

CITY OF CALISTOGA

MEMORANDUM

TO: CHAIRMAN MANFREDI AND MEMBERS OF THE
PLANNING COMMISSION

FROM: ERIK V. LUNDQUIST, SENIOR PLANNER

MEETING DATE: NOVEMBER 14, 2012

SUBJECT: RESORT AT INDIAN SPRINGS EXPANSION PROJECT
1712 LINCOLN AVENUE (APN 011-340-019)

An Initial Study was completed by the City in accordance with CEQA Guidelines, and on October 12, 2012, the Initial Study/CEQA Checklist and Notice of Intent to Adopt a Mitigated Negative Declaration was circulated for public and agency review and comment. Copies of the Initial Study were made available to the public at the Department of Planning and Building. On November 2, 2012, notice of the Planning Commission public hearing of November 14, 2012 to review the Initial Study was published in the local newspaper.

Based on the Initial Study/CEQA Checklist that was prepared for this project pursuant to the California Environmental Quality Act (CEQA), staff has found that the project will not have a significant effect on the environment and, therefore, recommends adoption of a Mitigated Negative Declaration. A copy of the Draft Initial Study has been attached to the original staff report prepared for this item for Planning Commission consideration.

Prior to project approval, the Planning Commission will need to recommend to the City Council adoption of the Mitigated Negative Declaration. CEQA requires the lead agency to consider the environmental document in conjunction with the comments received. If the record as a whole contains substantial evidence supporting a fair argument that the project may actually produce significant environmental impacts that were not identified in the circulated draft Initial Study, the lead agency must find a way to mitigate the impacts to less than significant levels, and revise the proposed negative declaration and then re-circulate or prepare an EIR. As explained below, based on the comments received and the data in the record, staff believes that the Mitigated Negative Declaration remains the appropriate CEQA document for the project.

The following written comments were received regarding the project and staff has prepared a response to these comments for Commission consideration of the environmental determination.

1. **Doug Cook of Brannan Cottage Inn (Cook.1)**: Submitted a letter dated November 12, 2012 regarding the Initial Study and Mitigated Negative Declaration.

Responses to Cook.1:

Cook.1-1

The author indicated that the evaluation of construction dust was not properly assessed. No specific information was provided to substantiate this position. As stated in the *Air Quality and Greenhouse Gas Assessment* prepared by Illingworth and Rodkin dated March 14, 2012 the Project does not exceed the Bay Area Air Quality Management District (BAAQMD) emissions thresholds. Moreover, BAAQMD CEQA Air Quality Guidelines considers dust impacts to be less than significant if best management practices are employed. Mitigation Measure AIR-1 includes dust control measures that reflect current best management practices. The applicant has agreed to incorporate Mitigation Measure AIR-1, which requires dust control.

Cook.1-2

The author indicates that the Initial Study failed to address odors from increased the geothermal water at the site. The project is not creating any new source of odor and actual geothermal use on the property will decrease as a result of the project.

Cook.1-3

The author asserts without supporting evidence that there are four tall palm trees that have historic value and that the loss of the trees has been ignored in the Initial Study. In a meeting on November 13, 2012 with the Applicant and the Applicant's Arborist it was confirmed that these four tall palm trees will not be removed and the trees will be maintained.

The palm trees have been treated appropriately by the arborist. However, it is not the arborist's job to determine the historic significance of the trees. As such, the Applicant's qualified historian has indicated that these trees on their own do not rise to the level of cultural significance. These trees may qualify as heritage trees, if the City had a Heritage Tree Ordinance, due to the age and size of the trees but not due to any association with the Brannan era resort. As to the landscaping elements, they may be a remnant of the original resort, but they no longer retain that association. Landscaping elements can be an enhancement to an existing historic

structure, building, or object, but do not rise to the level of significance on their own.

Significance is a function of association with historic events and individuals or with recognized architectural styles and patterns. The landscaping elements do not retain the association with the original resort since the resort buildings have been removed and the new buildings fit a different pattern. As Cassandra Chattan's report dated April 11, 2011 makes clear, buildings associated with the Patcheteau and Nance resorts, both 20th Century, do have cultural significance, but the redevelopment of the area for these newer resorts has removed above ground evidence of the original Brannan resort. In short, the trees and landscaping that may be remnant of the original resort do not retain the characteristics necessary to qualify as significant historic features.

Cook.1-4

The author expresses concern that the original 1860' Brannan resort and landscaping is not adequately addressed. As stated in the above response, the remaining elements of the original resort do not constitute a significant cultural site. The Chattan report notes that elements of the original resort have been found during archaeological procedures initiated by CalTrans, and that they have consistently been found in disturbed context associated with disturbed prehistoric (Native American) deposits. These disturbed deposits are not considered significant under the guidelines of the Office of Historic Preservation or the Secretary of the Interior's standards. It is considered appropriate to initiate archaeological monitoring in areas containing disturbed archaeological sites as insurance to protect pockets of undisturbed archaeological deposits, if they are found.

Cook.1-5

The author indicates that a quantitative analysis needs to be conducted regarding releases to the ground/Napa River, wastewater treatment plant and reinjection into the groundwater. An Initial Hydrology/Hydraulic study has been completed by the applicant's engineer providing quantitative sizing of infrastructure and drainage facilities (i.e. detention/retention basin, conveyance piping, hydraulic grade lines, etc.). Watershed maps have been prepared and pre and post developed peak flows have been calculated in order to ensure peak runoff for the 2, 10 and 100 year events is below existing peak flows. Additionally, the Applicant's Engineer has prepared a preliminary storm water mitigation plan to control the quality of storm water runoff, which incorporates the installation of permanent LID/BMP facilities as regulated by Napa County.

In regards to Geothermal, the applicant has provided initial quantitative volumes of discharge for the spa/laundry facilities that currently drain to the City's sewer system. Although geothermal volume of discharge is unknown for the pool facility that the owner is currently discharging to the cities sanitary system, they will be conditioned to provide a closed-loop-heat exchange system that will eliminate 90% of this discharge, and thus reduce the total amount of geothermal discharged to the City's sewer system. The applicant has a total existing available sewer discharge right to dispose of 35.1 acre-ft annually, this includes geothermal and domestic sewer. Per the Development Agreement the applicant is required to be assessed 3-years after build-out to determine the actual sewer discharge, at this time they will be assessed additional impact fees if they have not been able to discharge below their allotted volume. This puts a huge incentive on the owner to reduce geothermal discharge and implement water conservation measures to avoid costly sewer impact fees.

Regarding reinjection, currently the applicant does not anticipate geothermal reinjection. However, if this is pursued the applicant will only be allowed to inject non-body contact geothermal water and be required to meet the jurisdictional requirements of the State Department of Oil, Gas and Geothermal Resources. Other surface released, non-body contact geothermal is required to be less than existing conditions. Applicant is proposing additional geothermal ponds to accomplish this.

Cook.1-6

The author requests a quantitative analysis of geothermal water. See response to Cook.1-5.

Cook.1-7

The author indicates that the "mining" of silt/ash as not be discussed. The Mineral Resources Section of the CEQA Checklist requires an analysis of the loss of a known mineral resource of value to the region and the residents. The General Plan Geothermal Element discusses ash deposits and concludes that they are in abundance and depletion is not a concern. Additionally, the General Plan notes that disposal of ash is not considered problematic.

Cook.1-8

The author suggests more restrictive construction hours. The author's comments are noted. The project's construction hours are consistent with Municipal Code requirements.

Cook.1-9

The author notes the absence of a quantitative analysis regarding employee housing. Employee housing is not a CEQA issue.

Cook.1-10

The author suggests that a quantitative analysis should be presented to conclude that an in-lieu fee is appropriate. The proposed in-lieu fee is based on the City's adopted in lieu housing fee. Paying an impact fee is a legal and legitimate method of addressing foreseeable impacts on parks and recreation services.

Cook.1-11

The author suggests that key intersections (29/Silverado Trail and Lincoln Avenue/Foothill Boulevard) should have been included in the "Study Area". The City of Calistoga has included in its General Plan a policy indicating that operational thresholds are not to be applied to the intersection of Lincoln/Foothill, so a level of service analysis provides no meaningful data except to note that the intersection already needs to be improved. This location will see further deterioration to its operation (regardless of whether anything else is developed in Calistoga) as through traffic continues to increase. However, the City has established an impact fee to help fund improvements at such time as the City determines what they are to be and gets Caltrans to move forward with their construction. Because payment of the fee mitigates any impacts to this intersection, further analysis is unnecessary because, as noted above, it does not provide any meaningful, new information.

In regards to the intersection of Silverado/Lincoln, there are numerous published reports that show that this intersection is currently operating acceptably, and will continue to do so under projected future volumes at build-out of the area with the planned installation of a modern roundabout. Caltrans is already working towards this improvement, and again, the City has a fee which will be assessed against the development that mitigates its impacts on this intersection.

To put it succinctly, these two intersections were not studied because the mitigation that would be needed (payment of impact fees) is already known, and preparing additional operational analysis will not result in any new information.

Cook.1-12

The author notes he is not qualified to comment but opines that the "traffic calming" measures are inadequate and should include a left turning lane, a lighted crosswalk and eventually a stop light across Lincoln Avenue from Brannan Street to Wappo Avenue. The left-turn and right-turn lanes into the Resort have been professionally studied and determined not to be warranted. The author's suggested traffic calming measures have been noted.

Cook.1-13

The author suggests that a quantitative analysis of the project's cumulative impacts on water treatment and wastewater capacities should be conducted. As required by Section 13.16.040 CMC, the City can make additional water/wastewater allocations available for developers in an amount not to exceed 20-acre-ft in any one year. Additionally, as indicated on Page 6 and 7 of the Staff Report dated November 14, 2012, the water/wastewater impact of this project and other projects have been assessed and the City has available water and wastewater capacity. Furthermore, based on historical annual water/wastewater metered data, the cities water consumption over the last 10-years has decreased approximately 25% for water and about 12% for sewer.

Cook.1-14

The author notes that the traffic at Lincoln and Foothill should be discussed. Again, because there is not an operational standard for Lincoln/Foothill, there is not a basis for finding the impact significant.

Cook.1-15

The author notes that the Traffic Study fails to mention potentially impact intersections. Again, because there is not an operational standard for Lincoln/Foothill, there is not a basis for finding the impact significant.

Cook.1-16

The author indicates that the Brannan cottage located at 109 Wappo Avenue was not referenced. The cottage at 109 Wapoo Avenue was not specifically discussed in the cultural reconnaissance study. It was generally mentioned as one of a number of these cottages scattered around Calistoga. We did overlook the fact that this cabin is in its original location. This building will not be affected by the proposed project, and was not studied as part of the project.

2. **Doug Cook of Brannan Cottage Inn (Cook.2):** Submitted a letter dated November 12, 2012 regarding the Staff Report

Responses to Cook.2:

Cook.2-1

The author expresses concern that the original 1860' Brannan resort and landscaping is not adequately addressed. The remaining elements of the original resort do not constitute a significant cultural site. The Chattan report notes that elements of the original resort have been found during archaeological procedures initiated by CalTrans, and that they have consistently been found in disturbed context associated with disturbed

prehistoric (Native American) deposits. These disturbed deposits are not considered significant under the guidelines of the Office of Historic Preservation or the Secretary of the Interior's standards. It is considered appropriate to initiate archaeological monitoring in areas containing disturbed archaeological sites as insurance to protect pockets of undisturbed archaeological deposits, if they are found.

Cook.2-2

The author suggests a quantitative analysis regarding jobs and housing. A jobs analysis is not a required part of this review and the payment of an in-lieu fee is appropriate.

Cook.2-3

The author suggests that the tables provided on Page 6 and 7 of the Staff Report do not have supporting data. These tables were provided in a Staff report to the City Council dated February 21, 2012 addressing available water supply and wastewater capacity. The City Council accepted the findings and conclusion of this report. Additional supporting and explanatory information can be found in the February 21, 2012 City Council Staff Report. It should also be noted that the total impact is well below the City's available water/wastewater capacity. In addition, based on historical annual water/wastewater metered data, the city's water consumption over the last 10-years has decreased approximately 25% for water and about 12% for sewer, which again adds available resources available for consumption.

Cook.2-4

The author questions the basis of the calculation of "Traffic Impact Fees". The basis of the impact fee is the City-established rate for each particular area of benefit.

Cook.2-5

The author suggests additional safety improvements are warranted. A professionally prepared traffic study analyzing the project has concluded that turn lanes are not warranted, and there is no evidence that lighted crosswalks or other improvements are warranted from Brannan Street across Lincoln Avenue to Wapoo Avenue. A condition of approval does require a pathway/sidewalk be provided along the site's entire frontage and installation of a crosswalk across Lincoln Avenue at Brannan Street for pedestrian and bicycle connectivity.

Cook.2-6

The author states that more information is needed regarding public utilities. The applicant has a total existing available sewer discharge right to dispose of 35.1 acre-ft annually, this includes geothermal and domestic

sewer. The total projected domestic wastewater discharge to City system will only use about 70% of this allocation. The applicant currently discharges unmonitored amounts of geothermal groundwater to the City sewer system and main contributors are from the pool, spa and laundry facilities that solely use geothermal resources. The applicant is conditioned to install a geothermal meter to account for all geothermal discharge to sewer and they will be reducing their pool discharge by 90% by installing a closed-loop-heat exchange system. That being said, the impact on the City's wastewater system should be less and/or within their allocated amount and if they end up discharging more than allocated they will be required to pay impact fee's to further fund infrastructure improvements to the City's system. Reclaimed water does not impact the sewer system, helps reduce water consumption, and additional aids City infrastructure in lessening the City's reclaimed water storage burden. Moreover, the Applicant is conditioned to analyze impact of lift station flow impacts on City infrastructure.

Cook.2-7

The author states he will have comments on the project's baselines. The author's comment is noted

Cook.2-8

The author questions why the project is exempt from the Growth Management System. Section 19.02.050(F) of the Calistoga Municipal Code exempts project for which the City has entered into a development agreement. This project includes a request for a development agreement

Cook.2-9

The author questions the basis for the various impact fees. Per the development agreement the various impact fees have either been negotiated by the City Manager or are at a rate consistent with the City's established rates.

Staff concludes that the above comments do not contain substantial evidence supporting a fair argument that the project may produce significant environmental impacts. Therefore, staff recommends adoption of the Mitigated Negative Declaration prepared for the proposed project.

ATTACHMENTS:

1. Letter dated November 12, 2012 from Doug Cook (CEQA)
2. Letter dated November 12, 2012 from Doug Cook (Staff Report)

November 12, 2012

Mr. Erik V. Lundquist, Senior Planner
Planning & Building Department
City of Calistoga
1232 Washington Street
Calistoga, CA 94515



RE: Resort at Indian Springs Expansion Project
Initial Study and Mitigated Negative Declaration
October 11, 2012

Dear Erik:

Thank you for the opportunity to review the referenced document last week. After review, I would like to submit these comments for your review and analysis before the Planning Commission meeting on November 14, 2012. I'd also like you to forward these comments to the Chairman and all Members of the Planning Commission.

My initial comments include an overall opinion that it may be premature to approve the Mitigated Negative Declaration at this time. While I believe that a) the majority of the environmental impacts reviewed were appropriately identified and analyzed, and b) the recommended mitigation measures are appropriate and reasonable, there are a few areas of consideration that were not fully addressed or are not completely clear in the documents prepared by the City and the various consultants. My detailed comments follow below:

1. Section III, d): It appears to me that the evaluation of construction dust (particulate matter) generated during the construction phase of the project seems woefully underestimated (at <1 pound per hour). We're talking about a significant area of disturbance (parking lots, building pads, pathways, new roads, et al.) on a property that already has neighbors concerned about dust generated during ash/silt excavation. While I agree with the mitigation measures proposed, the evaluation of potential emissions from the project seems to significantly underestimate the impact. These comments are made recognizing that the earthmoving activities at the site may occur over a limited time period. I recommend this potential impact be further evaluated before the Mitigated Negative Declaration (MND) be approved. 1
2. Section III, e): The Initial Study (IS) failed to address a unique source of odors at the project site: sulfurous odors from the potentially increased usage of the geothermal water at the site. I suggest the analysis be updated to include this odor source. 2
3. Section IV, a) and e): The discussion/evaluation seems to ignore the historic value of the tall palm trees planted originally during the 1860 "Sam Brannan era" and now a significant tie to that historical time at the original "hot springs spa." As described in Robert Louis Stevenson's "Siverado Squatters," these now giant palms identified the locations of the original cottages and should be offered significant protection from the new project at Indian Springs. Although the "Tree Protection Plan" by Branum offers suggestions for tree protection based on type, location and condition of the existing trees to be disturbed, it does not put any of those trees in an historic context. This matter should also be addressed under Section V Cultural Resources. 3
4. Section V, a): The analysis of cultural resources seems to be limited to pre-history occupants of the region and the historical (circa 1900s) buildings at the site. I believe the original 1860s Brannan resort and the associated remaining plantings also need to be identified as a potential environmental impact and protected via mitigation measures. See comment 3 above. Perhaps this can be simply resolved with an addendum identifying which palm trees date to that period and tying it to the list of trees to be removed/replanted and associated mitigation measures. 4
5. Section IX, all subsections: This evaluation of hydrology and water quality should be expanded to address quantitatively the releases to ground/Napa River, the City of Calistoga wastewater treatment plant and reinjection to the groundwater resource. The general comments with regard to minimal additional use/releases seems not to address the reality that the property is expanding from 41 to 116 lodgings (nearly 3 times the existing use), with some associated additional use of the 5

- geothermal mineral water resources at the site (which, in fact, draws the visitors). Specifically with regard to discharges to the treatment plant, the text mentions "no discharge of geothermal water without the City Engineer's approval", but fails to document any current agreement to allow such discharge, or the quantities permitted. More explanation required for understanding the impacts of discharges to the ground/Napa River, the treatment plant and reinjection to the groundwater resource. Also of significance may be the current "baseline" of water use and wastewater treatment capacity consumption. No such quantification is included in the IS. For example, how can "historic flows be maintained" when storm runoff will be impacted by the addition of several hundred (if not thousands) of square feet of impervious surfaces (building roofs, asphalt paved roads and parking lots, etc.). This type of quantitative evaluation should be performed now, not in the so-called "final study". 5
6. Section X, b): This section should also evaluate geothermal water management in a quantitative approach; see also comment 5. 6
7. Section XI: In this section, regarding mineral resources, there was no discussion of the "mining" of silt/ash resources on property for spa use. It appears this activity will cease after the construction of the expansion project improvements, which may cause impacts on-site of at other off-site locations where these materials will be obtained, transported, stockpiled in the future. 7
8. Section XII, d): Given the proximity of neighbors to the project in the mobile home park(s), I suggest that the Mitigation Measure specifying construction times (7 am to 7 pm) be modified to 8 am to 5 pm to minimize short term impacts to this sensitive population. 8
9. Section XII, a): Given the size of the proposed project (as compared with two other recent resort development proposals recently evaluated by the Planning Commission), I was surprised at the absence of a quantitative evaluation of the number of new employees and the need for their lodging. I would have liked to see some specifics about the impact, a discussion of the pluses/minuses of actually contributing to creating new housing vs. the "housing impact fee" payment, and the calculation that lead to the "impact fee" amount. 9
10. Sections XIV and XV: Given the comment above (9), it would seem that the project would have some impact on the need for Public Services and Recreation—that is, use of the "No Impact" option seems incorrect. Again, a more quantitative analysis would be useful. As expressed in other cases, I have a bias against paying an impact fee vs. actually doing something to help minimize the impact. 10
11. Section XVI : I believe this section needs significant additional work, starting with the supporting documents and the choice of the "Study Area." Limiting the Study Area to the frontage of the Indian Springs Resort along Lincoln Avenue eliminates consideration of traffic impacts to the Highway 29/Silverado Trail and Highway 29/Highway 128/Lincoln/Foothill intersections (the primary gateways to town) that can be expected to have impacts from traffic generated by this major expansion of an existing resort. Especially given the public concerns expressed over the gateway traffic impacts of similarly sized resorts at Silver Rose and Enchanted Resorts (per their EIR evaluations), it is amazing that neither of these impacts was reviewed. I see this as the strongest argument for considering the IS as incomplete, and am surprised that you haven't had any comments from the other resort proponents arguing for a "level playing field" on this matter. In the IS, in Section XVI. a and b) writeup at the center of Page 50, the Silverado Trail/Lincoln Avenue is mentioned, but there was no corresponding discussion in the reference document (the W-Trans) Traffic Impact Studies. Much of the work addressing impacts at the two entry intersections has already been done by the proponents of the other two resorts recently approved by the City Council, and could easily have been modified/reported to include the evaluations I am requesting. The answers may have been similar to prior work (even if a cumulative analysis was done), but it needs to be addressed for public consumption. Even if 1 additional car associated with the Indian Springs expansion was added in the critical times at the corner of Lincoln & Foothill, it would be apparent that the impact is significant and there are no reasonable mitigations identified. It needs to be "spelled out" for the IS document to be complete. 11
12. Section XVI: Although "sight distance" and "turn lane warrant" studies were performed, I am not qualified to review same. But it seems to me the "traffic calming" measures proposed are inadequate to protect drivers, pedestrians, bicycle riders, et al. near the entrances to the Resort. I live directly across Lincoln Avenue from the entrance (on Wapoo Avenue) and am continually exposed to screeching brakes, traffic traveling too fast, and pedestrian mis-adventures at and near that intersection. I strongly believe that additional mitigations should include (in order of 12

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| <p>significance): reduced speed limits into town on Lincoln Avenue starting at the intersection with Silverado trail, left turn lane for traffic from the north into the Resort, a cross-walk with flashing lights for pedestrians and bicycles to cross Lincoln Avenue at Wapoo Avenue, cross-walk with flashing lights at corner of Lincoln Avenue and Brannan Street, right turn lane into the Resort for northbound traffic on Lincoln Avenue, and eventually stop lights or signals at the intersections of Lincoln/Brannan and Lincoln/Wapoo. It's not safe now, and with expansion of the Resort will get less safe.</p> | 12 |
| <p>13. Section XVIII: Again, no quantitative analyses were performed to address the cumulative impact of the Indian Springs Expansion combined with the two other large resorts recently approved on water service and wastewater treatment capacities. Geothermal water disposal evaluation was not present either. Again, its very hard to see how increasing the lodging units at Indian Springs Resort from 41 to 116 (a factor of 3) will result in "no substantial increase in waste water" or a "slight domestic demand" increase.</p> | 13 |
| <p>14. Mandatory Findings of Significance: See prior comments (especially comments 12 & 13); at the absolute minimum, traffic at Lincoln and Foothill should be noted here (as was done for the Enchanted Forest project).</p> | 14 |

I also reviewed the supporting studies appended to the IS. My specific comments follow:

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| <p>1. Traffic Study(ies): The September 6, 2011 and March 19, 2012 reports fail completely (by my reading) to even mention, let alone evaluate, the potentially impacted intersections of Lincoln/Foothill and Lincoln/Silverado Trail/Lake Street. Finally, in the "response letter to CalTrans", dated May 22, 2012, there is a very weak argument presented for not including these intersections. This is a major weakness of the traffic evaluation and my single largest concern about the IS and the conclusion to issue the MND.</p> | 15 |
| <p>2. Historic Review/Cultural Resources Report: A relatively minor (but important to me at Brannan Cottage Inn) error/incomplete documentation aspect of this report is a) the complete failure to discuss the one original Brannan cottage still remaining at it's original location (at 109 Wapoo Avenue, across from the Indian Springs Resort; Page 5) and the listing of incorrect current uses for the remaining Brannan cottages on Cedar and Wapoo (the current uses were reversed). I am the current owner of the cottage at 109 Wapoo Avenue, now the Brannan Cottage Inn Bed & Breakfast.</p> | 16 |

Thank you for the opportunity to provide this input, and for your consideration of these comments on the recently published Initial Study, and the resulting recommendation for a Mitigated Negative Declaration. I support the Resort at Indian Springs Expansion Project and look forward to additional opportunities to participate in the process of adequately evaluating and providing an appropriate background to approve the project and improve our community.

Sincerely,

Doug Cook
Brannan Cottage Inn



November 12, 2012

Mr. Erik V. Lundquist, Senior Planner
Planning & Building Department
City of Calistoga
1232 Washington Street
Calistoga, CA 94515

RE: Resort at Indian Springs Expansion Project
Staff Report and Draft Development Agreement
Dated November 14, 2012

Dear Erik:

Thank you for providing the referenced documents last Friday and for the opportunity to review and comment on same. I would like to submit these comments for your review and analysis before the Planning Commission meeting on November 14, 2012. I'd also like you to forward these comments to the Chairman and all Members of the Planning Commission.

Although I support the Merchant Family in implementing their vision for an improved, upgraded and expanding Resort at Indian Springs, I generally believe that it may be premature to approve a) the Mitigated Negative Declaration at this time, due to weaknesses in the supporting documents and the Initial Study (comments previously submitted) and b) the Draft Development Agreement attached to the Staff Report, due to concerns about the complexity of the agreement and the limited opportunity (i.e., <6 days since it became available) for the community to review and understand same. I previously submitted detailed comments on the IS/MND; my preliminary comments on the Staff Report and draft Development Agreement follow below:

STAFF REPORT:

- 1. Page 1, Background—The Indian Springs Resort should also be understood, and the Expansion Project reviewed, in the historic context of its initial existence as the first hot springs resort in the Calistoga area, as founded by Sam Brannan. The original street pattern and landscaping (both on and offsite) were created under Brannan's guidance and should be protected. This is particularly true of the tall palm trees from the 1860s era that mark the locations of the original 25 cottages. The historical value of these palms should be addressed in the IS under both Sections IV and V and impacts due to destruction or relocation of same evaluated for significance. 1
- 2. Page 5, Staff Analysis, Section D: The Affordable Housing section goes directly to the "in-lieu housing fee" with no quantitative analysis of jobs created, housing required, alternatives considered, basis for calculation, etc.. In general, the in-lieu fee seems like a weak substitute for actually constructing affordable housing as required of the Solage Resort development. 2
- 3. Page 6, Staff Analysis, Section E: The various figures presented in the tables herein do not provide an understandable basis for their data. In addition, the tables and support materials should have been included in the IS in order to assist in determining the significance of both Water Supply and Wastewater Generation/Capacity environmental impacts. 3
- 4. Page 8, Staff Analysis, Section F: The text in the second paragraph claims the "study intersection" is Silverado Trail and Lincoln Avenue. See previous IS comments that note that the "study area" is way too small and should include both Silverado/Lincoln and Lincoln/Foothill. In fact, the supporting documents/traffic studies and responses to prior comments by CalTrans specifically claim a rationale for excluding these crucial entry intersections. Which is true? And what is the basis of the calculation of "Traffic Impact Fees" as presented herein. 4
- 5. Pages 9 & 10, Staff Analysis, Section F: As noted in prior IS comments, it seems to me that this list of conditions for improving pedestrian and bicycle connectivity (and safety) is remarkably inadequate; please consider requiring turn lanes, lighted pedestrian crosswalks to cross Lincoln Avenue, and even stop signs/signals at each affected intersection (Lincoln/Brannan/Wapoo and Lincoln/Indian Springs entrance& exit/Wapoo). 5

6. Page 10, Staff Analysis, Section G: There are unsupported conclusions regarding Wastewater Service and Geothermal Water management, and the completely new discussion of use of reclaimed water (which I don't think was included in the IS). More, and more understandable, information is needed for the evaluation of impacts on Public Utilities in town.

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For a more detailed discussion of my concerns about the evaluation of environmental impacts, see my previously submitted comments on the IS and Mitigated Negative Declaration.

I also reviewed the Development Agreement. My review was limited to a few hours and my limited, specific comments follow:

1. Page 2, Recitals: I was unaware that there were written agreements between the City of Calistoga and "The Calistoga Spas"/Resort at Indian Springs regarding water and wastewater baselines and discharge of geothermal water to the wastewater treatment system. I will try to expedite my review of those complicated documents and have some comments at the Public Hearing on November 14, 2012.
2. Page 12, Article 4: Why is/How can the project be exempt from the City Growth Management System. This is a crucial element in making the City's water and wastewater resources available to property owners/developers of future projects. No rationale was provided.
3. Pages 15 & 16, Article 5: No basis was provided for the various Impact Fees (subsections C & D). How can we evaluate whether these fees are consistent with those charged to other projects, effective in actually providing reasonable reimbursement for the impacts the City bears, and appropriate (i.e., are there any other fees that should be collected).

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Thank you for the opportunity to provide this input, and for your consideration of these comments on the recently published Staff Report and Development Agreement. Again, I support the Resort at Indian Springs Expansion Project due to its consistency with the General Plan, its location within the "Community Commercial—Design District" zone, and its expansion of an existing, independent business near our historical downtown. I look forward to additional opportunities to participate in the process of adequately evaluating the project and providing an appropriate background to approve the project and improve our community.

Sincerely,

Doug Cook
Brannan Cottage Inn