


City of Calistoga

Staff Report

TO: Honorable Mayor and City Council
FROM: Ken MacNab, Senior Planner
VIA: Charlene Gallina, Director of Planning & Building
DATE: September 16, 2008
SUBJECT: Amendment to a previously executed Memorandum of Understanding guiding renovation and redevelopment of the former hospital property by Neil Schafer

APPROVAL FOR FORWARDING:


James C. McCann, City Manager

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2 **ISSUE:** Consideration of a Resolution authorizing the City Manager to execute an
3 amendment to the existing Memorandum of Understanding with Neil Schafer regarding
4 the development of the Francis House property at Myrtle and Spring Streets.
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6 **RECOMMENDATION:** Adopt the resolution.
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8 **BACKGROUND:** Renovation and rehabilitation of the historic Francis House has been
9 a long-standing interest of the City. In 2006, the City entered into a Memorandum of
10 Understanding (MOU) with Mr. Neil Schafer that indicates the City's support for
11 renovation and redevelopment of three parcels collectively referred to as the "former
12 hospital property". The MOU (Attachment B) outlines general terms for the project,
13 including execution of a Development Agreement, securing requisite land use
14 entitlements, payment of development fees, and improvement of area infrastructure. It
15 should be clearly noted that the MOU is not binding on either party and does not grant
16 project approval; it is a vehicle by which the City is able to express its support for
17 renovation and redevelopment of the property.
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19 Transfer of the property to Mr. Schafer was delayed by many months due to a dispute
20 with the former owner of the property, Mr. Don Selvey. The dispute was ultimately
21 settled by court action and in late 2007 Mr. Schafer took possession of the property.
22 Immediately after taking possession of the property Mr. Schafer commenced an

23 extensive cleanup effort. In Spring, 2008, the owner began the laborious process of
24 documenting the history and condition of the Francis House and other structures on the
25 site. Mr. Schafer also began the process of preparing preliminary development plans
26 for the site. During this time, Mr. Schafer acquired an adjoining property located at
27 1410 Foothill Boulevard (see Attachment C) with the intent of incorporating it as part of
28 the redevelopment plan for the hospital property.
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30 On August 13, 2008 and August 27, 2008, Mr. Schafer presented conceptual
31 development plans for the four properties to the Planning Commission for feedback and
32 guidance. The Planning Commission made favorable comments regarding the
33 conceptual development plans and the overall direction of the project and supports the
34 addition of the fourth parcel to the MOU.
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36 **DISCUSSION:** Amending the MOU to add a fourth parcel to the project and extend the
37 period time for completing construction is necessary for allowing the project to proceed
38 through the entitlement process. All other terms of the MOU will remain unchanged.
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40 **FISCAL IMPACT:** Amendment of the MOU does not have any direct fiscal impact. The
41 anticipated terms of the Development Agreement called for in the executed MOU would
42 have impacts which could include the payment of development impact fees from future
43 project revenues and for the receipt of property tax, sales tax, and transient occupancy
44 tax from the renovated and redeveloped property.
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46 **ATTACHMENTS:**
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- 48 A. Draft Resolution
- 49 B. Executed MOU dated August 15, 2006.
- 50 C. Site map illustrating proposed property addition.
- 51 D. Draft Amendments to MOU
- 52 E. Conceptual Development Plan