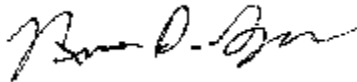


City of Calistoga

Staff Report

TO: Honorable Mayor and City Council Members
FROM: Erik V. Lundquist, Senior Planner
DATE: August 21, 2012
SUBJECT: ENCHANTED RESORTS PROJECT – 515 Foothill Boulevard

APPROVAL FOR FORWARDING:



Richard D. Spitler, City Manager

1 **ISSUE:** Consideration of a General Plan Amendment (GPA 2010-01), Zoning
 2 Text Amendment (ZO 2010-01), Vesting Tentative Subdivision Map (TTM 2010-
 3 01), Preliminary and Final Development Plan (PD 2010-01), Conditional Use
 4 Permit (U 2010-02), Design Review (DR 2010-04) and Development Agreement
 5 (DA 2010-01) requested by Enchanted Resorts Inc., to develop the Enchanted
 6 Resorts Project on the 88-acre project site. The project would feature 110 resort
 7 hotel units (grouped among 36 cottages), 20 residence club units, 13 custom
 8 residences, public restaurant and bar, event facilities, spa and swimming pools,
 9 and parking and support facilities. Offsite sewer and recycled water
 10 improvements would be installed. The property is located at 515 Foothill
 11 Boulevard (011-310-031 through 011-310-041 and 011-310-044 011-320-007;
 12 011-320-039 through 011-312-069; and 011-310-024).

13
 14 An Environmental Impact Report has been prepared for the project. The Planning
 15 Commission has recommended that the City Council certify the EIR. The City
 16 Council may certify the Final EIR based on detailed project findings of fact set
 17 forth in the Draft Resolution, including findings in support of a statement of
 18 overriding Consideration for those significant and unavoidable impacts. Along
 19 with the certification of the EIR the City Council will also need to adopt the
 20 Mitigation Monitoring and Reporting Program (MMRP). A Final EIR must be
 21 certified before any decision can be made about the proposed project.

22
 23 **RECOMMENDATIONS:**
 24

- 25 A. Adopt a Resolution certifying the Final Environmental Impact Report,
26 including adoption of a Statement of Overriding Considerations and a
27 Mitigation Monitoring and Reporting Program based upon the Findings.
- 28 B. Adopt a Resolution approving a General Plan Map and Text Amendment
29 establishing a Planned Development Overlay and associated goals for the
30 Enchanted Resorts properties.
- 31 C. Introduce Ordinance and waive the first reading approving a Zoning Map
32 and Text Amendment establishing the “PD 2010-01”, Enchanted Resort
33 and Spa Planned Development District.
- 34 D. Adopt a Resolution approving a Vesting Tentative Subdivision Map
- 35 E. Adopt a Resolution approving Preliminary & Final Development Plan,
36 Conditional Use Permit and Design Review
- 37 F. Introduce an Ordinance and waive the first reading approving a
38 Development Agreement for the Enchanted Resorts Project.

39
40 **BACKGROUND:** On July 18, 2012 the Planning Commission recommended
41 that the City Council adopt a Resolution recommending certification of the Final
42 Environmental Impact Report, including adoption of a Statement of Overriding
43 Considerations and a Mitigation Monitoring and Reporting program pursuant to
44 the California Environmental Quality Act (CEQA) for the Enchanted Resorts
45 Project. Although the Planning Commission recommended certification of the
46 EIR, the subsequent action, a request to amend the General Plan, failed on a two
47 to one vote (Manfredi and Kite abstaining). Because legislative acts require an
48 affirmative vote from the majority membership (e.g. three votes), a two to one
49 vote was not sufficient to pass an affirmative recommendation. Since the vote to
50 recommend support for the requested General Plan Amendment did not pass,
51 the General Plan consistency findings could not be made to support the matters.
52 As such, no further action was taken by the Planning Commission.

53
54 This matter was then heard by the City Council at their regular meeting of August
55 14, 2012. During this meeting the City Council heard presentations from staff and
56 the applicant, and heard testimony from the public. Subsequent to the public
57 hearing the City Council discussed and continued the matter providing an
58 opportunity for the applicant and staff to respond to the City Council’s comments.

59
60 See the attached City Council Staff Report dated August 14, 2012 for details
61 regarding the project description and background, including the Planning
62 Commission’s recommendations to the City Council.

63
64 **PROJECT ENTITLEMENTS:**

65
66 Requested Land Use Entitlements: The development proposal requests an
67 amendment of the General Plan and a Rezone to allow for the new development.
68 The General Plan Planned Development Overlay does not modify the underlying
69 Rural Residential and Rural Residential-Hillside land use designations but serves

70 to clearly define development and land use activities on the project site. Likewise,
71 the intent of rezoning the property to a “PD” District is not to reduce development
72 standards or increase the density, but to enhance development flexibility and
73 creativity and impose site-specific requirements.

74
75 The land-use actions requested include consideration of a Vesting Tentative
76 Subdivision Map, Preliminary & Final Development Plan, Conditional Use Permit
77 and Design Review. A Development Agreement has been also been requested.

78
79 **DISCUSSION:** At the August 14, 2012 City Council meeting, staff and the
80 applicant presented information related to various topics, including the following:
81 General Plan Amendment, General Plan of consistency findings, aesthetics,
82 noise, timber harvesting / tree thinning, water availability, wastewater capacity,
83 traffic, wildlife movement corridor and the Northern Spotted Owl. The City
84 Council Staff report dated August 14, 2012 is attached to this report for review.

85
86 Additionally, during the public hearing several issues were raised that staff and
87 the applicant will address in its oral presentation to the City Council, including
88 water availability during drought years, need for additional holding ponds, traffic
89 impact methodology, lighting and glare impacts, presence of the Northern
90 Spotted Owl and the impact on wildlife movement. Those comments that have
91 already been received and addressed in the Draft and Final Environmental
92 Impact Report may be addressed upon the Council’s request. Comments made
93 without supporting evidence will not receive response.

94
95 Staff recommends that the City Council receive presentations from Staff, the
96 applicant and the City’s EIR Consultant in response to comments and questions
97 received during its August 14, 2012 meeting then take additional public comment
98 and deliberate on the issues and merits of the project. Should the Council
99 deliberations and public testimony conclude at this meeting, the Council may
100 proceed with taking action on this Project. Before action can be taken on the
101 requested permit approvals the City Council must consider certification of the
102 Final EIR.

103
104 **FISCAL IMPACT:** Staff time, attorney services, preparation of all environmental
105 documentation, and direct expenses associated with the processing of this
106 project have been offset by the Applicant through application processing fees.
107 Long-term fiscal impacts and economic benefits to the City of Calistoga
108 associated with implementation of the proposed project in terms of increased
109 revenue production (sales tax, property tax and transient occupancy tax) have
110 been addressed in the proposed Development Agreement.

111
112 Additionally, the City Manager has negotiated a Development Agreement that
113 provides certain promises as a result of the development. The Draft Development
114 Agreement addresses the following main issues:

- 116 1. Established an initial five (5) year time period to the permitted entitlements,
117 with one year time extensions for an additional (5) years, as determined by
118 the City Manager.
- 119
- 120 2. Sets the annual water and wastewater allocations under the Resource
121 Management Systems for the project.
- 122
- 123 3. Sets the development impact fee payment schedule for the project.
- 124
- 125 4. Requires the installation of \$4.9 million in new City sewer main
126 improvements within three years of project of the fee payment date.
- 127
- 128 5. Sets forth an Operational Agreement to ensure that the project is operated
129 as a luxury resort after project construction.
- 130

131 **ATTACHMENTS:**

132

133 *The Attachments listed below were previously distributed to the City Council and*
134 *are not included with this report copies of these attachments can be obtained*
135 *from the City's web site at the following address: www.ci.calistoga.ca.us, at City*
136 *Hall or may be obtained at the August 21, 2012 City Council meeting.*

- 137
- 138 1. Draft Resolution certifying Final Environmental Impact Report
- 139 2. Draft Resolution approving a General Plan Map and Text Amendment
- 140 3. Draft Ordinance approving a Zoning Ordinance Map and Text Amendment
- 141 4. Draft Resolution approving a Vesting Tentative Subdivision Map
- 142 5. Draft Resolution approving Preliminary & Final Development Plan,
143 Conditional Use Permit and Design Review
- 144 6. Draft Ordinance approving a Development Agreement
- 145 7. Proposed Resort Development Plans (Architectural Plans, Vesting
146 Tentative Subdivision Map & Landscape Plans) dated March 2010
- 147 8. Mitigation Monitoring and Reporting Program dated June 8, 2012
- 148 9. Statement of Overriding Considerations dated June 20, 2012
- 149 10. CEQA Findings of Fact dated June 20, 2012
- 150 11. Final Environmental Impact Report dated June 8, 2012
- 151 12. Draft Environmental Impact Report dated February 10, 2012
- 152 13. Planning Commission Resolution PC 2012-19, EIR Certification
- 153 14. Planning Commission Meeting Minutes of June 20, 2012, June 27, 2012
154 and July 18, 2012
- 155 15. Planning Commission Staff Reports dated June 20, 2012, June 27, 2012
156 and July 18, 2012.
- 157

158 *The Attachment listed below is being distributed to the City Council with this*
159 *report.*

- 160 16. Abbreviated City Council Staff Report dated August 14, 2012 (Without
161 Attachments)


City of Calistoga

Staff Report

(Attachments 1-15 were
previously distributed at the
8/14/2012 City Council Meeting)

TO: Honorable Mayor and City Council Members
FROM: Erik V. Lundquist, Senior Planner
DATE: August 14, 2012
SUBJECT: ENCHANTED RESORTS PROJECT – 515 Foothill Boulevard

APPROVAL FOR FORWARDING:


 Richard D. Spitley, City Manager

ISSUE:

1
2
3 Consideration of a General Plan Amendment (GPA 2010-01), Zoning Text
4 Amendment (ZO 2010-01), Vesting Tentative Subdivision Map (TTM 2010-01),
5 Preliminary and Final Development Plan (PD 2010-01), Conditional Use Permit
6 (U 2010-02), Design Review (DR 2010-04) and Development Agreement (DA
7 2010-01) requested by Enchanted Resorts Inc., to develop the Enchanted
8 Resorts Project on the 88-acre project site. The project would feature 110 resort
9 hotel units (grouped among 36 cottages), 20 residence club units, 13 custom
10 residences, public restaurant and bar, event facilities, spa and swimming pools,
11 and parking and support facilities. Offsite sewer and recycled water
12 improvements would be installed. The property is located at 515 Foothill
13 Boulevard (011-310-031 through 011-310-041 and 011-310-044 011-320-007;
14 011-320-039 through 011-312-069; and 011-310-024).

15
16 A Final EIR must be certified before any decision can be made about the
17 proposed project. The City Council will be considering certification of the Final
18 EIR.

RECOMMENDATIONS:

- 19
20
21
22 A. Adopt a Resolution certifying the Final Environmental Impact Report,
23 including adoption of a Statement of Overriding Considerations and a
24 Mitigation Monitoring and Reporting Program based upon the Findings.
25 B. Adopt a Resolution approving a General Plan Map and Text Amendment
26 establishing a Planned Development Overlay and associated goals for the
27 Enchanted Resorts properties.

- 28 C. Introduce Ordinance and waive the first reading approving a Zoning Map
- 29 and Text Amendment establishing the “PD 2010-01”, Enchanted Resort
- 30 and Spa Planned Development District.
- 31 D. Adopt a Resolution approving a Vesting Tentative Subdivision Map
- 32 E. Adopt a Resolution approving Preliminary & Final Development Plan,
- 33 Conditional Use Permit and Design Review
- 34 F. Introduce an Ordinance and waive the first reading approving a
- 35 Development Agreement for the Enchanted Resorts Project.
- 36

37 **PROJECT DESCRIPTION:**

38

39 The proposed project consists of the development of (1) hotel resort uses, (2)

40 Residence Club uses, (3) custom residential uses, and (4) 27 acres of forested

41 open space on the 88-acre project site, as well as associated onsite and offsite

42 improvements. The resort hotel would consist of 110 hotel units, associated

43 guest amenities, and support facilities. The Residence Club uses would consist

44 of 20 fractional ownership units and resort club amenities. The custom residential

45 uses would consist of 13 estate lots that would be similar in character to those

46 contemplated by the entitled Diamond Hill Estates Subdivision. In total,

47 approximately 245,000 square feet of buildings are proposed (including wine

48 caves). Approximately 27 acres would be preserved in perpetuity as forest

49 reserve. Resort development plans and renderings are provided in Attachment

50 7.

51

52 **BACKGROUND:**

53

54 On June 20, 2012, the Planning Commission conducted a public hearing on the

55 proposed Enchanted Resorts project. At the hearing staff recommended that the

56 Planning Commission adopt six resolutions recommending approval of the

57 project as proposed by the applicant. After hearing from staff, the applicant and

58 receiving some public comment, the Planning Commission voted to continue the

59 item to June 27, 2012, to allow staff and the applicant time to address issues

60 raised by the public and the Planning Commission and provide additional

61 opportunity for public comment. On June 27, 2012 the Planning Commission

62 received additional public comment, closed the public hearing and continued the

63 matter to July 18, 2012.

64

65 At the July 18, 2012 Planning Commission meeting, staff and the applicant

66 presented responses to various topics. Topics discussed on July 18, 2012,

67 included the following: General Plan Amendment, General Plan of consistency

68 findings, rezoning, building heights, parking, water availability, wildlife movement

69 corridor, Northern Spotted Owl, traffic, timber harvesting and tree removal, view

70 shed/screening, community involvement and the CEQA process. Subsequent to

71 the presentations, the Planning Commission began their discussion and

72 deliberations.

73

74 Following discussion and deliberation, the Planning Commission recommended
75 that the City Council adopt a Resolution recommending certification of the Final
76 Environmental Impact Report, including adoption of a Statement of Overriding
77 Considerations and a Mitigation Monitoring and Reporting program pursuant to
78 the California Environmental Quality Act (CEQA) for the Enchanted Resorts
79 Project. Although the Planning Commission recommended certification of the
80 EIR, the subsequent action, a request to amend the General Plan, failed on a two
81 to one vote (Manfredi and Kite abstaining). Because legislative acts require an
82 affirmative vote from the majority membership (e.g. three votes), a two to one
83 vote was not sufficient to pass an affirmative recommendation. Since the vote to
84 recommend support for the requested General Plan Amendment did not pass,
85 the General Plan consistency findings could not be made to support the matters.
86 As such, no further action was taken by the Planning Commission.

87

88 **PROJECT ENTITLEMENTS:**

89

90 Existing Land Use Entitlements: The project site has existing entitlements
91 associated with the Diamond Hill Estates Subdivision approved by the City of
92 Calistoga in 2005. The subdivision consists of 35 custom residential lots as well
93 as 21 acres of forested open space (known as “forest reserve”). Vested
94 entitlements associated with the subdivision include a Final Map, Improvement
95 Plans, a Timber Harvest Plan, a certified Environmental Impact Report, and
96 vested rights to a certain amount of municipal water and sewer service. The Final
97 Map was recorded in 2005.

98

99 Requested Land Use Entitlements: The development proposal requests an
100 amendment of the General Plan and a Rezone to allow for the new development.
101 The General Plan Planned Development Overlay does not modify the underlying
102 Rural Residential and Rural Residential-Hillside land use designations but serves
103 to clearly define development and land use activities on the project site. Likewise,
104 the intent of rezoning the property to a “PD” District is not to reduce development
105 standards or increase the density, but to enhance development flexibility and
106 creativity and impose site-specific requirements.

107

108 The land-use actions requested include consideration of a Vesting Tentative
109 Subdivision Map, Preliminary & Final Development Plan, Conditional Use Permit
110 and Design Review. A Development Agreement has been also been requested.

111

112 **ENVIRONMENTAL ANALYSIS:**

113

114 The Planning and Building Department and its consultants have completed a
115 Final Environmental Impact Report (EIR) for the Enchanted Resorts Project in
116 accordance with the requirements of the California Environmental Quality Act
117 (CEQA), the State CEQA Guidelines, the City’s Procedures for the

118 Implementation of CEQA, and all other applicable laws. Public participation was
119 included in the environmental review process. The Draft EIR was released for a
120 60-day public comment period beginning on February 10, 2012 and ending on
121 April 9, 2012. The document was made available at the Planning and Building
122 Department offices, at the Calistoga Library (1108 Myrtle Street), and on the
123 City's web site. In addition, a Notice of Availability (NOA) was published in a
124 general-circulation newspaper.

125

126 One noticed comment session was held by the Planning Commission on March
127 14, 2012 to receive comments on the Draft EIR. At the public meeting, interested
128 parties had the opportunity to speak and comments were captured in transcript
129 by the Planning Commission Secretary. Additionally, written comment letters
130 were submitted during the Draft EIR public comment period.

131

132 A Final EIR was released for public review on June 8, 2012. The Final EIR
133 contains comments and written responses to comments on the Draft EIR, as well
134 as necessary changes to the text within the document. Unlike the Draft EIR,
135 comments on the Final EIR are not required to be responded to by the City.
136 Written comments addressing the Final EIR have been forwarded as project
137 correspondence. The Final EIR must be certified before any decision can be
138 made about the proposed project.

139

140 The Planning Commission has recommended that the City Council certify the
141 EIR. The City Council may certify the Final EIR based on detailed project findings
142 of fact set forth in the Attachment 1 including findings in support of a statement of
143 overriding Consideration for those significant and unavoidable impacts. Along
144 with the certification of the EIR the City Council will need to adopt the Mitigation
145 Monitoring and Reporting Program (MMRP), Attachment 1.

146

147 **DISCUSSION:**

148

149 The following discussion is a summary of various topics raised in the EIR and
150 during the Planning Commission's review.

151

152 **A. General Plan**

153

154 General Plan Amendment: The subject property is designated "Rural Residential-
155 Hillside" on the General Plan Land Use Diagram (Figure LU-4), which is a sub-
156 category of the Rural Residential Land Use Designation. Uses allowed within the
157 Rural Residential Land Use Designation generally include crop production,
158 vineyards, light agricultural structures, and single family residences. Wineries
159 and visitor accommodations may occur with discretionary permit approval. The
160 uses being proposed as part of the project are consistent with allowable uses in
161 the Rural Residential Land Use Designation.

162

163 As part of the proposed project, the applicant is seeking to establish a “Planned
164 Development Overlay” that would refine and guide development and land use
165 activities on the subject site. The Planned Development Overlay does not modify
166 the underlying Rural Residential and Rural Residential-Hillside land use
167 designations but serves to clearly define development and land use activities on
168 the project site. For example, it allows for development of residential and
169 commercial uses on the project site that are allowable under the Rural
170 Residential Land Use Designation and will permanently preserve a significant
171 portion of the project site as forested open space. Additionally, the project must
172 still adhere to the residential slope density standards established by the Rural
173 Residential Hillside designation. For these reasons, the proposed General Plan
174 Amendment establishing a Planned Development Overlay is consistent with the
175 General Plan’s definition of the Rural Residential and Rural Residential-Hillside
176 land use designations.

177
178 General Plan Consistency: It is the intent of the General Plan to “feather” or
179 gradually increase the intensity of development between the outer and inner
180 areas of the city, with lower intensities desired at the outer edges of the city and
181 more intense development located at or near the city’s core. This feathering
182 concept is implemented through the establishment and application of General
183 Plan Land Use Designations that allow for varying levels of development
184 intensity. General Plan Land Use Designations applied in outer areas of the City
185 generally allow for a maximum residential density of 1.0 unit an acre. At or near
186 the core of the City, the General Plan allows for residential densities of up to 20
187 units an acre.

188
189 The maximum density allowed in areas designated as Rural Residential-Hillside
190 is calculated based on the slope of the site. Section 17.15.100 of the Calistoga
191 Municipal Code specifies the slope density formula to be used for calculating
192 residential density. Appendix M-4 of the Draft EIR for the project includes an
193 engineer’s calculation of the maximum permitted density, which is 35 units. The
194 project proposes 33 residential units (0.37 dwelling units per acre), which is
195 within the maximum permitted density for the site.

196
197 Non-residential development intensity is measured in terms of Floor Area Ratio
198 (total building area square footage divided by net land area). There is no stated
199 Floor Area Ratio (FAR) for non-residential uses in the Rural Residential Land
200 Use Designation. The FAR of all uses proposed as part of this project is 0.08
201 (0.12 if the forest preserve area is excluded from the calculation). For purposes
202 of comparison, the maximum allowed FAR for commercial uses in the Downtown
203 Commercial Land Use Designation is 2.0. The maximum allowed FAR for
204 commercial uses in Community Commercial Land Use Designation is 0.8. The
205 Table below shows the FAR of other recently approved resort projects within the
206 city.

208

COMPARISON OF FLOOR AREAS

Project	Acres	Floor Area	FAR¹
Silver Rose – Approved	22.5	232,370	0.23
Solage Resort – Built (Resort and Apartments)	25.8	100,857	0.09
Enchanted Resorts (Resort and Residential)	88.0	336,018	0.08

209

210

211

212

213

214

With a residential density of 0.37 units per acre and a FAR of 0.08, staff finds the project is consistent with the objective of feathering the intensity of development from more intensive uses at the core of the city to less intensive uses at the city's edges.

215

216

B. Aesthetics

217

218

219

220

221

222

223

224

225

All buildings, structures, signs, landscape areas or uses are required to comply with the Enchanted Resorts Architectural Design Guidelines (Attachment 11). The Design Guidelines establish general site design standards (setbacks, lot coverage, etc.), architectural design principles, authentic architectural styles (e.g., Rural Italian, French Country, Rustic Contemporary, and Craftsman), and landscape design standards for both the resort community and non-resort community. The standards set forth in the Architectural Design Guidelines are mandatory and apply for the life of the project.

226

227

228

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230

The Project will be required to adhere to the Architectural Guidelines and all prescribed criteria. Future design review will be required by an Architectural Review Committee (ARC) and staff will verify conformance with the Design Guidelines during the building permit review process.

231

232

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236

237

Moreover, the visibility of the project's resort and residential structures will be minimized through retention of mature trees and strict tree removal controls and height and massing limitations. Any view of buildings or amenities would likely be screened by vegetation, separated by topography and will not be penetrate the skyline. As such, the project will be harmonious with the visual character of the community.

238

239

C. Noise

240

241

242

243

244

Construction Noise: Construction noise impacts were evaluated and included an assessment of onsite construction noise and offsite utility work. The analysis found that construction noise levels at receptors surrounding the project site (including residences along Diamond Mountain Road) during the most intensive phase of construction would be less than 75 dB, which is the City of Calistoga's

245 and County of Napa’s “conditionally acceptable” standard for residential uses.
246 This standard was used because construction activities represent a short-term,
247 temporary noise source and would generally be limited to daytime hours.
248

249 The Draft EIR concluded that receptors along the offsite utility alignment in
250 Downtown Calistoga could be exposed to noise levels in excess of 75 dB. As
251 such, a Mitigation Measure is proposed requiring the implementation of various
252 noise abatement measures during offsite utility work to minimize impacts on
253 receptors. However, due to the characteristics of the offsite utility work and the
254 close distance of the receptors to construction activities, the Draft EIR concluded
255 that impacts would be significant and unavoidable because no additional feasible
256 mitigation was available.
257

258 Operational Noise: Combined operational stationary and transportation noise
259 impacts also were evaluated in the Draft EIR, Impact NOI-4. This analysis
260 accounted for onsite vehicular movements, operational/maintenance activities
261 (e.g., truck loading and unloading), and resort hotel activities (e.g., observation
262 deck, outdoor restaurant, ballroom and associated outdoor events, and pool).
263 Furthermore, operational noise activities were modeled under both “Baseline”
264 and “Year 2030” to provide both near-term and long-term assessments of noise
265 impacts. The proposed project would not significantly increase noise levels
266 under the “with project” condition. Specifically, some of the closest receptors
267 along Diamond Mountain Road would experience worst-case “with project” noise
268 levels of 41.4 to 42.0 dBA CNEL, which is well below the City’s “normally
269 acceptable” standard of 60 dBA CNEL.
270

271 Receptors along SR-29/128 exceed 60 dBA CNEL under “without project”
272 conditions and experience noise levels as high as 72.0 dBA CNEL. The project
273 would contribute at most 0.2 db to these preexisting noise levels, which is below
274 the 1.5 dB threshold of significance. This contribution is imperceptible to the
275 human ear and, therefore, it would be unlikely that any of the three receptors
276 would be able to notice the change in ambient noise levels.
277

278 Finally, the Draft EIR evaluated impacts on the onsite residential receptors. The
279 purpose of this analysis was to determine whether the proposed onsite
280 residential and Residence Club uses would be exposed to excessive noise from
281 resort hotel activities. The analysis found that several units near the proposed
282 ballroom and associated outdoor activity area may be exposed to noise levels in
283 excess of City standards for residential uses. As such, a Mitigation Measure was
284 proposed requiring the resort hotel to keep a noise meter onsite or install a fixed
285 noise monitoring system that can be monitored remotely to measure noise levels
286 during events to ensure that noise standards are not exceeded. Additionally, a
287 condition of approval in the use permit establishes a curfew on outdoor
288 amplified/music associated with events.
289

290 **D. Timber Harvesting / Tree Thinning**

291

292

293

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300

The project applicant is proposing additional timber harvesting activities beyond those contemplated by the previously approved Timber Harvest Plan. A new Timber Harvest Plan will be submitted for approval. Timber harvesting activities will involve (1) converting forest to allow for the development of buildings and infrastructure, (2) thinning areas designated for permanent preservation to improve the health of the forest, and (3) establishing "Fire Safe" zones near structures. The table below summarizes timber harvesting activities for trees that are 8 inches or larger in diameter as measured at breast height.

Activity	Trees (8 inches or larger diameter at breast height)		
	Conifers	Hardwoods	Total
Conversion	2,697	3,180	5,877
Thinning	307	785	1,092
Fire Safe	327	889	1,216
Total	3,331	4,854	8,185

Source: Environmental Resource Solutions, Inc. 2011

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303

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308

The conversion area (where all the buildings and roads are located) tree removal would conservatively be approximately 3,414 trees. The remaining 4,771 trees will be selected removal depending upon field review by the City's arborist and forester at the time of removal. As such, the actual number of trees removed may be quite less.

309

310

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Tree removal and harvesting will be reviewed and approved by both the City of Calistoga and CalFire. After the timberland conversion exemption is issued by California Department of Forestry and Fire Protection (CALFIRE), Enchanted Resorts will then prepare a new Timber Harvest Plan to implement tree removal. The new Timber Harvest Plan, approved by CalFire, will include an analysis of site conditions, proposed timber operations, and the location and methods of timber operations. It will also implement the Forest Management Plan performance goals and standards. This Forest Management Plan defines the immediate and long-term goals of management of the forestlands, describes procedures to be followed in management of the forestlands and provides quantitative metrics to monitor progress toward achievement of the management goals.

322

323

324

325

Moreover, Mitigation Measure AFR-2a requires the applicant to provide the City with a draft Timber Harvest Plan for administrative review and approval before its submission to Calfire. This will allow the City to monitor the implementation of the EIR mitigation measures, including compliance with the Forest Management

326 Plan, review of trees marked for selective harvesting, and confirmation that tree
 327 removal near proposed structures is minimized to meet view screening mitigation
 328 obligations. Mitigation Measures AFR-2b through AFR-2g will further ensure that
 329 all onsite tree removal is conducted in an appropriate manner. Note that the
 330 mitigation measures apply for all trees, in accordance with applicable regulations,
 331 including the City of Calistoga Tree Ordinance. Additionally, a condition of
 332 approval stipulates that no tree removal or thinning shall occur until improvement
 333 plans have been approved. Finally, AFR-2e requires the applicant to provide
 334 funding to the City so it can retain the services of a Registered Professional
 335 Forester or Arborist to review implementation.

336

337 **E. Water Availability and Wastewater Capacity**

338

339 Water Supply: Conservatively, domestic water demands for the project are
 340 estimated to be 62,942 gallons per day (gpd) for average daily use and 70.5
 341 acre-feet for annual use. Demands include domestic, commercial, and some
 342 landscape irrigation. Maximum daily flows are two times the daily use and are
 343 estimated at 125,884 gpd. However because these figures are conservative
 344 estimates, per the terms of the Development Agreement the Developer will only
 345 be required to purchase an initial allotment of approximately 30 acre-feet. If the
 346 actual demand is higher additional water will be purchased as necessary.

347

348 The project's estimated irrigation demand would be 37.41 acre-feet per year for
 349 the first two years, and would be reduced by 50 percent by the third and fourth
 350 years. The initial two year irrigation demand would exceed supply by 16.0 acre-
 351 feet, and the demand would be less than the supply by 2.7 acre-feet in year three
 352 and beyond.

353

354 In February 2012, the City of Calistoga conducted an annual review of adequacy
 355 of the City's municipal water supply that included anticipated demands from
 356 various pending development proposals, including the proposed project. The
 357 Table below summarizes the supply available to serve new development, as well
 358 as projections of new demand from pending and approved projects (Enchanted
 359 Resorts, Arden Winery, Calistoga Olive Oil Co., Indian Springs, Lava Vine
 360 Winery, Roman Spa, and Silver Rose). As shown in the table, new development
 361 is projected to use 110.86 acre-feet of water annually. Currently, the City has
 362 353.80 acre-feet of available water supply, thereby resulting in 243.24 of
 363 remaining supply. Adequate water supplies are available to serve the proposed
 364 project, as well as existing and future demand.

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366 **Water Supply Projections (2010 – 2014)**

Category	Demand (Acre-Feet)		Total
	Residential	Commercial	
Growth Management Allocations (approved)	0	1.49	1.49

Category	Demand (Acre-Feet)		Total
	Residential	Commercial	
Growth Management Allocations (pending)	0	1.29	1.29
Projected Need for Remainder of 2010 – 2014 Growth Management Cycle	11.14*	3.75**	14.89
Estimated Reserve for Pending Development Agreement Projects	5.09^	88.10	93.19
Total Projected Demand	16.23	94.63	110.86
Total Available Water	—	—	353.80
Total Remaining Capacity	—	—	242.94

Notes:
 * Assumes 9 very low income units and 18 moderate income units.
 ** Based on annual allocation average (less actual) of current five year cycle.
 ^ Estimated. Actual amounts may vary based on final project approval.

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As required per Section 13.16.060 CMC, the Director of Public Works will establish a water baseline to monitor the project's usage on an annual basis.

Wastewater Capacity: Conservatively, Adobe Water Associates estimated the proposed project's wastewater flow generation to be 52,460 gpd (58.75 acre-feet/year) for average dry weather daily flow and 157,379-gpd peak use. Note that actual wastewater flows from the project site may be less if graywater reuse for landscape irrigation is implemented into the project designs. Per the terms of the Development Agreement, no connections fees will be required in exchange for infrastructure that has city wide benefits.

In February 2012, the City of Calistoga conducted an annual review of the adequacy of the City's wastewater conveyance and treatment capacity that included anticipated demands from various pending development proposals, including the proposed project.

The Table below summarizes the capacity available to serve new development, as well projections of new demand from other pending and approved projects (Enchanted Resorts, Arden Winery, Calistoga Olive Oil Co., Indian Springs, Lava Vine Winery, Roman Spa, and Silver Rose). As shown in the Table, new development is projected to use 84.79 acre-feet of wastewater capacity annually. Currently, the City has 264.20 acre-feet of available wastewater capacity, thereby resulting in 179.41 of remaining capacity. This serves to reconfirm the conclusion in the Draft EIR that adequate wastewater capacity is available to serve the proposed project, as well as existing and future demand.

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Wastewater Capacity Projections (2010 – 2014)

Category	Demand (Acre-Feet)		Total
	Residential	Commercial	
Growth Management Allocations (approved)	0	1.34	1.34
Growth Management Allocations (pending)	0	0.764	0.764
Projected Need for Remainder of 2010 – 2014 Growth Management Cycle	10.03*	3.38**	13.41
Estimated Reserve for Pending Development Agreement Projects	5.09^	64.19	69.28
Total Projected Demand	15.12	69.67	84.79
Total Available Wastewater Capacity	—	—	264.20
Total Remaining Capacity	=	=	179.41

Notes:

* Assumes 9 very low income units and 18 moderate income units.

** Based on annual allocation average (less actual) of current five year cycle.

^ Does not include previously vested reserves for Enchanted Resorts subdivision project.

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As required per Section 13.16.060 CMC, the Director of Public Works will establish a wastewater baseline to monitor the project's usage on a annual basis.

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F. Traffic and Circulation

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W-Trans prepared the traffic analysis in consultation with the City of Calistoga, the County of Napa, and Caltrans. The analysis evaluated both intersection and roadway segment operations under Baseline and Future scenarios. The Baseline scenario represents existing traffic volumes, plus traffic from pending and approved projects, plus the proposed project. The Future scenario represents the hypothetical buildout of the City of Calistoga General Plan in 2030. Both scenarios are "cumulative" in the sense that they account for traffic generated by existing development and planned development, as well as pass-through or regional traffic.

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Level of Service (LOS) is used to rank traffic operation on various types of facilities based on traffic volumes and roadway capacity using a series of letter designations ranging from A to F. Generally, LOS A represents free-flow conditions and LOS F represents forced-flow or breakdown conditions. A unit of measure that indicates a level of delay generally accompanies the LOS designation. For example an all-way stop-controlled intersection with a LOS A may have a delay of 0 to 10 seconds, LOS B is a 10-15 second delay, LOS C is a 15-25 second delay, LOS D is a 25-35 second delay, LOS E is a 35-50 second and LOS F is more than 50 seconds.

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The General Plan considers LOS D or better an acceptable condition. The table below summarizes intersection LOS impacts by location and lists associated mitigation measures.

Summary of Intersection Operations Impacts and Mitigation Measures

Scenario	Facility			
	SR-29/Silverado Trail	SR-128/Petrified Forest Road	SR-29 (Lincoln Avenue)/SR-128 (Foothill Boulevard)	SR-29/-128/ Madrone Drive (Project Entrance)
Baseline Without Project	Acceptable operations	Acceptable operations	Unacceptable operations*; No project impact	—
Baseline Plus Project	Acceptable operations	Acceptable operations	Unacceptable operations*; Mitigation Measure TRANS-1	Acceptable operations
Future Without Project	Unacceptable operations; No project impact	Unacceptable operations; No project impact	Unacceptable operations*; No project impact	—
Future Plus Project	Unacceptable operations; Mitigation Measure TRANS-2	Unacceptable operations; Mitigation Measure TRANS-2	Unacceptable operations*; Mitigation Measure TRANS-2	Acceptable operations

Note:
 *The City of Calistoga General Plan exempts the intersection of SR-29/ SR-128 (Lincoln Avenue/Foothill Boulevard) from LOS standards in order to maintain the character of Downtown Calistoga. Nonetheless, mitigation is still required for project impacts.
 Source: W-Trans, 2012.

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As shown in the above table, the proposed project would add new trips to intersections that are projected to operate at unacceptable levels (delay of 35 seconds or more) under the “without project” scenario. In other words, the proposed project would cumulatively contribute to pre-existing deficient conditions and would not cause intersections to fail by itself.

The City of Calistoga has long recognized that the three intersections impacted by project traffic will need improvements. As part of the City’s General Plan EIR a Statement of Overriding Consideration was adopted by the City Council at time of certification of the Final EIR for the General Plan. The Draft EIR for the General Plan establishes that the segments of Foothill Boulevard at Lincoln Avenue and Petrified Forest Road would operate at LOS F in 2020 as a result of regional and cross-county conditions. Since the City does not propose significant widening along these segments, and there are no acceptable mitigations for

444 impacts in the downtown without altering Calistoga's unique character, which is
445 vital to the economic well being of the community, the impacts were then
446 considered significant and unavoidable.

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448 As discussed in the Draft EIR and Final EIR for this Project, the City has an
449 existing traffic impact fee program that identifies improvements for all three
450 locations. Furthermore, because the proposed project only cumulatively
451 contributes to pre-existing deficient conditions and does not trigger unacceptable
452 operations by itself, payment of traffic impact fees is the appropriate mitigation.
453 Likewise, the City cannot require the applicant to pay for the full cost of traffic
454 improvements because this would violate CEQA's "rough proportionality"
455 requirements. As such, Mitigation Measures TRANS-1 and TRANS-2 require the
456 project applicant to provide traffic impact fees to the City of Calistoga at the time
457 building permits are sought to fund improvements to those intersections. Under
458 the current adopted fee schedule, the applicant would be required to pay
459 \$267,795.

460

461 The Draft EIR noted that although the proposed project would pay fees in
462 accordance with the City's adopted traffic fee program to mitigate its impacts on
463 traffic impacts, there is uncertainty about timing and implementation of the
464 necessary improvements. Furthermore, property acquisition may be necessary,
465 which would involve the cooperation of third parties. For these reasons, the Draft
466 EIR concluded that impacts would remain significant and unavoidable after
467 implementation of mitigation.

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469 **G. Biological Resources**

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471 Wildlife Corridor: A "wildlife movement corridor" links together areas of suitable
472 habitat that are otherwise separated by rugged terrain, changes in vegetation, or
473 human disturbance. The fragmentation of open space areas by urbanization
474 creates isolated "islands" of wildlife habitat. In short, a wildlife movement corridor
475 is a "choke point" linking to larger areas of biological activity. Generally, these
476 corridors are linear features such as waterways, canyons, and passes. As noted
477 in both the Draft EIR and Final EIR, the attributes of the project site—sloping
478 terrain, dense forest, lack of water features, adjacency to Foothill Boulevard, and
479 the types of surrounding land uses—are not characteristic of a wildlife movement
480 corridor. Although various individuals noted having observed wildlife species on
481 the project site, this is more indicative of an "active use area" (i.e., a place where
482 wildlife may roam, forage, hunt, etc.). Again, a wildlife movement corridor must
483 possess specific linkage characteristics; simple presence of wildlife species does
484 not indicate that it is a movement corridor.

485

486 Northern Spotted Owl: The project site has been surveyed on three occasions by
487 separate biologists for the Northern spotted owl during the past 8 years, including
488 twice in the last 2 years; refer to Final EIR page 3-18. All results have been

489 negative for the species. These surveys were conducted in recognition that the
490 Northern spotted owl is known to occur in the project vicinity, including within 2
491 miles of the project site. A site survey is considered an authoritative method of
492 determining the presence of absence of a specific species and, therefore, the
493 negative results of the surveys serve to confirm that the Northern spotted owl is
494 not present on the project site.

495 Additionally, the United States Department of the Interior issued a letter dated
496 May 16, 2012 stating that the Northern spotted owl is not found on the site. The
497 determination was based upon a 2012 survey by a qualified professional,
498 Theodore Wooster.

499 **FISCAL IMPACT:** Staff time, attorney services, preparation of all environmental
500 documentation, and direct expenses associated with the processing of this
501 project have been offset by the Applicant through application processing fees.
502 Long-term fiscal impacts and economic benefits to the City of Calistoga
503 associated with implementation of the proposed project in terms of increased
504 revenue production (sales tax, property tax and transient occupancy tax) have
505 been addressed in the proposed Development Agreement.
506

507 Additionally, the City Manager has negotiated a Development Agreement that
508 provides certain promises as a result of the development. The Draft Development
509 Agreement addresses the following main issues:
510

- 511 1. Established an initial five (5) year time period to the permitted entitlements,
512 with one year time extensions for an additional (5) years, as determined by
513 the City Manager.
514
- 515 2. Sets the annual water and wastewater allocations under the Resource
516 Management Systems for the project.
517
- 518 3. Sets the development impact fee payment schedule for the project.
519
- 520 4. Requires the installation of \$4.9 million in new City sewer main
521 improvements within three years of project of the fee payment date.
522
- 523 5. Sets forth an Operational Agreement to ensure that the project is operated
524 as a luxury resort after project construction.
525

526 **ATTACHMENTS:**

- 527
- 528 1. Draft Resolution certifying Final Environmental Impact Report
- 529 2. Draft Resolution approving a General Plan Map and Text Amendment
- 530 3. Draft Ordinance approving a Zoning Ordinance Map and Text Amendment
- 531 4. Draft Resolution approving a Vesting Tentative Subdivision Map

- 532 5. Draft Resolution approving Preliminary & Final Development Plan,
533 Conditional Use Permit and Design Review
534 6. Draft Ordinance approving a Development Agreement
535 7. Proposed Resort Development Plans (Architectural Plans, Vesting
536 Tentative Subdivision Map & Landscape Plans) dated March 2010
537

538 The Attachments listed below were previously distributed to the City Council and
539 are not included with this report copies of these attachments can be obtained
540 from the City's web site at the following address: www.ci.calistoga.ca.us
541

- 542 8. Mitigation Monitoring and Reporting Program dated June 8, 2012
543 9. Statement of Overriding Considerations dated June 20, 2012
544 10. CEQA Findings of Fact dated June 20, 2012
545 11. Final Environmental Impact Report dated June 8, 2012
546 12. Draft Environmental Impact Report dated February 10, 2012
547 13. Planning Commission Resolution PC 2012-19, EIR Certification
548 14. Planning Commission Meeting Minutes of June 20, 2012, June 27, 2012
549 and July 18, 2012
550 15. Planning Commission Staff Reports dated June 20, 2012, June 27, 2012
551 and July 18, 2012.
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