

1 **MINUTES**

2 **CITY COUNCIL – SPECIAL MEETING**

3 **TUESDAY, MAY 8, 2012 - 6:30 P.M.**

4 **CALISTOGA COMMUNITY CENTER**

5  
6 **A) CALL TO ORDER**

7  
8 **Mayor Gingles called the Regular Session to order at 6:36 p.m.**

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

12  
13 Also present was City Manager Richard Spitler, Planning & Building Manager  
14 MacNab, Senior Planner Erik Lundquist, Public Works Director/City Engineer  
15 Dan Takasugi, Administrative Services Director Gloria Leon and Deputy City  
16 Clerk Amanda Davis.

17  
18 **B) SALUTE TO THE FLAG**

19  
20 **C) ORAL COMMUNICATION ON CONSENT ITEMS OR NON-AGENDA ITEMS**  
21 (6:37 p.m.)

22  
23 **George Caloyannidis, 2202 Diamond Mountain Road**, spoke regarding the  
24 threat of growth and development and its impact on Calistoga’s citizenry and  
25 and said he had a petition signed by 300 individuals to Save Our Small  
26 Calistoga. He voiced concern regarding development causing significant tree  
27 removal, the town’s fiscal problems, inactive goals of the Economic Vitality  
28 Report, struggling of businesses, and he asked for a common vision and action  
29 plan.

30  
31 **Clarence Luvisi, 285 Rosedale Road**, said he worked on the Citizen Advisory  
32 Committee and thinks the most important issue is how the Council arrives at its  
33 decisions. There is frustration, fear of loss and failure, and stated the “us  
34 versus them” has begun. He knows the City’s leaders care about the  
35 community and asked that the Council be careful in what they say, to listen  
36 actively, discuss issues, and to respect everyone.

37  
38 **Kurt Becker, 1715 Michael Way**, thinks City officials and the school district  
39 are allowing development by increasing water rates and stating that the City is  
40 broke. He asked the Council to fix its deficit, curb spending, and he read a  
41 Letter to the Editor of March 8, 2010 regarding outside consultant fees and  
42 excessive pool project costs.  
43

44 **Michael Ryge, 2207 Diamond Mountain Road**, said many people have  
45 differing opinions about developments. Intelligent growth is vital, but it is easy  
46 to say the City needs revenues, but the revenue cannot come at any cost. The  
47 notion of Enchanted Resorts and removal of over 8,000 trees is completely  
48 inappropriate, and he felt development of Silver Rose would not help  
49 businesses.. He thinks the General Plan is good. He is not a no-growther and  
50 asked that the project not be hurried.

51  
52 **Cara O'Neill, 1296 Diamond Mountain Road**, said the Council has been  
53 tenacious in its protection of the community. She voiced opposition to the size  
54 of the Silver Rose and Enchanted Hills projects and likened the decisions as  
55 desperate. She encouraged the Council to listen to speakers who are  
56 concerned and dedicated to their community.

57  
58 **Norma Tofanelli, 1001 Dunaweal Lane**, said she is moved by the comments  
59 tonight and felt residents want sustainable growth and that which is outlined in  
60 the General Plan. The large resorts are from developers far away and she  
61 suggested hearing what locals want for local business. She described her  
62 sadness in what happened with the Barberos family who wanted to build a  
63 house for their son on the vineyard and the town could not do this without  
64 requiring them to do a major subdivision.

65  
66 **Kerry Eddy, 3870 Highway 128, President of the CAPP**, provided an update  
67 on the City's very successful pool season, and spoke of sponsored free swim  
68 lessons, scholarship awards, and reminded everybody of Saturday's Classic  
69 Car show, the Volunteer Fire Dept. Chili Cook-Off, and the official opening of  
70 the pool season.

71  
72 **David Moon-Wainwright, 1012 Pine Street**, encouraged everyone to pull  
73 together, be transparent, work with civility and respect, have clear motivations,  
74 be upfront and honest, and hoped all conversation will be in that general  
75 direction.

76  
77 **D) ADOPTION OF MEETING AGENDA**

78 It was **MOVED** by Councilmember Kraus and **SECONDED** by Vice Mayor  
79 **Dunsford** to approve the Council Meeting Agenda. The Motion was carried  
80 unanimously.

81  
82 **E) PUBLIC HEARING (7:07 p.m.)**

83  
84 **1) Consideration of a Zoning Text Amendment (ZO 2011-03), Preliminary**  
85 **and Final Development Plan (PD 2011-02), Conditional Use Permit (U**  
86 **2011-14) and Design Review (DR 2011-12), Tentative Subdivision Map**  
87 **(TTM2011-01), and Development Agreement (DA2011-03) requested by**  
88 **Silver Rose Venture LLC, to demolish the existing resort and construct a**  
89 **new resort consisting of an 85-room hotel, restaurant, spa, expanded**

90 **winery and 21 single-family homes on a 22.5 acre site located at 400**  
91 **Silverado Trail (APNs 011-050-035, 036, 037, 039 and 040) within the “PD”,**  
92 **Planned Development District.**

93  
94 **Planning & Building Manager MacNab** stated the developer requested  
95 expedited processing and offered to fund a contract planning position chosen  
96 by the City. Joel Galbraith of Joel Galbraith and Associates was hired who was  
97 formerly a planner with the City of Santa Rosa.

98  
99 **Joe Galbraith, Galbraith and Associates,** said the project was reviewed by  
100 the Planning Commission on March 28 and April 18, 2012. At the March  
101 hearing, the Planning Commission identified 21 topics requiring further  
102 information. The hearing was continued to April 18, 2012 and at this meeting  
103 these topics were addressed, some of which include things like short-term  
104 rentals, parking on Rosedale, building heights, general plan consistency, and  
105 others. The Commission agreed the project was consistent with the GP with  
106 the modification to delete all 7 single family homes that access from Silverado  
107 Trail, and that 5 hotel villa buildings be relocated away from the road. They  
108 believed this would reduce the intensity of the project and lessen visual  
109 impacts. The Commission also agreed that the deli should only be open to  
110 guests and residents to the resort. Some Commissioners felt short-term rentals  
111 were consistent for the 21 single family homes and recommended their use,  
112 with one Commissioner voting in opposition, who believed they were already  
113 an existing problem.

114  
115 He stated the Commission adopted 5 resolutions which are before the Council  
116 as modified. The applicant requests the Council approve the project as  
117 originally proposed, with a change to lot 39 from a two story to a one-story  
118 residence. The applicant also submitted a revised landscape plan which  
119 increases the number and size of trees and applicant is present to discuss  
120 these proposed changes.

121  
122 **Councilmember Slusser** requested Planning & Building Manager MacNab  
123 address planning issues she reviewed with him earlier in the day and how  
124 decisions were made on General Plan consistency. Mr. MacNab said one of  
125 the 21 items was whether the project conforms to the General Plan. The site is  
126 designated Rural Residential and is located in an entry corridor close to the  
127 edge of town. It also has visitor accommodation overlay which calls for this  
128 type of development and the Council adopted the Urban Design Plan  
129 Character Area Resort Character Overlay. The April 18<sup>th</sup> Planning Commission  
130 report discussed how the project meets the overlay criteria, but there are some  
131 with the opinion that the project does not go far enough in meeting the overlay  
132 criteria. Staff noted that there are a lot of competing policy interests and  
133 believes that the applicant has done an admirable job in addressing the criteria.

135 Kelly Foster, Silver Rose Ventures, introduced Project Manager Geoff Herbert,  
136 Kara Hill with Hill Glazier Architects, Inc. and Tom Morse with BKF Engineers.  
137 He gave a PowerPoint presentation and displayed a site plan showing changes  
138 made as a result of requests by the Planning Commission and staff. He said  
139 removal of 7 homes from the project is economically infeasible for them and  
140 cited financing difficulty. These residences represent 21% of the total square  
141 footage of the resort and can be sold early on to pay for the construction and  
142 pay down debt. Similarly, the loss of the hotel villas would also preclude their  
143 ability to get the project financed. He presented FAR issues and comparable  
144 downtown and community commercial FARs, stating the project's FAR is far  
145 below this.

146 In response to **Councilmember Slusser**, Mr. Foster briefly described the  
147 meaning of and how Floor Area Ratio (FAR) is measured, as well as the below  
148 grade parking locations.

149 Mr. Foster and the applicant team then reviewed a number of project issues  
150 raised during public discussion, including the overall appearance and aesthetic  
151 impact of the project as viewed from Silverado Trail, building heights and  
152 project landscaping.

153 **Councilmember Slusser** asked to show a depiction of the project without the  
154 trees, and Mr. Foster displayed a previous rendering of the hotel buildings from  
155 the core of the project which showed the roof pitch, stone work and  
156 architecture.

157 There were no questions of staff or the applicant.

158 **Mayor Gingles opened the public hearing at 7:46 p.m.**

159 **Don Luvisi, 36 Magnolia**, voiced concern with drainage infrastructure  
160 involving City and County drainage areas and the Luvisi ditch. He presented  
161 an overview of drainage conditions in the area. Mr. Luvisi showed photos from  
162 the 2005 flood that generated runoff from heavy rains into vineyards, buildings,  
163 roads, and homes. He asked that an evaluation be developed for infrastructure  
164 improvements to address these issues.

165 **Clarence Luvisi, 285 Rosedale Road**, echoed comments of his brother, Don,  
166 said they have raised this issue for over 20 years with small fixes, but there is  
167 total saturation before the ditches even run. There have also been times when  
168 roads have actually been covered with water.

169 **Don Williams, 59 View Road**, voiced concern over the size of the  
170 development, stating that the vision of the General Plan said Calistoga requires  
171 it to remain rural with low density zoning and commercial activity in the  
172 downtown. He asked to acknowledge the public's sensitivity, respect what  
173 residents are saying, and modify the proposal to something the people want.  
174 Objections are valid and unanswered; the proposal does not promote  
175 walkability, parking is not addressed, housing is not for additional workers

176 which do not minimize additional traffic, and he asked that the project be sent  
177 back to the Planning Commission.

178 **Ken Flynn, 2025 Pickett Road**, spoke of his concern on the scope of the  
179 project, thinks it should undergo an EIR process, and believes story poles are  
180 necessary.

181 **RECESS**

182 **Mayor Gingles** called for a 5-minute recess at 8:02 p.m. and reconvened the  
183 special meeting at 8:09 p.m.

184 **Mayor Gingles** allowed speakers to cede their time to George Karaondidas.

185 **George Caloyannidis, 2202 Diamond Mountain Road**, said he has no doubt  
186 that buildings were depicted correctly; however, the trees are shown to be 30  
187 feet high which will require the developer to pay for trees in 6 foot boxes. He  
188 noted Elms are also deciduous and thinks the developer will go bankrupt from  
189 these costs. The project should maintain minimal visibility from the highway  
190 and trees would not be able to hide 30 foot structures. He cited density and  
191 feathering verbiage from the General Plan and disagreed that these comply  
192 with the General Plan or Urban Design Plan. The body of language in the law  
193 indicates that the development should not exceed one story in height, and  
194 when deducting the underground garage area of 3500 square feet, the FAR is  
195 .24 for Silver Rose which triples that of Solage, which is .08. Calistoga's  
196 developments must abide by the General Plan, and when buildings are four  
197 times as dense as Solage, but an alternate project may not measure up to the  
198 developer's high profit margin. He asked for story poles on the site and felt that  
199 no operator could manage such a large hotel and commercial operation nearby  
200 vineyard owners and residents, and asked that the project be returned to the  
201 Commission.

202 **Michael Ryge, 2207 Diamond Mountain Road**, said he concurs with the  
203 previous speaker's comments. The project is out of proportion in terms of size  
204 and intensity and he asked that it go back to the Commission, include story  
205 poles and more evaluation.

206 **David Moon-Wainwright, 1210 Pine Street**, discussed the removal of trees  
207 and how this will change the viewshed in a positive way. He thinks the front 7  
208 houses along Silverado Trail need to be moved back to the rear of the property  
209 and questioned who would want to live along the Trail when there are private  
210 areas in the background. This allows the view of the front to be vineyard.  
211 Regarding sound, he is pleased to see 60 decibels at the property line;  
212 however, he questioned if it is A B, or C weighted, or whether it is RMS or peak  
213 which must be determined. He is also deeply concerned with the issue of set  
214 aside money for affordable housing, asked for clarity on private homes, guest  
215 homes, and the hotel resort and asked whether the project is a timeshare. He

216 also questioned if the CC&R's would be controlled by the resort or someone  
217 else.

218 Mr. Foster confirmed that there is no timeshare component to the project. The  
219 project has hotel rooms that are rented on a nightly basis and the residences  
220 are wholly owned and not fractional. They are proposing that the owners can  
221 put in the rental pool as managed by the hotel operator.  
222

223 **Dawnine Dyer, 1501 Diamond Mountain Road,** asked for clarification on  
224 ownership and management, and asked and confirmed with Mr. Foster that the  
225 entity applying for the project is going to build all three elements.

226 Ms. Dyer said she hears there may be different hotel chains and asked if this is  
227 a single project, winery and hotel which she feels is critical for the City to know.  
228 She asked if there will be CC&R's for 21 lots only or whether they would be  
229 sold as finished homes. Regarding the size of the winery, it is currently a 5,000  
230 case winery, but a 10,000 case winery is not unreasonable size; however, it  
231 takes more room than currently is on the property. She thinks there are people  
232 who would find it unusual as to what types of grapes will be considered or not,  
233 and she questioned whether the project would be successful.  
234

235 **Bill Dyer, 1501 Diamond Mountain Road,** said the zoning ordinance has  
236 language that says a winery is an allowable use but subordinate to agricultural  
237 use to the land, and 6 acres or 30 tons would be slightly fewer than 2,000  
238 cases. They have permits for 5,000 cases and he questioned why they would  
239 double to 10,000 cases.  
240

241 **Richard Svendsen, 1309 Diamond Mountain Road,** asked whether the  
242 project is what the people of Calistoga desire or want, as entry corridors  
243 coming into Calistoga will be amassed with large resorts. He views taking away  
244 7 homes as a threat and this should not be at issue, and the question of  
245 allowing a deli for guests only cannot be managed realistically. He and his wife  
246 left Danville to live in the ambience there is today. This and other mega-  
247 developments are what he and others do not desire. The read the City's vision  
248 statement and asked if this project maintains the charm of the town. He  
249 implored the Council to think of their children, grandchildren and the legacy left  
250 by this project. The project developers have quoted they are hiding the project  
251 because people do not want to see it, and he felt this is the real fact.  
252

253 **Jennifer Barkley, 216 Foothill Blvd.,** asked the Council the reason for  
254 hurrying the development, thinking there might be a nagging voice due to the  
255 election year, and feels citizens are not impressed. Comments appear to tell  
256 residents that decisions have already been made which is not sitting well. She  
257 thanked everybody for showing up but there is a pattern of inconsistency. She  
258 feels the Council is more concerned with the amount of money being made for  
259 the City and, while she appreciates the effort, she thinks the project should  
260 better benefit the City.

261  
262 **Dennis McNay, 2653 Foothill Boulevard**, said on Highland Court and Foothill  
263 Boulevard sits a subdivision with two villas which have never been sold in 4  
264 years. There will be 21 homes built and he questioned what the LLC will do  
265 when they do not sell. If the City wants to make TOT, he suggested asking the  
266 developers to build in phases, with the hotel first and housing second.

267 **Kristin Casey, 1132 Denise Drive**, said she has been told the developers  
268 have a problem with what low rise and small scale means. She asked the  
269 planning director at the time whether more clarity was needed, but he thought it  
270 was very clear that “low rise” meant one-story and low density. She voiced  
271 concern about the entry to Calistoga. Having something too dense will be a  
272 turn off to all tourists who love to come to town. She also acknowledged the  
273 difficulties of being on the Council or Planning Commission, but thanked all  
274 citizens who have come forward to voice their opposition.

275 **Roger Clough, 1017 Cedar Street**, owner of the historic Lerner Cottage, said  
276 he has been recording the history of Calistoga for 11 years through his pen and  
277 ink drawings and does not want the character of the town changed by  
278 oversized buildings along Highway 29 which do not fit the landscape. There are  
279 only 4 historic buildings left on Lincoln Avenue which he has drawn and he  
280 asked to have the City’s character saved.

281 **Norma Tofanelli, 1001 Dunaweal Lane**, said she does not see how the  
282 Council can make a decision without erection of story poles. Silver Rose  
283 proposes a much larger development than the Brian Arden Winery on a parcel  
284 10 times as big. In listening to the record instead of the summary minutes, the  
285 Commission struggled with the AutoCAD which are easy to manipulate. The  
286 General Plan requires a gradual transition from agriculture to urban and this is  
287 not gradual or low rise, and the only way its true impact can be visualized is  
288 via story poles and models. The project also conflicts with the General Plan  
289 density requirement. The density calculation uses the full 22.5 acres and  
290 claims that 21 units meet the mandatory. This works if there is no commercial  
291 component. Here, 22.5 acres is split into 4 parcels and 21 private lots, and the  
292 resort parcel consumes 13 acres. The real density is 2.4 units per acre for 9.5  
293 acres. She read the mandatory verbiage from the General Plan Amendment  
294 and the newly written Urban Design Plan at LU-54, presented a letter from  
295 Shute Mihaly and Weinberger noting that mature trees must be retained, and  
296 lastly voiced a concern about large trucks with making turns from Silverado  
297 Trail onto Rosedale Road.

298 **Michael Quast, 1300 Washington Street**, spoke regarding the geothermal  
299 element and said mineral water will go down the sewer system; however, the  
300 developer will only be charged residential rates while people in town must pay  
301 resort rates. He thinks the full use of the geothermal should be explained to the  
302 public or that the Council should ask them to return with more detail.

303 **Mayor Gingles** asked Mr. Foster to address comments from the public.

304 **Kelly Foster** addressed comments, stating the homes will be governed by an  
305 HOA. They will be in a rental pool managed by the resort. There is an  
306 allowance for the HOA to decide to divorce from the resort and self-manage.  
307 TOT would be paid to the City on the non-owner homes. Regarding timing and  
308 ownership, he explained that Silver Rose Ventures would own the hotel, winery  
309 and vineyard. They would sell the 21 homes and these would be part of the  
310 HOA. They grow grapes on the property, some are sold and some are used to  
311 make wine. Many wineries make wine from fruit purchased elsewhere and  
312 therefore, they would grow and buy fruit to make wine. Regarding the  
313 combination of hotel, winery, deli, vineyard and private residence, they would  
314 have about 193 employees with expertise to do all related duties uses. This is  
315 not incompatible with the overall project. Regarding geothermal, he asked that  
316 Geoff Herbert address this.

317 Geoff Herbert, Project Manager, explained that the geothermal system is a  
318 proposed loop for the resort, stating they will put meters on each to track what  
319 is being used on site. The reinjection system is being used for a heating and  
320 cooling system and this is the same concept that Solage uses.

321 **Mayor Gingles closed the public hearing at 8:57 p.m.**

322 **Councilmember Kraus** referred to concerns about drainage, and asked if the  
323 project would exacerbate these issues. Mr. Foster said no, they have detention  
324 ponds and the grading plan provides enough retention during rainy season and  
325 100 year flood events.

326 **Councilmember Kraus** asked if it was the intention of building and selling the  
327 homes first or to develop the resort first. Mr. Foster said everything would be  
328 built in parallel construction or at the same time for a 20-month build period,  
329 and they believe it is too small a project to phase.

330  
331 **Councilmember Slusser** asked and confirmed homes would be sold pre- and  
332 post construction.

333  
334 **Mayor Gingles** clarified with Mr. Foster that the equity investment has been  
335 secured. They would finance construction and need to obtain project approval  
336 prior to having construction drawings prepared and close construction  
337 financing.

338  
339 **Councilmember Canning** referred to the perceived success of Solage Resort,  
340 and asked about what occurred with their equity partners with Solage. Mr.  
341 Foster described what happens when a project has no residential project to  
342 sell, stating in this case, their value became less than their debt. The only way  
343 to service the debt was to run the resort and get it to a profitable level over the  
344 course of years. He cited their opening at the downturn in the economy and  
345 while he did not know the particulars, most pure hotels at that time which did



346 not have a for sale product, the original equity was either wiped out or suffered  
347 a severe loss.

348 He said that Bald Mountain Development has never failed to get construction  
349 financing. They also have never flipped a project. They have a combined 6  
350 resorts of this size across the country.

351  
352 **Councilmember Kraus** said most people cannot afford \$1,000 a night hotel  
353 room and asked what the saturation point is in the valley for resorts of this type.  
354 Mr. Foster said hospitality industry experts indicate there is plenty of appetite  
355 for additional luxury rooms. **Councilmember Canning** added that there are 4.7  
356 million visits and the average visitor comes 1.8 to 2 times to the Napa Valley.

357  
358 **Mayor Gingles** said he remembers doomsday predictions for Solage. They  
359 built it for \$71 million and another \$16 million was put into it. They defaulted,  
360 but he would be curious as to what it did for the rest of the spas, feeling that it  
361 picked up business for them. Mr. Foster said Solage accelerated their average  
362 rate sooner than expected. It created the "Solage Glow" wherein they spent a  
363 significant amount of money on the resort. They have sold out rooms and some  
364 guests who cannot book rooms will go to other resorts, which Calistoga now  
365 sees as a result. They continue to see a benefit for the town.

366 **Councilmember Canning** noted that this will allow more tourists to go to other  
367 hotels and the town businesses have seen a benefit since the opening of  
368 Solage. He reiterated that it does not ruin the current hotel and restaurant  
369 business. Mr. Foster added that a wedding at Solage usually results in people  
370 calling Silver Rose hotel because Solage is full. Their tasting room also sees  
371 more traffic.

372 **Councilmember Kraus** questioned how successful the City was in receiving  
373 TOT collected, given the recession. **City Manager Spitler** replied that the City  
374 brings in over \$6.6 million for all TOT and Solage is the number one producer,  
375 or 1.7 times to the nearest competitor. They are also the City's number two in  
376 sales and property tax revenue and they have been an important component of  
377 the City's survival.

378 **Councilmember Slusser** questioned the number of weddings and noise they  
379 generate which may bother residents. Mr. Foster said they believe the resort  
380 will be an attractive venue for weddings. He presented areas where weddings  
381 occur depending on their size. The after party of weddings would be restricted  
382 after 10:00 p.m. in either below grade or in the main ballroom which is quite a  
383 distance from residences. There are also restrictions to 60 decibels as well as  
384 hours of operation. It is in the hotel's interest to keep noise down, given the  
385 comfort of other hotel guests.

386 **Mayor Gingles** said the Council has discussed this project as well as the  
387 Planning Commission at length, but he has not heard anything about housing  
388 for workers. He asked if in-lieu fees are being paid and noted that Solage

389 donated slightly below two acres for apartments. Mr. Foster said the  
390 development agreement requires them to pay \$500,000 into the housing fund.

391 **Mayor Gingles** referred to lighting that may intrude on neighbors and asked  
392 about security. Mr. Foster said they are amenable to conditions for down facing  
393 lighting on buildings and residences. Regarding security or video cameras, the  
394 first 92 cars would be safe in the parking garage but if there are problems,  
395 security measures could be reviewed for other parking areas.

396 **Councilmember Slusser** voiced support for the projects feathering, trees, and  
397 said a resort already exists on the property. She did not understand what  
398 people would otherwise want there and said the City does not often get an  
399 opportunity for development like this. The property owners need to be able to  
400 build on their properties. She said while she is not ready to vote on the project,  
401 she suggested people look at the project and how it might fit. The City must  
402 take applications seriously and allow owners to use their land. She is torn, but  
403 Calistoga has not developed anything in 30 years other than affordable  
404 housing and Solage. She suggested residents take time to look at the  
405 development and consider what is good in the development. She also noted  
406 that the Economic Vitality Group returned with the need for more resorts in  
407 Calistoga and this is what is being done.

408 **Councilmember Kraus** said there have been questions raised about the deli  
409 and restaurant. He confirmed there is one restaurant open to the public where  
410 people can dine. Councilmember Kraus asked to elaborate on how large the  
411 deli will be, whether the deli will cater for events at the facility. Mr. Foster said  
412 events would be catered out of the main restaurant and the deli is about 400  
413 square feet.

414 **Vice Mayor Dunsford** said the idea that this will become a V. Sattui operation  
415 is absurd, and people are paying high costs to stay in very high end rooms. It is  
416 not a picnic ground but a five-star luxury resort and he did not want any  
417 restrictions on the deli. He felt competition is a good thing and said some  
418 people will go downtown and buy sandwiches from Cal Mart.

419 **RECESS**

420 **Mayor Gingles** called for a recess at 9:29 p.m. and thereafter reconvened the  
421 special meeting at 9:33 p.m.

422 **Vice Mayor Dunsford** requested a plan of the deli and asked for the Council to  
423 focus its conversation on just the deli. Mr. Foster displayed and described the  
424 floor plan for the 400 square foot deli and the remaining multi-function 900  
425 square foot building, its parking, arrival point and gathering spot with mailboxes  
426 for the residential units, a library and lounge area, art display on the wall, a  
427 resort logo wear area and convenience area targeted for renters and  
428 homeowners. **Vice Mayor Dunsford** noted the Planning Commission's issue  
429 of restricting people to come in and he did not see many outside visitors that

430 would want to drive up and gather at the deli. He did not believe it would be a  
431 major food operation.

432 **Councilmember Canning** said if the project were approved, Solage does not  
433 have a deli option and he would love to see people be able to purchase sundry  
434 and deli items. There are guests that bike downtown and for him, the deli could  
435 be problematic.

436 **Vice Mayor Dunsford** believed these people typically drive downtown and  
437 would not be generally visiting the resort's deli.

438 **Mayor Gingles** said his concern is not the deli, but rather than 22 acres of  
439 development.

440 **Councilmember Canning** said 30 years ago, the County came together and  
441 made a decision about a WDO. Municipalities gave up being the commercial  
442 centers of the County. With this understood, the scale is what was intended for  
443 the WDO which came after the Agricultural Preserve. Communities were  
444 designed to be these commercial centers.

445 **Mayor Gingles** discussed when the Solage property was first purchased and  
446 no one in town had a problem with the resort and he would want to go back on  
447 the original plan for this resort. The Planning Commission requested deleting 7  
448 units and he supported the deli operation and moving forward with the  
449 development.

450 **Vice Mayor Dunsford** voiced support for retaining the 7 homes, felt the project  
451 graduates, the feathering satisfies him, and he would like to see the project be  
452 successful.

453 **Mayor Gingles** asked that more funds be from the developer for affordable  
454 housing. Mr. Foster noted their total fees are actually about \$7 million. **City**  
455 **Manager Spitler** described the types of fees associated with the development  
456 and concurred, noting that the per-square-foot calculation is \$1.40/sq. ft. on  
457 commercial adopted resolution, plus \$18,000 for each residential unit.

458 **Mayor Gingles** questioned how to proceed with the staff recommendations,  
459 and **Planning & Building Manager MacNab** stated the resolutions and  
460 ordinances have been set up to reflect the Commission's recommendations,  
461 but should the Council wish to revert to the original proposal, the Council would  
462 direct staff to return to these and staff would return with the final language.

463 **Councilmember Kraus** noted that the original proposal included at least one  
464 or more two-story buildings in the cluster of 7 buildings. They reduced those to  
465 one story and added significantly to the landscaping and this is not the original  
466 proposal. **Planning & Building Manager MacNab** said the Council's option  
467 could be an approval adding back in the 7 homes and eliminating the restriction  
468 on the guest only use of the deli. The other changes for additional landscaping  
469 and one story homes would remain unchanged.

470 **Vice Mayor Dunsford** voiced concern with over-screening the property and  
471 thinks it adds massing to the project. He suggested a compromise in the  
472 middle for additional landscaping as having a wall of trees is not something the  
473 City may want, given the architecture. **Mayor Gingles** said he thinks Solage  
474 and Harvest Inn did a fantastic job with their landscaping.

475 **Vice Mayor Dunsford** confirmed that in the original approval, short-term  
476 rentals would be allowed for the single family residences, as well. **City**  
477 **Manager Spitler** noted that TOT will be collected from either the HOA or resort  
478 operator for the 7 homes.

480 It was **MOVED** by **Mayor Gingles** and **SECONDED** by **Vice-Mayor**  
481 **Dunsford** to adopt Resolution No. 2012-032 approving a **Mitigated**  
482 **Negative Declaration based on an Initial Study.**

483 **Councilmember Slusser** indicated she was not ready to vote and wanted the  
484 community to be able to review it further.

486 **Motion was carried by the following vote:**

488 **AYES:** Mayor Gingles, Vice Mayor Dunsford Councilmembers  
489 Canning, Kraus, and Slusser.

490 **NOES:** None.

491 **ABSTAIN:** None.

492 **ABSENT:** None.

494 It was **MOVED** by **Mayor Gingles** and **SECONDED** by **Vice-Mayor**  
495 **Dunsford** to Introduce Ordinance No. 681 and waive the first reading  
496 approving a Zoning Text Amendment establishing the "PD 2011-02",  
497 Silver Rose Resort Planned Development District. Motion was carried by  
498 the following roll call vote:

500 **AYES:** Mayor Gingles, Vice Mayor Dunsford, Councilmembers  
501 Canning, Kraus, and Slusser.

502 **NOES:** None

503 **ABSTAIN:** None

504 **ABSENT:** None

506 It was **MOVED** by **Mayor Gingles** and **SECONDED** by **Vice-Mayor**  
507 **Dunsford** to adopt Resolution No. 2012-033 approving a Preliminary &  
508 Final Development Plan, Conditional Use Permit and Design Review,  
509 restoring the 7 homes that the Planning Commission recommended  
510 eliminating, and also removing the restriction that the deli be used by  
511 guests only. Motion was carried by the following vote:

513 **AYES:** Mayor Gingles, Vice Mayor Dunsford, Councilmembers  
514 Canning, Kraus, and Slusser

515 **NOES: None.**  
516 **ABSTAIN: None.**  
517 **ABSENT: None.**

518  
519 **It was MOVED by Mayor Gingles and SECONDED by Vice-Mayor**  
520 **Dunsford to adopt Resolution No. 2012-034 approving a Tentative**  
521 **Subdivision Map. Motion was carried by the following vote:**

522  
523 **AYES: Mayor Gingles, Vice Mayor Dunsford, Councilmembers**  
524 **Canning, Kraus, and Slusser.**  
525 **NOES: None**  
526 **ABSTAIN: None**  
527 **ABSENT: None**

528  
529 In response to a question posed by **Councilmember Slusser** regarding wine  
530 making operations, **Planning & Building Manager MacNab** clarified that the  
531 Rural Residential districts standards do not apply and therefore production  
532 limits and on site requirements do not apply. This is a project subject to the  
533 grape sourcing ordinance and the applicant has agreed that production at the  
534 winery be 75% Napa grapes. Mr. Foster clarified that the existing facility is  
535 adequate for production of 10,000 cases and with additional barrel storage.

536 **It was MOVED by Mayor Gingles and SECONDED by Vice-Mayor**  
537 **Dunsford to introduce Ordinance No. 682 and waive the first reading**  
538 **approving a Development Agreement DA2011-2 for the Silver Rose**  
539 **Resort. Motion was carried by the following roll call vote:**

540  
541 **AYES: Mayor Gingles, Vice Mayor Dunsford, Councilmembers**  
542 **Canning, Kraus, and Slusser.**  
543 **NOES: None**  
544 **ABSTAIN: None**  
545 **ABSENT: None**

546  
547 **F) ADJOURNMENT**

548 **Mayor Gingles** adjourned the meeting at 10:03 p.m. to the next scheduled a  
549 joint meeting of the Calistoga City Council and the Napa County Board of  
550 Supervisors, on Tuesday, May 15, 2012, Calistoga Community Center, 1307  
551 Washington Street, 7:00 p.m.

552  
553 **Respectfully submitted:**

554  
555 \_\_\_\_\_  
556 **Prepared by: Amanda Davis, Deputy City Clerk**

557  
558 \_\_\_\_\_  
559 **Approved by: Jack Gingles, Mayor**