



CITY OF CALISTOGA

STAFF
REPORT

TO: Honorable Mayor and City Council
FROM: Dylan Feik
DATE: June 5, 2018
Report and Discussion from the City of Calistoga 2x2 Fairgrounds JPA Committee (Canning, Barnes) regarding the status of ongoing discussions with the County of Napa regarding the future of the Napa
SUBJECT: County Fairgrounds.

SIGNATURE:

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DYLAN FEIK, City Manager

DESCRIPTION: Report and Discussion from the City of Calistoga 2x2 Fairgrounds JPA Committee (Canning, Barnes) regarding the status of ongoing discussions with the County of Napa regarding the future of the Napa County Fairgrounds.

RECOMMENDATION: Accept report and provide direction to staff.

SUMMARY:

On October 4th, 2016, the City of Calistoga and County of Napa held a joint meeting to discuss the future of the Napa County Fairgrounds. At that meeting, two (2) elected officials from each agency were appointed to serve on an ad hoc committee to explore the creation of a Joint Powers Authority (JPA) to oversee the governance and operations of the Napa County Fairgrounds. The County originally appointed Commissioners Diane Dillon and Keith Caldwell (who subsequently left office). Upon the vacancy created when Commissioner Caldwell left office, Commissioner Brad Wagenknecht assumed the position. The City of Calistoga appointed Mayor Chris Canning and Council Member Jim Barnes. The 2x2 ad hoc committee has been

comprised of Dillon, Wagenknecht, Canning and Barnes since January 2017. In addition to the elected officials, both agencies included key staff.

Between October 4, 2017 and now, the 2x2 committee has met multiple times to discuss and explore the various options regarding the property. In addition, the committee invited members of the Napa County Fair Association to share comments and answer questions about the property. City and County staff provided additional support by reviewing financial reports of the Napa County Fair Association, reviewing billing and purchasing procedures and even reviewing concerns related to accessibility and depreciated buildings.

Both parties reviewed a draft document which would have created a Joint Powers Authority including elected representation from both agencies, as well as citizen representation. In addition, there was a draft "transition plan" to ease the transition process into a new governance model. Public meetings were scheduled and documents were being prepared for public agendas during the month of October 2017. As a consequence of the countywide fires, Napa County suspended discussions of the Fairgrounds in October 2017 so the County could concentrate its resources on post-fire recovery. In an email to the City of Calistoga on December 4, 2017, Deputy County CEO Helene Franchi stated "The Board and staff simply do not have the capacity to take on anything other than the huge recovery effort that is underway. As soon as the situation changes I will be in touch and will get this back on track."

In late January 2018 the County of Napa was ready and willing to recommence discussions of the Fairgrounds property. The County, in light of catastrophic consequences related to the fire, determined that priorities had changed. The County experienced significant costs associated with fire recovery efforts including capital infrastructure, overtime and site cleanup. To compound these impacts, future County revenue streams including collections from property tax assessments were reduced significantly. Finally, the County remains committed to funding a new jail facility, a key priority of the County Governing Body.

City representatives (Canning, Barnes) understood the County's difficult situation and, as stated at the original joint meeting in October 2016, the City of Calistoga remains committed to the Fairgrounds property as a key asset/gem in our community and should it change owners, the City should have the first option to purchase the land or portion thereof. Discussions shifted from "JPA Governance Model" to the potential "acquisition of property."

The subcommittee discussed possible terms of sale whereby the City of Calistoga could purchase the land. Under the California Government Code 54956.8, the City Council adjourned to a Closed Session Meeting on Tuesday, March 20th to discuss price, terms and possible acquisition of the property. While the City of Calistoga can adjourn into closed session to discuss negotiation strategy, pricing and/or terms of payment, Council must take action in an open, public meeting to officially purchase the property.

The City of Calistoga is interested in acquiring the property based on its current zoning "P-Public". This zoning district represents the current uses of the property including recreational and/or park type uses within the community. There are other legal, non-conforming uses such as two residential structures. The City believes the property should be valued as "current use" when determining a purchase price. It is unclear whether the County of Napa would be willing to sell the property based on its "current use." Rather, there has been some discussion by County representatives that they would be requesting a sales price which reflects a different zoning designation, that of a "highest and best use" such as commercial or residential zoning. As a result, there remains a significant gap in the perceived value of the property and acquisition price between the City and County at this time.

In addition, the City would be assuming ownership of the land, buildings and deferred improvements/maintenance and must consider future costs associated with any land purchase.

FINANCIAL IMPLICATIONS: None

CEQA REVIEW: The recommended action is not a project as defined by CEQA.

CONSISTENCY WITH CITY COUNCIL GOALS AND OBJECTIVES: The project conforms to the following City Council Goals and Objectives

- Council Goal 1: Maintain and enhance the economic vitality of the community and the financial stability of the City.
 - o Priority Project 4: Support long-term land stewardship of the Napa County Fairgrounds.

- Council Goal 4: Expand and improve recreational and community facilities.
 - o Priority Project 1: Provide diverse and affordable recreational programs including senior fitness. Collaborate with other agencies and groups to achieve this objective.

ATTACHMENTS:

1. Napa County Fairgrounds Press Release 01/24/18



A Tradition of Stewardship
A Commitment to Service



Board of Supervisors

District 1
Brad Wagenknecht, Chair

District 2
Ryan Gregory, Vice Chair

District 3
Diane Dillon

District 4
Alfredo Pedroza

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County Executive Officer
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City Council

Chris Canning, Mayor

Michael Dunsford, Vice Mayor

Gary Kraus

James Barnes

Irais Lopez-Ortega

City Manager
Dylan Feik

FOR IMMEDIATE RELEASE

January 24, 2018

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Napa County Fairgrounds talks continue

Napa County, City of Calistoga partner to find resolution

NAPA – Negotiations between Napa County and the City of Calistoga about the future of the Napa County Fairgrounds remain ongoing.

Napa County contracts with the Napa County Fair Association, a nonprofit corporation, to manage the land, buildings, and events at the fairgrounds, which are located in Calistoga. The current contract will expire on Dec. 31, 2018.

Various issues, including the recent fires, have impacted the discussion as the county expects to receive less general revenue because of a decline in property, sales, and transient occupancy taxes while experiencing increased expenses for the fire recovery efforts.

“The City of Calistoga and the County continue to work closely together to find a resolution that is in the best interest of Calistoga residents,” said District 3 Supervisor Diane Dillon.

“The City remains engaged with the County in developing a plan for future operation of the Fairgrounds. The opportunity to have an active role in the management of this property within the heart of our community is critical to the future of Calistoga.” – Chris Canning, Mayor City of Calistoga

As discussions continue to progress, all options are being explored and additional time is needed. There is no discussion (agendized item) scheduled for January 30th on this matter. Prior to our 2X2 meeting last Friday, we had been indicating that it was going to be an agenda item on January 30th.

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The Board of Supervisors and staff of Napa County are dedicated to preserving and sustaining Napa County for present and future generations as a community with generous open space, a thriving agricultural industry and a quality human and natural environment. Visit us on the web at countyofnapa.org. Follow us on social media – Twitter: [@countyofnapa](https://twitter.com/countyofnapa) Facebook [Napa County, California](https://www.facebook.com/NapaCountyCalifornia).