

City of Calistoga

Staff Report

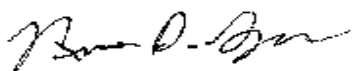
TO: Honorable Mayor and City Council

FROM: Richard Spitler, City Manager

DATE: August 18, 2015

SUBJECT: Consideration of a Lease Disposition and Development Agreement by and between the City of Calistoga and the Boys & Girls Clubs of St. Helena and Calistoga to allow Development of a Boys and Girls club Facility on a Portion of a 1.06 acre Parcel at Logvy Park

APPROVAL FOR FORWARDING:



Richard D. Spitler, City Manager

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2 **ISSUE:** Consideration of a Lease Disposition and Development Agreement by and
3 between the City of Calistoga and the Boys & Girls Clubs of St. Helena and Calistoga to
4 allow development of a boys and girls club facility on a portion of a 1.06 acre parcel
5 located at Logvy Park.

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7 **RECOMMENDATION:** Adopt Resolution to:

- 8
9 1. Approve and authorize the City Manager to execute the Lease Disposition and
10 Development Agreement (DDA), in the form attached hereto, with minor revisions
11 as may be approved by the City Manager in consultation with the City Attorney;
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13 2. Approves and authorizes a ground lease of the property at a rent of \$1.00 per
14 year in accordance with the terms of the DDA and proposed Ground Lease;
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16 3. Approves and authorizes the a joint use of the project to be constructed on the
17 property in accordance with the terms of the DDA, and proposed Ground Lease
18 and Joint Use Agreement; and
19
20 4. Authorizes the City Manager to execute the Ground Lease and Joint Use
21 Agreement, in accordance with the terms of the DDA, and to take other actions
22 and execute other documents as necessary to implement the terms of the DDA
23 and execution of the Ground Lease and Joint Use Agreement.

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25 **BACKGROUND / DISCUSSION:** On October 7, 2014, the City Council adopted a
26 resolution authorizing the City Manager to execute a Memorandum of Understanding
27 (MOU) with the Boys & Girls Clubs of St. Helena and Calistoga, Inc. (BGC) to negotiate
28 the terms of a possible disposition and development agreement, a long term ground
29 lease, and a joint use agreement on a 1.06 acre parcel owned by the City at Logvy Park,
30 1401 North Oak Street.

31
32 The intended use is to operate a full-service boys and girls club in a new building of
33 approximately 14,000 square feet. This building will house administrative offices,
34 art room, game room, computer lab, learning center and a gymnasium. It will
35 also have a parking lot and some outdoor use area.

36
37 The proposal is to move the existing BGC programs from the elementary school to
38 this site at Logvy Park in a new building built for that purpose. Consistent with their
39 present youth programs, the BGC will provide after school, non-school day and
40 summer programs open to youth membership in grades K-12 (5-18 years of age).
41 The primary daily users are in the K-6 group.

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43 ***Lease Disposition and Development Agreement:***

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45 Subsequent to approval of the MOU, staff entered into negotiations with the BGC which
46 has led to the proposed draft Lease and Disposition and Development Agreement (DDA)
47 which sets forth (in Section 2.7) the requirements that must be met before the City
48 Manager can approve a Ground Lease and Joint Use Agreement. These requirements
49 can be summarized as follows:

50
51 1. The BGC will be able to use around 1 acre of the site for its needs. The
52 remainder of the site will not be included in the Ground Lease so that there is room
53 for the City to construct or install an approximately 2,000 square foot recreation
54 services modular building and parking lot at City's sole cost and expense. In the
55 event the City decides to not use this portion of the property for this use or
56 removes the recreation building, the City will negotiate in good faith with the BGC
57 for expanding the ground lease area to encompass this portion of the property.

58
59 2. A portion of the subject property is presently used as a community garden and
60 dog park. These will have to be relocated. The BGC would pay up to \$15,000 for
61 the relocation of the community garden and dog park should suitable locations be
62 found in Calistoga.

63

64 3. The BGC must obtain all land use and environmental (CEQA) review approvals
65 before the Planning Commission and City Council. This includes an amendment to
66 the Logvy Park Master Plan.

67 4. The BGC is responsible for the cost of these permits, impact fees and
68 construction costs. The project would be required to meet prevailing wage
69 requirements.

70
71 5. The City and BGC would meet with the Napa County Fair Association and Napa
72 County to consider use of an existing road in the fairgrounds for joint use and off-
73 site event parking.

74
75 6. Once the terms of the DDA are met, the City Manager would execute the
76 Ground lease which would cost the BGC \$1 per year for an initial term of 40 years,
77 with two 5 year extensions allowed for a total 55 year time period (see Exhibit E to
78 the DDA).

79
80 7. At this same time the City and BGC would enter into a long term Joint Use
81 Agreement (see Exhibit F to the DDA). In exchange for the use of the site
82 (land to remain in City ownership) at a reduced ground lease amount, the
83 BGC would make available the building (owned by BGC) for City recreation
84 programs at no cost (during off hours from BGC use). In addition other
85 community use would be permitted at a reduced rental rate for non-profit use
86 and a standard rental rate for private uses, as scheduled and facilitated by
87 BGC during the lease period, Among uses typically allowed in the building
88 (based upon the St. Helena Club activities) are:

89
90 • Currently, the St. Helena facility is used by numerous community groups
91 and programs including the school district, adult sports, a book club, ESL
92 classes, the museum, Zumba, Quinceaneras, birthday parties, community
93 meetings, DARE presentations, health fairs, and art shows.

94
95 • Community use normally occurs in the classrooms in the mornings
96 (except in the summer), after 6pm, and in the evenings in the gym. The
97 facility is available for community use and rentals after Club use (they do
98 not displace kids for rentals), quite often on Saturday nights and Sundays.

99
100 8. The proposed ground lease allows the BGC to have special events, such as
101 fund raisers, that could serve alcohol. Off-site parking for special events will have
102 to be coordinated with the County Fair Association or the City (use of the Logvy
103 Park parking lot).

104
105 ***Project Development Timeframes:***

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- 107 • The BGC development plan at the moment and subject to change:
- 108 • Fundraising: July 2014 - June 2016
- 109 • Planning, design, architectural, engineering and permitting: 2015
- 110 • Construction: Summer 2016 to Summer 2017
- 111 • Opening: First day of school 2017

112
113 The BGC has signed the DDA and is anxious to move ahead with the project. They
114 already have over \$8 million in commitments from donors for this \$9.5 million dollar
115 project.

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117 With City permission, BGC has already surveyed the site, conducted soils testing and a
118 tree report. They have also hired a project manager and architect firm.

119
120 **CEQA:** The proposed disposition agreement is exempt from the California Environmental
121 Quality Act (CEQA) under Section 15061 (b)(3) of the CEQA Guidelines. Further
122 environmental review will be conducted once the project is defined and a planning permit
123 is requested.

124
125 **FISCAL IMPACT:** There is no immediate fiscal impact to the City. There is a commitment
126 to seek funding to install a sidewalk at Logvy Park to connect the site with the existing
127 sidewalk recently installed at the Calistoga Family Apartments. Also, there will be costs
128 associated with grading the site and utility installation for a future Recreation Services
129 building and parking lot at the rear of the subject property. This cost has not been
130 determined; and, the potential to have this portion graded and utilities installed while the
131 BGC project is underway,
132 will be negotiated as a separate item.

133
134 **ATTACHMENTS:**

- 135
- 136 1- Draft Resolution with Lease Disposition and Development Agreement (including
- 137 ground lease and joint use agreement)
- 138 2- Vicinity Map
- 139 3- Site Map
- 140 4- Schematic Plans