

**CITY OF CALISTOGA
PLANNING COMMISSION
DRAFT MEETING MINUTES**

**Wednesday, November 14, 2012
5:30 PM
Calistoga Community Center
1307 Washington St., Calistoga, CA**

**Chairman Jeff Manfredi
Vice Chairman Paul Coates
Commissioner Carol Bush
Commissioner Nicholas Kite
Commissioner Walter Kusener**

“California Courts have consistently upheld that development is a privilege, not a right.”

Among the most cited cases for this proposition are Associated Home Builders, Inc. v. City of Walnut Creek, 4 Cal.3d633 (1971) (no right to subdivide), and Trent Meredith, Inc. v. City of Oxnard, 114 Cal. App. 3d 317 (1981) (development is a privilege).

MEETING CALLED TO ORDER AT 5:32 PM

Chairman Manfredi noted that a cell phone was found in the women’s restroom.

Chairman Manfredi reported that this would be Planning and Building Manager, Ken MacNab’s last meeting since he has accepted a job with the City of Napa. **Chairman Manfredi** congratulated Planning Manager MacNab and told him he would be missed.

A. ROLL CALL

Present: Chairman Jeff Manfredi, Vice Chairman Paul Coates, Commissioners Carol Bush, Nick Kite (late) and Walter Kusener. **Absent:** None. **Staff Present:** Ken MacNab, Planning and Building Manager, and Erik Lundquist, Senior Planner.

B. PLEDGE OF ALLEGIANCE

C. PUBLIC COMMENTS

None.

D. ADOPTION OF MEETING AGENDA

MOVED by Vice Chair Coates, seconded by Chairman Manfredi, to approve the meeting agenda of November 14, 2012.

The motion carried with the following vote:

- AYES: (4) Manfredi, Coates, Bush, Kusener
- NOES: (0)
- ABSTENTIONS: (0)
- ABSENT: (1) Kite

E. COMMUNICATIONS/CORRESPONDENCE

None

F. CONSENT CALENDAR

MOVED by Commissioner Bush, seconded by Vice Chair Coates, to approve the regular meeting minutes of October 24, 2012 and the 2013 Planning Commission regular meeting schedule as provided.

The motion carried with the following vote:

- AYES: (4) Manfredi, Coates, Bush, Kusener
- NOES: (0)
- ABSTENTIONS: (0)
- ABSENT: (1) Kite

G. TOUR OF INSPECTION

None.

[Commissioner Kite arrives at the meeting]

H. PUBLIC HEARINGS

1. **INDIAN SPRINGS RESORT EXPANSION (U 2011-11):** Consideration of a Conditional Use Permit (U 2011-11), Design Review (DR 2011-09) and Development Agreement (DA 2011-01) requested by John Merchant, on behalf of Resort at Indian Springs, LLC, allowing 75 additional guest rooms, a restaurant, event building, gym & yoga studio and hotel registration building. Landscaping, new parking areas, driveways and pedestrian pathways will also be developed. On and off site water, sewer, recycled water and storm drainage improvements will be installed to serve this project located on the 16 acre site at 1712 Lincoln Avenue (APN 011-340-019) within the "CC-DD", Community Commercial - Design District.

In accordance with the California Environmental Quality Act (CEQA), the City of Calistoga, Planning and Building Department has prepared an Initial Study/CEQA Checklist for the above referenced project. The Planning Commission will be asked to make a recommendation to the City Council determining that the proposed project as amended by the included mitigation measures will not have a significant adverse effect on the environment. The City of Calistoga intends to adopt the Mitigated Negative Declaration for the project. Additional comments will be considered at the public hearing.

Vice Chairman Coates recused himself because he is representing the applicant in this matter.

Commissioner Bush thanked Vice Chair Coates for his beautiful Veterans Day celebration.

Senior Planner Lundquist gave the staff report.

John Merchant, 1712 Lincoln Avenue (Property Owner), summarized the project and indicated that they were discussing project financing with Bank of the West. Mr. Merchant indicated that they hope to reach final agreement with the bank by the end of the year. With permits from the City they would like to commence construction in the spring. Mr. Merchant discussed projected occupancy and revenue benefits to the City.

Chairman Manfredi asked Mr. Merchant if he would operate the restaurant. **John Merchant** responded yes, they will operate the restaurant.

Paul Coates, 1710 Reynard Lane (Applicant), expressed that the project is consistent with the General Plan and that they have reduced the project in order to address neighbor concerns. Mr. Coates noted that the Merchant Family pulled the buildings further away from the property line and will install an eight foot high fence along the property line to soften the impact on the neighbors in the Calistoga Springs Mobile Home Park. The Merchant Family has also agreed to provide an emergency vehicle access to the Mobile Home Parks.

Chairman Manfredi opened the public hearing.

Winne Wilson, 55 Magnolia Drive, expressed the need to obtain a 20-foot emergency vehicle access from the Calistoga Springs Mobile Home Park prior to the Indian Springs Expansion Project.

Senior Planner Lundquist noted that the Draft Development Agreement requires the Developer to provide a 20-foot emergency vehicle access easement and install an all weather surface and gates from Calistoga Springs and Chateau Calistoga Mobile Home Parks prior to occupancy.

Paul Coates, 1710 Reynard Lane (Applicant), reiterated that a 20-foot all weather surface and gate would be installed that would allow residents to exit the park onto the Indian Springs property during an emergency.

Larry Korman, 19 Rock Rose Lane, read a letter into the record requesting emergency vehicle access from Calistoga Springs Mobile

Home Park and safety improvements at the corner of Lincoln Avenue and Brannan Street.

Commissioner Kite asked if Mr. Korman's comments have been addressed. **Mr. Korman** responded yes.

Joe Bob Hitchcock, 1322 Berry Street, questioned if the housing in-lieu fee was appropriate and stated that he felt the \$88,000 dollars was not enough. Mr. Hitchcock also stated that he has heard that boron is ruing the wastewater treatment plant and that this project would make the situation worse. Mr. Hitchcock asked if there was a way to prevent the boron laden water from entering the system.

Senior Planner Lundquist asked if the Chairman would like a response to the speaker's comments. **Chairman Manfredi**, indicated a response would be appropriate.

Senior Planner Lundquist indicated that the \$88,000 housing in-lieu fee was the City's established rate based upon a \$1.40 per square foot, which is similar to the other recently considered visitor accommodation projects. Senior Planner Lundquist noted that this Project, as conditioned, will have a substantial reduction in geothermal usage. Currently the geothermal water is not measured or metered. This project will result in the measuring and monitoring geothermal water and will set a baseline of 35.1 acre feet of allowed discharge into the sanitary sewer system including domestic waste.

Chairman Manfredi reminded the public that there are over 70 affordable housing units currently being planned for Calistoga.

Senior Planner Lundquist indicated that the 2014 – 2022 Regional Housing Needs Allocation (RHNA) – Subregion methodology has been released indicating 27 affordable housing units for Calistoga.

Commissioner Kite asked for staff to clarify the last speaker's comments regarding if boron ruins the sewer system.

Senior Planner Lundquist stated that the boron is not ruining the wastewater treatment plant but indicated that reclaimed water does kill certain plants when used for irrigation purposes.

Paul Coates, 1710 Reynard Lane (Applicant), added that the City has lost over 300 jobs in the recent years, which has resulted in a population decline of 100 people. Mr. Coates indicated that the City desperately needs jobs and Indian Springs will result in 25 additional jobs. He further

stated that the in-lieu housing fees will help affordable housing projects move through the pipeline and assist housing needs in the future.

Norma Tofanelli, 1001 Dunaweal Lane, noted that she speaks for the community, in light of the other resort projects, saying that the City should let the existing businesses like this one come forward with their plans first so we are not giving things to outsiders and then not able to give them to our existing businesses. Ms. Tofanelli stated that the question then becomes if there is a market for more rooms. Ms. Tofanelli proceeded to read excerpts from an article entitled "*North Bay Hotel Occupancy, Revenues Continue to Rise*" dated April 19, 2012 from the North Bay Journal.

Ms. Tofanelli proceeded to read excerpts from the Napa Valley Destination Council Board of Directors Meeting Minutes of May 10, 2012. She stated that Meadowood Resort is concerned with two additional resorts and questioned their appreciation for a third resort that the Planning Commission is about to approve.

Ms. Tofanelli continued stating that every rate payer is subsidizing spas in this community. Ms. Tofanelli explained that the City can not sell treated effluent for agricultural use or discharge the effluent into the Napa River because it kills the fish. Ms. Tofanelli submitted into the record the City of Calistoga, *Review of Water and Wastewater 2010 Rate Studies Implementation and Comparison of Actual results to projections* prepared by Spilman & Associates dated May 1, 2012.

Ms. Tofanelli discussed components of the 2001 Spa Settlement Agreement indicating that wastewater flows are enormous resulting from geothermal discharge from unknown sources. Ms. Tofanelli suggested that the City conduct a study session to discuss how the City will deal with this issue.

Senior Planner Lundquist noted that the 2001 Spa Settlement Agreement referenced Ms. Tofanelli is an Exhibit C in the Draft Development Agreement.

Paul Coates, 1710 Reynard Lane (Applicant), thanked Ms. Tofanelli for her comments and indicated that this project, as conditioned, sets the bar high for this project and future projects. Mr. Coates indicated that the Merchant Family will be cutting back their geothermal usage by 90% from the existing levels and metering at their cost discharges back into the City's sanitary sewer system. Mr. Coates also noted that a baseline has also been established that will prevent excessive discharge and the project will take reclaimed water to irrigate the grass.

Senior Planner Lundquist confirmed Mr. Coates' statements and agreed that the conservation measures being implemented and conditions of approval reduce potential impacts on the City's infrastructure.

Bill Dyer, 1501 Diamond Mountain Road, indicated that in general terms this project conforms to the General Plan and the Property Owner has been engaged in the community for a period of time unlike Enchanted Resorts. Mr. Dyer indicated this is the kind of thing we need in Calistoga.

Doug Cook, 109 Wappo Avenue, expressed he was generally in favor of the project but wanted to review the project to confirm that other recent resort projects were being reviewed consistently. Mr. Cook indicated that he submitted two letters and appreciated staff's effort responding to each of his comments. Mr. Cook indicated that he still has some remaining concerns relating to the intersection of Lincoln Avenue and Foothill Boulevard, pedestrian and bicycle safety and water and wastewater issue.

[the lost phone rings]

Mr. Cook questioned the calculation of the Development Impact fees and suggested that the initial study be re-circulated to provide more review time.

Senior Planning Lundquist stated that staff prepared a formal response to Mr. Cook's comments concluding that Mr. Cook did not submit any significant evidence supporting a fair argument that the project may produce significant environmental impacts and that recirculation of the initial study was not warranted. Senior Planner Lundquist reviewed staff's response to the concern relating to the intersection of Lincoln Avenue and Foothill Boulevard, pedestrian and bicycle safety and water and wastewater capacities.

Doug Cook, 109 Wappo Avenue, stated he finds it hard to believe that 75 new rooms will reduce wastewater usage.

Senior Planner Lundquist reiterated staff's position regarding safety improvements along Lincoln Avenue indicating that frontage improvements were warranted but not a crossing across Lincoln Avenue, as confirmed by Caltrans.

Commissioner Kite clarified his understanding of Senior Planner Lundquist's statements regarding wastewater expressing that there is clearly wastewater generated by the new rooms but because of reduction in geothermal usage the project will be less than the established baseline.

Senior Planner Lundquist agreed with his statements.

Commissioner Kite added that the economic imperative will reduce geothermal discharge.

Senior Planner Lundquist stated that it is a huge financial incentive to stay under the established baseline.

Chairman Manfredi closed the public hearing and asked for Commission discussion.

Commissioner Kusener questioned the letter from the Department of Conservation and asked if putting geothermal water back into the City's system is okay. **Senior Planner Lundquist** stated yes it is okay and it is currently done. Mr. Lundquist clarified that it is not currently the Applicant's intent to re-inject into the groundwater initially however this matter was discussed in the initial study for potential re-injection in the future.

Commissioner Kusener noted that DOGGR has not approved re-injection. **Senior Planner Lundquist** noted staff is aware and permits with DOGGR will be required in the future if they elect to re-inject geothermal water.

Commissioner Kite responded to Ms. Tofanelli's comments regarding the market by indicating that this is America and if a Developer wants to take the investment risk then they should give it a go and it should not be the Planning Commission's position to tell a Developer where and how they should make investments.

Chairman Manfredi agreed saying the last thing the community should be concerned about is what Meadowood thinks of this town. If the Project meets the established criteria and follows the rules a project should be able to be built not based upon outside influence.

Commissioner Bush questioned if the Washington Street sewer mainline has the capacity to handle the sewer.

Senior Planner Lundquist indicated that there is reserve capacity to handle the project but at the connection point on Anna Street a limited study will need to be conducted.

Commissioner Kusener questioned the on-site circulation pattern and wondered if one of the driveways would be two-way traffic.

Paul Coates, 1710 Reynard Land (Applicant), indicated there will be no change, one way in and one way out.

Commissioner Kusener suggested making one of the driveways a two-way entry to reduce congestion. **Mr. Coates** stated the driveways could be changed in the future if problems were occurring.

Commissioner Kusener indicated that more congestion will also occur at the intersection of Fair Way and Lincoln Avenue and that overtime safety concerns will exist along this section of Lincoln Avenue. **Senior Planner Lundquist** responded indicating that the City will look into these larger community issues. **Commissioner Kusener** questioned the Quality of Life fee. **Senior Planner Lundquist** responded indicating it funds park and recreation infrastructure as determined by the City Council.

Chairman Manfredi stated overall this is a good project for the community and feels confident that the Merchant Family will do good work.

MOVED by Chairman Manfredi, seconded by Commissioner Bush, to adopt a Resolution recommending that the City Council adopt a Mitigated Negative Declaration, finding that with the inclusion of mitigation measures, the project will not have a significant adverse impact on the environment.

The motion carried with the following vote:

- AYES: (4) Manfredi, Kite, Bush, Kusener
- NOES: (0)
- ABSTENTIONS: (1) Coates
- ABSENT: (0)

MOVED by Commissioner Bush, seconded by Chairman Manfredi, to adopt a Resolution recommending to the City Council approval of a Conditional Use Permit (U 2011-11) and Design Review (DR 2011-09) for the project incorporating the findings and subject to the conditions of approval as provided in the Resolution.

The motion carried with the following vote:

- AYES: (4) Manfredi, Kite, Bush, Kusener
- NOES: (0)
- ABSTENTIONS: (1) Coates
- ABSENT: (0)

MOVED by Commissioner Kusener, seconded by Commissioner Bush, to adopt a Resolution recommending to the City Council approval of a Development Agreement (DA 2011-01) incorporating the findings as provided in the Resolution.

The motion carried with the following vote:

- AYES: (4) Manfredi, Kite, Bush, Kusener
- NOES: (0)
- ABSTENTIONS: (1) Coates
- ABSENT: (0)

[Commissioner Coates takes his seat]

I. NEW BUSINESS

None.

J. MATTERS INITIATED BY COMMISSIONERS

K. COMMENTS/PROJECT STATUS

Planning and Building Manager Ken MacNab thanked the Commission for all their support during his employment and indicated it has been a pleasure and privilege to serve the community. Mr. MacNab noted he appreciates all of the relationships that he has formed during the course of his employment.

[Commission Applauded and thanked Mr. MacNab]

L. ADJOURNMENT

MOVED by Chairman Manfredi, seconded by Commissioner Kite, to adjourn to the next regular meeting of the Planning Commission on November 28, 2012.

The motion carried with the following vote:

- AYES: (5) Manfredi, Kite, Bush, Kusener, Coates
- NOES: (0)
- ABSTENTIONS: (0)
- ABSENT: (0)

MEETING ADJOURNED AT 6:45 p.m.