

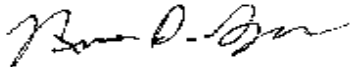
City of Calistoga

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Staff Report

TO: Honorable Mayor and City Council Members
FROM: Richard Spitler, City Manager
DATE: December 16, 2014
SUBJECT: Consideration of Resolution Delegating Authority to the City Manager to Consent to Assignments of the Silver Rose Development Agreement and to Execute Implementing Documents

APPROVAL FOR FORWARDING:



Richard D. Spitler, City Manager

1 **ISSUE:** Consideration of a Resolution Delegating Authority to the City Manager
2 to Consent to Assignments of the Silver Rose Development Agreement and to
3 Execute Implementing Documents.

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5 **RECOMMENDATION:** Adopt a resolution authorizing the City Manager to
6 consent to assignments of the Silver Rose Development Agreement and to
7 execute documents to implement the terms and provisions of the Development
8 Agreement.

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10 **BACKGROUND / DISCUSSION:** The City of Calistoga approved the Silver
11 Rose Project, which includes a hotel, single-family homes and other uses, in
12 May, 2012, and it was the subject of an unsuccessful referendum. As part of the
13 project, the City of Calistoga and Silver Rose Venture, LP (“Silver Rose”) entered
14 into a Development Agreement (“Development Agreement”), which sets forth the
15 vested rights and obligations of Silver Rose with respect to the development of
16 the Silver Rose Project.

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18 Section 8.2 of the Development Agreement (see Attachment 2) provides that it
19 may only be assigned to a non-Affiliated Party, as defined therein, with the
20 “written consent of City.” Silver Rose has requested that the City consent to the

21 assignment of the Development Agreement to Calistoga Resort Holdings, LLC, a
22 Delaware limited liability company that is purchasing the underlying real property.
23 With this approval the project would continue to be developed as approved by
24 the City and there is no change proposed in business plan, schedule, program,
25 or luxury resort operator, nor an across-the-board change in managers of the
26 development entity. What would change is that the previous private equity
27 partner, Alcion, would be replaced by the Nantai Capital Group.

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29 In order to respond quickly and effectively to requests for assignments, this item
30 seeks authorization for the City Manager to consent to this proposed assignment,
31 as well as subsequent assignments of the Development Agreement, pursuant to
32 the terms of the Development Agreement, as well as to execute Assignment
33 Agreements and other implementing documents, such as estoppel certificates, to
34 effectuate the terms and provisions of the Development Agreement.

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36 **FISCAL IMPACT:** The fiscal impact would be a decrease in the costs of staff
37 time to agendize requests for approval of assignment agreements and other
38 implementing documents.

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40 **ATTACHMENT:**
41 1. Draft Resolution
42 2. Silver Rose Development Agreement - Article 8 Assignment, Transfer and
43 Notice

