

# City of Calistoga

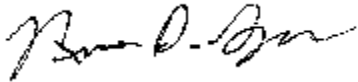
## Staff Report

**TO:** Honorable Mayor and City Council  
**FROM:** Dan Takasugi, Public Works Director/City Engineer  
**DATE:** January 24, 2012  
**SUBJECT:** Study Session to Discuss a Proposed Solage Local Benefit Districts Reimbursement Agreement Relating to Certain Water, Sewer and Storm Drain Improvements Installed During the Construction of the Solage Calistoga (Palisades) Resort Located at 755 Silverado Trail

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APPROVAL FOR FORWARDING:



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Richard D. Spittler, City Manager

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1 **ISSUE:**  
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3 Study session to discuss a proposed Solage Local Benefit Districts Reimbursement  
4 Agreement relating to certain water, sewer and storm drain improvements installed  
5 during the construction of the Solage Calistoga (Palisades) Resort located at 755  
6 Silverado Trail.  
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8 **RECOMMENDATION:**  
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10 Receive presentation and address questions on the Proposed Reimbursement  
11 Agreement.  
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13 **BACKGROUND/DISCUSSION:**  
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15 On December 7, 2001, the City Council approved the Palisades Spa and Resort Project  
16 to be located on a 25.86 acre site at the southeast corner of Brannan Street and  
17 Silverado Trail. On December 21, 2004, the City Council approved a Development  
18 Agreement with Palisades Resorts, LP, for the development of this project. The  
19 developer agreed to a number of project conditions of approval requiring the installation

20 and improvement of municipal infrastructure systems to accommodate the project's new  
21 demand and to enhance aging or deficient systems.

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23 Public sewer system improvements included approximately 3,500 linear feet of new  
24 sewer main and a new sewer lift station. Public water distribution system improvements  
25 included approximately 5,400 feet of water main. Public storm drainage improvements  
26 included widening of the existing Central Creek channel from the Chateau Calistoga  
27 Mobile Home Park to the existing channel downstream. A vehicular bridge was also  
28 provided as needed due to channel widening. Public frontage improvements were  
29 provided along Brannan Street and Silverado Trail.

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31 The construction of the off-site water, sewer, storm drainage, and frontage public  
32 improvements was completed in accordance with the approved plans and City  
33 standards. The off-site improvements were accepted as complete by Council on  
34 January 18, 2011. The Council also approved a partial Measure A funded  
35 reimbursement of the developer's stormwater drainage improvements on January 18,  
36 2011, in the amount of \$600,000, which will reduce the total amount of drainage benefit  
37 to be spread.

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39 The approved Development Agreement states in Section 8.3.d.i that the City shall use  
40 reasonable efforts to reimburse a portion of the costs incurred by the Developer based  
41 on a benefit formula prepared by the City and approved by the City Council. The  
42 process involved several years of obtaining as-built construction drawings and cost data  
43 from the developer. The City, using the services of Coastland Engineering, then  
44 identified the areas of benefit and prepared a methodology to proportion benefit  
45 amongst all potentially benefiting parcels.

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47 A Statement of Methodology to spread the benefit is included as Attachment 1. A list of  
48 Frequently Asked Questions, as mailed to all property owners of potentially benefiting  
49 parcels in August 2011, is included as Attachment 2. The Area of Benefit maps for  
50 drainage, sewer and water, are included as Attachment 3. And the Spread of Benefit  
51 tables for drainage, sewer and water are included as Attachment 4.

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53 A Public Hearing is scheduled for the February 7, 2012 regular City Council meeting, for  
54 possible approval of the Reimbursement Agreement.

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56 **ATTACHMENTS**

- 57  
58 1. Statement of Methodology for Spread of Benefit  
59 2. Frequently Asked Questions  
60 3. Area of Benefit Maps for Drainage, Sewer, and Water  
61 4. Spread of Benefit Tables for Drainage, Sewer, and Water