

City of Calistoga
Staff Report

TO Honorable Mayor and City Council
FROM Lynn Goldberg, Planning and Building Director
DATE January 6, 2015
SUBJECT Annual Review of Resort at Indian Springs Development Agreement

APPROVAL FOR FORWARDING:

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Richard D. Spittler, City Manager

1 ISSUE: Consideration of the annual report on the status of the Resort at Indian Springs
2 LLC development agreement

3 RECOMMENDATION: Approve the attached resolution finding that Resort at Indian
4 Springs LLC is in good faith compliance with the terms and conditions of its
5 development agreement.

6 BACKGROUND: The City of Calistoga entered into a development agreement
7 (Agreement) with Resort at Indian Springs, LLC (Developer), on February 23, 2013
8 (Ordinance No. 688). The Agreement provided the Developer with certain assurances
9 that they could proceed with a development project that includes a resort expansion of
10 75 guest rooms, a restaurant, conference facility, gym, yoga studio, hotel registration
11 building, and other public amenities and infrastructure. It also requires certain
12 improvements, such as a 20-foot wide emergency vehicle paved access from the
13 property to the Calistoga Springs and Chateau Calistoga mobile home parks, and the
14 payment of development impact fees, among other obligations. The initial term of the
15 Agreement is five years, with the possibility of term extensions.

16 The Agreement provides that beginning the second January 1 after its effective date
17 (i.e., January 1, 2015) and each January 1 thereafter, the City shall review the
18 Developer's good faith compliance with the Agreement and that the Developer shall
19 work with City in good faith in connection with any such review, including by providing
20 such additional information as City may reasonably request in connection therewith.

21 The Developer has completed an Annual Compliance Evaluation Form that provides
22 evidence of its good faith compliance with its obligations under the Agreement
23 (Attachment 2).

24 During 2014, substantial progress was made on the Resort at Indian Springs expansion.  
25 Construction of all of the approved lodging buildings and their surrounding landscaping  
26 and vehicular access is complete, as is the Class I pathway along Lincoln Avenue. All  
27 required development impact fees have been paid. The remaining structures (i.e.,  
28 restaurant, event barn and yoga building) are expected to be completed by February.

29 **DISCUSSION:** As required in the Agreement and by Government Code Section  
30 65865.1, the City Council must determine whether the Developer has, in good faith,  
31 substantially complied with the terms of the Agreement up to and including the date of  
32 the review. Based on the project status described above, this finding can be made.

33 **ENVIRONMENTAL REVIEW:** The annual review of the Agreement is not subject to the  
34 California Environmental Quality Act (CEQA) under CEQA Guidelines Section  
35 15061(b)(3) because it can be seen with certainty that there is no possibility it could  
36 have a significant effect on the environment.

37 **FISCAL IMPACT:** There are no fiscal impacts associated with preparation of the  
38 annual report. However, the City's economy has benefited from the project by its  
39 promotion of tourism, payment of transient occupancy tax and job creation.

40 **ALTERNATIVES TO RECOMMENDATION:** Pursuant to Government Code Section  
41 65865.1, "If, as a result of such periodic review, the local agency finds and determines,  
42 on the basis of substantial evidence, that the applicant or successor in interest thereto  
43 has not complied in good faith with the terms or conditions of the agreement, the local  
44 agency may terminate or modify the Agreement."

## **ATTACHMENTS**

1. Draft resolution
2. Annual Compliance Evaluation Form for Resort at Indian Springs Development Agreement

**RESOLUTION NO. 2015-XXX****RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALISTOGA, COUNTY OF NAPA, STATE OF CALIFORNIA, FINDING THAT RESORT AT INDIAN SPRINGS, LLC IS IN GOOD FAITH COMPLIANCE WITH THE TERMS AND CONDITIONS OF THE DEVELOPMENT AGREEMENT FOR THE RESORT AT INDIAN SPRINGS PROJECT**

**WHEREAS**, on February 23, 2013, the City of Calistoga (City) entered into a Development Agreement (Agreement) with Resort at Indian Springs, LLC (Developer), (Ordinance No. 688); and

**WHEREAS**, the Agreement provided the Developer with certain assurances that they could proceed with a development project on property located at 1712 Lincoln Avenue; and

**WHEREAS**, the term of the Agreement is for a period of five years commencing on February 23, 2013; and

**WHEREAS**, as required by Government Code Section 65865.1 and by the Agreement beginning the second January 1 after its effective date (i.e., January 1, 2015) and each January 1 thereafter, the City shall determine whether the Developer has, in good faith, substantially complied with the terms of the Agreement up to and including the date of the review; and

**WHEREAS**, at its meeting of January 6, 2015, the City Council considered the Annual Compliance Evaluation Form completed by the Developer that provides evidence of its good faith compliance with its obligations under the Agreement; and the facts as described in the staff report that the Developer has completed nearly all of the improvements associated with the Indian Springs Resort expansion; and

**WHEREAS**, the Developer and members of the public were provided an opportunity to be heard regarding the Agreement's status before the City Council conducted its review.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Calistoga hereby:

1. Finds that the Developer is in good faith substantial compliance with the terms and conditions of the Development Agreement between the City of Calistoga and Resort at Indian Springs, LLC.
2. Finds that the review satisfies the annual review of development agreement as provided in Government Code §65865.1.

**PASSED, APPROVED, AND ADOPTED** by the City Council of the City of Calistoga at its meeting held the **6<sup>th</sup> day of January, 2015** by the following vote:

**AYES:**

**NOES:**

**ABSTAIN:**

**ABSENT:**

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**CHRIS CANNING, Mayor**

**ATTEST:**

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**KATHY FLAMSON, City Clerk**