


City of Calistoga

Staff Report

TO: Honorable Mayor and City Council
FROM: Susan Sneddon, City Clerk 
DATE: November 3, 2009
SUBJECT: Agricultural Lease with Markham Vineyards

1 **ISSUE:** Consideration of a Resolution approving an Amended Agricultural Lease with Markham
2 Vineyards and directing the City Manager to execute the amended Lease Agreement.

3 **RECOMMENDATION:** Adopt Resolution.

4 **DISCUSSION:** The City acquired land as a part of the Kimball Reservoir construction in 1940's.
5 Starting in 1973 the City entered into an Agricultural Lease Agreement with Markham Vineyards
6 for approximately 6.23 acres for the purpose of producing wine grapes. In 1999 the City Council
7 wished to revisit the terms of the 1973 Agreement resulting in the City Council approving the
8 May 5, 1999 Agricultural Lease Agreement with rent tied into the current market lease rates
9 based on the Annual Grape Crush Crop Report for the Napa Valley. The 1999 Agreement
10 provided for a two one-year lease extension option. Markham Vineyards exercised the
11 extension option in 1999 but failed to provide the requisite notice in 2000 therefore the
12 Agreement expired on December 31, 2000.

13 On May 9, 2001 the City entered into a new Agricultural Lease Agreement with Markham
14 Vineyards. Since then the City has renewed this Agreement on an annual basis pursuant to the
15 terms of the agreement. Section 16 – "Water" of the 2001 Agreement states that the City may
16 provide City water to irrigate the grapevines on the leased property, however, Markham
17 Vineyards has never requested that the City provide water delivery pursuant to the 2001
18 Agreement, and they are not an established water customer. Further this provision conflicts with
19 elements of our water license from the State. It has been brought to staff's attention that the
20 water provision in the 2001 Agreement is not useful, and should be deleted. The proposed
21 2010 Amended Agreement, attached, clearly states that City water will not be provided to the
22 property for any purpose; all other provisions remain in place.

23 Markham Vineyards has been a good tenant, and staff recommends the approval of the
24 attached Amendment with the provision of continuing a year-to-year lease option with Markham
25 Vineyards.

26 **FISCAL IMPACT:** None.

27 **ATTACHMENTS:**

- 28 1. Draft Resolution
29 2. Proposed Amendment

RESOLUTION 2009-_____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALISTOGA, COUNTY OF NAPA, STATE OF CALIFORNIA, AUTHORIZING AN AMENDMENT TO THE AGRICULTURAL LEASE AGREEMENT BETWEEN THE MARKHAM VINEYARDS AND THE CITY OF CALISTOGA

Authorizing Agreement No. _____

1 **WHEREAS**, in 2001, the City Council authorized a Agricultural Lease Agreement
2 to Markham Vineyards for the purpose of producing wine grapes on approximately 6.23
3 acres of City land located between the Kimball Water Treatment Plant and Kimball
4 Reservoir; and

5
6 **WHEREAS**, Markham Vineyards has never requested that the City provide water
7 delivery pursuant to the 2001 Agreement, and Markham Vineyards is not an established
8 water customer; and

9
10 **WHEREAS**, it is recommended that an Amendment to the 2001 Markham
11 Vineyards Agricultural Lease Agreement be approved in order to revise the water-
12 related provision; and

13
14 **WHEREAS**, Markham Vineyards has been a good tenant and agrees that the
15 Agricultural Lease Agreement be amended; and

16
17 **NOW, THEREFORE BE IT RESOLVED** that the City Council of the City of
18 Calistoga hereby authorize the City Manager to execute an Amendment to the
19 Agricultural Lease Agreement to Markham Vineyards as attached hereto as Exhibit "A",
20 subject to the concurrence of the City Attorney.

21
22 **PASSED, APPROVED, AND ADOPTED** by the City Council of the City of
23 Calistoga at a regular meeting held this 3rd day of November 2009 by the following
24 vote:

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26
27 **AYES:**

28 **NOES:**

29 **ABSTAIN/ABSENT:**

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35 **ATTEST:**

JACK GINGLES, Mayor

36
37
38 _____
SUSAN SNEDDON, City Clerk

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