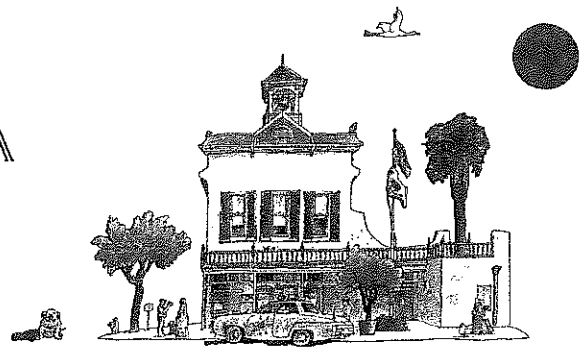


CITY OF CALISTOGA

1232 Washington Street • Calistoga, CA 94515
707.942.2800



September 10, 2009

Mr. Aaron Harkin
1019 Myrtle Street
Calistoga, CA 94515

RE: Pre-Application Consultation (PA 2009-01) & Conceptual Design Review (CDR 2009-01) for Enchanted Resorts Project

Dear Harkin:

On August 12, 2009 the Planning Commission held the Conceptual Design Review for the proposed Enchanted Resort Project to be located at 515 Foothill Boulevard within the "RR", Rural Residential Zoning District. This letter summarizes the Public Agency and Planning Commission's comments, as well as the public's comments received to date and the basic information needed for formal processing of your project. Please note as your project proposal becomes more defined and moves through a formal application review, additional information may be requested by City staff and/or outside agencies.

Public Agency Comments:

1. California Department of Transportation letter dated July 21, 2009
2. City of Calistoga Public Works Department Memorandum dated August 20, 2009
3. City of Calistoga Fire Department Memorandum dated September 109, 2009

Please note that as the project is further defined additional comments will be provided.

Planning Commission's Comments

The Planning Commission Minutes of August 12, 2009 reflecting the Commission's comments on the overall project concept are attached. In summary, the Commission was in agreement that the design of the proposed project fits within the nature and ambiance of Calistoga as proposed. However, some concern was expressed about the number of visitor accommodations proposed and infrastructure required to sustain the project, but stated that this issue would resolve itself when the project was better defined and environmental issue and appropriate mitigation are identified. It was also agreed upon that this project has the potential to enhance the entrance corridor. The Commission further recognized that the possible impacts on the environment are much too large a question to answer at this time, but the Commission agreed that a comprehensive EIR will address the concerns voiced by the citizens and staff. Therefore, it was agreed that a

comprehensive EIR must be provided and expanded to cover more concerns noted by the public.

Public Comments:

One written comment from Kristin Casey was received prior to the Planning Commission meeting, Ms. Casey's letter is attached for your review. In addition, several verbal comments pertaining primarily to environmental concerns were received during the Planning Commission Meeting, these comments or potential impacts are summarized below:

- Municipal Water and Wastewater Resources
- Traffic and Congestion
- Wildlife
- Fire Safety
- Biological resources and vegetation
- Water Quality (Erosion and Sedimentation)
- Light Impacts
- Noise Impacts
- Aesthetic Resources (Views upon hillside)
- Hydrological Impacts (Drainage)
- Groundwater Impacts
- Not accessible to the residents of Calistoga, attracts high-end travelers only
- The jobs created needs to be balanced with housing provided

California Environmental Quality Act (CEQA):

Since the project will be subject to the California Environmental Quality Act (CEQA) and will likely require the preparation of an Environmental Impact Report (EIR). These initial comments from the Planning Commission and public will likely be used to facilitate the Notice of Preparation and scoping meeting for the EIR, in addition to input yet to be received from public agencies (federal, state and local). These scoping meetings will assist the City in determining the scope and content of the environmental information required.

Next Step:

The City Manager and the Planning & Building Director are in receipt of your request to secure a Memorandum of Understanding (MOU) from the City Council in order to commence the processing of a Development Agreement. With the input from the Planning Commission, the City Council will determine whether or not the project has merit and warrants a Development Agreement. Ultimately, should the City Council find that the project has merit a Memorandum of Understanding (MOU) may be executed reflecting Council's intention to enter into a Development Agreement and define the

process for the developer to seek formal approval. As you are aware, this request has been scheduled for City Council consideration on September 15, 2009.

Entitlement Needs:

Upon MOU execution, the following represents the necessary project entitlements that will be required for your project proposal, as identified to date:

- A Development Agreement; and
- A General Plan Amendment; and
- A Rezone to establish a Planned Development District; and
- A Text Amendment to establish Planned Development Zoning District Regulations; and
- A Preliminary and Final Development Plan (includes Conditional Use Permit & Design Review); and
- An Amending Map (Tentative & Final)

It should be noted that the above requests will likely be processed concurrently, unless determined during the negotiations of the MOU that some entitlements such as the Final Development Plan for particular buildings or components of the project may be phased within the terms of an approved Development Agreement.

Attached for your use is a copy of the following City applications and checklists specifying materials that will be required for the formal processing of your project.

- Planning Application Form
- Environmental Information Form
- General Plan Amendment
- Zoning Amendment
- Conditional Use Permit
- Design Review
- Please note that the Department is currently updating our Planned Development (PD) application form and will be forwarded to you upon completion.
- Description of the Development Review Process

Filing Fees:

Required filing fees for processing of a formal application will be assessed through the existing Developer Deposit Account. Please note that I will be contacting you at the end of this month after all charges to date have been recorded to determine the amount of additional funds that will need to be deposited in conjunction with the formal submittal of your application.


In closing, I am of the belief that your project will be a significant asset to the community if authorized to move forward. Furthermore, I am hopeful from our discussions to date

Enchanted Resorts
Conceptual Design Review
September 10, 2009
Page 4 of 4

that the issues identified by the Planning Commission and the public thus far may be addressed and mitigated to the City's satisfaction.

I continue to look forward in working with you and your Project Team on this proposal. If you have any questions or need additional information to assist you in proceeding forward, please do not hesitate to contact me at (707) 942-2827.

Sincerely,


Erik V. Lundquist
Associate Planner

Attachments

cc: Enchanted Resorts, Inc., 660 North Rush Street, Chicago, IL 60611
James C. McCann, City Manager
Department Directors

CALISTOGA FIRE DEPARTMENT

MEMORANDUM

TO: Erik Lundquist / Associate Planner

FROM: Steve Campbell / Fire Chief

SUBJECT: Discretionary Application for Enchanted Resorts

DATE: 9/10/09

Review Time 3 Hour
\$92.89

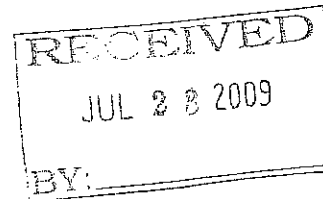
Thank you for the opportunity to comment on this application. In general, I think this is a good project, however this project will be built in the "Very High Fire Severity Zone" emergency access is of great concern. The roadway grades will exceed California Fire Code recommendation. The vegetation surrounding the project is highly flammable and will need to be addressed. The fire department does not have the proper equipment to respond in a timely manner if a fire was to break out. The equipment issue will have to be addressed before the project is underway.

DEPARTMENT OF TRANSPORTATION

111 GRAND AVENUE
P. O. BOX 23660
OAKLAND, CA 94623-0660
PHONE (510) 622-5491
FAX (510) 286-5559
TTY 711



*Flex your power!
Be energy efficient!*



July 21, 2009

NAP029863
NAP-029-36.5

Mr. Erik Lundquist
Planning and Building Department
City of Calistoga
1232 Washington Street
Calistoga, CA 94515

Dear Mr. Lundquist:

ENCHANTED RESORTS PROJECT APPLICATION

Thank you for including the California Department of Transportation (Department) in the early stages of the environmental review process for the Enchanted Resorts project. The following comments are based on the project's application. As the lead agency, the City of Calistoga is responsible for all project mitigation, including any needed improvements to state highways. The project's fair share contribution, financing, scheduling, implementation responsibilities and lead agency monitoring should be fully discussed for all proposed mitigation measures. This information should also be presented in the Mitigation Monitoring and Reporting Plan of the environmental document. Required roadway improvements should be completed prior to issuance of the Certificate of Occupancy. Since an encroachment permit is required for work in the state right of way (ROW), and the Department will not issue a permit until our concerns are adequately addressed, we strongly recommend that the City work with both the applicant and the Department to ensure that our concerns are resolved during the environmental review process, and in any case prior to submittal of a permit application. Further comments will be provided during the encroachment permit process; see the end of this letter for more information regarding encroachment permits.

Traffic Impact Fees

Please identify traffic impact fees. Development plans should require traffic impact fees based on projected traffic and/or based on associated cost estimates for public transportation facilities necessitated by development. Please refer to the California Office of Planning and Research (OPR) *2003 General Plan Guidelines*, page 163, which can be accessed on-line at the following website: <http://www.opr.ca.gov/index.php?a=planning/gpg.html>

Scheduling and costs associated with planned improvements on Departmental ROW should be listed, in addition to identifying viable funding sources correlated to the pace of improvements

for roadway improvements, if any. Please refer to the state OPR's *2003 General Plan Guidelines*, page 106.

Traffic Impact Study

Please include the information detailed below in the Traffic Impact Study (TIS) to ensure that project-related impacts to state roadway facilities are thoroughly assessed. We encourage the City to coordinate preparation of the TIS with our office, and we would appreciate the opportunity to review the scope of work. The Department's "*Guide for the Preparation of Traffic Impact Studies*" should be reviewed prior to initiating any traffic analysis for the project; it is available at the following website:

<http://www.dot.ca.gov/hq/traffops/developserv/operationalsystems/reports/tisguide.pdf>

The TIS should include:

1. Site plan clearly showing project access in relation to nearby state roadways. Ingress and egress for all project components should be clearly identified. State ROW should be clearly identified.
2. Project-related trip generation, distribution, and assignment. The assumptions and methodologies used to develop this information should be detailed in the study, and should be supported with appropriate documentation.
3. Average Daily Traffic, AM and PM peak hour volumes and levels of service (LOS) on all significantly affected roadways, including crossroads and controlled intersections for existing, existing plus project, cumulative and cumulative plus project scenarios. Calculation of cumulative traffic volumes should consider all traffic-generating developments, both existing and future, that would affect study area roadways and intersections. *The analysis should clearly identify the project's contribution to area traffic and degradation to existing and cumulative levels of service. Lastly, the Department's LOS threshold, which is the transition between LOS C and D, and is explained in detail in the Guide for Traffic Studies, should be applied to all state facilities.*
4. Schematic illustration of traffic conditions including the project site and study area roadways, trip distribution percentages and volumes as well as intersection geometrics, i.e., lane configurations, for the scenarios described above.
5. The project site building potential as identified in the General Plan. The project's consistency with both the Circulation Element of the General Plan and Napa County Transportation Planning Agency's Congestion Management Plan should be evaluated.
6. Mitigation should be identified for any roadway mainline section or intersection with insufficient capacity to maintain an acceptable LOS with the addition of project-related and/or cumulative traffic.

Cultural Resources

The project environmental document must include documentation of a current archaeological record search from the Northwest Information Center of the California Historical Resources Information System if construction activities are proposed within state ROW. Current record

Mr. Erik Lundquist

July 21, 2009

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searches must be no more than five years old. The Department requires the records search, and if warranted, a cultural resource study by a qualified, professional archaeologist, to ensure compliance with CEQA, Section 5024.5 of the California Public Resources Code and Volume 2 of the Department's Standard Environmental Reference (SER). These requirements, including applicable mitigation, must be fulfilled before an encroachment permit can be issued for project-related work in state ROW; these requirements also apply to NEPA documents when there is a federal action on a project. Work subject to these requirements includes, but is not limited to: lane widening, channelization, auxiliary lanes, and/or modification of existing features such as slopes, drainage features, curbs, sidewalks and driveways within or adjacent to state ROW. See the website link below to access the Department's SER. <http://www.dot.ca.gov/hq/env/index.htm>

Encroachment Permit

Please be advised that work that encroaches onto the state ROW requires an encroachment permit that is issued by the Department. To apply, a completed encroachment permit application, environmental documentation, and five (5) sets of plans, clearly indicating state ROW, must be submitted to: Office of Permits, California DOT, District 4, P.O. Box 23660, Oakland, CA 94623-0660. Traffic-related mitigation measures will be incorporated into the construction plans during the encroachment permit process. See the following website link for more information: <http://www.dot.ca.gov/hq/traffops/developserv/permits/>

Please forward a copy of the environmental document, along with the TIS, including Technical Appendices, and Staff Report to the address below as soon as they are available.

Sandra Finegan, Associate Transportation Planner
Community Planning Office, Mail Station 10D
California DOT, District 4
P.O. Box 23660
Oakland, CA 94623-0660

Please feel free to call or email Sandra Finegan of my staff at (510) 622-1644 or sandra_finegan@dot.ca.gov with any questions regarding this letter.

Sincerely,



LISA CARBONI

District Branch Chief

Local Development – Intergovernmental Review

Public Works Department-City of Calistoga

414 Washington Street

Calistoga, CA 94515

Phone: (707) 942-2828

Fax: (707) 942-9472

MEMORANDUM

Date: August 20, 2009

TO: Charlene Gallina

FROM: Dan Takasugi, Public Works Director / City Engineer

Copy: Erik Lundquist, Jim Smith, Bill McBride, Louise Harrison, File

SUBJ: Enchanted Resorts Concept Design Review Comments

=====

Charlene:

Thanks for the opportunity to comment on this project. This memo contains comments on the applicant's Concept Design Review submittal.

- a. I am attaching a standard list of PW concerns at the Concept Design Review stage, not necessarily directed specifically at this project.
- b. I have strong concerns that the primary access road from Foothill Blvd. (as designed on the approved Final Map for the Diamond Hills residential development and as currently in the process of being amended) is inadequate for this proposed resort, fractional share, and custom home development. The width and turn radius of access road pavement may have been marginally acceptable for a 35-lot residential development. However, with visitors unfamiliar with the steep/dark terrain and regular large delivery vehicles, I believe that the primary access road would need to be improved with a wider width and with larger radius turns. A traffic engineering analysis should be performed under City oversight to evaluate this greatly revised land use on an access road designed for minimal residential traffic.
- c. The new resort development will have significant effects on the storm drainage infrastructure, when compared with the development's previously approved residential Final Map. Best management practices, as described in the California Stormwater Quality Association guidelines, for stormwater runoff during and after construction should be followed. Post-development peak stormwater run-off discharge rates and velocities shall be controlled to maintain or reduce pre-development downstream erosion and to ensure that post-development runoff does not contain pollutant loads which have not been reduced to the maximum extent practicable. A stormwater engineering analysis should be performed to assess the runoff effect of this new proposed land use.
- d. The adequacy of water supply, fire flow, and pressure for the new resort development is unclear. Water infrastructure improvements of the previously approved residential Final Map and improvement plans, may not be adequate for the proposed new land use. City Public Works Department has advised the developer on several occasions that the off-site water infrastructure improvements being constructed in September 2009, may not be adequate to serve the needs of the new land use, and as such, the developer is proceeding at their own risk of potential rework and upsizing. The developer's intent to add more water storage on-site brings into question the health safety of extended water storage and reduced chlorine residual in the stored water. An engineering analysis is requested to analyze the adequacy of water supply, distribution, fire flow, pressure, and health safety.

e. The adequacy of sanitary sewer conveyance from the new resort development is unclear. Sewer infrastructure improvements of the previously approved residential Final Map and improvement plans, may not be adequate for the proposed new land use. City Public Works Department has advised the developer on several occasions that the off-site sewer infrastructure improvements being constructed in September 2009, may not be adequate to serve the needs of the new land use, and as such, the developer is proceeding at their own risk of potential rework and upsizing. The increased sewer flow may impact the operation of the City's Pine Street lift station. The new land use must address the capacity of the City's capacity-constrained main sewer trunkline. An engineering analysis is requested to analyze the adequacy of on-site and off-site sewer collection and conveyance.

f. The intended resort development's use of groundwater is unclear. Use of groundwater for potable water or irrigation should conform to the City's municipal code guidance, in addition to County requirements. An analysis of the depletion and recharge of the groundwater aquifer is requested. The City Public Works department encourages the use of City reclaimed waste water for on-site irrigation.