

Napa Valley Register

THURSDAY, SEPTEMBER 20, 2012

County staff recommends approval at Napa Pipe

By Peter Jensen

Saying the Napa Pipe project would satisfy Napa County's housing obligations for the next decade while generating \$1.4 million annually in surplus revenues, county planning staff is recommitting approval of the controversial development.

The project is due to go before the county Planning Commission on Oct. 3. Staff issued its recommendation Wednesday.

If approved by the Board of Supervisors, the developer could build 700 to 945 housing units on the east banks of the Napa River behind Napa Valley Corporate Park off Highway 221.

Housing would sit on 63 acres on river end of the 154-acre site, with a Costco store located on the eastern side. A site for a school has been planned on a northern portion.

The project would also feature a community garden, a 150-unit senior care facility, a 150-room hotel, 40,000 square feet of neighborhood retail and 10,000 square feet of office space.

County Planning Director Hillary Gitelman said developing the site, which has hosted steel manufacturing since World War II, would offer an opportunity to clean up a contaminated area while giving the public greater access to the Napa River.

The county has included about 300 units from the project in its current housing plan. It is required by state law to plan for those units. At the size now proposed, the Napa Pipe project may cover the county's future housing obligation until 2022.

While the county requires that 17 percent of Napa Pipe's units be

affordable housing, the developer has offered to make up to 20 percent affordable, Gitelman said.

"We think it can be very complementary to the city of Napa and add a neighborhood that the city doesn't really have," Gitelman said. "It makes our next housing element a whole lot easier. It provides us a way to actually get some affordable housing built."

County Planning Director Hillary Gitelman said developing the site, which has hosted steel manufacturing since World War II, would offer an opportunity to clean up a contaminated area while giving the public greater access to the Napa River.

Estimating the project's potential revenue, generated from sales, hotel and property taxes, the county believes it would receive about \$3.6 million annually, according to preliminary analysis done by Larry Florin, the county's director of Housing and Intergovernmental Affairs.

Florin estimated it would cost the county \$2.25 million to provide police and fire services to the project, with a net gain of about \$1.4 million to the county every year.

If the Board of Supervisors only approves the 300 units in the county's housing plan, Florin estimated the project would bring in only \$203,000 in property tax revenue. Factoring in the cost of services, the annual net loss to county tax payers would be \$1.12 million, according to the analysis.

The project has been downsized several times since it was first proposed seven years ago, going from 3,200 homes originally to 2,050 when it went before the Planning Commission for a series of meetings earlier this year. Before those meetings commenced, planning staff recommended the size of 700 to

945 units, and cited the expected drop in the county's regional housing allocation as a reason for the reduction.

The city of Napa went on record early on as opposing such a large project located just outside the city limits. The City Council said an urban development of this nature did not belong in the unincorporated area.

Following those meetings, the Planning Commission voted 3-2 to recommend a 700- to 945-unit project to the Board of Supervisors. The developers pulled the project's application before that could happen, then revised its residential size to meet the commission's recommendation while adding the Costco site, community garden and the school.

County planning staff spent this summer analyzing the new version, Gitelman said. Staff ultimately concluded that the impacts of the revised project were largely identical to those identified in an environmental impact report for a larger-scale project.

Gitelman said the addition of the Costco will require the developers to add a roundabout or a traffic signal to the intersection of Corporate Drive and Anselmo Way inside Napa Valley Corporate Park, which would serve as the southern entrance to the site.

In its report, staff also sought to answer criticisms of the project, which included the developers' past requests to make it exempt from the county's growth

management system and its policies on reserving groundwater for rural and agricultural areas, not residential developments.

The slimmed-down version of the project no longer seeks those exemptions, Gitelman said. If the 700- to 945-unit project were approved, approximately 200 units would be built in the first year, with about 100 units annually after that until it's built. The county's growth management system caps the number of residential building permits at 115 per year, although affordable housing is exempt from that total.

The developers are also seeking to purchase water from the city of Napa or, if the city is unwilling to sell, from Mill Creek in Tehama County, which is approximately 150 miles north of Napa.

The city of Napa has not determined if it will supply the project. Water from Mill Creek, which is a tributary to the Sacramento River, would be distributed through the North Bay Aqueduct. Use of the groundwater supplies beneath the project would usually be supplemental or reserved for dry years.

County staff maintains that traffic impacts from the project would be less severe than building out the project site with something else, such as a commercial or industrial operation.

Historically the property has been considered a prized industrial site, but county staff asserts that enough industrial land exists in Napa County to last until 2080.

Prior to its last general plan update, the county determined that industrial land could run out by 2030. The new estimate reflects market changes and the nationwide recession.