

MINUTES

CITY COUNCIL SPECIAL MEETING STUDY SESSION TUESDAY, JANUARY 24th, 2012– 7:00 P.M. CALISTOGA COMMUNITY CENTER

A) CALL TO ORDER

Mayor Gingles called the Special Study Session to order at 7:02 p.m.

In attendance were the following: Councilmember Chris Canning, Councilmember Gary Kraus, Councilmember Karen Slusser, Vice Mayor Michael Dunsford, and Mayor Jack Gingles.

Also present were Public Works Director/City Engineer Dan Takasugi, City Manager Richard Spitler, Deputy City Clerk Amanda Davis, City Attorney Donald Davis, and Coastland's City Engineering Manager Paul Wade.

B) SALUTE TO THE FLAG

C) ORAL COMMUNICATION ON CONSENT ITEMS OR NON-AGENDA ITEMS

Matt Hickerson, 3225 Lake County Highway, spoke regarding the Amendment to the Measure A Agreement. He voiced his concerns regarding the Measure A Amendment and its relation to Solage. He referenced the Fair Political Practices Commission.

D) ADOPTION OF MEETING AGENDA

It was **MOVED** by **Councilmember Kraus** and **SECONDED** by **Councilmember Canning** to approve the Council Meeting Agenda. The Motion was carried unanimously.

E) GENERAL GOVERNMENT

1) Proposed Solage Local Benefit Districts Reimbursement Agreement

Public Works Director Takasugi presented the item. He gave a brief history of the item. He stated that this study session was planned in order to discuss the proposed Solage Local Benefit Districts Reimbursement Agreement that relates to certain water, sewer and storm drain improvements installed during the construction of the Solage Calistoga (Palisades) Resort located at 755

Silverado Trail. He stated that this Reimbursement Agreement has been in development for a while. He said that there was a public information meeting held in August 2011 where staff, Council and several of the affected property owners discussed the general concept of the item. He said that staff created a Frequently Asked Question list and mailed this to the property owners who will be affected by the agreement. He stated that also present this evening to assist in answering questions are City Attorney Donald Davis with Burke, Williams & Sorensen and Paul Wade, with Coastland Engineering. He stated that staff hopes to bring this back to Council in a public hearing on February 7th, 2012.

Donald Davis, Attorney for Burke, Williams & Sorensen, spoke to the item. He discussed the legal framework of the Reimbursement Agreement.

Paul Wade, Coastland Engineering, spoke to the item. Mr. Wade gave a PowerPoint presentation which outlined the basis of the Reimbursement Agreement, the formation process, methodology, cost summary for water, sewer and drainage, and reimbursement trigger conditions. He discussed the history of the Development Agreement and the Reimbursement Agreement identifying the fundamental framework of the project.

Council discussion ensued.

Mayor Gingles opened the public portion at 7:26 PM.

Clarence Luvisi, 285 Rosedale Road, read into the record a letter written by his brother, Donald Luvisi, regarding the Solage Local Benefits Districts Reimbursement Agreement. His letter discussed his concerns and focused on the triggers for property reimbursement obligations.

Clarence Luvisi, 285 Rosedale Road, expressed his concerns with regard to the lot split, and discussed the methodology of spread review, triggers being kicked in and how to deal with the infrastructure.

Matt Hickerson, 3225 Lake County Highway, spoke to the item. He stated his concerns with there being a possible conflict of interest with Paul Wade because he was a past City of Calistoga employee and is now working as the Engineer for Coastland for this project.

Ed Nagle, Kenwood, stated that he has been a part of this project for 12 years. He addressed Mr. Luvisi's comments regarding the easements and lot splits and would like this to be clarified by staff. He discussed the area of influence for sewage with regard to the Calistoga Village Inn and Spa. He stated that he feels that this project was handled properly and audited

properly for the improvements that are in place and that they benefit the City of Calistoga.

Council and staff discussion ensued regarding the area of influence for sewage related to the Calistoga Village Inn & Spa.

Mike Robertson, Robertson Engineering Inc., 2300 Bethards Drive, Santa Rosa, spoke on behalf of the Great Springs Waters of America. He stated that they have questions and concerns with the trigger mechanisms and water, drainage and sewer usage. He requested that staff and Council include Great Springs Waters of America in any future discussions on this matter.

City Attorney Davis provided further information and clarification regarding how payments are triggered with the Reimbursement Agreement.

Steve Butler, Santa Rosa, is the Attorney that originally negotiated the Reimbursement Agreement on behalf of Solage. He addressed Mr. Luvisi's statements with regard to the lot split questions. He stated that if there is some mechanism that they can work out with city staff that would provide for some partial reimbursement upfront and then keep the balance on the book they are certainly willing to entertain those discussions. He stated that he feels that staff and the City Attorney have done the best they can in trying to fairly allocate what may be returned to Solage as part of this agreement.

Councilmember Canning, stated for the record, that he is a member of Solage health club and that there is no financial benefit to his decision making process on this item.

Matt Hickerson, 3225 Lake County Highway, stated his concerns with Coastland Engineering requesting an amendment to their contract to complete the necessary work associated with the Development Agreement. He wanted clarification on whether the City or Solage would be paying Coastland Engineering for their additional requested contract fees.

Ed Nagel, Kenwood, stated for the record that Solage put in a 3 foot storm drain that routed around the mobile home park and this storm drain benefits the entire area, including the Mobile Home Park that flooded annually.

Kevin moss, with Adobe Associates Civil Engineering, 1120 N. Dutton Avenue, Santa Rosa, stated that they did a lot of the design work in the area on the public infrastructure and for Solage. He discussed the preexisting public health safety issues that were caused by sewer being mixed in with runoff and how this was resolved by the development of the Solage Resort. He noted the benefits this provided to the community, and that the cost should be shared for those that are benefitting from this.

Paul Wade discussed the trigger mechanisms for the Reimbursement Agreement associated with the Luvisi, Helmer and Frediani properties.

Council discussion ensued. The Council discussed several questions and concerns they have regarding the Reimbursement Agreement. Council would like staff to re-evaluate the triggers that are currently in the agreement, and would like staff to make note of the following:

- Council stated that the reimbursement payments should only be required for actual development that intensifies the existing use, and payment should not be required when discretionary land use entitlements are granted.
- Council raised concerns on whether or not properties should be allowed to reduce or eliminate the reimbursement obligation for drainage, specifically related to a situation where a development does not intensify drainage beyond pre-development conditions.
- Council questioned whether a fairer allocation of reimbursement costs for water improvements could be established. Council is very concerned with some of these properties having a significant reimbursement because of their potential development yield at highest and best use. Council is concerned that the entire water reimbursement will be triggered with the addition of one residence or residential addition.
- Council would like staff to look into why the Silver Rose property was not included in the Water area of benefit and also why the Calistoga Village Inn should or should not be included in the Sewer area of benefit.

Council is in agreement that it is their hope that the City handles this appropriately and fairly for both Solage and all who are affected by the Reimbursement Agreement.

F) ADJOURNMENT

Mayor Gingles adjourned the meeting at 8:50 p.m. to the next scheduled regular meeting of the Calistoga City Council, on Tuesday, February 7, 2012, Calistoga Community Center, 1307 Washington Street, 7:00 p.m.

Respectfully submitted:



Prepared by: Amanda Davis, Deputy City Clerk


Approved by: Jack Gingles, Mayor