CALENDAR ITEM

C48

A 4 06/21/13
W 26657
S 2 B. Terry

GENERAL LEASE – RIGHT-OF-WAY USE

APPLICANT:
Stanly Ranch Vineyards, LLC

AREA, LAND TYPE, AND LOCATION:
Sovereign land in the Napa River, adjacent to Assessor's Parcel Numbers 046-400-015 and 047-240-024, near the city of Napa, Napa County.

AUTHORIZED USE:
Installation, use, maintenance, and operation of a 20-inch inside diameter (ID) recycle water pipeline and a six-inch ID sanitary sewer force main installed using horizontal directional drilling (HDD), at a depth of 40 feet beneath the bed of the Napa River.

LEASE TERM:
35 years, beginning June 21, 2013.

CONSIDERATION:
$743 per year, with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

SPECIFIC LEASE PROVISIONS:
Insurance:
Liability insurance in an amount no less than $3,000,000 per occurrence.
Bonds:
1. Surety Bond or other security in the amount of $10,000.
2. Construction Performance Bond or other security in an amount equal to the construction cost of the new pipelines within the lease premises.

Guaranty:
Silverado Premium Properties, LLC, is providing as part of the Lease, an unconditional guaranty for full performance of Stanly Ranch Vineyards, LLC's obligations under the Lease.

Other:

This lease contains special provisions related to pre-construction and post-construction project engineering review and verification.

OTHER PERTINENT INFORMATION:

1. The Applicant has the rights to use the lands adjacent to the lease premises. Assessor's Parcel Number (APN) 047-240-024 on the west side of the river is owned by the California Wildlife Conservation Board and the Applicant has obtained an easement for the project. APN 046-400-015 on the east side of the river is owned by the Napa Sanitation District (District) and the Applicant has obtained written authorization to use the District's land for the project.

2. The Applicant, Stanly Ranch Vineyards, LLC, (Stanly Ranch) has nearby land holdings in the City of Napa that consist of approximately 712 acres that will be developed in several phases. Approximately 472 acres of Stanly Ranch were annexed into the Napa Sanitation District for anticipated sanitary wastewater and recycled water flows to be generated from the full build-out of Stanly Ranch. A proposed project known as the St. Regis Napa Valley Resort will be developed on three to four parcels within the boundaries of Stanly Ranch as well as future development of residential homes and wineries.

3. The Stanly Ranch Wastewater Master Plan (Master Plan) was developed to provide the District and the developers of Stanly Ranch with wastewater infrastructure (sanitary sewer and recycled water) to provide service to proposed future development and also to provide recycled water to the Los Carneros Water District. The proposed project meets the Master Plan's goal of providing alternative irrigation water options to the region's tourist and agricultural industries. Once the conveyance system facilities are fully operational, the Napa Sanitation District will assume ownership of the operation facilities and will apply to the Commission for assignment of the Lease.

4. The full build-out of the wastewater infrastructure system cannot be achieved in a single construction project. Therefore, the build-out will be completed in three phases. Phase 1 is the installation of the facilities crossing the lease premises and onto to the St. Regis Napa Valley Resort parcels. The project installation on the lease premises will be from west to east, using HDD technology with an approximate length of 500 feet and at a depth of approximately 40 feet beneath the river bed. Phase 1 construction is anticipated to occur from late summer through November 2013 and be completed in six weeks. Phase 2 and 3 of the project are

located on the upland and will stub the sanitary sewer force main system at the transition structure and later connect to the sanitary wastewater flows. The water line will later connect to an existing recycled water line on the District property that extends north from an existing recycle water pump station.

5. The project includes implementation of Best Management Practices to minimize potential environmental impacts during construction activities within the lease premises. Stanly Ranch has also developed a Spill Prevention Control and Countermeasures Program to minimize the potential for, and effects from, spill of hazardous, toxic, or petroleum substances. The contractor will prepare a frac-out contingency plan which will include specific procedures to implement in the event of an inadvertent spill or frac-out into the waterway during construction, and will require on-site monitoring of the river during all boring activities.

6. An EIR, State Clearinghouse No. 2009032009, was prepared for this project by the City of Napa and certified on April 20, 2010. The California State Lands Commission staff has reviewed such document and Mitigation Monitoring Program prepared in conformance with the provisions of the California Environmental Quality Act (CEQA) (Pub. Resources Code, § 21081.6) and adopted by the lead agency.

   Findings made in conformance with the State CEQA Guidelines (Cal. Code Regs., tit. 14, §§ 15091, 15096) are contained in Exhibit D, attached hereto.

7. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code section 6370 et seq., but such activity will not affect those significant lands. Based upon the staff's consultation with the persons nominating such lands and through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.

APPROVALS REQUIRED:

California Department of Fish and Wildlife
California Regional Water Quality Control Board
City of Napa
Napa Sanitation District
Union Pacific Railroad

EXHIBITS:

A. Land Description
B. Site and Location Map
C. Mitigation and Monitoring Program
D. Statement of Findings

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that an EIR, State Clearinghouse No. 2009032009, was prepared for this project by the City of Napa and certified on April 20, 2010, and that the Commission has reviewed and considered the information contained therein.

Adopt the Mitigation Monitoring Program, as contained in Exhibit C, attached hereto.

Adopt the Findings, made in conformance with California Code of Regulations, Title 14, sections 15091 and 15096, subdivision (h), as contained in Exhibit D, attached hereto.

SIGNIFICANT LANDS INVENTORY FINDING:

Find that this activity is consistent with the use classification designated by the Commission for the land pursuant to Public Resources Code section 6370 et seq.

AUTHORIZATION:

Authorize issuance of a General Lease – Right-of-Way Use to Stanly Ranch Vineyards, LLC, beginning June 21, 2013, for a term of 35 years, for the installation, use, maintenance, and operation of a 20-inch ID recycled water pipeline and a six-inch ID sanitary sewer force main on sovereign land in the Napa River as described in Exhibit A and shown on Exhibit B (for reference purposes only) attached and by this reference made a part hereof; annual rent in the amount of $743, with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease; liability insurance in an amount no less than $3,000,000 per occurrence; surety bond or other security in the amount of $10,000; a construction performance bond or other surety in an amount equal to the construction cost of the new pipelines within the lease premises; and an unconditional guarantee by Silverado Premium Properties, LLC for all of Stanly Ranch Vineyards, LLC's obligations under the lease.

EXHIBIT A
LEASE DESCRIPTION

W 26657

A 20.00 foot wide strip of tide and submerged land situated in the bed of the Napa River, Napa County, State of California, the centerline of which is as follows:

Commencing at Benchmark "81 E", PID JT9208, as listed in the data sheet published by National Geodetic Survey. Said Benchmark CCS83 Zone II (2010.00) coordinates of North 1852255.25, East 6483033.4060, US survey feet.

Thence South 53°41'03" West, 4111.77 feet, to Benchmark "48 F", PID JT9113 as listed in the data sheet published by National Geodetic Survey. Said Benchmark CCS83 Zone II (2010.00) coordinates of North 1849820.11, East 6479720.29 US survey feet.

Thence South 59°40'25" West, 690.68 feet, to the True Point of Beginning of the herein described strip. Said Point being on the easterly boundary of Lot 18 of Final Map 5539, Book 24 of Maps, Page(s) 23-32, Official Record of Napa County.

Thence South 75°15'33" East, 489.5 feet more or less to the ordinary high water mark of the left bank of the Napa River, being the point of termination of the herein described strip.

The sidelines of said strip shall be prolonged or shortened so as to commence at the ordinary high water mark of the right bank of the Napa River, and terminate at the ordinary high water mark of the left bank of said Napa River

Basis of bearings for the above description is the California Coordinate System (NAD 83), Zone 2, EPOCH:2010.0000. All distances are grid distances

This description was prepared by me on April 19, 2013, in conformance with the California Professional Land Surveyors Act.

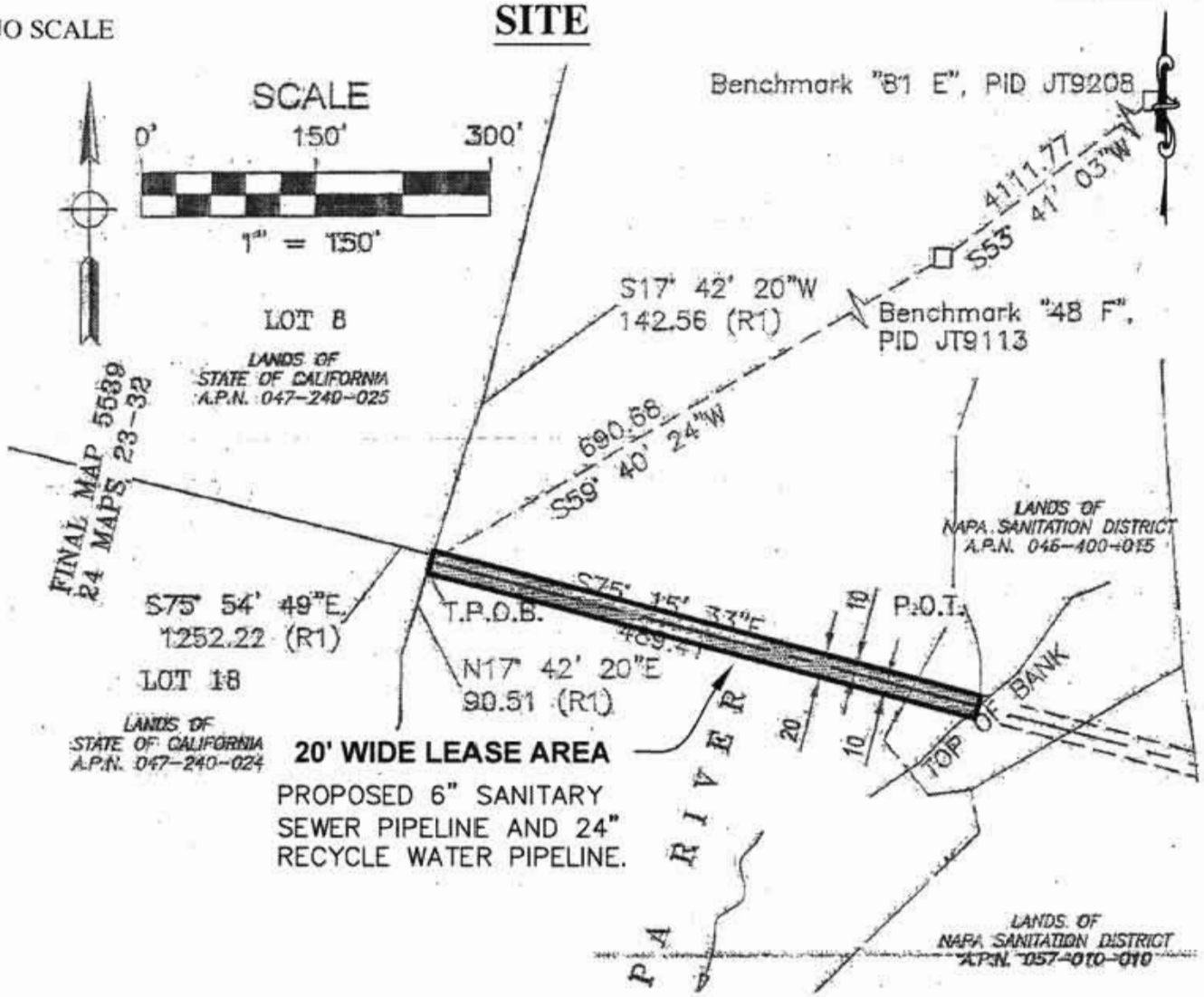
END OF DESCRIPTION

Richard A. Maddock, PLS 8131

Exp. Date 12/31/2014

NO SCALE

SITE



NAPA RIVER

NO SCALE

LOCATION

MAP SOURCE: USGS QUAD

Exhibit B

W 26657
STANLEY RANCH
VINEYARDS, LLC.
APN 046-400-015, 047-240-024
GENERAL LEASE -
RIGHT - OF - WAY USE
NAPA COUNTY

This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.

DJF 04/22/13

Potential			Monitoring/	Agency	
BIO-1: Development of the proposed project may impact special-status species.	**MM BIO-1a:** The following measures to mitigate impacts to the salt marsh harvest mouse shall be implemented: • Prior to the commencement of horizontal directional drilling activities, the footprint of the work area shall be flagged. The work area shall be the minimum necessary to complete the drilling work. • Pickleweed within the flagged footprint area shall be removed using hand tools at least 7 days prior to start of any work. A biologist shall first survey the flagged work area for the salt marsh harvest mouse prior to vegetation removal and shall be present during removal. If a salt marsh harvest mouse is observed, the biologist shall have authority to stop work until the species has left the flagged work area, at which time the vegetation removal can continue. The vegetation removal will allow any salt marsh harvest mouse potentially present to disperse away from the work area into more dense cover away from the work area. • Once the vegetation has been removed, a temporary barrier fence shall be constructed along the flagged boundaries of the cleared work area that will prevent salt marsh harvest mice from re-entering the work area. • No equipment, storage of materials, or work shall be allowed within the adjacent salt marsh harvest mouse habitat outside of the cleared work area. • A biologist shall conduct weekly inspections of the barrier fence to identify maintenece needs. • Following completion of all work and removal of equipment, the barrier fence will be removed and the disturbed area will be re-seeded. • If the potential impact for the project falls within the jurisdiction of the CDFW or USFWS through a federal	Horizontal Directional Drilling Area	Site Inspection	City of Napa Community Development Department; California Department of Fish and Wildlife; United States Fish and Wildlife Service	Prior to the commencement of and during horizontal directional drilling activities

	action, such measures shall be applied as required by th agencies to avoid or minimize impacts prior to any construction that would significantly impact the species. **MM BIO-1c:** For wastewater and recycled water pipelines, horizontal directional drilling activities that occur between February 1 and August 31, preconstruction surveys for black rail should be conducted following the Point Reyes Bird Observatory Black Rail Survey Protocol. Surveys shall be conducted by a qualified biologist prior to and within 10 days of any initial ground-disturbance activities. Surveys shall be conducted within all suitable nesting habitat within 250 feet of the activity. Active rail nests shall be protected by a buffer with a minimum radius of 250 feet until the nest is abandoned and all young have fledged. Protocol-level surveys should be conducted during every breeding season for which construction is proposed. Note that surveys are not required during the non-breeding season, which falls between September 1 and January 31. **MM BIO-1f:** Prior to construction activities associated with the wastewater pipelines horizontal directional drilling under the Napa River, the project applicant shall install exclusion fencing around upland areas slated for ground disturbance to prevent pond turtles from excavating nests. This measure shall apply between March 1 and April 30. The exclusion fencing should be maintained until ground disturbance in the upland habitat is complete.				

Potential Impact	Mitigation Measure	Location	Monitoring/ Reporting Action	Agency Responsible	Timing
	MM BIO-1g: Prior to commencement of ground-disturbing activities, the project applicant shall implement Best Management Practices in accordance with the Storm Water Pollution Prevention Plan (SWPP) to prevent construction-related runoff or sedimentation from entering the Napa River. This mitigation measure shall be coordinated with Mitigation Measure HYD-1. **MM BIO-1h:** No pipeline horizontal drilling activities shall occur between December 1 and May 31, which is the period when adult and juvenile salmonids are likely to occur in the Napa River.				
BIO-2: Construction and operation of the proposed project may impact riparian habitat or sensitive natural communities	**MM BIO-2b:** Prior to issuance of encroachment permits for the sewer and recycled water pipelines, the project applicant shall obtain all required authorization from agencies with jurisdiction over the conversions of the seasonal wetland to a pond. Such agencies may include, but are not limited to, the United States Army Corps of Engineers, the California Department of Fish and Game, and the San Francisco Bay Regional Water Quality Control Board. Impacted habitat shall be offset through onsite restoration, offsite restoration, or purchase of credits at a CDFG-approved mitigation bank in the region at no less than a 1:1 ratio. The requirements of this mitigation measure do not apply if pipeline installation activities completely avoid work within the bed, bank, or channel of the Napa River.	Horizontal Directional Drilling Area	Approval of mitigation scheme	City of Napa Community Development Department; United States Army Corps of Engineers; the California Department of Fish and Wildlife; the San Francisco Bay Regional Water Quality Control Board	Prior to the issuance of encroachment permits for the sewer and recycled water pipelines
BIO-3: Construction and operation of the project	**MM BIO-3b:** Prior to issuance of encroachment permits for the sewer and recycled water pipelines, the project applicant shall obtain all required authorization for the installation of the pipelines with jurisdictional features.	Project Area	Approval of mitigation scheme	City of Napa Community Development Department;	Prior to the issuance of encroachment permits

may impact waters of the US, including wetlands.	This authorization may involve approvals from the United States Army Corps of Engineers and the San Francisco Bay Regional Water Quality Control Board. Impacted features shall be offset through onsite restoration, offsite restoration, or purchase of credits at an agency approved mitigation bank in the region at no less than a 1:1 ratio.			United States Army Corps of Engineers, the California Department of Fish and Wildlife, and the San Francisco Bay Regional Water Quality Control Board	for the sewer and recycled water pipelines
GEO-1: The proposed project may expose people or structures to potential substantial adverse effects associated with seismic hazards.	**MM GEO-1a:** Prior to the issuance of permits for the resort, winery, or pipelines, the project applicant shall submit an updated fault hazard investigation of the West Napa Fault to the City of Napa for review and approval. The investigation shall be prepared by a licensed Geotechnical Engineer or Certified Engineering Geologist and evaluate the potential for the resort, winery, and pipelines to be exposed to fault rupture associated with the West Napa Fault. The recommendations of the investigation shall be incorporated into project plans. **MM GEO-1b:** Prior to the issuance of permits for the resort, winery, or pipelines, the project applicant shall submit a project-level Geotechnical Investigation for the resort and winery to the City of Napa for review and approval. The investigation shall be prepared by a qualified engineer and identify necessary grading and building practices necessary to achieve compliance with the 2007 California Building Standards Code seismic requirements. The measures identified in the approved report shall be incorporated into the project plans.	Project Area	Approval of Plans	City of Napa Community Development Department	Prior to the issuance of permits for the resort, winery, or pipelines

	MM GEO-1c: Prior to the issuance of permits for the resort, winery, or pipelines, the project applicant shall submit plans to the City of Napa for review and approval demonstrating compliance with the 2007 California Building Standards Code seismic requirements and the recommendations of the project-level Geotechnical Investigation. A licensed professional engineer shall prepare the plans, including those that pertain to soil engineering, structural foundations, pipeline excavation, and installation. The approved plans shall be incorporated into the proposed project. All onsite soil engineering activities shall be conducted under the supervision of a licensed Geotechnical Engineer or Certified Engineering Geologist.				
HYD-1: Construction activities associated with the proposed project have the potential to degrade water quality in downstream water bodies.	**MM HYD-1:** Prior to the issuance of grading or building permits for either the onsite development project or the pipeline installation project, the project applicant shall prepare and submit a Stormwater Pollution Prevention Plan (SWPPP) to the City of Napa that identifies specific actions and Best Management Practices (BMPs) to prevent stormwater pollution during construction activities. The SWPPP shall identify a practical sequence for BMP implementation and maintenance, site restoration, contingency measures, responsible parties, and agency contacts. The SWPPP shall include, but not be limited to, the following elements: • Temporary erosion control measures shall be employed for disturbed areas. • Specific measure shall be identified to protect the onsite wetland during construction of the proposed resort	Project Area	Approval of Plan	City of Napa Community Development Department	Prior to the issuance of grading or building permits

Potential Impact	Mitigation Measure	Location	Monitoring/ Reporting Action	Agency Responsible	Timing
	• Specific measures shall be identified to protect the Napa River and floodplain during pipeline construction • No disturbed surfaces shall be left without erosion control measures in place during the winter and spring months. • Sediment shall be retained onsite by a system of sediment basins, traps, or other appropriate measures • The construction contractor shall prepare Standard Operating Procedures for the handling of hazardous materials on the construction site to eliminate or reduce discharge of materials into storm drains. • BMP performance and effectiveness shall be determined either by visual means where applicable (e.g. observation of above-normal sediment release), or by actual water sampling in cases where verification of contaminant reduction or elimination (such as inadvertent petroleum release) is required by the RWQCB to determine adequacy of the measure. • In the event of significant construction delays or delays in final landscape installation, native grasses or other appropriate vegetative cover shall be established on the construction site as soon as possible after disturbance, as an interim control measure throughout the wet season				

EXHIBIT D – ST. REGIS NAPA VALLEY PROJECT (STANLY RANCH)

STATEMENT OF FINDINGS

INTRODUCTION

The California State Lands Commission (CSLC), acting as a responsible agency under the California Environmental Quality Act (CEQA), makes these findings to comply with CEQA as part of its discretionary approval to authorize issuance of a General Lease – Right-of-Way Use to Stanly Ranch Vineyards for use of sovereign land associated with the proposed sewer pipeline and recycled water pipeline as part of the St. Regis Napa Valley Project (Project). (See generally Pub. Resources Code, § 21069; State CEQA Guidelines, § 15381.)[1] The CSLC has jurisdiction and management authority over all ungranted tidelands, submerged lands, and the beds of navigable lakes and waterways. The CSLC also has certain residual and review authority for tidelands and submerged lands legislatively granted in trust to local jurisdictions (Pub. Resources Code, §§ 6301, 6306). All tidelands and submerged lands, granted or ungranted, as well as navigable lakes and waterways, are subject to the protections of the Common Law Public Trust.

The CSLC is a responsible agency under CEQA for the Project because the CSLC must approve a lease for the Project to go forward and because the city of Napa (City), as the CEQA lead agency, has the principal responsibility for approving the Project and has completed its environmental review under CEQA. The City analyzed the environmental impacts associated with the Project in an Environmental Impact Report (EIR) (State Clearinghouse [SCH] No. 2009032009). In April 2010, the City certified the EIR and adopted the Project Mitigation Monitoring and Reporting Program (MMRP), Findings, and Statement of Overriding Considerations. In May 2011, an addendum to the EIR was completed.

The proposed Project consists of the development of a resort, winery, and associated infrastructure on the 93-acre Project site. The resort would consist of 245 units, dining facilities, event facilities, health and recreational facilities, and operational and maintenance facilities. The winery would have an annual production capacity of 25,000 cases. Parking facilities, internal roadways, and other infrastructure would be developed within the resort and winery grounds. Sewer and recycled water service would be extended to the site from the Napa Sanitation District Soscol Water Recycling Facility. The construction and alignment for the sewer and recycled water pipelines would cross under the Napa River; this is the only component of the Project where the CSLC has approval authority.

The City determined that the Project could have significant environmental effects on the following environmental resources:

[1] CEQA is codified in Public Resources Code section 21000 et seq. The State CEQA Guidelines are found in Title 14 of the California Code of Regulations section 15000 et seq.

- Aesthetics, Light and Glare
- Agricultural Resources
- Air Quality
- Biological Resources
- Geology, Soils and Seismicity
- Hydrology and Water Quality
- Noise
- Public Services and Utilities
- Transportation
- Cumulative Impacts

Of those 10 resources areas, however, the components of the Project within the jurisdiction of the CSLC—horizontal directional drilling (HDD) to place a sewer and recycled water pipeline under the Napa River—could have significant environmental effects only on the following three resource areas:

- Biological Resources
- Geology, Soils, and Seismicity
- Hydrology and Water Quality

In certifying the EIR and approving the Project, the City imposed various mitigation measures for Project-related significant effects on the environment as conditions of Project approval and concluded that Project-related impacts would be substantially lessened with implementation of mitigation measures. However, the EIR concluded that some of the identified impacts would remain significant even with the integration of feasible mitigation, specifically that the Project may still have significant impacts on the Air Quality and Cumulative Air Quality resource areas. As a result, the City adopted a Statement of Overriding Considerations, which justified the City's Project approval despite these significant and unavoidable impacts (see Attachment A).

However, the significant and unavoidable impacts identified in the EIR—such as Air Quality Management Plan inconsistency—would result from re-designating the Project site from Resource Area to Tourist Commercial. The re-designation would facilitate more intense uses on the site and would substantially increase vehicle miles traveled above existing levels. The increase in vehicle miles traveled would conflict with the assumptions contained in the Clean Air Plan. Changing the designation of the Project site, and the resulting increase in vehicle miles traveled is outside the jurisdiction and approval authority of the CSLC.

As a responsible agency, the CSLC complies with CEQA by considering the lead agency's EIR and reaching its own conclusions on whether, how, and with what conditions to approve a project. In so doing, the CSLC may require changes in a project to lessen or avoid the effects, either direct or indirect, of that part of the project which the CSLC will be called on to carry out or approve. In order to ensure the identified mitigation measures and/or project revisions are implemented, the CSLC adopts the Mitigation Monitoring Program (MMP) as set forth in Exhibit C as part of its Project approval.

FINDINGS

The CSLC's role as a responsible agency affects the scope of, but not the obligation to adopt, findings required by CEQA. Findings are required under CEQA by each public agency that approves a project for which an EIR has been certified that identifies one or

more significant impacts on the environment (Pub. Resources Code, § 21081, subd. (a); State CEQA Guidelines, § 15091, subd. (a)). Because the EIR certified by the City for the Project identifies potentially significant impacts that fall within the scope of the CSLC's approval, the CSLC makes the Findings set forth below as a responsible agency under CEQA. (CEQA Guidelines, § 15096, subd. (h); *Resource Defense Fund.* v. *Local Agency Formation Comm. of Santa Cruz County* (1987) 191 Cal.App.3d 886, 896-898.)

While the CSLC must consider the environmental impacts of the Project as set forth in the City's EIR, the CSLC's obligation to mitigate or avoid the direct or indirect environmental impacts of the Project is limited to those parts which it decides to carry out, finance, or approve (Pub. Resources Code, § 21002.1, subd. (d); CEQA Guidelines, §§ 15041, subd. (b), 15096, subds. (f)-(g)). Accordingly, because the CSLC's exercise of discretion involves only construction and operation of a recycled water pipeline and a sewer line under the Napa River:

- The CSLC is responsible for considering only the environmental impacts related to lands or resources subject to the CSLC's jurisdiction.
- With respect to all other impacts associated with implementation of the Project, the CSLC is bound by the legal presumption that the EIR fully complies with CEQA.

The CSLC has reviewed and considered the information contained in the Project EIR. All significant adverse impacts of the Project identified in the EIR relate to the CSLC's approval of a General Lease – Right-of-Way Use for the Napa River crossing. These Findings, which reflect the independent judgment of the CSLC, are intended to comply with CEQA's mandate that no public agency shall approve or carry out a project for which an EIR has been certified that identifies one or more significant environmental effects unless the agency makes written findings for each of those significant effects. The possible findings on each significant effect are:

(1) Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment;

(2) Those changes or alterations are within the responsibility and jurisdiction of another public agency and have been, or can and should be, adopted by that other agency;

(3) Specific economic, legal, social, technological, or other considerations, including considerations for the provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or alternatives identified in the EIR.[2]

These Findings are based on the information contained in the EIR. The mitigation measures are briefly described in these Findings; complete details on the mitigation measures are included in the City's EIR and the MMP adopted by the CSLC as set forth in Exhibit C as part of its Project approval.

[2] See Public Resources Code section 21081, subdivision (a) and State CEQA Guidelines section 15091, subdivision (a).

The CSLC is the custodian of the record of proceedings upon which its decision is based. The location of the CSLC's record of proceedings is in the Sacramento office of the CSLC, 100 Howe Avenue, Suite 100-South, Sacramento, CA 95825.

I. IMPACTS REDUCED TO LESS THAN SIGNIFICANT LEVELS WITH MITIGATION

The following impacts related to the CSLC's discretionary action were determined in the EIR to be potentially significant absent mitigation: BIO-1, BIO-2, BIO-3, GEO-1, and HYD-1. After application of mitigation, however, the impacts were determined to be less than significant.

A. BIOLOGICAL RESOURCES

CEQA FINDING NO. BIO-1

Impact: **BIO-1. Development of the proposed project may impact special-status species.**

Finding(s): (1) Changes or alterations have been required in, or incorporated into, the project that mitigate or avoid the significant environmental effect as identified in the EIR.

FACTS SUPPORTING THE FINDING(S)

Special Status Wildlife Species

Salt Marsh Harvest Mouse

Because of the status of the salt marsh harvest mouse (Federal and State Endangered, California Fully Protected), California Department of Fish and Wildlife (CDFW) and U.S. Fish and Wildlife Service are conservative when establishing avoidance, minimization, and mitigation measures. Since suitable habitat is present within the project site along the Napa River and because there are documented occurrences in the California Natural Diversity Database in contiguous brackish marsh, minimization and avoidance measures are set forth in Mitigation Measure BIO-1a to address potential impacts to the salt marsh harvest mouse. This measure will reduce impacts to a level that is less than significant.

- **Mitigation Measure BIO-1a: The following measures to mitigate impacts to the salt marsh harvest mouse shall be implemented.**
    - Minimize the footprint of the horizontal directional drilling work;
    - Pickleweed will be flagged and removed from the work area, and the salt marsh harvest mouse will be given time to disperse from the work area;
    - Once vegetation has been removed, a temporary exclusion fence will be placed around the work area to prevent salt marsh harvest mice from accessing the work area;

- No equipment will be stored in adjacent salt marsh harvest mouse habitat areas;
- Following completion of the work, the barrier fence will be removed and the disturbed area will be re-seeded.

California Black Rail

Suitable habitat exists for State-listed California black rail along the Napa River within and adjacent to the St. Regis Study area. If the species is present at the site, certain project activities, such as vegetation removal or movement of work crews and equipment during the breeding season, could potentially cause impacts to California black rails. Such activities are not expected to be conducted in the tidal wetland habitat occupied by this species. In addition, visual or acoustic disturbance associated with construction activities will be reduced because the pipelines will be installed under the river and its banks by HDD and, therefore, will not impact tidal wetland habitat located outboard of the levee. Implementation of Mitigation Measure BIO-1c will ensure that impacts will be reduced to a less than significant level.

- **Mitigation Measure BIO-1c: Conduct Black Rail surveys prior to the start of construction.** For wastewater and recycled water pipelines, horizontal directional drilling activities that occur between February 1 and August 31, preconstruction surveys for black rail should be conducted following the Point Reyes Bird Observatory Black Rail Survey Protocol. Active rail nests shall be protected by a buffer with a minimum radius of 250 feet until the nest is abandoned and all young have fledged.

Western Pond Turtle

Western pond turtle is documented to occur within the Napa River System in the vicinity of the Project site. Suitable aquatic and upland nesting habitat is present within and adjacent to the study areas. Mitigation Measure BIO-1f will reduce impacts of filling, grading, or other ground disturbance of wetlands within the study areas to a less than significant level for Western pond turtle adults, nests, and young.

- **Mitigation Measure BIO-1f: Install exclusion fencing to ensure no pond turtles are present at the work site.** Prior to construction activities for the horizontal directional drilling, the applicant shall install exclusion fencing around areas slated for ground disturbance to prevent pond turtles from excavating nests.

Fish Species

Steelhead from the Central California coast evolutionarily significant unit (ESU), Central Valley fall/late fall-run ESU Chinook salmon, hardhead, and Sacramento splittail are known to occur in the Napa River. Suitable foraging and rearing habitat are present within and adjacent to the study areas. Additionally, the Napa River is Critical Habitat for the Central California coast ESU steelhead, a species listed as threatened under the

Federal Endangered Species Act, and has been documented in the Napa River in the vicinity of the study areas.

Steelhead and Chinook salmon adults likely move upstream past the study areas between December and March. After spawning, Chinook salmon die; however, steelhead can spawn more than once and move downstream toward San Francisco Bay after spawning. Chinook salmon juveniles move downstream within a few months to rear in the lower reaches of the river and its estuary. Juvenile steelhead generally remain in fresh water for one or more years before heading to the sea. According to dredging work windows designated by the National Marine Fisheries Service (NMFS), steelhead and Chinook salmon adults and juveniles near the mouth of the Napa River are at their lowest densities between June and November.

Hardhead are sedentary fish that are generally associated with clear pools and run with sand-gravel-boulder substrates. The Napa River in the vicinity of the study areas is turbid and does not represent preferred habitat.

According to dredging work windows designated by NMFS, Sacramento splittail adults and juveniles are likely present in the lower Napa River throughout the year.

The Project includes a HDD component that is aligned under the Napa River. Potential impacts to these four fish species are discussed below.

Erosion associated with project activities resulting in the introduction of sediments into the Napa River could negatively affect water quality in rearing and foraging habitat. Introduction of sediments could lead to increased embedding of river substrate, which could negatively affect invertebrate community used as a food source by juvenile fish. Impacts to steelhead and steelhead critical habitat that constitute harm or harassment could be considered a “take” under the Federal Endangered Species Act. This is considered a significant impact if the Project would substantially reduce the number or restrict the range of an endangered, rare, or threatened species. Mitigation Measures BIO-1g and BIO-1h will reduce potential impacts to less than significant levels.

Construction could result in “frac-out” during HDD. Frac-out is a term used to describe the fracture or cracking of soil or rock above an active subsurface drilling operation leading to discharge of drilling slurry to the surface. Frac-outs occurring in aquatic environments are difficult to contain, primarily because bentonite—a commonly used, inert drilling lubricant—readily disperses in flowing water and quickly settles in standing water. Bentonite is non-toxic, but there are two specific, indirect effects of bentonite on aquatic life. Initially, the suspended bentonite may inhibit respiration of fishes, although this is typically short-lived. Once the bentonite settles, secondary long-term effects can result. For example, egg masses of fish could be covered by a layer of bentonite, inhibiting the flow of dissolved oxygen to the egg masses. Secondly, benthic invertebrates may be covered and suffocate from fouled gills and/or lack of oxygen. Mitigation Measure BIO-1h requires HDD activities to be conducted during a work window identified by NMFS when adult and juvenile salmonids are not present in the

Project area (June 1 through November 30).This will reduce potential frac-out impacts to steelhead and Chinook salmon to a less than significant level.

Hardhead are not expected to occur in the vicinity of the study areas because of their preference for clear water and sand-gravel-boulder substrates; therefore, a potential frac-out event would not result in impacts to this species.

Adult and juvenile Sacramento splittail are tolerant of a wide range of salinities, temperatures, and dissolved oxygen levels. In the event of a frac-out, it is likely that the escape of drilling slurry would be quickly controlled, and that the slurry material would be diluted and dispersed downstream. It would not result in a substantial reduction in the Sacramento splittail population in the lower Napa River. Potential impacts to Sacramento splittail resulting from a frac-out event are considered less than significant.

- **Mitigation Measure BIO-1g: Minimize construction-related runoff and sedimentation from entering the Napa River.** Prior to commencement of ground-disturbing activities, the project applicant shall implement Best Management Practices in accordance with the Storm Water Pollution Prevention Plan (SWPPP) to prevent construction-related runoff or sedimentation from entering the Napa River. This mitigation measure shall be coordinated with Mitigation Measure HYD-1.
- **Mitigation Measure BIO-1h: Limit when Horizontal Directional Drilling shall occur.** No pipeline horizontal drilling activities shall occur between December 1 and May 31, which is when adult and juvenile salmonids are likely to occur in the Napa River.

LEVEL OF SIGNIFICANCE AFTER MITIGATION

With the mitigation described above, this impact is reduced to a less than significant level.

CEQA FINDING NO. BIO-2

Impact: **BIO-2. Construction and operation of the proposed project may impact riparian habitat or sensitive natural communities.**

Finding(s): (1) Changes or alterations have been required in, or incorporated into, the project that mitigate or avoid the significant environmental effect as identified in the EIR.

FACTS SUPPORTING THE FINDING(S)

The sewer and recycled water pipelines would involve construction activities near the Napa River, as well as HDD under the river. While no direct impacts to riparian habitat along the river or to the river itself are expected, Mitigation Measure BIO-2b requires the Project applicant to obtain all necessary authorization from regulatory agencies and implement any necessary restoration or mitigation. The implementation of this mitigation

measure will reduce impacts associated with the sewer and recycled water pipelines to a level of less than significant.

- **Mitigation Measure BIO-2b: Obtain all required authorizations from agencies with jurisdiction over the conversion of seasonal wetlands.** Impacted habitat shall be offset through onsite restoration, offsite restoration, or purchase of credits at a CDFW approved mitigation bank in the region at no less than a 1:1 ratio.

LEVEL OF SIGNIFICANCE AFTER MITIGATION

With the mitigation described above, this impact is reduced to a less than significant level.

CEQA FINDING NO. BIO-3

Impact: **BIO-3. Construction and operation of the project may impact waters of the United States, including wetlands**

Finding(s): (1) Changes or alterations have been required in, or incorporated into, the project that mitigate or avoid the significant environmental effect as identified in the EIR.

FACTS SUPPORTING THE FINDING(S)

The sewer and recycled water pipelines would cross under the Napa River and possibly through features under the jurisdiction of the United States Army Corps of Engineers. Accordingly, Mitigation Measure BIO-3b will mitigate impacts to this jurisdictional feature. The implementation of the measure will reduce impacts to a level of less than significant.

- **Mitigation Measure BIO-3b: Obtain all required authorizations for the installation of the sewer and recycled water pipelines with jurisdictional features.** Impacted features shall be offset through onsite restoration, offsite restoration, or purchase of credits at an agency-approved mitigation bank in the region at no less than a 1:1 ratio.

LEVEL OF SIGNIFICANCE AFTER MITIGATION

With the mitigation described above, this impact is reduced to a less than significant level.

B. GEOLOGY, SOILS, AND SEISMICITY

CEQA FINDING NO. GEO-1

Impact: **GEO-1: The proposed project may expose people or structures to potential substantial adverse effects associated with seismic hazards**

Finding(s): (1) Changes or alterations have been required in, or incorporated into, the project that mitigate or avoid the significant environmental effect as identified in the EIR.

FACTS SUPPORTING THE FINDING(S)

The proposed Project may expose people or structures to potential substantial adverse effects associated with seismic hazards. The EIR evaluated this potential exposure to seismic hazards, including fault rupture, strong ground shaking, ground failure and liquefaction, and landslides.

The preliminary geotechnical investigation indicated a lineament[3] of the West Napa Fault transverses the Stanly Ranch. Although this portion of the fault is not a designated Alquist-Priolo Fault Zone, and the 1993 fault hazard investigation conducted by Joyce Associates concluded that the Stanly Ranch was at low risk of fault rupture, the Preliminary Geotechnical Investigation recommended further investigation for future development associated with the Project. Accordingly, Mitigation Measure GEO-1a requires the Project applicant to submit an updated fault investigation to the City for review and approval. A provision in the mitigation measure requires that the recommendations of the investigation be incorporated into Project plans. With the implementation of this mitigation measure, fault rupture impacts associated with the proposed sewer and recycled water pipelines will be less than significant.

The preliminary geotechnical investigation indicates that the proposed pipelines may be subject to strong ground shaking during a seismic event. At the time of the writing of the EIR, a design-level geotechnical report for the proposed pipelines was not available. This type of report would provide recommendations on the appropriate level of soil engineering and building design necessary to minimize ground shaking hazards. Accordingly, Mitigation Measure GEO-1b requires the applicant to submit such a study to the City for review and approval. In addition, Mitigation Measure GEO-1c requires the applicant to submit plans that comply with the California Building Standards Code seismic design requirements and the design-level geotechnical report recommendations and incorporate the plans into the Project plans. Implementation of these two measures will minimize strong ground shaking hazards to the pipelines so that impacts will be less than significant.

The preliminary geotechnical investigation indicates that the Stanly Ranch is underlain by relative strong and incompressible alluvial soils comprising stiff clays and silts and dense sands and gravels. Free groundwater was not encountered in any of the borings, the deepest of which extended to 14.5 feet below the ground surface. The preliminary geotechnical investigation concluded that these characteristics indicate that Stanly Ranch would not be susceptible to ground failure, liquefactions, or liquefaction-related phenomena. Therefore, the proposed pipelines will not be at risk of significant hazards associated with ground failure and liquefaction. Impacts will be less than significant.

Impacts will be less than significant for landslides because of these design features, and mitigation.

[3] A linear feature in a landscape that is an expression of an underlying geological structure such as a fault.

To minimize this effect to less than significant, **Mitigation Measures GEO-1a, GEO-1b, and GEO-1c** shall be implemented during construction activities.

- **Mitigation GEO-1a: Submit an updated fault hazard investigation to the City of Napa.** Prior to the issuance of permits for the resort, winery, and pipelines, the applicant shall submit an updated fault hazard investigation to the City of Napa for review and approval. The investigation shall evaluate the potential for the resort, winery, and pipelines to be exposed to fault rupture associated with the West Napa Fault. The recommendations of the investigation shall be incorporated into project plans.
- **Mitigation GEO-1b: Submit a project-level geotechnical investigation to the City of Napa.** Prior to the issuance of permits for the resort, winery, or pipelines, the project applicant shall submit a project-level geotechnical investigation to the City of Napa. The investigation shall identify necessary grading and building practices to achieve compliance with the 2007 California Building Standards Codes seismic requirements.
- **Mitigation GEO-1c: Submit plans demonstrating compliance with the 2007 California Building Standards Code seismic requirements to the City of Napa.** Prior to the issuance of permits for the resort, winery, or pipelines, the project applicant shall submit plans to the City of Napa. The plans should pertain to soil engineering, structural foundations, and pipeline excavation and installation. The approved plans shall be incorporated into the proposed project.

LEVEL OF SIGNIFICANCE AFTER MITIGATION

With the mitigation described above, this impact is reduced to a less than significant level.

C. HYDROLOGY AND WATER QUALITY

CEQA FINDING NO. HYD-1

Impact: **HYD-1: Construction activities associated with the proposed project have the potential to degrade water quality in downstream water bodies**.

Finding(s): (1) Changes or alterations have been required in, or incorporated into, the project that mitigate or avoid the significant environmental effect as identified in the EIR.

FACTS SUPPORTING THE FINDING(S)

Installation of the pipelines will require excavation and trenching along the Stanly Lane right-of-way and into the floodplain, and along the banks and across the Napa River. Construction activities in an around the Napa River have the potential to directly introduce sediment and other pollutants into surface water. Use of HDD will eliminate the need for diverting the river around the work area and should minimize the potential for erosion and sediment entering the waterway during pipe installation under the

streambed. However, the extensive trenching activities in the floodplain and adjacent to the river will likely require dewatering and several temporary best management practices (BMPs) to protect water quality during construction. BMPs will need to be implemented and maintained to protect the drainages, wetlands, and the Napa River during all nearby grading and trenching activities.

During earthwork activities, there is the potential for sediment introduction into the onsite drainages and wetland, then into the channel that crosses Stanly Land and SR-29, and ultimately into the Napa River—potentially degrading water quality. Temporary stockpiles of sediment or other materials also have the potential to erode and be carried into the stormwater system and waterways. Construction activities will likely involve the use of gasoline- and diesel-powered vehicles and equipment that pose potential risk of accidental fuel and related chemical releases that could enter the drainage system and degrade water quality.

Any construction project that will result in the disturbance of more than 1 acre is required by the State Water Resources Control Board to obtain a General Activity Stormwater Permit and the National Pollutant Discharge Elimination System (NPDES) permit prior to project initiation. As part of the NPDES permit, the Project applicant must prepare and implement a Stormwater Pollution Prevention Plan (SWPPP). The SWPPP must identify potential sources of pollution that are reasonably expected to affect the quality of stormwater discharges and identify and implement BMPs to ensure reduction of these pollutants during storm events.

By limiting pad grading and maintaining the existing onsite topography to the extent feasible and implementing BMPs, the potential for short term sediment introduction should be minimized.

Mitigation for the Project requires the applicant to prepare and implement separate SWPPPs for the proposed onsite development and offsite pipelines for review and approval by the City prior to the issuance of grading or building permits. The SWPPPs shall include specific measures to protect the onsite and offsite wetland and drainages during construction of the proposed development. For the proposed pipelines within the CSLC's jurisdiction, implementation of the mitigation measure will ensure that potential, short term, water quality impacts from pipeline construction are reduced to a level of less than significant.

- **Mitigation Measure HYD-1: Prepare and submit a Stormwater Pollution Prevention Plan (SWPPP) to the City of Napa.** The SWPPP shall identify specific actions and BMPs to prevent stormwater pollution during construction activities. The SWPPP shall identify a practical sequence for BMP implementation and maintenance, site restoration, contingency measures, responsible parties, and agency contacts.

LEVEL OF SIGNIFICANCE AFTER MITIGATION

With the mitigation described above, this impact is reduced to a less than significant level.

ATTACHMENT A

City of Napa

STATEMENT OF OVERRIDING CONSIDERATIONS

EXHIBIT "B": STATEMENT OF OVERRIDING CONSIDERATIONS

Pursuant to CEQA Section 21081(b) and the CEQA Guidelines Section 15093, the City of Napa has balanced the benefits of the proposed St. Regis Napa Valley Project Final EIR against the significant unavoidable adverse impacts associated with the proposed project and has adopted all feasible mitigation measures. The City of Napa also has examined alternatives to the proposed project, and has determined that adoption and implementation of the proposed project is the most desirable, feasible, and appropriate action. The other alternatives are rejected as infeasible based on consideration of the relevant factors and benefits discussed below.

I. SIGNIFICANT UNAVOIDABLE IMPACTS

Based on the information and analysis set forth in the Final EIR and the record of proceedings, construction of the proposed project would result in significant impacts related to air quality, both in direct impact and cumulative impacts. The significant and unavoidable impacts are:

- **Air Quality Management Plan Inconsistency:** The proposed project requires a General Plan Amendment that would re-designate the project site from Resource Area to Tourist Commercial. This re-designation would facilitate the development of more intense uses that substantially increase vehicle miles traveled (VMT) above existing levels and, therefore, would conflict with the assumptions contained in the Clean Air Plan, and is considered significant impact.

- **Cumulative Air Quality:** Because of the significant unavoidable impact associated with air quality management plan inconsistency, a significant cumulative air quality impact would also occur.

The BAAQMD Clean Air Plan is the regional air quality management plan for the San Francisco Bay Area. The Clean Air Plan accounts for projections of population growth provided by Association of Bay Area Governments and vehicle miles traveled (VMT) provided by the Metropolitan Transportation Commission, and it identifies strategies to bring regional emissions into compliance with federal and state air quality standards. Because population growth and VMT projections constitute the bases of the Clean Air Plan's strategies, a project would conflict with the plan if it results in more growth or VMT relative to the plan's projections. The primary way of determining if a project would result in more growth or VMT than in the Clean Air Plan is to determine consistency with the applicable General Plan to ensure that the project's population density and land use are consistent with the growth assumptions used in the Clean Air Plan.

The applicable general plan for the project is the City of Napa General Plan, adopted in 1998 and subsequently amended. The resort site is presently designated Resource Area by the General Plan and zoned Agricultural Resource by the Napa Zoning Ordinance. As such, the resort project requires a General Plan Amendment (and zone change). Because the Clean Air Plan used the assumptions from the 1998 General Plan, the project would result in increases in VMT that exceed the assumptions contained in the Clean Air Plan. This is considered a conflict with the regional air quality management plan, and is therefore considered a significant impact.

The project will implement design features as described in the EIR to reduce the air quality impact, but not to a less than significant level. The project also will implement a number of

mitigation measures that would promote VMT reductions. However, even with the implementation of these design features and mitigation measures, the proposed project would result in an increase in VMT relative to the existing conditions of the project site. Since VMT assumptions serve as a central component in the Clean Air Plan's strategies to reduce air emissions, such on increase constitutes a significant impact. No further feasible mitigation is available to reduce this impact to a level of less than significant. Therefore, this would be a significant unavoidable impact of the proposed project.

Regarding the cumulative impacts, CEQA Guidelines Section 15355, as amended, provides the following definition of cumulative impacts:

> "Cumulative impacts" refer to two or more individual effects which, when considered together, are considerable or which compound or increase other environmental impacts.

The BAAQMD set the threshold for cumulative significance as any proposed project that would individually have a significant air quality impact and would also be considered to have a significant cumulative air quality impact.

As shown in Impact AIR-1 of the DEIR, the project is not consistent with the applicable Clean Air Plan. Therefore, the project would have a potentially significant cumulative impact on air quality.

Although the project includes design features and mitigation measures that will reduce VMT, it will not be to a less than significant level. No additional feasible mitigation measures are available to address VMT. Therefore, this is a significant unavoidable impact.

II. PROJECT BENEFITS

The City of Napa has (i) independently reviewed the information in the Final EIR and the record of proceedings; (ii) made a reasonable and good faith effort to eliminate or substantially lessen the impacts resulting from the Project to the extent feasible by adopting the mitigation measures identified in the EIR; and (iii) balanced the project's benefits against the project's significant unavoidable impacts. The City finds that the project's benefits outweigh the project's significant unavoidable impacts, and chooses to approve the Project, despite its significant and unavoidable effects, because, in its view, those impacts are considered acceptable in light of the project's benefits. The City finds that each of the following benefits is an overriding consideration, independent of the other benefits, which warrants approval of the project notwithstanding the project's significant unavoidable impacts. In the event that any of the individual benefits did not occur, for any reason, the other project benefits described herein remain sufficient to justify the approval of the project. Substantial evidence in the record for the project supports each and all of these various benefits. Such evidence can be found in the preceding findings, which are incorporated by reference into this section, the Final EIR, and the documents which make up the Record of Proceedings. Construction of the St. Regis Napa Valley Project would provide public benefits described below.

Significant City Revenue and Economic Benefits

Economic & Fiscal Impact of the St. Regis Resort, was evaluated in a report prepared by ERA, dated May, 2009. This information was summarized again in a report entitled Economic Benefits, Revenue Analysis and Employment Summary, dated December, 2009. The ERA

report evaluated the Economic Impact that the project would bring over a ten year period. The key economic benefit to the City of Napa is derived from the collection of Transient Occupancy Tax, however it is not the only important economic benefit. Other critical benefits of the project include construction phase impacts, indirect benefits to other existing businesses in both the City of Napa and the County, increased visitor spending in businesses both within the City of Napa and the County and employee wages. The following summarizes the key economic benefits:

- **Transient Occupancy Tax** is the major revenue source for the City. It is estimated that annual TOT will be approximately $3.9 million initially, increasing to approximately $9.8 million after ten years.

- **Sales tax** revenue will be significant. Over the first ten years of operations the City of Napa would receive approximately $300,000 in Sales Tax initially, growing to $490,000 after 10 years. The County should receive Sales Tax revenues that will approximate $125,000 initially, growing to over $220,000 after ten years.

- **Property tax** revenues to the City will come from the construction value of the hotel and winery, and from the sales value of the associated real estate. Property tax revenue should be in the range of $180,000 to $200,000 per year with the opening of the hotel and winery, growing to in excess of $350,000 by the tenth year with reasonable assumptions regarding real estate values and rate of build out. The County receives 17.1% of the property tax payment.

- **Construction phase**, will generate an annual total of approximately of approximately 740 local construction jobs, $40.4 million in annual employee compensation and $158.8 million in annual output.

- **Resort Operations** (visitor spending) will contribute $24.8 million in direct spending at stabilized occupancy, excluding the accommodation costs. The winery will contribute an additional $13 million in retail sales on an annual basis.

- **Employee Wages** will generate 482 local employees; $15.4 million in annual compensation and $122.3 million in annual output.

As reported in the City of Napa's 2009 Long Term Financial Plan, the operating revenue for fiscal year 2007-2008 was $64,040,333. Of that, 13% or $8,700,000 was from Transient Occupancy Tax. Therefore, this project has the ability to more than double the current revenue source from TOT by year 10 (based on current TOT revenue). Projecting out 10 years, TOT alone from this project would represent 10% or more of the current total revenue stream. This represents a significant source of revenue that can be used by the City of Napa for the critical services provided by the City Police and Fire Departments as well as for a variety of necessary projects, including road repair, park maintenance. Therefore, the benefit from this single project represents a significant public benefit to the entire community.

Construction of Napa River Crossing for Recycled Water

The Stanly Ranch is located within the Sphere of Influence of the Napa Sanitation District. The project proposes to obtain sewer service from the Napa Sanitation District. As part of the construction of a sewer line, a recycled water line would be co-located in the sewer line

alignment. The recycled water line will be located in a casing with the wastewater line underneath the Napa River. Recycled water will be provided by the Napa Sanitation District and would be used for non-potable use, such as irrigation, on the resort site. The recycled water line will be sized to allow for the provision of recycled water to the Carneros grape-growing region. The Napa Sanitation District's Strategic Plan for Recycled Water Use contemplates the distribution of recycled water to the Carneros region, but no funding or specific plans for the construction of such a distribution network exist. Therefore, this project provides a significant first step toward the implementation of this long range plan to provide recycled water to the Carneros region. The recycled water provided by the project will replace substantial supplies of potable water currently used in the Carneros region, thereby conserving the City's and County's potable water supply.

Recreational Enhancements of Local Trails, San Francisco Bay Trail and Napa River Access

The City of Napa General Plan contains policies specific to the enhancement and development of local trails as well as connection to regional trail networks. With the approval of the Stanly Ranch subdivision in 2003, public easements were established for trails that connect from Cuttings Wharf on the west side of the Stanly Ranch to the intersection of Stanly Lane and Highway 12 on the north side of the Stanly Ranch. Some of the trail areas have been constructed, but others remain as undeveloped easements. With construction of this project, this trail section will be further developed without the need for public funding. Of particular importance is the improvement of "Old Stanly Lane" which will be resurfaced to provide a multi-use trail between the double row of Eucalyptus trees that remain on the property. Maintenance of this section of trail and Eucalyptus trees has been recognized as a local community asset for many years. This project will further that local community goal.

The San Francisco Bay Trail proposes development of a regional hiking and bicycling trail around the perimeter of San Francisco and San Pablo Bays. The Plan was prepared by the Association of Bay Area Governments pursuant to Senate Bill 100, which mandated that the Bay Trail provide connections to existing park and recreation facilities, create links to existing and proposed transportation facilities, and be planned in such a way as to avoid adverse effects on environmentally sensitive areas.
This plan proposes an alignment for what will become a 400-mile recreational "ring around the Bay." Approximately one-third of the trail already exists, either as hiking-only paths, hiking and bicycling paths or as on-street bicycle lanes. This section of trail from Cuttings Wharf to the intersection of Stanly Lane and Highway 12 will be a part of this larger plan.

When completed, the Bay Trail will create connections between more than 130 parks and publicly accessible open space areas around San Francisco and San Pablo Bays. By providing access to a wide array of commercial ferries and public boat launches, the trail will establish connections to "water trails" which will enable outdoor enthusiasts to appreciate the Bay not only from the shoreline, but from the water as well.

Trail access across all seven of the Bay Area's toll bridges is proposed, defining a series of trail "loops" which will provide a variety of excursions for hikers and bicyclists of varying abilities. To increase options for trail access from homes and worksites, the proposed alignment provides connections to local and regional transit—BART, Santa Clara County's light rail trolley system, and Caltrain—which can themselves become extensions of the Bay Area's recreational network. Trail connections to existing and planned local bikeway systems will encourage

recreational as well as commute bicycling, as safer bicycle networks are established and expanded.

While the Trail will provide access to wetlands and other sensitive natural features along the Bay's shoreline, Bay Trail policies were designed specifically to protect these areas. Existing bay fill (primarily in the form of levees) provides shoreline trail access in many locations, and trail design policies require that trail design, construction and use be appropriate to the surroundings.

Bay Trail policies and design guidelines are intended to complement, rather than supplant the adopted regulations and guidelines of local managing agencies. Implementation of the Bay Trail will rely on the continued cooperation among shoreline property owners, the hundreds of local, regional, state and federal agencies with jurisdiction over the trail alignment, the numerous trusts and foundations which operate in the region, and the countless environmental and recreational interests whose members care deeply about the future of the Bay Area.

In addition to the Bay Trail, linkage to the Napa River is provided on a public access trail easement that runs along a small levee to the Napa River. This trail serves to further the City's goal (General Plan PR-6) of providing public multi-use trails and amenities along the Napa River. In the future, although not essential to this finding of benefit, a small dock at this location could provide an access point for small boats that could ferry visitors to the downtown river dock, providing a unique connection between the Stanly Ranch and the downtown area.

III. ALTERNATIVE SITES

There are no alternative sites within the City of Napa where the project could be feasibly located while meeting the objectives of the project and avoiding the significant air quality impacts.

IV. CONCLUSION

After balancing the specific economic, environmental, social, and other benefits of the proposed project, the City of Napa has determined that the unavoidable adverse environmental impacts identified may be considered "acceptable" due to the specific considerations listed above which outweigh the unavoidable, adverse environmental impacts of the proposed project. The City of Napa has considered information contained in the Final EIR as well as the public testimony and record of proceedings in which the project was considered. Recognizing that significant unavoidable air impacts will result from construction of the project, the City adopts the foregoing Statement of Overriding Considerations. Having adopted all feasible mitigation measures and recognized all unavoidable significant impacts, the City of Napa hereby finds that each of the separate benefits of the proposed project, as stated herein, is determined to be unto itself an overriding consideration, independent of other benefits, that warrants approval of the project and outweighs and overrides its unavoidable significant effects, and thereby justifies the approval of the St. Regis Napa Valley Project. Based on the foregoing findings and the information contained in the record, the City Council hereby determines that:

a. All significant effects on the environment due to approval of the project have been eliminated or substantially lessened where feasible;

b. There are no feasible project alternatives which would mitigate or substantially lessen the impacts; and

c. Any remaining significant effects on the environment found to be unavoidable are acceptable due to the factors described in the Statement of Overriding Considerations above.