

# City of Calistoga

## Staff Report

**TO:** Honorable Mayor and City Council  
**FROM:** James C. McCann, City Manager *JCM*  
**DATE:** April 15, 2008  
**SUBJECT:** Request for reconsideration of the April 5, 2008 adoption of Resolution 2008-030 authorizing the City Manager to negotiate a Cooperative Agreement with Caltrans for the improvement of the Highway 29/Silverado Trail intersection.

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1  
2 **ISSUE:** Consideration of a Resolution to authorize the reconsideration of the  
3 April 5, 2008 adoption of Resolution 2008-030.  
4

5 **RECOMMENDATION:** Adopt the Resolution.  
6

7 **BACKGROUND:** The City Council adopted Resolution 2008-030 at the last  
8 meeting after much discussion and deliberation. The Resolution was adopted by  
9 a 4-1 vote with Councilmember Kraus voting no. Councilmember Kraus noted  
10 his principal concern with the proposal was that the action would authorize the  
11 City Manager to commence negotiations of the terms of a Cooperative  
12 Agreement with Caltrans for the construction of a roundabout at the Highway  
13 29/Silverado Trail intersection even though the essential funding for the project is  
14 not secure. The lack of funding certainty raised significant concern to  
15 Councilmember Kraus of potential City financial exposure and he could not  
16 support the Resolution.  
17

18 Councilmember Kraus submitted the attached letter to the Mayor raising concern  
19 that the Resolution adopted by the Council does not accurately reflect the facts.  
20 He notes that the Resolution states that "...the Executive Director of the Napa  
21 County Transportation and Planning Agency has offered a written commitment to  
22 provide additional funding to cover the cost shortfall of a roundabout...".  
23 Councilmember Kraus does not believe that this statement is correct inasmuch  
24 as the letter from the Executive Director does outline his organization's  
25 endorsement and support for the project but does not provide a binding  
26 commitment. Councilmember Kraus suggests that the recital be amended to  
27 more accurately reflect the nature of the statement from NCTPA.

1  
2 **DISCUSSION:** Councilmember Kraus is unable to request reconsideration as he  
3 voted in opposition to the action (only a member who voted in the majority is able  
4 to request reconsideration). He has however requested that the Mayor seek the  
5 reconsideration as a courtesy and to allow an opportunity to discuss the matter.  
6 Mayor Gingles has agreed and has directed staff to place the item on the agenda  
7 for consideration.

8  
9 Should the Mayor make the motion for reconsideration, receive a second and the  
10 matter carry by majority vote, then reconsideration will be in order. Staff has  
11 placed the April 1<sup>st</sup> City Council item regarding the roundabout on the agenda  
12 following this item for that potential. The adopted resolution is included in the  
13 packet as well. It should be noted that the resolution reflects the direction from  
14 Council regarding negotiating direction to the City Manager.

15  
16 **FISCAL IMPACT:** The reconsideration itself does not present a fiscal impact.

17  
18 **ATTACHMENTS:**

- 19  
20 1. Draft Resolution.  
21 2. April 2, 2008 request from Councilmember Kraus.  
22 3. April 1, 2008 Draft City Council meeting minutes excerpts.

RESOLUTION NO. 2008-\_\_\_

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALISTOGA, COUNTY OF NAPA,  
STATE OF CALIFORNIA, GRANTING THE MAYOR'S REQUEST FOR RECONSIDERATION OF  
THE CITY COUNCIL'S AUTHORIZATION REGARDING  
THE NEGOTIATION OF A COOPERATIVE AGREEMENT WITH CALTRANS

Authorizing Agreement No. \_\_\_\_\_

1           **WHEREAS**, the Calistoga City Council adopted Resolution 2008-030 at the April 1, 2008  
2 regular City Council meeting; and

3           **WHEREAS**, Resolution 2008-030 authorizes the City Manager to negotiate a Cooperative  
4 Agreement with Caltrans related to the construction of a roundabout at the Highway 29/Silverado Trail  
5 intersection; and

6           **WHEREAS**, Resolution 2008-030 recites the facts and basis of the City Council's action  
7 relative to their desire to enter into the Cooperative Agreement with Caltrans; and

8           **WHEREAS**, Resolution 2008-030 includes direction to the City Manager for provisions which  
9 must be addressed in the Cooperative Agreement with Caltrans; and

10          **WHEREAS**, Resolution 2008-030 states that the City of Calistoga has received assurance of  
11 funding for the roundabout improvement from both Caltrans and from the Napa County Transportation  
12 and Planning Agency (NCTPA); and

13          **WHEREAS**, Resolution 2008-030 states that the City of Calistoga has received a written  
14 commitment from NCTPA to provide funding to cover the shortfall of a roundabout left from the  
15 funding available through Caltrans; and

16          **WHEREAS**, Councilmember Kraus believes that the depiction of the financial support from  
17 NCTPA is improperly stated in Resolution 2008-030 and he has requested that the Mayor place the  
18 matter on the City Council's agenda for a reconsideration of Resolution 2008-030 to allow amendment  
19 of the language; and

20          **WHEREAS**, the Mayor has directed the City Manager to place an item on the City Council  
21 agenda to seek reconsideration of Resolution 2008-030 adopted by the City Council at its April 1,  
22 2008 regular meeting.

23          **NOW, THEREFORE BE IT RESOLVED**, that the Calistoga City Council hereby grants a  
24 reconsideration of the adoption of Resolution 2008-030 which authorizes the City Manager to  
25 negotiate a Cooperative Agreement with Caltrans for a roundabout at the Highway 29/Silverado Trail  
26 intersection.  
27

28          **PASSED, APPROVED AND ADOPTED** by the City Council of the City of Calistoga at a  
29 regular meeting held this 15<sup>th</sup> day of April 2008, by the following vote:

- 30  
31           **AYES:**  
32           **NOES:**  
33           **ABSENT/ABSTAIN:**  
34

\_\_\_\_\_  
**JACK GINGLES, Mayor**

35  
36  
37  
38          **ATTEST:**  
39  
40  
41          \_\_\_\_\_  
42          **SUSAN SNEDDON, City Clerk**

APR 2 2008

**Gary W. Kraus**  
**1909 Carli Drive**  
**Calistoga, CA 94515**

**RECEIVED**

**April 2, 2008**

Mayor Jack Gingles  
Calistoga City Hall  
1232 Washington St.  
Calistoga, CA 94515

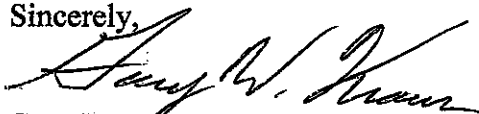
Jack,

I respectfully request that City of Calistoga (City) Resolution # 2008-030 be rescinded immediately and reconsidered at the earliest date possible. The reason for this request is a factual error in the preamble portion of the resolution which states, WHEREAS, the executive director of the Napa County Transportation and Planning Agency has offered a written commitment to provide additional funding to cover the cost shortfall of a roundabout, from the Caltrans base funding of \$2 Million.

During the discussion portion of the meeting with respect to this matter, the letter from Jim Leddy, Executive Director of the Napa County Transportation and Planning Agency (NCTPA) was reviewed. During that discourse, those present, including the recipient of the letter, Jim McCann, confirmed that the correspondence was not a guarantee of any funding or timing of funding, would be forthcoming to the City from NCTPA.

It is my opinion that any reader of Resolution 2008-030 would conclude that the City of Calistoga has secured full financing for the project, which would be in error. Such an error could lead to unforeseen problems for a reader who may make a decision based on the incorrect information. Such a mistake could also create problems for the City.

Sincerely,



Gary W. Kraus  
Council member

c. City Clerk  
City Manager  
City Attorney

**MINUTE EXCERPT**  
**CITY COUNCIL – REGULAR MEETING**  
**TUESDAY, APRIL 1, 2008 - 7:00 P.M.**

**GENERAL GOVERNMENT**

1       **14. Consideration of a Resolution authorizing the City Manager to**  
2       **negotiate a Cooperative Agreement with Caltrans for the planning,**  
3       **design, and construction of a Roundabout Intersection at Highway**  
4       **29, Lake Street, and Silverado Trail and Pursue Funding Sources.**  
5

6       **Mayor Gingles** wanted the record to show that two letters were  
7       submitted: one by Kristen Casey in opposition due to taxpayer funding,  
8       one in favor by George Calyonnidis.  
9

10       **City Manager McCann** introduced this item and provided background.  
11       He noted that the critical issues for the project are function and operation;  
12       cost exposure to the City; and the timing of the project and associated  
13       burden on City staff resources. W-Trans, the City's consulting traffic  
14       engineer, has demonstrated the roundabout alternative will function well  
15       and will be consistent with Caltrans standards. He noted that the City has  
16       no funds budgeted for this project. He referenced the staff report noting  
17       that Caltrans has allocated \$2 million for the improvement of the  
18       intersection and that they have indicated that these funds will be available  
19       for the roundabout alternative. He also noted that the balance of the funds  
20       for the project are expected to be provided by the Napa County  
21       Transportation and Planning Agency (NCTPA). He referenced the letter  
22       from Jim Leddy, Executive Director of NCTPA, which outlines the NCTPA  
23       Board's commitment to funding the improvement. He commented on the  
24       staff's current significant workload and the need to examine and address  
25       how this new significant complex project would be accomplished (timing,  
26       additional staff resources, shift of projects, etc.). He summarized the  
27       Cooperative Agreement element of the proposal and noted that such an  
28       arrangement would shift the responsibility, risks, and obligations to the  
29       City which is a concern. He indicated that he is pleased to have found an  
30       approach to achieve the Council's interest in having the intersection  
31       improved with a roundabout but noted that several significant issues must  
32       be recognized and addressed. Significant among those is how the City  
33       drafts the Agreement, the protections put in to ensure funds to come from  
34       Caltrans and NCTPA, timing for our work, and ensuring that while we take  
35       the lead there are definite limits to the City's financial exposure. Finally,  
36       he stated that it is essential to take action tonight as Caltrans need to hear  
37       from the City very promptly.  
38

39 **Carl Sherrel, 1132 Denise Drive** stated that his and his wife's primary  
40 concern is the unwise use of taxpayer funds. He thinks the intersection is  
41 safe the way it is, with 4-way stop, and leaving it would save \$2 million.  
42 He thinks taking the \$2 million and then add more, regardless of where it  
43 comes from, it is not free money, and it comes out of the taxpayer's  
44 pocket. He feels that there are many other uses for our money.  
45

46 **Mayor Gingles** stated that it isn't a waste of taxpayer money. This  
47 intersection has the highest injury and fatality history in Calistoga;  
48 improvement is necessary to correct this. With a roundabout it has been  
49 proved economically and environmentally sound, the State would like to  
50 do it as a safety measure. The City strongly encourages the State to  
51 improve the safety of the intersection.  
52

53 **Councilmember Kraus** stated that he has a few concerns with the  
54 proposal. He is concerned with the additional burden that this project will  
55 place on City staff and the impact on the progress of existing projects and  
56 priorities. He wonders if the City will have to hire a new engineer for the  
57 project, or if existing projects will have to be put on the backburner. Also,  
58 in the NCTPA letter he was looking for an actual commitment, but the  
59 letter instead stated that they think the project is a good idea and they  
60 could sell surplus property. The letter doesn't say with certainty that the  
61 \$1.6 million will come to Calistoga. Although he supports the roundabout,  
62 green, and safety concept he is unsure where money will come from. He  
63 feels like we might be financially gambling with the future of Calistoga  
64 without firm financial commitments from Caltrans and NCTPA.  
65

66 **Mayor Gingles** stated that he is a Board member of NCTPA and the  
67 matter of funding roundabouts in Calistoga has been discussed at the  
68 Board level. He explained the funding concept. He noted that through the  
69 sale of excess property there is expected to be approximately \$4 million  
70 raised. These funds will be available to NCTPA and the Board has stated  
71 its intent to assign a portion of these funds to roundabout development  
72 with specific focus on this project. They had mentioned the roundabout  
73 and the Rutherford roundabout in the same consideration and while the  
74 Board has not specifically acted to allocate \$1.6 million to Calistoga they  
75 expressed the interest to do so.  
76

77 **Vice Mayor Dunsford** questioned if the \$4 million has a specific allocation  
78 for roundabouts.  
79

80 **City Manager McCann** stated that the NCTPA Executive Director has  
81 explained the funding option and steps in the letter which is in the packet.  
82 NCTPA staff have indicated that proceeds from that sale of excess land  
83 belongs to all of Napa County and NCTPA has indicated that they intend  
84 to use those funds for roundabouts in the Up Valley area, specifically in

85 Rutherford and two in Calistoga. The Board hasn't sold the property,  
86 money doesn't exist yet. They have had conversations, at Board level,  
87 and we have a letter from their Executive Director outlining this intent. He  
88 agrees with Councilmember Kraus that it doesn't say the money is ours,  
89 but it does say what their plan is. Additionally, there are a number of  
90 important points which the Co-op Agreement must include and clearly  
91 address. The certain availability of funds- both those from Caltrans and  
92 the balance necessary for the project from NCTPA are among the  
93 important points. Our intent is subject to the availability of actual money.  
94 Similarly, the impact that the project might have on the City Staff must be  
95 defined, if we bring on a contract engineer, or have consulting engineers  
96 those costs will be part of the project expense and must be covered  
97 through the project funding through NCTPA.  
98

99 **Dieter Diess, 3000 Palisades Road** stated that a year ago Caltrans  
100 stated they would be realigning the intersection and part of that would be  
101 going back to two stop signs. If that intersection happened we would have  
102 a speedy road coming from Lake County into Calistoga, instead of  
103 mitigating the speed. The second question was that we do want Oat Hill  
104 Mine Parking situation corrected as it will be a big attraction to the town.  
105 Caltrans said it was not their concern. Their intersection would speed up  
106 the traffic, make it more dangerous, and not relieve parking problems.  
107 Through the City's persistence the City has succeeded by having Caltrans  
108 commit to a roundabout and it appears that funding has been identified for  
109 the project. He feels that the City needs to look at it as a return on  
110 investment. The City is about to get at least \$3.67 million which will be to  
111 our benefit. A roundabout will slow down traffic, deflect the traffic, and  
112 reduce speeds to 10-15 miles/hour. He thinks it is worth the risk because  
113 the return on investment is not just the money but also is a safety  
114 improvement that the people will enjoy for many years.  
115

116 **Mayor Gingles** stated that he is in favor to proceed and negotiate an  
117 agreement relative to the roundabout but what makes him nervous is lines  
118 100-108 in the Staff Report regarding the Cooperative Agreement. He  
119 stated that prior to getting into the Cooperative Agreement he wants the  
120 funding to be much more concrete from NCTPA and Caltrans. The  
121 Agreement states that the City would be responsible for project planning,  
122 design, construction administration, construction management,  
123 construction inspection, scope additions, and budget shortfalls; we need to  
124 include language to address our concerns and to protect the City.  
125

126 **Vice Mayor Dunsford** noted that there are pros and cons to proceeding  
127 with the roundabout proposal. He commented that if we are not able to  
128 obtain the funding from NCTPA the City still has an out, and the  
129 intersection remains as it is today with no financial harm to the City. He  
130 also mentioned that when Caltrans underwent their study, and came up

131 with their solution, 7-8 years ago, which was well before Solage, Oat Hill  
132 Mine Trail, hiking in Palisades, etc. now there is a tremendous amount of  
133 increased traffic in the area. The whole issue of the roundabout is to  
134 address the existing and long-term needs of the intersection. It has  
135 always been an issue of money. Initially the cost was possibility \$2  
136 million, whether they built Caltrans proposal or the roundabout. As we  
137 went along we started to realize the cost is much more than \$2 million, its  
138 \$3.6 million. The question is how much more we are willing to spend of  
139 taxpayer's dollars to get this significant benefit, and where is the breaking  
140 point. He added that he sees significant benefit and value of the  
141 improvement and believes that we should continue forward in discussion  
142 with Caltrans and NCTPA.

143  
144 **Councilmember Slusser** asks if we go to construction and run out of  
145 money, what would happen then.

146  
147 **Vice Mayor Dunsford** stated that the funding would need to be confirmed  
148 before an agreement is executed and the work is started. Also, it is a  
149 concern of his to ask for \$2 million from NCTPA as it is asking for a favor.  
150 He stated that even if this might not be the highest priority of all  
151 intersections (Petrified Forest Road) since we have an opportunity now we  
152 should take it and continue to pursue opportunities to improve Petrified  
153 and other road systems.

154  
155 **Councilmember Slusser** stated that she has always been a supporter of  
156 the roundabout but that this proposal presents a real dilemma. She  
157 acknowledged that a lot of time and energy have gone into responding to  
158 the City Council's direction to staff and that a positive outcome is outlined.  
159 What she has a difficult time with is that the risk comes to Calistoga. She  
160 is worried about staff time and feels there are things that have priority over  
161 this. She wants there to be a delay for the work to start so staff is not  
162 overwhelmed and the current projects are accomplished.

163  
164 **Vice Mayor Dunsford** stated that with Co-op Agreement we secure the  
165 funding and we establish the time frame.

166  
167 **City Manager McCann** reiterated there are a number of elements and  
168 points that the City needs to build in to this agreement. The request  
169 before the Council tonight is to authorize the City Manager to commence  
170 negotiations with Caltrans regarding the terms of the Co-op Agreement.  
171 After negotiations occur it would be brought back to Council for  
172 authorization. His sense is that some of the requests must include  
173 securing funding; a commitment letter from Caltrans for their funding (\$2.0  
174 million), a commitment from NCTPA Board for the delivery of all remaining  
175 funds necessary for the design and construction of the project. The City  
176 should build into the Agreement the timing that we are comfortable with.



177 He clarified that as he understands it once we start down this path, the  
178 choices start to narrow. What Caltrans has said is if we choose to enter in  
179 to the Cooperative Agreement their project will be pulled. Soon, we will  
180 either have the existing condition or a roundabout under the terms  
181 described.

182  
183 **Vice Mayor Dunsford** stated that when we pass on opportunities such as  
184 this it ends up costing a lot more money in the future. In 15 or 20 years  
185 when this is a very busy intersection it will be significantly more money.

186  
187 **Councilmember Slusser** stated that she is concerned with the timing.  
188 She wants to finish the projects we've been waiting for. Also NCTPA still  
189 needs to sell their property and real estate is not doing well these days.

190  
191 **Vice Mayor Dunsford** agreed with Councilmember Slusser and noted  
192 that these points must be a part of the agreement with Caltrans but that  
193 this will take a lot of time, and if we can't secure the funding it is a mute  
194 issue.

195  
196 **City Manager McCann** asked Public Works Director Takasugi regarding  
197 the conditions that could be applied to the Cooperative Agreement.

198  
199 **Public Works Director Takasugi** stated that his understanding is the  
200 Cooperative Agreement is an open negotiation; there are a lot of things  
201 that can be negotiated for or against the City. Caltrans is in leading  
202 position.

203  
204 **Councilmember Slusser** stated that it isn't a loss, because if they decide  
205 to not work with us, we will be left with what we have. And if we can  
206 negotiate an agreement with suitable terms and can secure a roundabout  
207 the community will win big.

208  
209 **Vice Mayor Dunsford** stated that if we are stuck with what we have it  
210 doesn't preclude the City for coming back in a few years.

211  
212 **Councilmember Garcia** stated that by 2010 if we don't have the NCTPA  
213 money, we won't lose anything.

214  
215 **Councilmember Kraus** stated that Council needs to be very careful what we  
216 tell Mr. McCann to negotiate, and that there must be a line beyond which  
217 he does not go.

218  
219 **Vice Mayor Dunsford** stated that the Agreement would have to come  
220 back to Council before it was approved.

221

222           **City Manager McCann** agreed with Councilmember Kraus' point and  
223           stated that the Council's direction regarding terms for the Co-op  
224           Agreement is very important. He stated that should the Council direct him  
225           to negotiate the agreement it must include: having secure funding for all  
226           costs of the roundabout (design, review, construction, staff, etc.); the  
227           timing of the project must be acceptable to the City to insure that existing  
228           City projects are not delayed; and that agency cooperating and assistance  
229           is assured.

230  
231           **It was MOVED by Mayor Gingles and SECONDED by Vice Mayor**  
232           **Dunsford to adopt Resolution No. 2008-030 authorizing the City**  
233           **Manager to negotiate a Cooperative Agreement with Caltrans for**  
234           **the planning, design, and construction of a Roundabout**  
235           **Intersection at Highway 29, Lake Street, and Silverado Trail and**  
236           **Pursue Funding Sources.**

237  
238           **The motion passed with the following roll call vote:**  
239           **AYES: Mayor Gingles, Vice Mayor Dunsford, Councilmembers**  
240                           **Garcia and Slusser**  
241           **NOES: Councilmember Kraus**  
242           **ABSENT: None**  
243           **ABSTAIN: None**

244