

ATTACHMENT 2

CITY OF CALISTOGA

1232 Washington Street • Calistoga, CA 94515
Telephone 707-942-2828 – Public Works Dept.
Fax 707-942-9472
www.ci.calistoga.ca.us



November 4, 2016

Scott LeStrange and Linda Poggi-LeStrange, Trustees
1701 Garnett Creek Court
Calistoga, CA 94515

Re: City of Calistoga-Berry Street Bridge Replacement Project
Site Address: 1328 Berry Street, Calistoga, CA
APN: 011-222-001
Federal-Aid Project No.: BRLO-5061 (007)

Dear Property Owners:

Associated Right of Way Services, Inc., (ARWS) has been retained by the City of Calistoga ("City") to assist in acquiring a proposed temporary construction and pedestrian access easement in connection with the Berry Street Bridge Replacement Project ("Project"). This letter and accompanying paperwork contains material related to the offer to purchase a temporary construction and pedestrian access easement for this public Project.

Public records show you to be the Owner of the property located at 1328 Berry Street, Calistoga, CA. The property is within the Project area; and is also identified by the Napa County Assessor as Parcel No. 011-222-001.

Attached for your review are the following documents:

- Summary Statement Relating to the Purchase of Real Property or an Interest Therein (1)
- Appraisal Summary Statement (1)
- Temporary Construction and Pedestrian Access Easement Agreement (3)
- Property Owner Information Handbook (1)
- Title VI Brochure (1)

Please review the documents closely. The offer in the amount of \$19,000.00 is made in accordance with the requirements of Section 7267.2 of the Government Code and represents the value of the temporary construction and pedestrian access easement proposed to be acquired as determined by an independent state licensed and certified appraiser.

We are prepared to meet and discuss the proposed temporary easement acquisition with you, and to assist you through the process. Please contact Steve Castellano of ARWS at (925) 691-8500. Mr. Castellano will assist in processing all documents, including providing notary public services and escrow coordination.

Please note that due to restrictive Project funding and timing, the City is moving forward on an expedited schedule. As a result, the City is preparing to seek the adoption of a Resolution of Necessity before the City Council on December 20, 2016. The notice for this meeting is expected to be mailed no later than December 5, 2016. However, it is the City's desire to continue working with you through this accelerated schedule towards a mutually acceptable settlement.

Sincerely,



Michael T. Kirn
Public Works Director/City Engineer

Enclosures (7)

cc: Derek Rayner, City of Calistoga
Steve Castellano, AR/WS

BASIC PROPERTY DATA

OWNER: **Scott LeStrange and Linda Poggi-LeStrange, Trustees**

PROPERTY ADDRESS: 1328 Berry Street, Calistoga, CA

DATE PROPERTY ACQUIRED BY OWNER: May 10, 2000

ZONING: R-3 – Multifamily Residential/Office District

GENERAL PLAN: High Density Residential (10 to 20 dwelling units per acre) and Office

PRESENT USE: Multi-Tenant Occupied Residential

HIGHEST AND BEST USE ①: Continue the current Multifamily use (as improved)

TOTAL PROPERTY AREA: 24,397 gross square feet with a net useable area of approximately 15,547 square feet

PROPERTY RIGHTS PROPOSED TO BE ACQUIRED: 891 square feet - Temporary Construction and Pedestrian Access Easement (TCPAE)

INCLUDING ACCESS RIGHTS? YES _____ NO X

DATE OF VALUATION: October 7, 2016

BASIS OF VALUATION

The just compensation being offered by the City of Calistoga (City) is not less than the City's approved appraisal of the fair market value of the property. The fair market value of the property proposed for acquisition is based on a fair market value appraisal prepared according to accepted appraisal procedures. Principal transactions of comparable properties, where evaluated, are included herein (Page 6). The appraiser has given full and careful consideration to the highest and best use for development of the property and to all features inherent in the property, including, but not limited to, zoning, development potential and the income the property is capable of producing.

California Code of Civil Procedure Section 1263.320 defines Fair Market Value as follows:

- a.) The fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.
- b.) The fair market value of property taken for which there is no relevant, comparable market is its value on the date of valuation as determined by any method of valuation that is just and equitable.

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BERRY STREET BRIDGE REPLACEMENT PROJECT
APPRAISAL SUMMARY STATEMENT AND
SUMMARY OF THE BASIS FOR JUST COMPENSATION
(Pursuant to Government Code Section 7267.2)

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The market value for the property proposed to be acquired by the City is based upon Code of Civil Procedure Section 1263.320a as defined on the previous page.

Value of the Entire Property: \$ 584,013.00 (Underlying Land Only)

Value of the Property Rights proposed to be acquired:

- A. Fee Simple Land and included Improvements: \$ Not Applicable
- B. Improvements Pertaining to the Realty[Ⓜ]: \$ Not Applicable
- C. Permanent Easement: \$ Not Applicable
- D. Temporary Construction and Pedestrian Access Easement (TCPAE) and included Site Improvements: \$ 15,649.00

Property Rights Appraised	Estimated Value (\$/Sq.Ft.)	Monthly Rental Rate	Duration (Months)	Land Area (Sq. Ft.)	Indicated Value
Temporary Easement				1,750	
Net Useable Area	\$37.50	x 0.83%	x 24	x 700	= \$5,229
Riparian Area	\$0.11	x 0.83%	x 24	x 1,050	= \$23
Total Estimated Value of the Temporary Construction and Pedestrian Access Easement:					\$5,252

Site Improvements	Sq. Ft. / Linear Ft. / Quantity	Replacement Cost New (\$/Unit)**	Less Depreciation	Estimated Value
Painted wood picket fence / gate / arbor	80	x \$37.25	- 50%	= \$1,490
Red brick walkway	26	x \$19.25	- 50%	= \$250
Landscaping (plants, bushes and trees)	674	x \$8.25	- 0%	= \$5,561*
Landscape irrigation	674	x \$1.50	- 50%	= \$506
Yard lighting fixtures	2	x \$90.00	- 50%	= \$90
Heritage oak trees	3	(lump sum)		= \$2,500
Total Value of Depreciated Site Improvements:				\$10,397

*Does not include the contributory value of the heritage oak trees, which are accounted for in a separate line item

**Includes delivery and installation where appropriate

\$ 15,649.00
 (Sum of items A – D)

Severance Damages [Ⓝ]: \$ 3,336.00

In addition to determining the market value of the parcel(s) sought to be acquired severance damages were considered. Severance damages are determined based on whether or not the remainder would be diminished in value by reason of the proposed acquisition and/or by the construction of the improvement in the manner proposed. Some severance damage may be mitigated or entirely eliminated by estimating the cost to cure the damage. Where severance damages are found, offsetting benefits are determined. (See Page 9 – Benefits defined.) Under California law, benefits can only be offset against severance damages. If no severance damages are found, there is no application of offsetting benefits.

There are no permanent or temporary severance damages found except for the cost to cure damages estimated to be \$3,336.00 and its breakdown is as follows on the next page:

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Site Improvements	Sq. Ft. / Linear Ft. / Quantity		Replacement Cost New (\$/Unit)		Value Concluded in Improv. Sec.	Estimated Value
Painted wood picket fence / gate / arbor	80	x	\$37.25	-	\$1,490	\$1,490
Red brick walkway	26	x	\$19.25	-	\$250	\$251
Landscape irrigation	674	x	\$1.50	-	\$506	\$505
Yard lighting fixtures	2	x	\$90.00	-	\$90	\$90
Reestablish Irrigation & yard lighting			(lump sum)			\$1,000
Total Damages - Cost to Cure:						\$3,336

Benefits④: \$ (Not Quantified)

The amount of any other compensation: \$ None

JUST COMPENSATION FOR ACQUISITION: \$ 18,985.00

Rounded to: \$ 19,000.00

CONSTRUCTION CONTRACT WORK (No cost to owner)

The portion of the larger parcel located within the banks of the Napa River will be restored as part of the proposed project.

THE FOLLOWING INFORMATION IS BASED ON THE LARGER PARCEL

The Sales Comparison approach is based on the consideration of comparable land sales.

Indicated value by Sales Comparison Approach \$ \$37.50 per square foot

See Page 6 for the principal transactions.

The income approach was not utilized because sellers, buyers, and our peers in this market rarely rely on this approach when offering, purchasing, or valuing properties similar to the subject that consists of land only. A modified cost approach was used to value site improvements that will be affected as a result of the project.

SUMMARY OF THE BASIS FOR JUST COMPENSATION

Narrative summary of the valuation process supporting compensation:

The Berry Street Bridge is one of two Napa River crossings located in the City of Calistoga. The bridge is utilized as a vehicle, pedestrian and bicycle crossing, and serves local residents, an adjacent elementary school, nearby churches, and parks. The existing bridge was constructed in 1919, is 60 feet long and 30 feet wide with two 10-foot travel lanes and narrow sidewalks, and has been deemed functionally obsolete. The City Fire Department is unable to include the bridge as a viable access route in its emergency response plan due to concerns with its inadequate structural integrity. In order to provide reliable and safe vehicular and pedestrian access, the City proposes the Berry Street Bridge Replacement Project (Project). The Project will meet current construction standards, the replacement will be a wider and longer (55 feet by 72 feet) single-span structure, which will accommodate two 12-foot travel lanes, 8-foot shoulders, and 5-foot sidewalks. The new design will improve hydraulic conveyance in the Napa River, reducing the risk of flooding and scour. The construction timeline is 3 to 4 months with a planned start in the summer of 2017. Vehicular traffic will be diverted to use alternant routes during construction, but pedestrian traffic will be accommodated by a temporary footbridge that will be placed beside the current bridge site. Total project cost is \$2.3 million, which will be funded through the Federal Highway Bridge Program.

The larger parcel is located on the east side of Berry Street south of the Napa River in the City of Calistoga. The street address for the subject is 1328-1332½ Berry Street. Berry Street is an undivided, two-directional public roadway that originates from Foothill Boulevard, a two-lane highway (CA-128) that travels along the southern reaches of the city, and connects to Washington Street on the north, just after crossing the Napa River. The Napa River passes through the neighborhood and the subject's northern boundary extends to the center of this watercourse. Most of the uses located within the vicinity of the subject are residential, but the lot situated at the northwest corner of Washington Street and Third Street, near the subject, is improved with a church, and Fireman's Park is at the southeast corner of this intersection. Calistoga Elementary School is located across the street from the subject. The city's only commercial district, consisting of several boutique-style storefront shops and quaint restaurants that mostly cater to tourists, is located only a few blocks to the east.

The City's Planning Department provided a site plan for the subject which indicates a lot size of 24,397 gross square feet for the larger parcel. This area differs slightly from the figure reported on a summary of the public record for the subject. However, the site plan is dated September 3, 2013, and appears to be a more recent survey. Based on the site plan, approximately 8,850 square feet or roughly one-third of the subject property is located within the banks of the Napa River, for a net useable area of 15,547 (24,397 – 8,850) square feet. The portion of the larger parcel located outside of the riparian area has level topography. The shape of the lot is slightly irregular. The street frontage is improved with curb, gutter and sidewalk. Public sewer and water are in and connected to the subject improvements and a local utility company supplies electricity and gas.

A duplex, single-family residence, and carport are located on the larger parcel. The Appraiser was not given permission to enter onto the property, so these improvements were only observed from a distance. However, these structures are not impacted by the proposed acquisition, so only a cursory inspection was necessary. The duplex is situated towards the front of the property, and is 1,852 square feet in size, according to the site plan provided by the city. The duplex was built in 1950, as indicated on a summary of the public record for the subject. The single-family residence is located behind the duplex at the southeast corner of the larger parcel. An older 1940s structure was removed and a single-family residence was constructed in its place in the 2013-2014 timeframe. A 510 square foot carport was built at the same time, and is located adjacent to the house.

A landscaped front yard located between the duplex and the public right of way is secured with a painted wood picket fence that varies in height from 2.5 to 3.5 feet and extends along most of the Berry Street frontage,

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except where a gravel driveway connects to the public roadway. A gate that is 4 feet wide gives access to a redbrick walkway that leads to a wood deck and the front entry of Unit-1332 in the duplex. A 5 foot tall arbor adorns the entryway with a 4 foot wide walkway. Multiple outdoor lighting fixtures are spaced out along the walkway that appear to be electrified. These site improvements were judged to be in average condition.

As viewed from Berry Street, the landscaping consists of lawn, mulched beds with small to medium sized plants, bushes and ornamental trees, in addition to several large native trees. The landscaping is irrigated with a combination of pop-up sprinklers and drip lines connected by a network of underground piping and aboveground tubing that is automatically controlled. The landscaping shows signs of being routinely maintained.

The riparian area along the Napa River consists of natural occurring volunteer vegetation that has been allowed to grow freely, including three heritage oak trees which are clustered near the top of the bank. The trunk of one the trees is massive and it is likely over 100 years old. The city had a certified arborist inspect the oak trees and it was reported that the largest of the three has a remaining life of 3 to 5 years. The arborists report was not provided to the Appraiser. The subject owner indicated that two other oak trees within this area have already succumbed to disease and had to be cut down, which was evident from the stumps left behind. Erosion of the river bank has exposed the main root system of one of the smaller oaks and it is being overcome with ivy. Despite the evidence of decay, the oak trees continue to beautify the property and add to its appeal.

The zoning category for the subject is R-3 – Multifamily Residential/Office District. The intent of the R-3 District is to “increase the diversity and affordability of housing stock in Calistoga by providing housing close to downtown services and to provide convenient access to professional office uses for residents and businesses, while ensuring that care is taken to preserve the character of existing neighborhoods.” Allowed uses are multifamily housing (three or more attached units) at densities of 10 to 20 dwelling units per acre, as consistent with the General Plan designation of High Density Residential, along with supportive housing, transitional housing and residential care. Bed-and-breakfast inns, live-work units, home occupations, and religious facilities may also be permitted. Offices are allowed in appropriate areas and may be developed at a floor area ratio up to 0.8.

The required setback for structures in relation to the Napa River, which is measured from the top of the bank, is 35 feet, according to the City’s Planning Department. Because the subject is located in a floodway, the City indicated that a variance is required for all development on the larger parcel. The duplex located on the larger parcel does not meet the minimum riparian setback requirement of 35 feet and is therefore a legal non-conforming use. The subject’s multifamily use is consistent with the General Plan, which requires a minimum of three dwelling units.

The subject’s current multifamily use is consistent with the Appraiser’s highest and best use conclusion of the subject (as if vacant). The duplex located on the larger parcel was constructed in 1950, but appears to have been updated since that time and no deferred maintenance was evident, as observed from the public right of way. The duplex is a non-conforming use as it relates to the riparian setback; however, the use may continue, but it cannot be altered or expanded. The single-family residence was built only a few years ago. The City’s Planning Department indicated that the site cannot accommodate more than three units, given its physical limitations. It appears unlikely that the subject improvements would be demolished to make way for an alternative use allowed under the subject’s zoning. It has been concluded that the highest and best use of the subject (as improved) is to continue the current use.

The City proposes the acquisition of one temporary construction and pedestrian access easement (TCPAE). The Appraiser was provided by the City a legal description and plat map for the TCPAE area proposed to be

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acquired. The acquisition is an irregular parcel of land located along a portion of the subject's Berry Street frontage and it extends into the confines of the Napa River. The plat map indicates a total area of 1,750 square feet for the proposed temporary easement. The Appraiser has estimated that approximately 1,050 square feet of this area is located within the banks of the river. Therefore, 700 (1,750 – 1,050) square feet is located above the top of the bank.

According to the City of Calistoga, TCPAE is needed to gain access to the river to allow for demolition of the old bridge and construction of a new bridge, with the aid of a temporary channel water diversion system, and for the installation of a footbridge that will be erected within the easement for temporary utility relocation and to allow for a river crossing at the project location for pedestrians, in addition to cyclists, during construction. The temporary easement is needed for a period of 24 months.

A search was conducted for comparable land sales that transacted over the past several years in the Napa Valley region of Napa County. The selected sales considered most comparable are summarized in the table below. The comparable sales were researched, inspected, and verified to the extent possible. It was previously noted that the subject larger parcel consists of 24,397 square feet. However, only 15,547 square feet is useable because the other portion is located in the Napa River. Because the area located below the top of the bank is not developable and has limited use, the larger parcel has been analyzed based on its net useable area.

The land sales comparables used are listed below:

No.	Address City APN	Recording Date	Site Size (Ac.) (Sq. Ft.)	Zoning	Density	Sale Price \$/Sq. Ft.
				General Plan	Entitlements	
MF-01	1213 Elm Street Calistoga, CA 011-243-007	7/1/2016	0.33 14,400	PD High Density Residential & Office	10 to 20 du/ac Approx. \$250,000 paid for water & sewer hook-up fees	\$980,000 \$68.06
MF-02	Myrtle Street Calistoga, CA 011-192-015	4/1/2016	0.20 8,800	R-1 Medium Density Residential	4 to 10 du/ac None	\$302,500* \$34.38
MF-03	632 McCorkle Avenue Saint Helena, CA 009-502-004	1/1/2016	0.50 21,851	HR High Density Residential	16.1 to 28 du/ac None	\$900,000 \$41.19
MF-04	1403 Myrtle Street Calistoga, CA 011-242-04, -015	9/29/2015	0.61 26,400	R-3 High Density Residential & Office	10 to 20 du/ac None	\$600,000 \$22.73
Subject	1328-1332½ Berry Street Calistoga, CA 011-222-001	DOV 10/7/2016	0.36 15,547 (Net Useable)	R-3 High Density Residential & Office	10 to 20 du/ac n/a	

*The recorded selling price of \$250,000 plus the estimated pay-off amount of the improvement bond, \$52,500

An easement is defined as an interest in the land of another person or entity, which entitles the owner of such an interest to a limited use, or enjoyment of the land area so encumbered. It can either be affirmative by allowing some act or actions on the land, or negative by precluding doing certain things with the land so encumbered. The easement is an interest in real property and is considered non-possessory. The holder of an easement has only such control of the land as is necessary for the purpose of using the easement. Others using the land may not interfere with the use of the easement. It is commonly understood that the fee interest in land is a 100% ownership. Because land can be divided into various rights, a concept of a "Bundle of

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Rights” exists. The proposed temporary easement requires only specific rights, which are a portion of the rights. The fee ownership will remain the same.

The imposition of an easement requires that the Appraiser analyze the effect on the land and any existing or proposed improvements. The valuation of the rights to be acquired and the limitations imposed on the grantor’s use of the easement area have been analyzed to determine a reasonable allocation for the rights acquired and those remaining to the property owner/grantor. This division or allocation may be expressed as a percentage of the fee simple interest. The valuation of a temporary use of a portion of a property is based on an estimated reasonable rental rate for the land and/or a reasonably expected rate of return for an alternative short-term investment for a specified period of time. Upon expiration of the temporary easement, all previous land rights and use of the land revert back to the owner.

The City of Calistoga will require a TCPAE from the subject larger parcel for a period of 24 months. The temporary easement is 1,750 square feet in size. Of this area, approximately 1,050 square feet is located below the top of the bank of the Napa River and 700 square feet is above, as estimated by the Appraiser. The purpose of the proposed easement was previously discussed.

The Appraiser has determined a reasonable value for the parcel to be acquired for said easement purposes. Compensation for the temporary easement has been predicated on a typical return that a landowner would receive on the rental of the land. In the case of the subject property, 10% approximates a reasonable annual rate of return on the value of the land that could be achieved in the market place on a temporary basis, or a monthly rental rate of 0.83%.

The estimated market value for the net usable area of the subject larger parcel was concluded previously to be \$37.50 per square foot. The unit value of the non-developable or riparian area of the subject property is approximately \$0.11 per square foot ($\$1,000 \div 8,850$ square feet). These calculations are shown on Page 2 of this Appraisal Summary Statement.

Site improvements located in the area of the proposed temporary construction and pedestrian access easement generally include a portion of a painted wood picket fence, gate and arbor, redbrick walkway, irrigated landscaping and two yard lighting fixtures and three oak trees, as well as other volunteer vegetation located along the bank of the Napa River. These site improvements will be removed to allow for the temporary use of the proposed easement area for the construction of the project. Only the riparian area will be restored as part of the project and it will be the responsibility of the owner to replace the site improvements located in the temporary easement above the top of the river bank. The owner did not give permission to enter onto the property at the time of inspection and it is assumed that the landscape irrigation covers the entire area of the proposed acquisition parcel located above the top of the river bank.

The Appraiser has considered the contributory value of the affected site improvements and has concluded that their replacement cost (depreciated) is equal to market value. Marshall Valuation Service (MVS), a construction cost service widely in use by appraisers, was utilized to estimate the replacement cost of these site improvements.

Depreciation can occur from physical deterioration, functional obsolescence and external obsolescence. Aside from the plant life, the site improvements suffer from physical deterioration, due to normal wear and tear and impact from the elements. The site improvements are judged to be in average condition. The landscaping shows signs of having been routinely maintained. The native oak trees appear to have succumbed to disease, but continue to beautify the property, despite the visible dead growth.

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Damages generally occur when the acquisition of a portion of a property results in the remaining property having less value after the acquisition and construction of the project in the manner proposed than it had as part of the original property prior to the taking. Stated another way, after the acquisition of a portion of the property and construction of the project in the manner proposed, the value of the remaining property is less than it was as part of the entire property before the taking.

Temporary rights are required from the subject larger parcel for the proposed project. The easement is for a relatively short term (24 months). Upon expiration of the temporary easement, all previous land rights and use of the land will revert back to the owner. A little more than half of the easement is located within the confines of the Napa River and the portion located above the top of the bank is mostly comprised of a five foot wide strip of land that extends along a part of the subject's Berry Street frontage. The easement will not restrict access. Because the easement is temporary, the physical characteristics of the subject property are the same in the after condition as they were in the before condition. It has been concluded that there are no permanent or temporary damages to the subject remainder as a result of the proposed project, once the following items described in the next paragraph have been cured.

As a result of the project, site improvements will be removed, including sections of fence, a gate and arbor, a portion of a brick walkway, part of a landscape irrigation system, and two fixtures from yard lighting. It has been judged that there would be a diminution in value to the remainder by removing these site improvements. The cost to cure the damage is their replacement cost less the depreciated value previously indicated and accounted for. In addition, by eliminating only a part of the landscape irrigation and yard lighting it would make the rest of either system inoperable without reestablishing them, so the cost to do so has also been included. These costs are shown on Page 3 of this Appraisal Summary Statement. The portion of the larger parcel located within the banks of the Napa River will be restored as part of the proposed project.

The proposed project will replace the existing functionally obsolete Berry Street Bridge. The new bridge will be wider and longer which will improve hydraulic conveyance in the Napa River, reducing the risk of flooding and scour, in addition to providing more reliable and safe vehicular and pedestrian access. The bridge will also be constructed on a modified alignment providing for safer turning movements at the Washington Street intersection. The surrounding community may benefit from the new Berry Street Bridge; however, no specific benefits were found to accrue to the subject as a result of the proposed project.

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DEFINITIONS*

① Highest and Best Use Analysis

Highest and best use is defined as the reasonably probable use of land which is legally permissible, physically possible, and financially feasible that results in the highest value. Highest and best use analysis is used in the appraisal process to identify comparable properties and, where applicable, to determine whether the existing improvements should be retained, renovated, or demolished.

② Improvements Pertaining to the Realty (if any)

Machinery, Fixtures and Equipment identified here were separately valued as improvements pertaining to the realty. Prior to escrow close, owner and lessee must agree (and confirm in writing) as to ownership of said improvements pertaining to the realty.

③ Severance Damages (Applies to Proposed Partial Acquisitions)

The appraisal also determines whether or not the District's proposed acquisition results in damages to the remaining property. The basis for this determination is whether or not the value of the remainder is diminished by reason of the anticipated acquisition of the property interest being acquired and the construction of the improvement in the manner proposed. Severance Damages may be mitigated or entirely eliminated by estimating the cost to cure the damages. (Cost to Cure)

④ Benefits (Applies to Proposed Partial Acquisitions)


Benefit to the remainder is the benefit, if any, caused by the construction and use of the project for which the property is acquired in the manner proposed.

* *These definitions are general and provided to assist in the discussion related to the proposed acquisition. They are not intended to be legal definitions.*

An owner-occupant of a residential property containing four (4) units or less has a right to review the appraisal on which the written offer to purchase is based.

**Appraisal Summary and Offer of Just Compensation
Authorized and Approved for Presentation:**

CITY OF CALISTOGA

By: 
Michael T. Kirn

Title: Public Works Director/City Engineer

Date: 11/4/16

CITY OF CALISTOGA

1232 Washington Street • Calistoga, CA 94515
Telephone 707-942-2828 – Public Works Dept.
Fax 707-942-9472
www.ci.calistoga.ca.us



November 4, 2016

George Meyer and Kathleen W. Meyer, Trustees
1341 Berry Street
Calistoga, CA 94515

Re: City of Calistoga-Berry Street Bridge Replacement Project
Site Address: 1341 Berry Street, Calistoga, CA
APN: 011-171-010
Federal-Aid Project No.: BRLO-5061 (007)

Dear Property Owners:

Associated Right of Way Services, Inc., (ARWS) has been retained by the City of Calistoga ("City") to assist in acquiring a proposed temporary construction easement in connection with the Berry Street Bridge Replacement Project ("Project"). This letter and accompanying paperwork contains material related to the offer to purchase a temporary construction easement for this public Project.

Public records show you to be the Owner of the property located at 1341 Berry Street, Calistoga, CA. The property is within the Project area; and is also identified by the Napa County Assessor as Parcel No. 011-171-010.

Attached for your review are the following documents:

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Please review the documents closely. The offer in the amount of \$2,500.00 (Nominal) is made in accordance with the requirements of Section 7267.2 of the Government Code and represents the value of the temporary construction easement proposed to be acquired as determined by an independent state licensed and certified appraiser.

We are prepared to meet and discuss the proposed temporary easement acquisition with you, and to assist you through the process. Please contact Steve Castellano of ARWS at (925) 691-8500. Mr. Castellano will assist in processing all documents, including providing notary public services and escrow coordination.

Please note that due to restrictive Project funding and timing, the City is moving forward on an expedited schedule. As a result, the City is preparing to seek the adoption of a Resolution of Necessity before the City Council on December 20, 2016. The notice for this meeting is expected to be mailed no later than December 5, 2016. However, it is the City's desire to continue working with you through this accelerated schedule towards a mutually acceptable settlement.

Sincerely,



Michael T. Kirn
Public Works Director/City Engineer

Enclosures (7)

cc: Derek Rayner, City of Calistoga
Steve Castellano, ARWS

**CITY OF CALISTOGA
BERRY STREET BRIDGE REPLACEMENT PROJECT
APPRAISAL SUMMARY STATEMENT AND
SUMMARY OF THE BASIS FOR JUST COMPENSATION**
(Pursuant to Government Code Section 7267.2)

APN: 011-171-010
Federal-Aid Project No.:
BRLO-5061 (007)

BASIC PROPERTY DATA

OWNER:	George Meyer and Kathleen W. Meyer, Trustees
PROPERTY ADDRESS:	1341 Berry Street, Calistoga, CA
DATE PROPERTY ACQUIRED BY OWNER:	November 29, 2001
ZONING:	R-3 – Two-family Residential District
GENERAL PLAN:	Medium Density Residential
PRESENT USE:	Owner-Occupied Residential
HIGHEST AND BEST USE ①:	Continue the current single-family residence (as improved)
TOTAL PROPERTY AREA:	4,910 gross square feet, approximately one-third of which is located in a riparian area (Napa River)
PROPERTY RIGHTS PROPOSED TO BE ACQUIRED:	50 square feet - Temporary Construction Easement (TCE)
INCLUDING ACCESS RIGHTS?	YES _____ NO <u> X </u>
DATE OF VALUATION:	October 7, 2016

BASIS OF VALUATION

The just compensation being offered by the City of Calistoga (City) is not less than the City's approved appraisal of the fair market value of the property. The fair market value of the property proposed for acquisition is based on a fair market value appraisal prepared according to accepted appraisal procedures. The appraiser has given full and careful consideration to the highest and best use for development of the property and to all features inherent in the property, including, but not limited to, zoning, development potential and the income the property is capable of producing.

California Code of Civil Procedure Section 1263.320 defines Fair Market Value as follows:

- a.) The fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.
- b.) The fair market value of property taken for which there is no relevant, comparable market is its value on the date of valuation as determined by any method of valuation that is just and equitable.

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The market value for the property proposed to be acquired by the City is based upon Code of Civil Procedure Section 1263.320b as defined on the previous page.

Value of the Entire Property: \$ Not Applicable

Value of the Property Rights proposed to be acquired:

- A. Fee Simple Land and included Improvements: \$ Not Applicable
- B. Improvements Pertaining to the Realty^②: \$ Not Applicable
- C. Permanent Easement: \$ Not Applicable
- D. Temporary Construction Easement (TCE): \$ 2,500 (Nominal)

\$ 2,500.00 (Nominal)
(Sum of items A – D)

Severance Damages ^③: \$ None

In addition to determining the market value of the parcel(s) sought to be acquired severance damages were considered. Severance damages are determined based on whether or not the remainder would be diminished in value by reason of the proposed acquisition and/or by the construction of the improvement in the manner proposed. Some severance damage may be mitigated or entirely eliminated by estimating the cost to cure the damage. Where severance damages are found, offsetting benefits are determined. (See Page 7 – Benefits defined.) Under California law, benefits can only be offset against severance damages. If no severance damages are found, there is no application of offsetting benefits.

There are no permanent or temporary severance damages to the subject remainder found as a result of the proposed acquisition or project.

Benefits^④: \$ (Not Quantified)

The amount of any other compensation: \$ None

JUST COMPENSATION FOR ACQUISITION: \$ 2,500.00 (Nominal)

CONSTRUCTION CONTRACT WORK (No cost to owner)

The portion of the larger parcel located within the banks of the Napa River will be restored as part of the proposed project.

THE FOLLOWING INFORMATION IS BASED ON THE PARTIAL ACQUISITION

The sales comparison approach would typically be the only approach utilized to estimate market value of the net useable portion located above the top of the river bank, and the concluded unit value used to value the area proposed to be acquired for the project, which consists of land only; however, no portion of the proposed acquisition is located above the top of the bank, and since it is located entirely within the river, this step in the valuation process has not been performed. The cost and income approaches were not applied either, since they are not applicable to property of this type.

SUMMARY OF THE BASIS FOR JUST COMPENSATION

Narrative summary of the valuation process supporting compensation:

The Berry Street Bridge is one of two Napa River crossings located in the City of Calistoga. The bridge is utilized as a vehicle, pedestrian and bicycle crossing, and serves local residents, an adjacent elementary school, nearby churches, and parks. The existing bridge was constructed in 1919, is 60 feet long and 30 feet wide with two 10-foot travel lanes and narrow sidewalks, and has been deemed functionally obsolete. The City Fire Department is unable to include the bridge as a viable access route in its emergency response plan due to concerns with its inadequate structural integrity. In order to provide reliable and safe vehicular and pedestrian access, the City proposes the Berry Street Bridge Replacement Project (Project). The Project will meet current construction standards, the replacement will be a wider and longer (55 feet by 72 feet) single-span structure, which will accommodate two 12-foot travel lanes, 8-foot shoulders, and 5-foot sidewalks. The new design will improve hydraulic conveyance in the Napa River, reducing the risk of flooding and scour. The construction timeline is 3 to 4 months with a planned start in the summer of 2017. Vehicular traffic will be diverted to use alternant routes during construction, but pedestrian traffic will be accommodated by a temporary footbridge that will be placed beside the current bridge site. Total project cost is \$2.3 million, which will be funded through the Federal Highway Bridge Program.

The larger parcel is located on the southwest corner of Berry Street and Washington Street in the City of Calistoga. The street address for the subject is 1341 Berry Street. Washington Street is a two-lane collector road that travels for just under one mile between North Oak Street on the west and the entrance to the Napa Valley Wine Trail on the east. Berry Street is an undivided, two-directional residential street that originates from Foothill Boulevard, a two-lane highway (CA-128) that travels along the southern reaches of the city, and connects to Washington Street on the north, just after crossing the Napa River. The Napa River passes through the neighborhood and the subject's southern boundary extends to the center of this watercourse. Most of the uses located within the vicinity of the subject are residential, but the lot situated at the northwest corner of Washington Street and Third Street is improved with a church, and Fireman's Park is at the southeast corner of this intersection. Calistoga Elementary School is located on the south side of the Napa River from the subject. The city's only commercial district, consisting of several boutique-style storefront shops and quaint restaurants that mostly cater to tourists, is located only a few blocks to the east.

Public records indicate a lot size of 4,910 gross square feet for the larger parcel. The Appraiser has estimated that approximately one-third of the subject property is located in the Napa River. The portion of the site located outside of the riparian area has level topography and the shape is generally rectangular. The street frontage is improved with curb, gutter and sidewalk. Public sewer and water are in and connected to the subject improvements and a local utility company supplies electricity and gas.

A house is located on the larger parcel. The house is not located within the acquisition area, so no measurements were taken and only a cursory inspection of the exterior was performed. Public records indicate that the house is 1,277 square feet with three bedrooms and two bathrooms and was constructed in 1914. The house was renovated in the 2002-2003 timeframe, based on city documents. Landscaping and rock treatments adorn the front entry to the house that is accessed by a stone walkway that connects to the right of way along Berry Street. The landscaping includes small to medium sized plants and bushes and an assortment of trees of various species and sizes. Exposed PVC piping suggests that there is landscape irrigation, but the lines have been capped and it was not confirmed with the owner if the system is operable. A short stone wall and wood fence line the back of sidewalk and defines the yard space. A makeshift contained storage area exposed to the weather is located adjacent to the fence and is used for keeping tools and supplies for gardening and home improvement. Some of these yard improvements and items of personal property appear to be located within the existing right of way, based on an exhibit provided by the City and public records. The property boundaries were not staked at the time of inspection, so the Appraiser was

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unable to determine exactly how much of the yard space is encroaching. A rear yard that has been terraced as the lot transitions down the river bank, and there is access to the waterway from this part of the property. The proposed temporary construction easement is located entirely within the river.

The zoning category for the subject is R-2 – Two-family Residential District. The purpose of the R-2 District is to “allow the development of single-family, duplex and special needs residential uses that are consistent with the Calistoga General Plan and State law, in a manner that provides generous private open space and setbacks. Together with compatible accessory uses, other uses that are compatible with single-family residential neighborhoods are allowed under certain circumstances.” Allowed uses are single-family homes at densities ranging from 4 to 10 dwelling units per acre, as consistent with the General Plan designation of Medium Density Residential, along with supportive housing, transitional housing and residential care. Duplexes and mobile home parks are also allowed, where appropriate. Bed-and-breakfast inns, home occupations, and religious facilities may also be permitted.

The required setback for structures in relation to the Napa River, which is measured from the top of the bank, is 35 feet, according to the City’s Planning Department. Because the subject is located in a floodway, the City indicated that a variance is required for all development on the larger parcel. The house located on the larger parcel does not meet minimum setback requirements of the R-2 zoning, and is therefore a legal non-conforming use. The subject’s single-family use is consistent with the General Plan, which is an allowed use under the Medium Density Residential designation.

The subject’s current single-family use is consistent with the Appraiser’s highest and best use conclusion of the subject (as if vacant). The house located on the larger parcel was originally built in 1914, but has been renovated within the past 15 years and no deferred maintenance was evident, based on a cursory inspection of the exterior. The house is a non-conforming use under the R-2 zoning; however, the use may continue, but it cannot be altered or expanded. The City’s Planning Department indicated that the site cannot accommodate more than one unit, given its physical constraints. It appears unlikely that the subject improvements would be demolished to make way for an alternative use allowed under the subject’s zoning. It has been concluded that the highest and best use of the subject (as improved) is to continue the current use.

The City proposes the acquisition of one temporary construction easement (TCE). The Appraiser was provided by the City a legal description and plat map for the TCE area proposed to be acquired. The acquisition boundaries were not identified at the site by staking. The acquisition is at the southeast corner of the larger parcel located entirely within the confines of the Napa River. The plat map indicates a total area of 50 square feet for the proposed temporary easement.

According to the City of Calistoga, TCE is needed to for a portion of the temporary channel water diversion system that will permit access to the river bed in order to demolish the existing bridge and to construct the new bridge. The temporary easement is needed for a period of 24 months.

An easement is defined as an interest in the land of another person or entity, which entitles the owner of such an interest to a limited use, or enjoyment of the land area so encumbered. It can either be affirmative by allowing some act or actions on the land, or negative by precluding doing certain things with the land so encumbered. The easement is an interest in real property and is considered non-possessory. The holder of an easement has only such control of the land as is necessary for the purpose of using the easement. Others using the land may not interfere with the use of the easement. It is commonly understood that the fee interest in land is a 100% ownership. Because land can be divided into various rights, a concept of a “Bundle of Rights” exists. The proposed temporary easement requires only specific rights, which are a portion of the rights. The fee ownership will remain the same.

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The imposition of an easement requires that the Appraiser analyze the effect on the land and any existing or proposed improvements. The valuation of the rights to be acquired and the limitations imposed on the grantor's use of the easement area have been analyzed to determine a reasonable allocation for the rights acquired and those remaining to the property owner/grantor. This division or allocation may be expressed as a percentage of the fee simple interest. The valuation of a temporary use of a portion of a property is based on an estimated reasonable rental rate for the land and/or a reasonably expected rate of return for an alternative short-term investment for a specified period of time. Upon expiration of the temporary easement, all previous land rights and use of the land revert back to the owner.

As previously discussed on Page 2 of this Appraisal Summary Statement, the sales comparison approach would typically be the only approach utilized to estimate market value of the net useable portion located above the top of the river bank, and the concluded unit value used to estimate a value for the area to be acquired, which consists of land only; however, no portion of the proposed acquisition is located above the top of the bank, and since it is located entirely within the river, this step in the valuation process has not been performed. The cost and income approaches were not applied either, since they are not applicable to property of this type.

The City of Calistoga will require a TCE from the subject larger parcel for a period of 24 months. The proposed acquisition is 50 square feet in size. The temporary easement is at the southeast corner of the larger parcel located entirely within the confines of the Napa River. The proposed easement is needed for a portion of the temporary channel water diversion system that will allow for access to the river bed in order to demolish the existing bridge and to construct the new bridge. The portion of the larger parcel located below the top of the river bank was concluded previously to have nominal value, therefore, so does the area of the proposed acquisition. The estimated market value for the proposed temporary construction easement is concluded to be Nominal as shown on Page 2 of this Appraisal Summary Statement.

There are no site improvements located in the area of the proposed temporary easement acquisition that contribute value to the larger parcel.

Damages generally occur when the acquisition of a portion of a property results in the remaining property having less value after the acquisition and construction of the project in the manner proposed than it had as part of the original property prior to the taking. Stated another way, after the acquisition of a portion of the property and construction of the project in the manner proposed, the value of the remaining property is less than it was as part of the entire property before the taking.

Temporary rights are required from the subject larger parcel for the proposed project. The easement is for a relatively short term (24 months). Upon expiration of the temporary easement, all previous land rights and use of the land will revert back to the owner. The entire easement is located within the confines of the Napa River and no portion is above the top of the bank on the net useable portion of the larger parcel. The easement will not restrict access to the river from the subject property. Because the easement is temporary, the physical characteristics of the subject remainder are the same in the after condition as the larger parcel was in the before condition.

A portion of the site improvements associated with a front yard area located on the larger parcel appear to be encroaching within the existing right of way along Berry Street, based on an exhibit provided by the City and public records. According to the City of Calistoga, the site improvements within the right of way will need to be removed for the construction of the project. However, property boundaries were not staked at the time of inspection, so the Appraiser was unable to determine exactly how much of the yard space is or is not encroaching. It is an extraordinary assumption of this appraisal that the portion of site improvements encroaching in the right of way which need to be removed will not render the portion of site improvements in the front yard area on the subject remainder inoperable or non-functioning.

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It has been concluded that there are no permanent or temporary damages to the subject remainder as a result of the proposed acquisition or project.

Temporary rights are required from the subject larger parcel for the proposed project. The easement is for a relatively short term (24 months). Upon expiration of the temporary easement, all previous land rights and use of the land will revert back to the owner. A little more than half of the easement is located within the confines of the Napa River and the portion located above the top of the bank is mostly comprised of a five foot wide strip of land that extends along a part of the subject's Berry Street frontage. The easement will not restrict access. Because the easement is temporary, the physical characteristics of the subject property are the same in the after condition as they were in the before condition. It has been concluded that there are no permanent or temporary damages to the subject remainder as a result of the proposed project, once the following items described in the next paragraph have been cured.

The proposed project will replace the existing functionally obsolete Berry Street Bridge, providing a general benefit to the surrounding community. The new bridge will be wider and longer which will improve hydraulic conveyance in the Napa River, reducing the risk of flooding and scour, in addition to providing more reliable and safe vehicular and pedestrian access. The bridge will also be constructed on a modified alignment providing for safer turning movements at the Washington Street intersection. Re-aligning the bridge will shift the operating right of way to the southeast, increasing the distance from the flow of traffic to the house located on the subject remainder. This would be considered a benefit specific to the subject property; however, since no damages accrue as a result of the proposed acquisition or project, benefits have not been quantified.

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DEFINITIONS*

① Highest and Best Use Analysis

Highest and best use is defined as the reasonably probable use of land which is legally permissible, physically possible, and financially feasible that results in the highest value. Highest and best use analysis is used in the appraisal process to identify comparable properties and, where applicable, to determine whether the existing improvements should be retained, renovated, or demolished.

② Improvements Pertaining to the Realty (if any)

Machinery, Fixtures and Equipment identified here were separately valued as improvements pertaining to the realty. Prior to escrow close, owner and lessee must agree (and confirm in writing) as to ownership of said improvements pertaining to the realty.

③ Severance Damages (Applies to Proposed Partial Acquisitions)

The appraisal also determines whether or not the District's proposed acquisition results in damages to the remaining property. The basis for this determination is whether or not the value of the remainder is diminished by reason of the anticipated acquisition of the property interest being acquired and the construction of the improvement in the manner proposed. Severance Damages may be mitigated or entirely eliminated by estimating the cost to cure the damages. (Cost to Cure)

④ Benefits (Applies to Proposed Partial Acquisitions)

Benefit to the remainder is the benefit, if any, caused by the construction and use of the project for which the property is acquired in the manner proposed.

* *These definitions are general and provided to assist in the discussion related to the proposed acquisition. They are not intended to be legal definitions.*

An owner-occupant of a residential property containing four (4) units or less has a right to review the appraisal on which the written offer to purchase is based.

**Appraisal Summary and Offer of Just Compensation
Authorized and Approved for Presentation:**

CITY OF CALISTOGA

By: 
Michael T. Kirn

Title: Public Works Director/City Engineer

Date: 11/4/16