to identify an incorrect fact for correction, but rather than correcting it the consultant goes into great detail to explain an "assumption" rather than a fact.

Page 4-2. First sentence should be modified to read "with the exception of the Veterans Home property which provides water storage and distribution on the Veterans Home grounds."

Page 4-7. Table 4-4 is incorrectly labeled as Table 4-5.

Page 4-12. Footnote 19 states that "The 1991 Agreement between Town of Yountville and Domaine Chandon indicated that property would be annexed into the Town as a condition of service provision." This is an important point and it should be incorporated into the body of the last paragraph on that page: "Yountville's Public Works Department is responsible for providing wastewater services to residential, commercial, public, and other properties. All of the Town's wastewater customers are within its limits except one – a commercial customer (Domaine Chandon) that receives service per a 1991 agreement that indicated the property would be annexed into Town as a condition of service.

Page 4-14. The third paragraph, first sentence is factually inaccurate. Pursuant to the agreements referenced in the appendix the JWTP is owned by the Town of Yountville and is not owned by the Veterans Home or the state.

Page 4-16. In the second paragraph the Town believes it is important to include the different options for sewer service at Domaine Chandon. Under the 1991 agreement between the Town of Yountville and Domaine Chandon, the Town provides domestic wastewater service. Under that agreement, either party could terminate with one-year notice, in which case Domaine Chandon would then need to provide for onsite disposal. The RSA report that studied the potential

environmental impacts of the discontinuance of domestic wastewater service, concludes that there is the potential loss of two acres of prime agricultural land to construct an onsite septic system to serve the commercial portion of Domaine Chandon. This information is of vital importance to this MSR analysis.

Footnote 22 is incorrect. The RSA report is not an evaluation of JWTP capacity, but rather an evaluation of the feasibility of constructing an onsite sewage disposal system at Domaine Chandon. Because of the limited scope of the report, it was never intended to address the impact of visitors (which demand is already accounted for in the system) or redevelopment at the Veterans Home (because the Town's agreement with the Veterans Home would require them to upgrade the plant for additional development at the Home). This information should be corrected.

Footnote 23 is important information that should be moved to the body of the report

Page 4-19. Footnote 24 provides that the "Town does not have land use authority over the state-owned Veteran's Home." Information of this level should be noted in the body of the report given the amount of emphasis that is placed on the potential redevelopment of the Veterans Home property in other sections of the MSR/SOI.

Page 4-20. Footnote 25 references the JPA with the City of Napa for code enforcement services, but does not reference any of the other supportive contract services of the Town. We believe that this reference should be eliminated from this section, especially since there is a separate section devoted to this issue. It is confusing and incomplete to provide it as a footnote here.

There is no reference to the Planning Department website like there is to all other town departments.

Page 4-22. In paragraph one we note that the consultant uses different population numbers when referring to the Veterans Home. Whether it is 1,000 or 1,200, it should be consistent throughout the document.

Page 4-25. The first paragraph should include a line item for Code Enforcement Services from City of Napa JPA, rather than including this information in footnote 26. We question why it is listed as a footnote, when all other agreements or partnerships are noted the narrative section of the body of the report.

The second paragraph is inaccurate. A base level (number of hours) of Library services is provided by the Napa County Library system based on countywide property tax allocation by the County. The Town has elected to enhance the level of service provided by the County by contracting for additional hours and supporting extended hours by volunteers.

Page 4-27. The last paragraph is incorrect. The Napa County Fire Department contracts, rather than "coordinates", with CalFire to provide services.

Page 4-28. The second paragraph needs clarification as to whether the contract is with CalFire or with the Napa County Fire Department.

Also, the second paragraph should add that regular reports by the Station 12 Battalion Chief in published reports to the Town Council indicate that the Town has the lowest utilization of service amongst the three parties to this successful shared service station model.

Page 4-30. The second paragraph should indicate that UVWMA contracts for staff support which is provided by Napa County Public Works Department.

Page 4-32. The third paragraph should indicate that build-out is further constrained by the Town's 2016 General Plan Amendment, which in conjunction with the County's Agricultural Preserve measures, restricts annexation and limits growth.

Header 4-4 should be modified to include both "Facilities and Services" since there is greater opportunity for the Town to share services with other agencies in the area than facilities. Furthermore, it should be amended to read that the JWTP is owned and operated by the Town. Also, the County of Napa paid for construction of the Yountville Fire Station.

Page 4-33. The last paragraph on shard facilities should add "services" as noted above. Also, the City of Napa JPA for Code Enforcement Services should be added to the list. Footnote 27 references the JPA with the City of Napa for code enforcement services. Again, we question why it is listed as a footnote, when all other agreements or partnerships are noted in the narrative section of the body of the report. Also, footnote is redundant given discussion on pages 4-20 and 4-25.

Page 5-1. The second paragraph states "...and a General Fund Emergency Reserve of $1,766,300, which meets the 20% targets." We recommend replacing the language above with "and healthy reserves including the General Fund Emergency Reserve of $1,766,300 (set at 20% of revenues) and Revenue Stabilization Reserve Fund of $1,500,000" which is more accurate. This is important because the Revenue Stabilization Fund was created in part based on concern expressed in the 2007 MSR about the Town's reliance on TOT.

Page 5-2. The second paragraph should replace "results" with "resulted". In the last paragraph, please delete the sentence "This represents a risk deserving of consideration as part of the budgeting process". Based on this risk the Town is generally conservative in budgeting revenue estimates for TOT.

Page 5-3. Please delete the second and third sentences. The Town's Fiscal Policies set a target of 15% of projected TOT revenues for the Revenue Stabilization Fund with a goal of 20% by FY 2017/18. In the adopted FY 2016/17 budget, the Town exceeded the 20% goal by 3% and set the Revenue Stabilization Reserve Fund at $1,500,000. The Town's Emergency Reserve Fund is set at $1,766,300 or 20% of General Fund Expenditures (per Fiscal Policies). This leaves the Town well poised with a total of $3,266,300 in reserves or 37% of total General Fund expenditures.

Also, we note that there does not appear to have been any analysis of cost recovery on parks and recreation fees and charges which was a concern in the 2007 MSR. The Town has significantly improved cost recovery in these areas and it would seem that this would have been analyzed and noted given the 2007 MSR comments.

Page 5-6. In the second paragraph, please delete second sentence and replace with "Total revenues have remained stable over the past three fiscal years. This conclusion is drawn after removing one time unexpected an unbudgeted revenue received under Miscellaneous Revenues." This decrease in attributed one-time Miscellaneous Revenues received in FY 2013/14 was largely related to litigation.

In the second paragraph, please also delete the last sentence and replace with "In the most recently adopted budget, the estimated FY 2015/16 Budget was adjusted to $7,012,255 based on FY 2014/15 actuals. It is a budget practice to use the estimated fund balance at year end for FY 2015/16 for the following fiscal year. This is a conservative practice that will safeguard the Town from exceeding its budget. Although the FY 2015/16 audit is not yet complete, it is expected that the fund balance will be approximately $7,200,000 and further strengthen the Town's fiscal position."

Tables 5-1, 5-2, and 5-3. It is recommended that the data from the most recent budget be placed for all tables. It appears this document is using FY 2015/16 information and the adopted FY 2016/17 budget has updated data for FY 2014/15 and estimated FY 2015/16.

Tables 5-8 and 5-9. The formatting should be fixed.

Page 5-8. The Water Enterprise Fund paragraph states "However, given the losses that are beginning to be incurred (exacerbated by the necessity to conserve water during the drought), the Town may need to revisit the rates, fees, and charges associated with the Water Utility Operating Budget." This statement does not reflect the rate structure that was provided in the Town's narrative that was provided to the consultant. Also, the losses are not related to the drought, but to increased operating and purchased water costs.

Page 5-11. The first sentence should note that the negative fund balance is projected to be under $8,000 and can be cured with the implementation of new and increased water rates.

Page 5-13. Under the header Financial and Audit Reports, please include that the Town has received the GFOA Certificate of Achievement for its Financial Reporting for its past five CAFRs.

Under the header Reserves, please delete the following sentence "Yountville has $3.8 million in available general fund reserves combines (Personal communication, S. Rogers, September, 2016." It confuses the issue and does not tell the full story of the Town's reserve funds. We recommend that it be deleted.

Page 5-16. We would like to include reference to a recent report given by the Napa County Assessor that reported an assessed valuation increase of 11.68%. From 2015/16 to 2016/17 the net increase was $74,823,232. Also, there is not a notation about the significant amount of state owned property (Veterans Home) that is within the Town limits which does not pay property tax to support either Town or County operations. This significantly skews Yountville data when compared to other jurisdictions.

Page 5-17. Regarding TOT, the highest revenue thus far in FY 2015/16 are recorded at $6.8 million.

Page 5-18. Regarding sales tax revue, the most recent sales tax receipts show total revenue at $1,452,602 for FY 2015/16.

Page 5-20. Regarding footnote 33, required pension plans for small jurisdictions such as Yountville and Calistoga are in "pooled" plans and pension obligations have changed significantly in the past two years. Unlike large jurisdictions, pooled plans are now required to pay the pension plus 100% of the unfunded liability. It is unclear if the Calistoga MSR pension liability includes the new pooled method or the old method. Given the older time period it is prudent to suggest that this is not accurate comparative data. Pooled plan costs and unfunded liability is available at: https://www.calpers.ca.gov/page/employers/actuarial-services/employer-contribution-rates/public-agency-actuarial-valuation-reports

These reports will clearly show that while the rate for miscellaneous employees is lower for Calistoga than Yountville, the unfunded liability for Calistoga is almost double.

Page 5-25. The statement on OPEB is misleading because OPEB is actually a budgeted item in Fund 02. Also, the size and font type in the last paragraph should match the rest of the report.

Page 5-27. Footnote 34 references property tax assessments, which are included as an attachment to the report rather than in the body. Putting this information in a footnote diminishes the value of the information. The attachment shows that the County has a very high property tax per capita when compared to the incorporated cities, but the graph is misleading because it seems to show the opposite. It would be more informative to compare and show both property tax revenue per acre and property tax per capita to better inform the Commission.

Page 6-1. In item #1, by referring to the main component of the Yountville community as the "eastern portion" it has the effect of diminishing the value of the community. Item #1 should clarify

if the Veterans Home population is 1,000 or 1,200 for consistency throughout the document. Item #4 should identify the implication and projections of this plan so that there is a connection to this MSR.

Page 6-2. For item #7, please refer to the previous DUC comments and ownership of the wastewater treatment plant. For item #15, we are unclear what the document means when it uses the term "mapped" because these items are shown on Town maps. Does the consultant mean a GIS boundary map? Please clarify. For item #16, this section states 50%, when earlier in the report it states 38%. Please clarify which one is accurate.

Page 6-3. Item #17 should be modified to read: "The Domaine Chandon parcel is the only parcel located outside of the Town boundaries that receives wastewater services from the Town, and it receives this service under an agreement that indicated the property would be annexed into the Town as a condition of service." Item #18 should include reference to Domaine Chandon.

Page 6-4. Item #25 should clarify that it is Napa County Fire Department rather than CalFire.

Page 6-5. Item #38 should note that the Town has created its Revenue Stabilization Reserve Fund targeted at a minimum of 15% of projected TOT collections to address a concern that was expressed in the 2007 MSR. The last sentence seems to be missing a word or two.

Page 7-2. The first paragraph misstates LAFCO's General Policy No. III(C)(4) and should be modified to read as follows: "The General Policy Determinations state that a Town's sphere shall exclude lands designated as agricultural or open-space for the purpose of urban development unless including such lands is consistent with specified criteria, such as actual present use of the land in question (e.g., commercial) and consistency with the affected Town's General Plan."

Pages 7-3 and 7-4. The first paragraph refers to different designations that define sphere of influence. We are not aware that these different terms are included in state law, yet they are mentioned as if they are. Could you please clarify whether Napa LAFCO has adopted these terms as policies?

The second paragraph creates a category for "Areas of Interest." Would you provide an example of this policy where it is used elsewhere in the state? Would you also cite where in the CKH Act contemplates LAFCO looking beyond the sphere? We are unaware of the authority in state law to create this new category. Furthermore, this category would seems to involve LAFCO in land use policy, which it is strictly prohibited from doing. This potentially generates conflicts between the General Plan boundaries and policies of the County and the incorporated jurisdictions

The section on the Agricultural Preserve is misleading. The discussion focuses solely on the requirement that a vote of the people is necessary to rezone agricultural land in the County (one of two exceptions that would allow rezoning), but tucks the second exception related to annexation into footnote 36. Given the importance of the footnote, it should be added to the body of the document. Furthermore, after the extended discussion of the Agricultural Preserve and Measure J, the consultant notes, almost as an afterthought, that the study area is not subject to Measure J. We believe that the importance and history of the Agricultural Preserve could be more clearly and accurately explained.

Also, the first full paragraph only discusses the County's relationship with agriculture and sets a poor tone. A similar amount of narrative should be devoted to the Town's General Plan policies, which were recently updated and which serve to restrict the annexation of any land in the County with the exception of the Domaine Chandon parcel because it is uniquely situated. Doing so would provide a clearer picture of these interrelated policies.

The first full paragraph, second-to-last sentence should be modified to read: "However it should be noted that rezoning has not been proposed and is not contemplated by the Town of Yountville.

Ten acres of the study area covered by this report is already zoned Commercial Limited by the County and is presently developed and used for commercial services."

Also, the first paragraph states that "Background and historical information on the Domaine Chandon parcel (Study Area #1) has been provided by Town Staff and is shown in Appendix I." This is important information that should be summarized in the body of the report, rather than dismissed in an attachment.

Page 7-5. The end of first paragraph references figure 4-3. It is an incorrect reference because the discussion in the body is of out-of-town customers, but the figure only identifies in-town customers.

Also, footnote 37 on AB402 seems an inappropriate use of footnote. Given the narrative in the earlier administrative drafts, it is curious why the analysis and conclusion has been delegated to a footnote, rather than the body of the document.

Page 7-7. Footnote 39 provides that "Town staff has indicated that the Yountville based Sheriff Deputy position is paid for under Town contract." It is better to reference a primary source document, which in this case is the Town budget.

Also, the information under Services Provided needs correction. The allocation of JWTP capacity counts against the Town's allocation and not the state. The state plays no role in serving Domaine Chandon. The Town owns and operates the plant.

Page 7-8. Under Potential Effects on Agriculture and Open Space there should be reference to Town and County land use policies that provide if a parcel needs municipal services it should be annexed into the municipality. It is also worth mentioning that there is a potential loss of two acres of prime agricultural land if the 1991 agreement between the Town and Domain Chandon is terminated. It should be noted that the parcel is not in compliance with the basic County requirements for the Commercial Limited zoning district, since the property is accessed exclusively by Town streets and easements, rather than County roads.

Under Present and Probable Need for Facilities, there is no analysis of the street and sidewalk impacts for the Domaine Chandon property that is accessed exclusively from the Town. We also believe that the analysis is incomplete if it does not address what could happen if the Town stopped providing wastewater treatment to the Domaine Chandon commercial uses.

Page 7-9. Under Social or Economic Communities, there is mention of disadvantaged communities within the Town's incorporated boundary. The policies for disadvantaged communities were never intended to apply within incorporated boundaries because the DUCs were created to insure that services were delivered to unincorporated areas. It is improper to refer to a portion of the veterans population as disadvantaged and the identification of such a community within the Town limits should not be a part of this MSR. It is also worth noting that Veterans have to meet certain requirements to be eligible to live at the Veterans Home.

Under Effects on Other Agencies, it is worth noting that there would be a positive financial impact on police and fire to the County since the Town would assume the costs, but no change in services would be anticipated. Under Policy Considerations, we note that only selected County policies are included. There should be discussion of the Commercial Limited zoning district and both Town and County policies on annexation, which are not included. Lastly, footnote 41 gives the impression that this is not an independent and unbiased report because of the emphasis it puts on revenue to other agencies, rather than being focused on Yountville, which is the subject of this MSR/SOI.

Page 7-10. As noted in our comments to the earlier two administrative drafts, the Town is concerned with an area of interest option when Napa LAFCO has not created a policy or definition for this category against which the options can be evaluated.

Under the section on potential environmental impacts, this document should simply state that environmental review is required. This paragraph seems to make a conclusion as to the type of review that is required. This is a separate process from this MSR and should not be referred to in this document. Furthermore, in many cases, especially for developed parcels, environmental review can often be satisfied with a Negative Declaration. This section seems to dictate a more significant review without justification, which is inappropriate.

Page 7-11. Option A should note that the existing Town boundary and sphere of influence are coterminous. Option C is inappropriate in trying to create a new category for Areas of Interest.

Page 7-12. The first paragraph, last sentence states that "this was offered as another reason to exclude the site from the sphere of influence." It should be replaced with "and since General Plan policies at the time did not allow for the potential to annex the property," which is more accurate.

Table 7-3 should include clarification as to the action taken by LAFCO in 1992 and 2007. In 1992, the conclusion was "based on the Town Council's philosophy and the General Plan holding capacity which follow the concept of retaining the Town's small rural residential character." This information should be included in the table.

In 2007, the report noted there was "merit to consider the modification of Yountville's sphere to include an approximately 10 acre area immediately adjacent to the Town that currently comprises Domaine Chandon's Visitor Center. In particular, the delivery of sewer service by Yountville along with its commercial use and zoning assignment by the County supports the including of the area into the sphere." The sentence in the table should be modified to include "because the Town's General Plan policies at the time prohibited any annexation."

Page 7-13. The end of the first paragraph should summarize the fiscal and environmental impacts of these studies in the body of the report, rather than being presented in footnote 48. Also, we think it is important to note that adding an area to a sphere of influence does not always lead to eventual annexation. Often cities do not move forward on annexation for many years.

Page 7-14. In Table 7-4, under Service Provision we believe there should be reference to the RSA report that studied the impact of disconnection from the Town's wastewater treatment plant.

Footnote 45 only shares half of the story. It is important to note that the County approved the Domaine Chandon expansion on the condition that it prove that wastewater could be disposed of onsite. Since this alternative would have removed prime agricultural land from production, the Town supported providing Domaine Chandon with a municipal sewer connection. This information is not clear in the footnote.

Table 7-5 incorrectly identifies that the Town approach to Domaine Chandon in Resolution 3138-13 is annexation. The action noted in the resolution is a request that LAFCO include the property in its sphere of influence. This is an important distinction and should be clarified.

Footnote 47 appears to be editorial content on the feasibility of the Town potentially providing future water service to Domaine Chandon since facts and figures to support the conclusion are not presented.

Page 7-17. The discussion on annexation and the extraordinary effort to label to the Town's position goes far beyond what is necessary and is argumentative. It sets a tone and bias that the Town sees woven throughout the document. The MSR/SOI should focus on the appropriateness of the Town's sphere, but the document continues to circle back to annexation. The Town does not represent that it would never pursue annexation, but that it is not on the table at this time.

Annexation would be a separate action from this sphere review. By tying both issues together, the neutrality of the analysis is compromised, especially given the history of the Town's sphere in the previous SOI updates. Lately, we note a change in typeface and tone of author for this section.

Page 7-19. As noted above, for Option C we question where the Area of Interest category exceeds LAFCO's legal authority. It toes the line in LAFCO becoming involved with land use, which it is prohibited from doing. This category will likely cause conflicts among the General Plan boundaries and policies of the County and the incorporated jurisdictions. We note that the way the discussion is framed, that it appears to be a new concept for LAFCO that may not have been tested in other places. In our opinion, this could lead to a legal challenge for what may be viewed as a significant breach of the CKH Act.

Page 7-20. We question why the consultant has taken such a broad departure from the approach and recommendation from the 2007 MSR that noted "merit" in including the commercial portion of Domaine Chandon in the Town's sphere.

Page 7-21. Item #6 ignores the obvious fact that the Study Area #1 is already developed and receives public services from the Town. We are confused as to how this could have been overlooked when discussing the need for public facilities and services within the study area.

Please add a new item "#7 - Inclusion in the Sphere of Influence and eventual annexation would assure continued wastewater service and preclude the potential impact on prime agricultural lands.

Page D-1. There is an incorrect reference to the City of Calistoga that should be corrected.

Footnotes. We find it interesting that in an 80 page document there are 48 footnotes, some of which are several paragraphs long and which contain detailed factual information. We are of the opinion that the footnotes are used to dismiss information that the Town believes belong in the body of the document. We see the use of footnotes as a way to introduce tone and bias against the Town.

A Tradition of Stewardship
A Commitment to Service

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Leanne Link
County Executive Officer

January 6, 2017

Local Agency Formation Commission of Napa County
1030 Seminary Street, Suite B
Napa, CA 94559

Re: Yountville Municipal Service Review/Sphere of Influence Update Comments

Dear Commissioners,

I appreciate the time and resources Napa LAFCO has dedicated to the Yountville Municipal Service Review and Sphere of Influence Update. Following the December 5, 2016 LAFCO meeting, staff has reviewed the public draft of the document as well as the comments submitted by the Town of Yountville. On behalf of Napa County, I offer the following comments and observations.

Contract and Costs for Law Enforcement Services by Napa County Sheriff. The County of Napa offers cooperative and cost effective law enforcement services to other jurisdictions. The provision of cooperative and contract services is complex in both structure and cost. The Napa Sheriff's Office administrative and budget staff was not interviewed as part of the report preparation. I request that the LAFCO Executive Officer and consultants meet with the Sheriff and other program and administrative staff to review the public safety sections of the report and any references to the contract with the Sheriff's Office to verify accuracy and/or set context.

Pages 4-27 and 6-3 make reference to *"sizable and continued cost increases to American Canyon and Yountville in contracting for law enforcement services from the County tied to administrative pass throughs. The County should continue to carefully measure administrative cost pass-throughs to help ensure these types of arrangements provide adequate cost certainty in the long term to the contracting agencies."* The statement in itself seems to make the assumption that the County does not carefully monitor these costs. Law enforcement costs are among the most difficult to plan for and budget given the uncertainty in call volume, emergency needs and rising costs associated with pensions, liability and workers compensation. By maintaining a fixed cost agreement, the County of Napa accepts the burden for costs that exceed the service level provided to any contract jurisdiction. In years of significant unanticipated emergencies or incidents, this is an important benefit to the Town of Yountville that is not captured in the report. It is unclear what "rising administrative cost pass – throughs" the report refers to and staff requests the opportunity to review and respond directly to the consultant regarding the referenced costs.

Page 7-8 states that the Yountville Deputy is often the first responder to law enforcement calls from Study Area #1 property (Domaine Chandon). This is partially correct but requires clarification. For emergency service calls, the closest unit responds to the call, regardless of jurisdiction. This protocol is the same for all jurisdictions in the County (i.e. Napa County Sheriff could respond on behalf of the City of Napa). However, regular service calls from Study Area #1 are handled by the beat Deputy working the unincorporated area, not the assigned Yountville Deputy. In the case of an emergency call where the officer assigned to Yountville through the Town's contract arrives first on scene, any follow up, including producing the investigation and written report, is handled by an officer assigned to the unincorporated area (not the Yountville contract).

Contract for Shared Fire Services with Town of Yountville, California Veteran's Home and Napa County. Similar to law enforcement services, I request that the LAFCO Executive Officer and consultants meet with Napa County Fire Department representatives to review the public safety sections of the report and any references to the contract with Napa County Fire or Cal-Fire. Napa County contracts with Cal-Fire for the provision of fire suppression and emergency services throughout the County. Contracted Cal-Fire personnel act as the Napa County Fire Department. Napa County then contracts with the Town of Yountville and the Veteran's Home to share services and associated costs provided from the Yountville station. Staff noted throughout the report confusing references to Napa County Fire and Cal-Fire that should be corrected.

The partnership between the County, State and Town has provided for the construction of the Yountville Fire Station by the County, the lease of State owned land for a Fire Suppression Training Ground at minimal cost to the County, and fire and life safety services provided to the unincorporated area, the Town and the Veteran's Home. Throughout the report the population of the Veteran's Home is counted as residents of the Town. This becomes misleading and could reasonably then conclude that calls for service at the Veteran's Home would be allocated to the Town. Including a chart that depicts the type and number of calls provided to Napa County, the Veteran's Home and the Town of Yountville would help to illustrate the situation. Additionally, it would be helpful to know how many calls for service come from Study Area #1 each year.

Footnote 19 Regarding 1991 Agreement Between Yountville and Domaine Chandon. Footnote 19 on page 4-12 states that *"The 1991 Agreement between the Town of Yountville and Domain Chandon indicated that property would be annexed into the Town as a condition of service provision."* This statement is factually incorrect. The 1991 agreement states *"should Town in the future determine that an annexation of Domaine's property is feasible, Domaine will not object to such annexation of the commercially zoned area."* According to the agreement, there shall be no objection by Domaine to annexation; however, there is no commitment or indication that the property would need to annex as a condition of service. Footnote 19 and any references throughout the document to annexation as a condition of service should be removed from the document.

Sphere of Influence Option C: Designate Study Area #1 As An Area Of Interest. The County questions whether the option of a change to Yountville's Sphere of Influence to include Area #1 is consistent with local and state LAFCO policies and the Government Code given that there is no intent to further develop the property. The Napa County Board of Supervisors has not yet discussed or taken a position on the options proposed for Study Area #1, but has appointed two members to a 2x2 committee with the Town of Yountville to discuss the Domaine Chandon property and has reserved formal discussions pending the outcome of the 2x2 discussions.

As staff continues to research this issue, we are intrigued by Option C presented in Section 7 of the report regarding the creation of local LAFCO policy for "Areas of Interest." There is very little context provided for this option and staff is interested in learning about where in the State such an option has been implemented and the potential benefits of creating Areas of Interest in Napa LAFCO policy. I recommend an expansion of the

discussion in this section to provide context and more information on the benefits and legal authority of this option.

In conclusion, I thank you for your time and dedication to this project. I am hopeful that the 2x2 will be successful in resolving the many questions and concerns of the Town of Yountville and Napa County. Napa County will continue to monitor LAFCO's report process and seek direction from the Board of Supervisors as it progresses. Please contact Molly Rattigan, Deputy County Executive Officer, at 707-253-4112 to schedule the requested meetings or for more information.

Sincerely,

Leanne Link
County Executive Officer

Cc: Brendon Freeman, Executive Officer
Napa County Board of Supervisors
Sheriff John Robertson, Napa County Sheriff's Office
Chief Barry Biermann, Napa County Fire Department