



City of St. Helena
Regular City Council Meeting
Tuesday, November 14, 2017 @ 6:00 PM
Vintage Hall Board Room - Second Floor
465 Main Street, St. Helena

PLEASE NOTE: Any person who wishes to speak regarding an item on the agenda or make a comment under the "Oral Communication" portion of the agenda may do so, but please observe the time limit of three minutes.

Page

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL
Mayor: Alan Galbraith, Vice Mayor: Peter White, City Council: Paul Dohring, Geoff Ellsworth and Mary Koberstein
4. PUBLIC FORUM:
Members of the public are entitled to speak on matters of municipal concern not on the agenda during Public Forum. Each person's comments shall be limited to 3 minutes. Each person is entitled to speak on any non-agendized item only once at any meeting. Brief questions by Councilmembers for clarifications may be posed and answered, and Councilmembers may make requests that items be placed on future agendas, but in accordance with state law, no substantive discussion or action may take place unless and until the matter properly appears on the agenda.
5. REPORTS BY STAFF AND CITY COUNCIL, FUTURE AGENDA ITEMS, AND AB 1234 REPORTS:
Reports by staff and/or Councilmembers on items of general interest. Brief questions for clarification may be posed and answered, and Councilmembers may request that items be placed on a future agenda. Except under certain circumstances, the Brown Act prohibits any other discussion or action by the City Council.
6. PRESENTATIONS AND PUBLIC RECOGNITIONS
 - 6.1. Proclamation - Second Annual Saint Helena Movember Mens' Health Month November 1st – November 30th, 2017 presented to St. Helena Chief of Police William Imboden
[Proclamation](#)
7. STAFF BRIEFING
8. CONSENT ITEMS
Members of the Council or the public may ask that any items be considered individually for purposes of considering alternative action, for extended discussion, or for public comment. Unless that is done, one motion may be used to adopt all recommended actions. (Roll Call Vote)

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- 8.1. Consideration and proposed approval of Minutes: 9 - 76
1. May 2, 2017 Special City Council Meeting
 2. May 9, 2017 Regular City Council Meeting
 3. May 22, 2017 Special City Council Meeting
 4. May 23, 2017 Regular City Council Meeting
 5. May 30, 2017 Special City Council Meeting
 6. June 13, 2017 Regular City Council Meeting
 7. June 19, 2017 Special City Council Meeting
 8. June 27, 2017 Regular City Council Meeting.
- CEQA Determination: Not a CEQA project
Prepared By: Cindy Tzaopoulos, City Clerk
Recommendation: Staff recommends adopting the minutes.
- [05-02-17 Special City Council Minutes](#)
[05-09-2017 Regular City Council Minutes](#)
[05-22-2017 Special City Council Minutes](#)
[05-23-17 Regular City Council Minutes](#)
[05-30-17 Special Budget Minutes](#)
[06-13-17 Regular City Council Minutes](#)
[06-19-17 Special City Council Study Session Minutes](#)
[6-27-17 Regular City Council Minutes](#)
- 8.2. Consideration and Approval of a Resolution Terminating the Local Emergency Declared by the City Council on October 11, 2017 77 - 78
- CEQA Determination: Not a CEQA project
Prepared By: Mark Prestwich, City Manager
Recommendation: Approve Resolution declaring the termination of a local emergency related to the fire in Napa and surrounding counties.
[Staff Report](#)
- 8.3. Consideration and proposed approval of a Resolution (1) authorizing Amendment #1 in the amount of \$16,350 to the contract with Willdan Financial Services for a Full Cost Services and Development Impact Fee Study for an amount not to exceed \$97,890 and (2) authorizing the use of Development Impact Fees to cover the additional costs for the Development Impact Fee study 79 - 116
- CEQA Determination: Not a CEQA project
Prepared By: April Mitts, Finance Director
Recommendation: The fiscal impact for Amendment #1 to the contract with Willdan Financial Services will not exceed \$16,350 and will be split equally from the Development Impact Fee Accounts. Funds are available in each account.
[Staff Report](#)
- 8.4. Consideration of a Resolution Accepting a Grant from Napa Valley Community Foundation in the Amount of \$87,500 and Approving a General Fund Revenue Budget Increase of \$87,500 to Account #101-3460-0000 117 - 122

CEQA Determination: Not a CEQA project

Prepared By: April Mitts, Finance Director

Recommendation: Staff recommends the City Council adopt Resolution No. 2017-____ accepting the grant from Napa Valley Community Foundation in the amount of \$87,500 and authorize a General Fund Revenue Budget increase of \$87,500 to 101-3460-0000 for FY 2017/18.

[Staff Report](#)

9. PUBLIC HEARINGS

- 9.1. Consideration and proposed approval of a Resolution accepting the Feasibility Analysis and Comparison of Sites for New Affordable Housing Development study prepared by Vernazza Wolfe and Associates through funding from CDBG No. 12-CDBG-8416 and City. 123 - 202

CEQA Determination: Not a CEQA project

Prepared By: April Mitts, Finance Director

Recommendation: Staff recommends approval of Resolution No. 2017-____ accepting the Feasibility Analysis and Comparison of Sites for New Affordable Housing Development study prepared by Vernazza Wolfe and Associates through funding from CDBG No. 12-CDBG-8416 and the City.

[Staff Report](#)

10. NEW BUSINESS

- 10.1. Review and Approval of Three Year City Council Goals and 12-Month Strategic Objectives 203 - 213

CEQA Determination: Not a CEQA project

Prepared By: Mark Prestwich, City Manager

Recommendation: Review and approve three-year organizational goals and 12-month strategic objectives for the City of St. Helena.

[Staff Report](#)

- 10.2. Discussion regarding the conceptual Mayor's forum

11. ITEMS LIKELY TO BE PLACED ON THE NEXT OR FUTURE MEETING AGENDA:

- 11.1. November:
1. 11/28 ADA Policy - HR
 2. 11/28 Adoption of utility rates (PH Notice) - Finance
 3. 11/28 Hunter Sub. EIR Contract - Planning
 4. 11/28 Council Discussion and Direction on Traffic Safety Enhancements on Highway 29 and Pratt Avenue Vicinity - PW
 5. 11/28 or December PG&E and Mitchell Dr. property- PW
 6. 11/28 Authorizing a contract with Pacific Legacy for Archaeological Collections Management from the St. Helena Flood Control Project.
 7. 11/28 Investment Policy - Finance
 8. 11/28 Arbor Day Proclamation – PW

- December 12: (December 26 Mtg Cancelled)
9. General Plan EIR award of contract - Planning
10. Little League Contract Amendment - Recreation

12. ADJOURNMENT

The next Regular City Council meeting is scheduled for November 28, 2017, at 6:00 p.m. in the Vintage Hall Board Room located at 465 Main Street.

This agenda was posted at City Hall, 1480 Main Street, and at Vintage Hall, 465 Main Street, St. Helena, California on November 3, 2017.



Cindy Tzaferopoulos, City Clerk

In Compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please call the City Clerk's Office (707) 967-2792. Notification 72 hours prior to the meeting as required by Section 202 of the Americans with Disabilities Act will enable the City to make reasonable arrangements to ensure accessibility to this meeting

CHALLENGING DECISIONS OF CITY ENTITIES

The time limit within which to commence any lawsuit or legal challenge to any quasi-adjudicative decision made by the City of St. Helena is governed by Section 1094.6 of the Code of Civil Procedure, unless a shorter limitation period is specified by any other provision, including without limitation Government Code section 65009 applicable to many land use and zoning decisions, Government Code section 66499.37 applicable to the Subdivision Map Act, and Public Resources Code section 21167 applicable to the California Environmental Quality Act (CEQA). Under Section 1094.6, any lawsuit or legal challenge to any quasi-adjudicative decision made by the City must be filed no later than the 90th day following the date on which such decision becomes final. Any lawsuit or legal challenge, which is not filed within that 90-day period, will be barred. Government Code section 65009 and 66499.37, and Public Resources Code section 21167, impose shorter limitations periods and requirements, including timely service in addition to filing.

If a person wishes to challenge the above actions in court, they may be limited to raising only those issues they or someone else raised at the meeting described in this notice, or in written correspondence delivered to the City of St. Helena, at or prior to the meeting. In addition, judicial challenge may be limited or barred where the interested party has not sought and exhausted all available administrative remedies.

SUPPLEMENTAL MATERIAL RECEIVED AFTER THE POSTING OF THE AGENDA

Any supplemental writings or documents distributed to a majority of the City Council regarding any item on this Agenda, after the posting of the Agenda, will be available for public review in the City Clerk's Office located at 1480 Main Street, St. Helena, California, during normal business hours. In addition, such writings or documents will be made available on the City's web site at

<https://sthelena.civicweb.net> and will be available for public review at the respective meeting.

City of St. Helena PROCLAMATION

Second Annual Saint Helena Movember Mens' Health Month November 1st – November 30th, 2017

WHEREAS, Prostate cancer is the second most common cancer in men in the US., and Testicular cancer is the most common cancer in young men aged 15-34 in the US., and Around 1 in 4 adults in the US will experience a mental health problem in a given year.; and

WHEREAS, Numerous studies have shown that early detection of any form of cancer is instrumental in combatting the disease, and since using early detection tests for prostate cancer became fairly common in the United States around 1990, the prostate cancer death rate has dropped; and

WHEREAS, the American Cancer Society ® recommends prostate cancer screenings for men of average risk who are 50 years old or higher, men of high risk who are 45 years or older, and men of even higher risk (those with two or more direct relatives who have had prostate cancer) who are 40 years and older; and

WHEREAS, the key to educating people about the benefits of early detection through routine exams is creating awareness campaigns designed to stimulate conversation; and

WHEREAS, the Movember movement, which began in 2003 has raised over \$650 million and funded over 1,000 programs focusing on prostate cancer, testicular cancer, poor mental health and physical inactivity in men;

NOW, THEREFORE, be it resolved that I, Alan Galbraith, Mayor of the City of St. Helena, along with the St. Helena City Council, do hereby proclaim November 1st through November 30th, 2017 Movember – Men's Health Month.

Dated: November 14, 2017

Alan Galbraith, Mayor
City of St. Helena

**Minutes
City of St. Helena
Special City Council Meeting
Budget Hearing
Tuesday, May 2, 2017 @ 9:00 AM
St. Helena Fire Department, 1480 Main Street, St. Helena
(Entrance on Railroad Avenue)**

A complete video recording of this meeting, except for closed session, can be found at <https://sthelena.civicweb.net/Portal/> or by calling the City Clerk at (707) 967-2792. The City Council video is the official record of the Council meeting.

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

Present: Councilmembers Koberstein, Ellsworth, Dohring, White, Mayor Galbraith

Absent: None

4. PUBLIC COMMENT:

Public comments pertaining to the Budget Public Workshop meeting.

(Please observe the time limit of three minutes.)

No public comment received.

5. NEW BUSINESS

5.1. Report by Executive Director at Fair Housing Napa Valley Pablo Zatarain - Fair Housing Napa Valley for Services in FY 2017/18

Executive Director at Fair Housing Napa Valley Pablo Zatarain reported on this item.

No public comment received.

5.2. Consideration to Recommend Non Profit Grant Application Requests for Funding in the Fiscal Year (FY) 17/18 Budget for UpValley Family Center; St. Helena Preschool for All; Friends of the Cameo; Saint Helena Community Garden; Saint Helena Farmers Market; Saint Helena Historical Society; Nimbus Arts; NapaShakes/Napa Valley Shakespeare; Our Town St. Helena; Boys & Girls Club of St. Helena and Calistoga; California Federation of Women/St. Helena Junior Women's Club; Native Sons of the Golden West St. Helena Parlor 53; and Rianda House; in an aggregate amount up to \$110,600

Finance Director April Mitts reported on this item.

Mayor Galbraith called for public comment.

Our Town St. Helena representative Father John Brinkle, Native Sons representative Phil Murphy, Friends of the Cameo Stacey Pressler, CA Federation of Women/St Helena Junior Women's Club representative Marlyn Coy, UpValley Family Center representative Jenny Ocon, St Helena Preschool for All representative, Nimbus Arts representative Jamie Graff, Rianda House representative Julie Spencer, Native Sons representative Rick Hansen, St. Helena Historical Society representatives Bonnie Thoreen, St. Helena Farmer's Market representative Kay Wilson, NapaShakes representative, Boys & Girls Club representative Ashley Clements, St Helena Community Garden representative Susan Ortega and Bobbie Monnette addressed the City Council.

5.3. Discuss and provide direction on the St. Helena Proposed FY 17/18 Budget

1. Budget overview

Finance Director April Mitts reported on this item.

Mayor Galbraith called for public comment.

Citizen, Bobbi Monnette and Grace Kistner addressed the City Council.

Mayor Galbraith closed public comment.

Mayor Galbraith called for a break at 11:00 am.

Mayor Galbraith reconvened at 11:15 am.

2. Departments:
a. City Council

Finance Director April Mitts reported on this item.

Mayor Galbraith called for public comment.

Louis Battuello and Bobbi Monnette addressed the City Council.

Mayor Galbraith closed public comment.

b. City Manager

Interim City Manager Larry Pennell reported on the City Manager budget.

City Clerk Cindy Black reported on the City Clerk proposed budget.

IT/HR Director Kathy Robinson reported on the IT/HR budget.

Mayor Galbraith called for public comment.

Rusty Hinds addressed the City Council.

Mayor Galbraith closed public comment.

c. Finance

Finance Director April Mitts reported on the Finance proposed budget.

Mayor Galbraith called for a lunch break at 12:00 pm.

Mayor Galbraith reconvened at 1:03 pm.

No public comment was received.

d. City Attorney

Finance Director April Mitts and City Attorney Thomas Brown reported on the City Attorney proposed budget.

Mayor Galbraith called for public comment.

Pat Dell addressed the City Council.

Mayor Galbraith closed public comment.

e. Planning/Building

Planning Director Noah Housh reported on the Planning/Building proposed budget.

No public comment was received.

f. Non-Departmental

Finance Director April Mitts reported on the Non-Departmental proposed budget.

Mayor Galbraith called for public comment.

Pam Simpson and Bobbi Monnette addressed the City Council.

Mayor Galbraith closed public comment.

g. Library

Library Director Chris Kreiden reported on the Library proposed budget.

No public comment received.

h. Recreation

Finance Director April Mitts reported on the Recreation proposed budget.

No public comment was received.

i. Fire

Fire Chief John Sorensen reported on the Fire proposed budget.

No public comment was received.

j. Police

Chief of Police William Imboden reported on the Police proposed budget.

No public comment was received.

Mayor Galbraith called for a break at 2:56 pm.

Mayor Galbraith reconvened the meeting at 3:08 pm.

k. Public Works

Public Works Director and City Engineer Erica Ahmann Smithies reported on the Public Works proposed budget.

No public comment received.

I. Water/Wastewater

Public Works Director and City Engineer Erica Ahmann Smithies reported on the Water/Wastewater proposed budget.

No public comment received.

Council discussion and direction:

It was the consensus of the City Council to fully fund each nonprofit grant applicant.

The majority of the City Council requested to partially fund the upper York Creek dam removal in the amount of \$1.6 million from the general fund. The \$1.6 million will be paid over the next two fiscal years.

ADJOURNMENT

Mayor Galbraith adjourned the meeting at 4:03 p.m.

The May 2, 2017 minutes were approved at the November 14, 2017 City Council meeting.

APPROVED:

ATTEST:

Alan Galbraith, Mayor

Cindy Tzaopoulos, City Clerk

**City of St. Helena
Regular City Council Meeting
Tuesday, May 9, 2017 @ 6:00 PM
Vintage Hall Board Room - Second Floor
465 Main Street, St. Helena**

A complete video recording of this meeting, except for closed session, can be found at <https://sthelena.civicweb.net/Portal/> or by calling the City Clerk at (707) 967-2792. The City Council video is the official record of the Council meeting.

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL
Present: Councilmembers Koberstein, Ellsworth, Dohring, White, Mayor Galbraith
Absent: None

4. PUBLIC FORUM:

Napa County Public Works Director Steve Lederer, Guneet Bajwa, Cara Adamson, Gene Armstead, Rusty Hinds, Bobbi Monnette and a citizen addressed the City Council.

5. REPORTS BY STAFF AND CITY COUNCIL, FUTURE AGENDA ITEMS, AND AB 1234 REPORTS:

Finance Director April Mitts reported the forensic audit will be presented to the City Council in June.

City Clerk Cindy Black announced the recruitment for Boards, Committees and Commissions.

Planning Director Noah Housh provided a Building Official recruitment and Turley project update.

Public Works Director and City Engineer Erica Ahmann Smithies provided an update on the Charter Oak/Allison Ave. overlay project and Utility Manager recruitment.

Chief of Police William Imboden provided updates regarding the gas line at the Pope Street bridge and recent residential burglary investigation.

Library Director Chris Kreiden reported on upcoming events at the St. Helena Library.

Councilmember Ellsworth noted he is developing a potential revenue source for the City and calls the concept "shared abundance" and will provide details at a later date. Also, he noted the business wastewater base rate is too high and needs to be revised and lowered.

Mayor Galbraith requested staff to schedule a special meeting to discuss the business wastewater base rate.

Mayor Galbraith reported on his recent City facilities tour provided by Public Works Director and City Engineer Erica Ahmann Smithies.

5.1. Closed Session - announce actions taken if any from May 9, 2017 - City Attorney Thomas B. Brown

City Attorney Thomas Brown reported that no reportable action was taken at the May 9, 2017 Special Closed Session meeting.

5.2. Committee update by Library Board of Trustees Chair Skip Lane

Library Board of Trustees Chair Skip Lane provided an update to the City Council.

6. PRESENTATIONS AND PUBLIC RECOGNITIONS

6.1. Proclamation - May 2017 Mental Health Month presented to One Mind Institute representative Brandon Staglin and Napa County Mental Health Division Clinical Director Jim Diel

6.2. Proclamation - May 2017 National Older American's Month presented to Executive Director Julie Spencer and Co-Chair Kris Coryell

6.3. Proclamation - National Public Works Week, May 22-26, 2017 presented to the Public Works Department

6.4. Proclamation - Municipal City Clerks Week May 7-13, 2017 presented to City Clerk Cindy Black and Administrative Records Assistant Kami Garcia

7. STAFF BRIEFING

None

8. CONSENT ITEMS

Item 8.1 was pulled from Consent.

~~8.1. Consider Approval of a Resolution Reaffirming Compliance with Surplus Land Act (Assembly Bill 2135)~~

~~CEQA Determination: Not a CEQA project
Prepared By: Noah Housh, Planning Director
Recommendation: Adopt~~

8.2. Consideration and proposed approval of a resolution 2017-58 approving and adopting the City of St. Helena Component of the Napa Countywide Pedestrian Plan

CEQA Determination: Mitigated Negative Declaration
Prepared By: Erica Ahmann Smithies, Public Works Director
Recommendation: Adopt

Item 8.3 was pulled from Consent.

~~8.3. Consideration and proposed approval of a resolution approving the St. Helena Chamber of Commerce to host musical entertainment, mobile food vendor, and vendors at Lyman Park on the 2nd and 4th Thursdays of June, July and August of 2017, between the hours of 5:30 pm and 8:00 pm; approve parking of one mobile food vendor on Railroad Avenue; and waive the encroachment permit fee in the amount of \$200.00~~

~~CEQA Determination: Not a CEQA project
Prepared By: Christina Cook, Administrative Assistant
Erica Ahmann Smithies, Public Works Director
Recommendation: Adopt~~

Councilmember Dohring moved to approve Consent item 8.2. The motion was seconded by Vice Mayor White and on roll call carried by the following vote:

AYES: Councilmembers Dohring, White, Koberstein, Ellsworth and Mayor Galbraith
NOES: None
ABSENT: None

8.1. Consider Approval of a Resolution 2017-57 Reaffirming Compliance with Surplus Land Act (Assembly Bill 2135)

CEQA Determination: Not a CEQA project
Prepared By: Noah Housh, Planning Director
Recommendation: Adopt

Planning Director Noah Housh reported on item 8.1.

Mayor Galbraith called for public comment.

Bobbi Monnette addressed the City Council.

Mayor Galbraith closed public comment.

Vice Mayor White moved to approve Consent item 8.1. The motion was seconded by Councilmember Ellsworth and on roll call carried by the following vote:

AYES: Councilmembers White, Ellsworth, Koberstein, Dohring and Mayor Galbraith
NOES: None
ABSENT: None

8.3. Consideration and proposed approval of a resolution 2017-59 approving the St. Helena Chamber of Commerce to host musical entertainment, mobile food vendor, and vendors at Lyman Park on the 2nd and 4th Thursdays of June, July and August of 2017,

between the hours of 5:30 pm and 8:00 pm; approve parking of one mobile food vendor on Railroad Avenue; and waive the encroachment permit fee in the amount of \$200.00

CEQA Determination: Not a CEQA project
Prepared By: Christina Cook, Administrative Assistant
Erica Ahmann Smithies, Public Works Director
Recommendation: Adopt

Public Works Director Erica Ahmann Smithies reported on item 8.3.

No public comment was received.

Vice Mayor White moved to approve Consent item 8.3 as amended. The motion was seconded by Councilmember Ellsworth and on roll call carried by the following vote:

AYES: Councilmembers White, Ellsworth, Koberstein, Dohring and Mayor Galbraith
NOES: None
ABSENT: None

9. PUBLIC HEARINGS

9.1. Consideration of a first reading of an Ordinance making Municipal Code amendments to Chapter 17.126 expanding the application of the City of St. Helena's Medical Marijuana regulations in response to the passage of the California Proposition 64, or the Adult Use of Marijuana Act (AUMA), effective November 9, 2016.

CEQA Determination: Categorically exempt from CEQA pursuant to Guidelines Sections 15061(b)(1), 15061(b)(2), and in addition is exempt under the "General Rule" Section 15061(b)(3), where it can be seen with certainty that the proposed action will have no significant effect on the environment.
Prepared By: Noah Housh, Planning Director
Recommendation: Introduce by title only and waive further reading

Planning Director Noah Housh reported on item 9.1.

Mayor Galbraith opened the public hearing.

Eric Sklar and Craig Carner addressed the City Council.

Mayor Galbraith closed the public hearing.

9.2. This Public Hearing item 9.2 is cancelled and will not be heard at tonight's meeting.

Appeal of the Planning Commission's denial of the Culinary Institute of America Campus Master Plan at 2555 Main Street and 830 Pratt Avenue
Mayor Galbraith noted that item 9.2 is cancelled and will be heard at the May 23, 2017 regular City Council meeting.

Mayor Galbraith called for a break at 7:39 pm.

Mayor Galbraith reconvened the meeting at 7:48 pm.

City Attorney Thomas Brown left the dais and meeting room.

10. NEW BUSINESS

10.1. City Council Appeal of a Notice to Abate - 395 South Crane Avenue

CEQA Determination: Not a CEQA project

Prepared By: Erica Ahmann Smithies, PE, Director of Public Works/City Engineer

Recommendation: Staff recommends that the City Council adopt the attached resolution ordering the abatement of the above described nuisance on the Property. The Resolution includes factual findings which the City Council may adopt or amend as it sees fit.

Mayor Galbraith noted Brian Libow of Libow & Wellman Municipal Law was seated at the dais as the City's special Counsel and advisor to the City Council.

Special Counsel Brian Lebow reported that City Attorney Thomas Brown recused himself from item 10.1 and left the meeting room.

Mayor Galbraith provided an introduction to the appeal proceedings and described the order in which the proceeding will take place.

City Clerk Cindy Black swore in all witnesses that will be providing testimony during the appeal proceedings and public comment.

Councilmember Dohring reported that he drove by 395 South Crane Avenue and hadn't met with the appellants.

Vice Mayor White reported that he drove by 395 South Crane Avenue and hadn't met with the appellants.

Councilmember Koberstein reported that she drove by 395 South Crane Avenue and hadn't met with the appellants.

Councilmember Ellsworth met with the appellant and visited 395 South Crane Avenue before the appellants filed the appeal of a notice to abate.

Mayor Galbraith reported that he's familiar with the property at 395 South Crane Avenue and hadn't met with the appellants.

Public Works Director Erica Ahmann Smithies, Fire Marshall Jim Capponi and Planning Director Noah Housh reported on this item.

Appellant's Attorney Carrie Gallagher cross examined Public Works Director Erica Ahmann Smithies and Fire Marshall Jim Capponi.

Appellant Ashley Hepworth addressed the City Council.

Mayor Galbraith opened public comment.

KC Garret, citizen, Lisa Goldfarb addressed the City Council.

Mayor Galbraith closed public comment.

It was the consensus of the City Council to continue this item to the June 13, 2017 regular City Council meeting for consideration after receiving further analysis from staff.

10.2. Council discussion, direction and appointment of two Councilmembers to a Las Alcobas parking solution subcommittee to work with City staff and Las Alcobas staff to find a parking solution.

Councilmember Dohring and Vice Mayor White volunteered to represent the City Council on a subcommittee to work with City staff and Las Alcobas staff to find a parking solution.

11. ITEMS LIKELY TO BE PLACED ON THE NEXT OR FUTURE MEETING AGENDA:

11.1. May:

1. 5/23 Fire Chief/Fire Marshall Contract - Larry
2. 5/23 update fee schedule - Recreation
3. 5/23 Bell Canyon intake tower - Erica
4. 5/23 Annual WWTP Instrumentation Maintenance and Repair Services
5. 5/23 Committee appointment review - Cindy
6. 5/23 PD Senior Volunteer Program - Bill
7. 5/23 OTSH proposed acquisition of City owned railroad property - Noah
8. 5/23 OBAG MTC resolution - Erica
9. 5/23 Magnolia Oaks Sewer Annexation
10. 5/23 Recreational Cannabis 2nd reading Ordinance – Noah
11. 5/23 Michael Baker Contract Amendment - Erica
12. 5/23 PH Hearing Notice - CIA Appeal - Noah
13. 5/23 Discussion of next steps on evaluating responses to Adams Street RFP's – Larry
14. 5/23 PH Hearing Notice - Accessory Dwelling Unit 1st reading Ordinance
15. 5/23 Stale dated checks – April
16. 5/23 Chamber contract amendment - April
17. 5/23 Forensic Accounting - April
18. 5/23 Chamber Annual Report to the Council

June:

19. 6/13 Little League Contract Amendment - Carlos
20. 6/13 Accessory Dwelling Unit 2nd reading Ordinance
21. 6/13 Professional Service Agreement with Aqua Sierra Controls for Annual Instrumentation Maintenance and Repair Services at the Wastewater Treatment Plant - Tobias
22. 6/13 Budget adoption – April

12. ADJOURNMENT

ADJOURNMENT

Mayor Galbraith adjourned the meeting at 9:07 p.m.

The May 9, 2017 minutes were approved at the November 14, 2017 City Council meeting.

APPROVED:

ATTEST:

Alan Galbraith, Mayor

Cindy Tzaopoulos, City Clerk

**Minutes
City of St. Helena
Special City Council Meeting
Monday, May 22, 2017 @ 6:00 PM
Vintage Hall Board Room - Second Floor
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1. CALL TO ORDER

2. ROLL CALL

Present: Councilmembers Koberstein, Ellsworth, Dohring, White, Mayor Galbraith
Absent: None

3. PUBLIC COMMENT PERTAINING TO THE SPECIAL MEETING ITEMS:

Each person's comments shall be limited to 3 minutes.

Mayor Galbraith deferred public comment to be heard when each item is called.

4. NEW BUSINESS

4.1. Consider and proposed approval of a resolution 2017-68 renaming Crane Park Pad 2, Juan Diaz Park Pad, in memorial to 23 year city employee Chief Water Distribution Supervisor, Juan M. Diaz (1962-2017)

CEQA Determination: Class I Categorical Exemption under Section 15301 of CEQA.

Prepared By: Tracey Perkosky, Acting Recreation Director and Grant & Finance Manager

Recommendation: Adopt

Acting Recreation Director Tracey Perkosky reported on this item.

No public comment was received.

Councilmember Dohring moved to approve and adopt a resolution renaming Crane Park Pad 2, Juan Diaz Park Pad, in memorial to 23 year city employee Chief Water Distribution Supervisor, Juan M. Diaz (1962-2017). The motion was seconded by Councilmember Koberstein and on roll call carried by the following vote:

AYES: Councilmembers Dohring, Koberstein, White, Ellsworth and Mayor Galbraith

NOES: None

ABSENT: None

4.2. Annual presentation by the St. Helena Chamber of Commerce

CEQA Determination: Not a CEQA project

Prepared By: St. Helena Chamber of Commerce

Recommendation: Receive and file only

St. Helena Chamber of Commerce Board of Directors members Katie Leonardini, Linzi Gay and Chair Marcus Marquez and Chamber CEO Pam Simpson reported on this item.

Mayor Galbraith called for public comment.

Elaine de Man and Jay Smith addressed the City Council.

Mayor Galbraith closed public comment.

4.3. City Council Discussion and Direction to City Staff Regarding the Creation of a Subsidy to Assist Businesses in Paying their Water/Wastewater Bills in the City of St. Helena.

CEQA Determination: Exempt. (CEQA Guidelines §§ 15061(b)(3), 15273.)

Prepared By: April Mitts, Finance Director

Recommendation: Provide staff and City Attorney with further direction

Finance Director April Mitts reported on this item.

Mayor Galbraith called for public comment.

Klass Cleaners representative Heidi DeYoung and Bobbi Monnette addressed the City Council.

It was the consensus of the City Council directing staff to use option 2 to develop a subsidy hardship agreement program to assist businesses with their wastewater bills, provide additional analysis and potentially report back to the City Council at the June 13, 2017 regular City Council meeting. The following details will also be included in the draft subsidy hardship agreement program:

1. To be eligible to apply for the hardship a business must have received larger than a 100% increase to their wastewater base rate.
2. This will be a limited hardship program until rates are reevaluated.
3. An approved hardship recipient will be charged the wastewater base fee for the prior year for the same month.
4. Only food/beverage and cleaners can apply for a hardship agreement.
5. There will be a specific timeframe for businesses to apply and a true up will occur at the end.
6. General Fund to cover gap up to \$75,000.

5. ADJOURNMENT

ADJOURNMENT

Mayor Galbraith adjourned the meeting at 8:12 p.m.

The May 22, 2017 minutes were approved at the November 14, 2017 City Council meeting.

APPROVED:

ATTEST:

Alan Galbraith, Mayor

Cindy Tzaopoulos, City Clerk

**Minutes
City of St. Helena
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Tuesday, May 23, 2017 @ 6:00 PM
Vintage Hall Board Room - Second Floor
465 Main Street, St. Helena**

A complete video recording of this meeting, except for closed session, can be found at <https://sthelena.civicweb.net/Portal/> or by calling the City Clerk at (707) 967-2792. The City Council video is the official record of the Council meeting.

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

Present: Councilmembers Koberstein, Ellsworth, Dohring, White, Mayor Galbraith

Absent: None

4. PUBLIC FORUM:

Bobbi Monnette, citizen, Mike Griffen, Anthony Micheli and Mike Quaglia addressed the City Council.

5. REPORTS BY STAFF AND CITY COUNCIL, FUTURE AGENDA ITEMS, AND AB 1234 REPORTS:

Interim City Manager Larry Pennell provided an Adams Street RFP update.

Finance Director April Mitts announced the upcoming May 30, 2017 budget meeting at Vintage Hall.

City Clerk Cindy Black provided a recruitment update.

Maintenance Manager Carlos Uribe provided a Charter Oak/Allison Avenue overlay project update.

Councilmember Ellsworth commented regarding the Las Alcobas parking situation.

Mayor Galbraith noted the NVTa shuttle ridership has increased.

5.1. Closed Session - announce actions taken if any from May 23, 2017 - City Attorney Thomas B. Brown

City Attorney Thomas Brown reported no reportable action occurred.

6. STAFF BRIEFING

6.1. None

7. CONSENT ITEMS

Members of the Council or the public may ask that any items be considered individually for purposes of considering alternative action, for extended discussion, or for public comment. Unless that is done, one motion may be used to adopt all recommended actions. (Roll Call Vote)

7.1. Consideration and proposed approval of a notice of opposition to AB 1479
- Public Records: Supervisor of Records: Fines

CEQA Determination: Not a CEQA project
Prepared By: Cindy Black, City Clerk
Recommendation: Approve

Item 7.2 was pulled from consent.

~~7.2. Second reading and proposed adoption of an Ordinance making Municipal Code amendments to Chapter 17.126 expanding the application of the City of St. Helena's Medical Marijuana regulations to address Recreational Marijuana in response to the passage of the California Proposition 64, or the Adult Use of Marijuana Act (AUMA), effective November 9, 2016.~~

~~CEQA Determination: It is determined that the Ordinance is exempt from CEQA pursuant to Guidelines Sections 15061(b)(1), 15061(b)(2), and specifically, the "General Rule" Section 15061(b)(3), where it can be seen with certainty that the proposed action will have no significant effect on the environment. Moreover, the adoption of this Ordinance is further exempt from CEQA because the Ordinance does not change, but instead codifies existing City law and practice.
Prepared By: Noah Houshm, Planning Director
Recommendation: Adopt by title only and waive further reading~~

7.3. Consideration and proposed approval of a resolution 2017-60 approving Amendment No. 3 to the Employment Agreement with Fire Chief John Sorensen to increase the hours of work an additional day (eight hours) per week and increase annual compensation to \$62,000 effective July 1, 2017

CEQA Determination: Not a CEQA project

Prepared By: Kathy Robinson, Director of HR & IT
Recommendation: Approve

7.4. Consideration and proposed approval of a resolution 2017-61 authorizing a reimbursement to Thomas Thornton for building permit fees associated with the installation of the Robert Louis Stevenson (RLS) Museum temporary display structure at the corner of Adams Street and Library Lane in the amount of \$558.50

CEQA Determination: Not a CEQA project
Prepared By: Cindy Black, City Clerk
Recommendation: Approve

Item 7.5 was pulled from consent.

~~7.5. Consideration and proposed approval of a resolution acknowledging and supporting a City of St. Helena Police Department Volunteer Program (DVP) and Operations Manual and approving a \$4,000 DVP budget for FY 2017-18~~

~~CEQA Determination: Not a CEQA project
Prepared By: William Imboden, Police Chief
Recommendation: Approve~~

7.6. Consider and proposed approval of a resolution 2017-63 authorizing the filling of a One Bay Area Grant 2 (OBAG2) application for funding assigned to the Metropolitan Transportation Committee (MTC), committing matching funds and assuring completion of the project

CEQA Determination: CEQA will be completed as part of project design.
Prepared By: Tracey Perkosky, Acting Recreation Director/Grants and Finance Manager
Recommendation: Adopt

7.7. Consideration of Resolution 2017-64 Approving use of Water Net Position of \$2,500 and Wastewater Net Position of \$2,500 Due to Additional Contract Costs with Del Rio Advisors, LLC. in Connection with Municipal Financial Services for the Utility Rate Study.

CEQA Determination: Not a CEQA project
Prepared By: April Mitts, Finance Director
Recommendation: Approve

Item 7.8 was pulled from consent.

~~7.8. Consider and Approve a Resolution for Scope of Work Change and Contract Amount for Michael Baker International for the Upper York Creek Dam Removal Project in to Increase the Contract \$144,557.80 for a Total of \$606,370.80~~

~~Staff recommends the City Council approve the resolution authorizing the contract increase and work scope change.~~

Item 7.9 was pulled from consent.

~~7.9. Consideration and Proposed Approval of a Resolution Approving a One Year Extension of the Marketing and Promotional Services Agreement Between the City of St. Helena and the St. Helena Chamber of Commerce for a Maximum Sum of \$210,000.00 for Fiscal Year 2017/18~~

~~CEQA Determination: Not a CEQA project
Prepared By: April Mitts, Finance Director
Recommendation: Approve~~

Councilmember Dohring moved to approve Consent items 7.1, 7.3, 7.4, 7.6 and 7.7. The motion was seconded by Vice Mayor White and on roll call carried by the following vote:

AYES: Councilmembers Dohring, White, Koberstein, Ellsworth and Mayor Galbraith
NOES: None
ABSENT: None

7.2. Second reading and proposed adoption of an Ordinance 2017-1 making Municipal Code amendments to Chapter 17.126 expanding the application of the City of St. Helena's Medical Marijuana regulations to address Recreational Marijuana in response to the passage of the California Proposition 64, or the Adult Use of Marijuana Act (AUMA), effective November 9, 2016.

CEQA Determination: It is determined that the Ordinance is exempt from CEQA pursuant to Guidelines Sections 15061(b)(1), 15061(b)(2), and specifically, the "General Rule" Section 15061(b)(3), where it can be seen with certainty that the proposed action will have no significant effect on the environment. Moreover, the adoption of this Ordinance is further exempt from CEQA because the Ordinance does not change, but instead codifies existing City law and practice.

Prepared By: Noah Houshm, Planning Director
Recommendation: Adopt by title only and waive further reading

Planning Director Noah Houshm reported on this item.

No public comment was received.

Councilmember Dohring moved to approve Consent item 7.2. The motion was seconded by Councilmember Ellsworth and on roll call carried by the following vote:

AYES: Councilmembers Dohring, Ellsworth, White, Koberstein and Mayor Galbraith

NOES: None

ABSENT: None

7.5. Consideration and proposed approval of a resolution 2017-62 acknowledging and supporting a City of St. Helena Police Department Volunteer Program (DVP) and Operations Manual and approving a \$4,000 DVP budget for FY 2017-18

CEQA Determination: Not a CEQA project

Prepared By: William Imboden, Police Chief

Recommendation: Approve

Police Chief William Imboden reported on this item.

Mayor Galbraith called for public comment,

Anthony Micheli and Tracy Sweeney addressed the City Council.

Mayor Galbraith closed public comment.

Vice Mayor White moved to approve Consent item 7.5. The motion was seconded by Councilmember Koberstein and on roll call carried by the following vote:

AYES: Councilmembers White, Koberstein, Dohring, Ellsworth and Mayor Galbraith

NOES: None

ABSENT: None

7.8. Consider and Approve a Resolution 2017-65 for Scope of Work Change and Contract Amount for Michael Baker International for the Upper York Creek Dam Removal Project in to Increase the Contract \$144,557.80 for a Total of \$606,370.80

Staff recommends the City Council approve the resolution authorizing the contract increase and work scope change.

Acting Recreation Director Tracey Perkosky reported on this item.

Mayor Galbraith opened public comment.

Tom Belt addressed the City Council.

Mayor Galbraith closed public comment.

Councilmember Dohring moved to approve Consent item 7.8. The motion was seconded by Councilmember Ellsworth and on roll call carried by the following vote:

AYES: Councilmembers Dohring, Ellsworth, White, Koberstein and Mayor Galbraith

NOES: None

ABSENT: None

7.9. Consideration and Proposed Approval of a Resolution Approving a One Year Extension of the Marketing and Promotional Services Agreement Between the City of St. Helena and the St. Helena Chamber of Commerce for a Maximum Sum of \$210,000.00 for Fiscal Year 2017/18

CEQA Determination: Not a CEQA project

Prepared By: April Mitts, Finance Director

Recommendation: Approve

Finance Director April Mitts reported on this item.

Mayor Galbraith opened public comment.

Elain de Man, Lana Ivanoff and Pat Dell addressed the City Council.

Mayor Galbraith closed public comment.

Councilmember Koberstein moved to table the discussion of the one year extension of the marketing and promotional services agreement between the City of St. Helena and the St. Helena Chamber of Commerce. The motion was seconded by Councilmember Ellsworth and on roll call carried by the following vote:

AYES: Councilmembers Koberstein, Ellsworth, Dohring and Mayor Galbraith

NOES: Vice Mayor White

ABSENT: None

8. PUBLIC HEARINGS

8.1. This item will not be heard and is continued to the June 13, 2017 City Council meeting.

Proposed Ordinance proposing Zoning Text Amendments to St. Helena Municipal Code Title 17 as required to update and modify existing zoning code regulations governing the development of Accessory Dwelling Units and to establish consistency with recent amendments adopted for California Government Code Section 65852.2 pursuant to AB 2299 and SB 1069.

CEQA Determination: Exempt pursuant to CEQA Section 15282(H) and 15061(b)(3)

Prepared By: Lilly Bianco, Contract Planner

Recommendation: Introduce by title only and waive further reading

Mayor Galbraith called for a break at 7:05 pm.

Mayor Galbraith reconvened the meeting at 7:15 pm.

8.2. CIA Campus Master Plan Appeal

CEQA Determination: Mitigated Negative Declaration

Prepared By: Lilly Bianco, Contract Planner

Recommendation: The Planning Commission recommends denial on the grounds that the proposed project, and specifically, the Vineyard Lodge component, would not meet the criteria needed to approve a Use Permit or Design Review.

Mayor Galbraith provided an overview of the order in which the appeal proceedings will take place.

Contract Planner Lilly Bianco reported on this item.

CIA representatives Mary Murphy and Naomi Miroglio addressed the City Council in favor of the appeal.

Brian Russell and Rusty Hinds addressed the City Council in opposition of the appeal.

Mayor Galbraith opened the Public Hearing.

Grace Kistner, Ann Corbin, Johnathon Forrester, Linda Meyer, Donna Hinds, Tom Rinoldi, Stacy Brustler, Juliana Inman, Philip Norfleet, Mike Griffen, citizen, Bobbi Monnette, Elaine de Man, Anthony Micheli, Sharon Crull and Catherine Carpy addressed the City Council.

Mayor Galbraith closed the public hearing.

Rusty Hinds provided a rebuttal statement to the City Council.

CIA representatives Mary Murphy and Tom Bensel, Managing Director of the CIA provided a rebuttal statement to the City Council.

Mayor Galbraith called for a break at 8:54 pm.

Mayor Galbraith reconvened the meeting at 9:03 pm.

Mayor Galbraith called for City Council discussion.

Councilmember Dohring disclosed meeting with Tom Bensel, Managing Director of the CIA, visiting the proposed sites and meeting with Rusty and Donna Hinds.

Vice Mayor White disclosed meeting with Tom Bensel, Managing Director of the CIA, Brian Russell and Rusty and Donna Hinds.

Mayor Galbraith did not meet with the parties involved in the appeal, but has visited the sites on other occasions not related to the appeal.

Councilmember Ellsworth met with Rusty and Donna Hinds.

Councilmember Koberstein did attend the Planning Commission meetings, did not meet with the parties involved in the appeal, but has visited the sites on other occasions not related to the appeal.

Vice Mayor White made a motion to continue the meeting beyond 10:00 pm. The motion was seconded by Mayor Galbraith and on roll call carried by the following vote:

AYES: Vice Mayor White, Mayor Galbraith and Councilmembers Koberstein, Ellsworth and Dohring

NOES: None

ABSENT: None

Councilmember Koberstein moved to deny the CIA Campus Master Plan Appeal without prejudice (resolution 2017-66). The motion was seconded by Councilmember Ellsworth and on roll call carried by the following vote:

AYES: Councilmembers Koberstein, Ellsworth and Dohring

NOES: Vice Mayor White and Mayor Galbraith

ABSENT: None

Mayor Galbraith called for a break at 10:07 pm.

Mayor Galbraith reconvened the meeting at 10:12 pm.

9. NEW BUSINESS

Mayor Galbraith announced that item 9.3 will be continued to the June 13, 2017 regular City Council meeting.

9.1. Discussion and possible direction regarding Boards, Commissions and Committees appointment process

CEQA Determination: Not a CEQA project

Prepared By: Cindy Black, City Clerk

Recommendation: Discussion and possible direction to staff

City Clerk Cindy Black reported on this item.

Councilmember Dohring moved to continue the meeting beyond 10:30 pm. The motion was seconded by Councilmember Ellsworth and on roll call carried by the following vote:

AYES: Councilmembers Dohring, Ellsworth, White, Koberstein and Mayor Galbraith

NOES: None

ABSENT: None

Mayor Galbraith called for public comment.

Pat Dell Addressed the City Council.

Mayor Galbraith closed public comment.

It was the consensus of the City Council to hold a Planning Commission interviews and appointments special City Council meeting potentially for the end of June.

9.2. Consideration and proposed approval of a resolution appointing five applicants to the Ad Hoc City Manager Interview Panel Committee

CEQA Determination: Not a CEQA project

Prepared By: Cindy Black, City Clerk

Recommendation: Appoint

City Clerk Cindy Black reported on this item.

No public comment received.

It was the consensus of the City Council to increase the membership of the Ad Hoc City Manager Interview Panel Committee to include two alternates.

Mayor Galbraith nominated Norm Mitroff to the Ad Hoc City Manager Interview Panel Committee. The motion was seconded by Vice Mayor White and on roll call carried by the following vote:

AYES: Mayor Galbraith and Vice Mayor White and Councilmember Dohring

NOES: Councilmembers Ellsworth and Koberstein

ABSENT: None

Mayor Galbraith nominated Kimberly Phinney to the Ad Hoc City Manager Interview Panel Committee. The motion was seconded by Vice Mayor White and on roll call carried by the following vote:

AYES: Mayor Galbraith and Vice Mayor White and Councilmember Dohring

NOES: Councilmembers Ellsworth and Koberstein

ABSENT: None

Mayor Galbraith nominated Paul Kass to the Ad Hoc City Manager Interview Panel Committee. The motion was seconded by Vice Mayor White and on roll call carried by the following vote:

AYES: Mayor Galbraith and Vice Mayor White and Councilmembers Dohring and Koberstein

NOES: Councilmember Ellsworth

ABSENT: None

Mayor Galbraith nominated Oliver Caldwell to the Ad Hoc City Manager Interview Panel Committee. The motion was seconded by Vice Mayor White and on roll call carried by the following vote:

AYES: Mayor Galbraith and Vice Mayor White and Councilmembers Dohring, Ellsworth, Koberstein

NOES: None

ABSENT: None

Mayor Galbraith nominated Erin Przybylinski to the Ad Hoc City Manager Interview Panel Committee. The motion was seconded by Councilmember Ellsworth and on roll call carried by the following vote:

AYES: Mayor Galbraith and Councilmembers Ellsworth, Dohring, Koberstein, White

NOES: None

ABSENT: None

Mayor Galbraith nominated Donna Hinds as an alternate to the Ad Hoc City Manager Interview Panel Committee. The motion was seconded by Vice Mayor White and on roll call carried by the following vote:

AYES: Mayor Galbraith and Vice Mayor White and Councilmembers Dohring, Ellsworth, Koberstein

NOES: None

ABSENT: None

Mayor Galbraith nominated Doug Barr as an alternate to the Ad Hoc City Manager Interview Panel Committee. The motion was seconded by Vice Mayor White and on roll call carried by the following vote:

AYES: Mayor Galbraith and Vice Mayor White and Councilmembers Dohring, Ellsworth, Koberstein

NOES: None

ABSENT: None

Item 9.3 was continued.

9.3. Review and Discussion of Our Town St Helena Conceptual Development Proposal for 1572 and 1574 Railroad Avenue

CEQA Determination: Not a CEQA project

Prepared By: Noah Housh, Planning Director

Recommendation: Provide direction

10. ITEMS LIKELY TO BE PLACED ON THE NEXT OR FUTURE MEETING AGENDA:

10.1. June: 6/13

1. 6/13 POA MOU - Kathy

2. 6/13 proposal to expand the regulated food and beverage establishments inventory for an approved food and beverage establishment at 1351 Main Street. - Aaron

3. 6/13 Elder Abuse Proclamation - Bill

4. 6/13 Music in the park - Chrissy

5. 6/13 update fee schedule - Recreation

6. 6/13 395 Crane Appeal further discussion - Erica

7. 6/13 Stale dated checks – April

8. 6/13 PH Hearing Notice - Accessory Dwelling Unit 1st reading Ordinance

9. 6/13 Napa County Housing Authority Agreement - Noah/Cindy

10. 6/13 Designated Affordable Housing house at 1620 Voorhes for sale, City has first right to purchase – Cindy
11. 6/13 Marin IT Contract for VOIP phone system - Kathy
12. 6/13 Marin IT Contract Amendment - Kathy
13. 6/13 Beringer Appeal - Noah
14. 6/13 Discussion of next steps on evaluating responses to Adams Street RFP's – Larry
15. 6/13 Little League Contract Amendment - Carlos
16. 6/13 Budget adoption and – April
17. 6/13 duly adopt and approve compensation schedule - Mandy
- June: 6/27
18. 6/27 – PSA with GEI Bell Canyon intake tower rehabilitation- Erica
19. 6/27 Forensic Accounting - April
20. 6/27 Professional Service Agreement with Aqua Sierra Controls for Annual Instrumentation Maintenance and Repair Services at the Wastewater Treatment Plant - Tobias
21. 6/27 Accessory Dwelling Unit 2nd reading Ordinance
22. 6/27 NOAA site agreement for the weather station at the water treatment plant– Jennifer T.
23. 6/27 Boards and Committees appointments - Cindy
24. 6/27 GANN Limit - April
25. 6/27 NVTa MOU for Vine Shuttle - Tracey
26. 6/27 Appointing LOCC voting delegate - Cindy

11. ADJOURNMENT

ADJOURNMENT

Mayor Galbraith adjourned the meeting at 10:44 pm.

The May 23, 2017 minutes were approved at the November 14, 2017 City Council meeting.

APPROVED:

ATTEST:

Alan Galbraith, Mayor

Cindy Tzafoopoulos, City Clerk

**Minutes
City of St. Helena
Special City Council Meeting
Tuesday, May 30, 2017 @ 9:00 AM
Vintage Hall Board Room - Second Floor
465 Main Street, St. Helena**

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1. CALL TO ORDER

2. ROLL CALL

Present: Councilmembers Koberstein, Ellsworth, Dohring, White, Mayor Galbraith
Absent: None

3. PUBLIC COMMENT:

No public comment received.

4. CONSENT ITEMS:

4.1. Consideration and proposed approval of a resolution 2017-68 approving the SHES/SHPS Parent Teacher Group to have a mobile food vendors at Crane Park on June 8, 2017 between the hours of 10:00 am and 2:00 pm for their 5th Grade Celebration event; and waive the \$200 encroachment fee.

CEQA Determination: Not a CEQA project
Prepared By: Chrissy Cook, Administrative Assistant
Erica Ahmann Smithies, PW Director and City Engineer
Recommendation: Adopt

Item 4.2 was pulled from consent.

~~4.2. Consideration and Proposed Approval of a Resolution Approving a One Year Extension of the Marketing and Promotional Services Agreement Between the City of St. Helena and the St. Helena Chamber of Commerce for a Maximum Sum of \$210,000.00 for Fiscal Year 2017/18~~

~~CEQA Determination: Not a CEQA project
Prepared By: April Mitts, Finance Director
Recommendation: Adopt~~

Vice Mayor White moved to approve Consent item 4.1. The motion was seconded by Councilmember Koberstein and on roll call carried by the following vote:

AYES: Councilmembers White, Koberstein, Dohring, Ellsworth and Mayor Galbraith

NOES: None

ABSENT: None

4.2. Consideration and Proposed Approval of a Resolution Approving a One Year Extension of the Marketing and Promotional Services Agreement Between the City of St. Helena and the St. Helena Chamber of Commerce for a Maximum Sum of \$210,000.00 for Fiscal Year 2017/18

CEQA Determination: Not a CEQA project

Prepared By: April Mitts, Finance Director

Recommendation: Adopt

Finance Director April Mitts reported on this item.

Mayor Galbraith called for public comment.

Bobbi Monnette, Doug Barr, Tracy Sweeney, Katie Somple, Elaine de Man, St. Helena Chamber of Commerce Chair Marcus Marquez, St. Helena Chamber of Commerce Treasurer Mike Garrow and St. Helena Chamber of Commerce CEO Pam Simpson addressed the City Council.

Councilmember Koberstein moved to table item 4.2 until the June 13, 2017 regular City Council meeting and direct staff to work with the St. Helena Chamber of Commerce to increase community programming and support some of the destination marketing with other revenue. The motion was seconded by Councilmember Ellsworth.

This motion did not pass.

Vice Mayor White moved to approve a resolution approving a maximum sum of \$210,000.00 for Fiscal Year 2017/18 to the St. Helena Chamber of Commerce, also directing staff to renegotiate the agreement related to the allocations with the St. Helena Chamber of Commerce and bring the amended agreement back to City Council for consideration. The motion was seconded by Mayor Galbraith and on roll call carried by the following vote:

AYES: Vice Mayor White, Mayor Galbraith and Councilmember Dohring

NOES: Councilmembers Koberstein and Ellsworth

ABSENT: None

5. NEW BUSINESS

5.1. Report on Development Impact Fees. This Report Provides: Descriptions of each Development Impact Fee, Identification of Public Improvements in which Fees can be Expended, Costs Which Can Be Charged to New Development, Total Costs that Must be Paid for Using Other Funds, and Balance of Each Impact Fee Account.

CEQA Determination: Exempt. (CEQA Guidelines §§ 15061(b)(3), 15273.)

Prepared By: April Mitts, Finance Director

Recommendation: Receive and file

Finance Director April Mitts reported on this item.

Mayor Galbraith called for public comment.

Lois Battuello addressed the City Council.

Mayor Galbraith closed the public comment.

5.2. Budget Workshop to Review Three Options for the FY 2017/18 Budget as Directed by City Council on May 2, 2017, Provide Characterization of Measure D Funds, Provide an Overview of Year-over-Year Expenses, and Seek Council Direction on FY 2017/18 Budget to be Adopted on June 13, 2017 at a Regularly Scheduled City Council Meeting.

CEQA Determination: Not a CEQA project

Prepared By: April Mitts, Finance Director

Recommendation: Provide staff with direction in preparing the final budget for adoption on June 13, 2017.

Finance Director April Mitts reported on this item.

Mayor Galbraith called for a break at 10:57 am.

Mayor Galbraith reconvened the meeting at 11:06 am.

Mayor Galbraith called for public comment.

Lois Battuello, Marie Estelle, Pat Dell and Anthony Micheli addressed the City Council.

It was the consensus of the City Council to direct staff to:

1. Decrease amount to be funded for ADA Transition Plan from \$213,000 to \$125,000

2. Transfer \$50,000 to the Equipment Replacement Fund
3. Eliminate \$200,000 transfer for Civic Improvements
4. Transfer \$250,000 for Streets Capital Improvement Projects
5. Add back to the City Clerk budget Agenda Management Software - \$1,200 General Fund
6. Add back to the Finance budget end of year temp help - \$2,000 General Fund
7. Fund non-profits 100%
8. Further reduce City Attorney by \$245,000
 - General Fund
 - Contract Services – decrease by an additional \$100,000 (total reduction of \$200,000)
 - Wastewater Fund
 - Contract Services – decrease by \$15,000
 - Litigation – decrease by \$15,000
 - Affordable Housing
 - Contract Services – decrease by \$15,000
9. Research shared services agreement with the City of Calistoga for shared dispatcher services
10. Provide additional information on contract services for the Planning Department
11. Place on hold the intern program for the Planning Department

6. ADJOURNMENT

ADJOURNMENT

Mayor Galbraith adjourned the meeting at 11:55 am.

The May 30, 2017 minutes were approved at the November 14, 2017 City Council meeting.

APPROVED:

ATTEST:

Alan Galbraith, Mayor

Cindy Tzaopoulos, City Clerk

**Minutes
City of St. Helena
Regular City Council Meeting
Tuesday, June 13, 2017 @ 6:00 PM
Vintage Hall Board Room - Second Floor
465 Main Street, St. Helena**

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1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL
Present: Councilmembers Koberstein, Ellsworth, Dohring, White, Mayor Galbraith
Absent: None

4. PUBLIC FORUM:

Chris Malan, John Marshall, Guneet Bajwa, Allan Ganuello, Gene Armstead and Anthony Micheli addressed the City Council.

5. REPORTS BY STAFF AND CITY COUNCIL, FUTURE AGENDA ITEMS, AND AB 1234 REPORTS:

Interim City Manager Larry Pennell reported that the League of California Cities Annual Conference will be held in Sacramento from September 13 - 15, 2017.

Mayor Galbraith announced a new City Manager will be announced soon.

Planning Director Noah Housh noted that a conditional employment offer has been made to fill the vacant Building Official position.

Acting Recreation Director Tracey Perkosky announced plans for the community 4th of July celebration and upcoming summer camps.

Chief of Police William Imboden reported on the Police Volunteer Program.

Councilmember Dohring provided an update on Las Alcobas (parking issues) subcommittee will report out in the next few weeks and shared that the Carnegie building is lit for Pride Month.

5.1. Closed Session - announce actions taken if any from June 13, 2017 - City Attorney Thomas B. Brown

City Attorney Thomas Brown noted there was no reportable action taken.

6. PRESENTATIONS AND PUBLIC RECOGNITIONS

6.1. Proclamation - Elder and Dependent Adult Abuse Prevention Month June 2017 presented to:

Kris Brown; Deputy Director of Adult Protective Services

Yuka Kamiishi; Napa County Victim Services Manager

Arnold Koenig; Napa County Alliance for Senior Education and Area Agency on Aging

6.2. Proclamation - LGBTQ Pride Month June 2017 presented to PFLAG Napa Representative Rosemarie Vertullo, Casey McConnell and Mari Martinez from St. Helena Public Library

6.3. Proclamation - Outstanding Service Proclamation Recognizing Elliot Bell

6.4. Proclamation - Outstanding Service Proclamation Recognizing Diego Serrano

7. STAFF BRIEFING

7.1. None

8. CONSENT ITEMS

8.1. Consideration of a resolution 2017-69 approving the St. Helena Community Band to host musical entertainment at Lyman Park on Sunday July 2, 2017 from 4:00 pm to 8:00 pm; and waive the encroachment permit fee of \$200.00, noise permit fee of \$25.00 and the Lyman Park Gazebo rental fee of \$50.00.

CEQA Determination: Categorically exempt from CEQA, Sections 15323, 15061

Prepared By: Chrissy Cook, Administrative Assistant

Erica Ahmann Smithies, PW Director and City Engineer

Recommendation: Approve

8.2. Consideration of a resolution 2017-70 approving a proposal to expand the regulated food and beverage establishments inventory for an approved food and beverage establishment at 1351 Main Street.

CEQA Determination: Exempt from the requirements of CEQA pursuant to Section 15301, Class 1, which exempts the operation, leasing, or minor alteration of existing facilities

Prepared By: Aaron Hecock, Senior Planner

Recommendation: Adopt

8.3. Consideration and proposed approval of a resolution 2017-71 authorizing a "piggy-back" purchase allowing the City Manager to execute an agreement with MarinIT for a 5-year lease purchase for the implementation of a new Cisco Voice over Internet Protocol (VoIP) Phone System Replacement in an amount not to exceed \$30,704 per annum

CEQA Determination: Not a CEQA project

Prepared By: Kathy Robinson, HR & IT Director
Recommendation: Adopt

8.4. Consideration and proposed approval of a resolution 2017-72 approving Memorandum of Understanding between the City of St. Helena and the Police Officers' Association (POA) for a three-year contract commencing on July 1, 2017 and expiring on June 30, 2020.

CEQA Determination: Not a CEQA project
Prepared By: Kathy Robinson, HR & IT Director
Recommendation: Adopt

8.5. Consideration and proposed approval of a resolution 2017-73 approving a one-year agreement with MarinIT to provide Information Technology services for a total amount not to exceed of \$80,010 for FY 2016/17

CEQA Determination: Not a CEQA project
Prepared By: Kathy Robinson, HR & IT Director
Recommendation: Adopt

8.6. Consideration and proposed approval of a Resolution 2017-74 authorizing and approving publicly available pay schedules in accordance with the requirement of California Code of Regulations, Title 2, Section 570.5 which includes revised salary schedules for Police Officers Foundation (POF) and Mid-Management reflecting increases to salaries; and in accordance with the newly enacted requirement of California Code Section 54953(c)(3) the recommended final action on salary increases related to the compensation for department heads of 3% to Planning & Community Improvement Director, 3% to the City Clerk, 3% to Library Director, 3% to Recreation Director, 3% to Human Resources & IT Director, 3% to Public Works Director, 5.5% to Police Chief, 10.5% to Finance Director and increased salary compensation for Fire Chief to \$62,000 effective July 1, 2017

CEQA Determination: Not a CEQA project
Prepared By: Kathy Robinson, HR & IT Director
Recommendation: Adopt

8.7. Consideration and proposed approval of a resolution 2017-75 establishing and adopting an outdoor non-governmental flag display policy

CEQA Determination: Not a CEQA project
Prepared By: Tracey Perkosky, Acting Recreation Director/Grants and Finance Manager
Recommendation: Adopt

8.8. Consideration and proposed approval to fly ceremonial flag in honor of Lesbian, Bisexual, Gay, Transgender and Queer (LBGTQ) Pride Month

CEQA Determination: Not a CEQA project
Prepared By: Tracey Perkosky, Acting Recreation Director/Grants and Finance Manager
Recommendation: Approve

Item 8.9 was pulled from consent.

~~8.9. Consideration and Proposed Approval Adopting Administrative Policy P-FI-0008 Providing a Limited Term Subsidy to Assist Businesses in Paying their Water/Wastewater Bills in the City of St. Helena not to exceed \$75,000~~

~~CEQA Determination: Not a CEQA project~~

~~Prepared By: April Mitts, Finance Director~~

~~Recommendation: Adopt~~

Item 8.10 was pulled from consent.

~~8.10. Consideration and proposed approval adopting two resolutions for the Wastewater Treatment and Reclamation Plant Upgrades Phase I, Capital Improvements Project S-52:~~

~~a. Proposed resolution authorizing the City Manager to execute Amendment No. 1 to Professional Services Agreement with GHD in the amount of \$76,130, contract not to exceed \$363,494, for the Wastewater Treatment and Reclamation Plant Improvement Feasibility Study; and~~

~~b. Proposed resolution authorizing the City Manager to execute the Professional Services Agreement with Larry Walker and Associates in the amount of \$610,276 for Groundwater Quality Monitoring and Reporting at the Wastewater Treatment and Reclamation Plant~~

~~CEQA Determination: Class I Categorical Exemption under Section 15301 of CEQA~~

~~Prepared By: Erica Ahmann Smithies, Public Works Director and City Engineer~~

~~Recommendation: Approve~~

8.11. Consideration of Resolution 2017- 78 Approving a One Year Extension of the Marketing and Promotional Services Agreement Between the City of St. Helena and the St. Helena Chamber of Commerce for a Maximum Sum of \$210,000.00 for Fiscal Year 2017/18

CEQA Determination: Not a CEQA project

Prepared By: April Mitts, Finance Director

Recommendation: Approve

8.12. *Council review of the final resolution 2017-79 memorializing the Council's decision at the May 25, 2017 meeting to deny the appeal by the Culinary Institute of America (CIA) of the Planning Commission decision denying the CIA project on March 21, 2017, and thereby affirming the denial of the CIA project. (Staff anticipates providing the resolution by end of day Monday, June 12, 2017. The City Clerk will republish the agenda once received notifying the public to its availability.) Resolution made available online at 6:00 pm on Monday, June 12, 2017.

CEQA Determination: Not a project under CEQA as a denial does not require a formal CEQA determination.

Prepared By: Noah Housh, Planning and Community Improvement Director
Recommendation: Adopt

Councilmember Dohring moved to approve Consent items 8.1 – 8.8, 8.11 and 8.12 and it is noted that the FY in item 8.5 is FY 2017/18 not FY 2016/17. The motion was seconded by Vice Mayor White and on roll call carried by the following vote:

AYES: Councilmembers Dohring, White, Koberstein, Ellsworth and Mayor Galbraith

NOES: None

ABSENT: None

8.9. Consideration and Proposed Approval Adopting Administrative Policy P-FI-0008 Providing a Limited-Term Subsidy to Assist Businesses in Paying their Water/Wastewater Bills in the City of St. Helena not to exceed \$75,000

CEQA Determination: Not a CEQA project

Prepared By: April Mitts, Finance Director

Recommendation: Adopt

Finance Director April Mitts reported on this item.

No public comment was received.

Vice Mayor White moved to approve Consent item 8.9. The motion was seconded by Councilmember Dohring and on roll call carried by the following vote:

AYES: Councilmembers White, Dohring and Mayor Galbraith

NOES: Councilmembers Koberstein and Ellsworth

ABSENT: None

8.10. Consideration and proposed approval adopting two resolutions for the Wastewater Treatment and Reclamation Plant Upgrades Phase I, Capital Improvements Project S-52:

a. Proposed resolution authorizing the City Manager to execute Amendment No. 1 to Professional Services Agreement with GHD in the amount of \$76,130, contract not to exceed \$363,494, for the Wastewater Treatment and Reclamation Plant Improvement Feasibility Study (resolution 2017-76); and

b. Proposed resolution authorizing the City Manager to execute the Professional Services Agreement with Larry Walker and Associates in the amount of \$610,276 for Groundwater Quality Monitoring and Reporting at the Wastewater Treatment and Reclamation Plant (resolution 2017-77)

CEQA Determination: Class I Categorical Exemption under Section 15301 of CEQA

Prepared By: Erica Ahmann Smithies, Public Works Director and City Engineer

Recommendation: Approve

Public Works Director and City Engineer Erica Ahmann Smithies reported on this item.

Mayor Galbraith called for public comment.

Chris Malan addressed the City Council.
Mayor Galbraith closed public comment.

Vice Mayor White moved to approve staff recommendation. The motion was seconded by Councilmember Ellsworth and on roll call carried by the following vote:

AYES: Councilmembers White, Ellsworth, Koberstein, Dohring and Mayor Galbraith
NOES: None
ABSENT: None

9. PUBLIC HEARINGS

9.1. Introduction and First Reading of Zoning Text Amendments to St. Helena Municipal Code Title 17 as required to establish consistency with recent amendments to California state law (California Government Code Section 65852.2) governing Accessory Dwelling Units pursuant to the passage of AB 2299 and SB 1069.

CEQA Determination: It is determined that the Ordinance is exempt from CEQA pursuant to Guidelines Sections 15061(b)(1), 15061(b)(2), and specifically, the "General Rule" Section 15061(b)(3), where it can be seen with certainty that the proposed action will have no significant effect on the environment.

Prepared By: Noah Housh, Planning Director

Recommendation: Introduce by title only and waive further reading

Planning Director Noah Housh reported on this item.

Mayor Galbraith opened the public hearing.

Eve Kahn, Grace Kistner and Bobbi Monnette addressed the City Council.

Mayor Galbraith closed the public hearing.

Vice Mayor White made a motion to introduce the first reading of zoning text amendments to St. Helena Municipal Code Title 17 as required to establish consistency with recent amendments to California state law (California Government Code Section 65852.2) governing Accessory Dwelling Units pursuant to the passage of AB 2299 and SB 1069 by title only and waive further reading as amended. The motion was seconded by Councilmember Dohring and on roll call carried by the following vote:

AYES: Councilmembers White, Dohring, Ellsworth, Koberstein and Mayor Galbraith
NOES: None
ABSENT: None

9.2. Appeal of the Planning Commission decision to approve Design Review for the Beringer Icon III Project located at 1000 Pratt Avenue in the Winery Zoning District (resolution 2017-80)

CEQA Determination: Exempt from the requirements of CEQA pursuant to Section 15301, which exempts the minor alteration of existing private structures involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. The proposed project is not subject to any of the exceptions to the use of a categorical exemption as outlined in CEQA Section 15300.2. Specifically, the project site is not located on or near an environmentally sensitive area, is not visible from a scenic highway, is not included on a hazardous waste site, and will not impact historic resources or otherwise generate or contribute to any potentially significant impacts.

Prepared By: Lilly Bianco, Contract Planner

Recommendation: Deny

Contract Planner Lilly Bianco reported on this item.

Appellant Anthony Micheli addressed the City Council.

Applicant representatives Kevin Teague and Eric Gilliland addressed the City Council.

Mayor Galbraith opened the public hearing.

Lois Battuello, Mike Griffen, Pat Dell, Jose Martin, Tom Belt, Eve Kahn, Mike Quaglia, Bobbi Monnette, Phil Murphy and Elaine de Man addressed the City Council.

Mayor Galbraith closed the public hearing.

Appellant Anthony Micheli provided a rebuttal statement.

Applicant Kevin Teague provided a rebuttal statement.

Mayor Galbraith called for a break at 8:30 pm.

Mayor Galbraith reconvened the meeting at 8:38 pm.

Vice Mayor White made a motion to deny the appeal of the Planning Commission decision to approve Design Review for the Beringer Icon III Project located at 1000 Pratt Avenue in the Winery Zoning District. The motion was seconded by Mayor Galbraith and on roll call carried by the following vote:

AYES: Vice Mayor White, Mayor Galbraith and Councilmember Dohring

NOES: Councilmembers Koberstein and Ellsworth

ABSENT: None

10. NEW BUSINESS

10.1. 1. Review and action on proposed modifications to the previously approved Turley Flats Loan Agreement governing the loan of \$700,000 from the Affordable Housing Trust Fund to Calistoga Affordable Housing for the Turley Flats 8-unit affordable housing project. (resolution 2017-81)

2. Review and action on proposed modifications to the previously approved Turley Flats Regulatory Agreement governing the affordability levels for the units in the Turley Flats 8-unit affordable housing project.
3. Review and action on a Relocation Plan for the previous tenants of the existing home on the Turley Flats development site.
4. Review and action on an Indemnification Agreement between the County of Napa and the City of St Helena indemnifying the County from certain legal obligations associated with the temporary relocation of residents of the Turley Flats Affordable Housing project.
5. Review and action on a proposed Inter-Creditor and Subordination Agreement between the County of Napa and the City of St Helena.
6. Review and action on a proposed RHNA Transfer Agreement between the County of Napa and the City of St Helena which proposes to transfer 2-RHNA units from the County to the City in the next Housing Element cycle, which begins in approximately 2023.

CEQA Determination: Exempt from the requirements of CEQA under the “General Rule”, Section 15061 (b)(3), in that it can be seen with certainty that the proposed action will have no impact on the environment.

Prepared By: Noah Housh, Planning Director

Recommendation: Approve

Planning Director Noah Housh reported on this item.

Mayor Galbraith opened public comment.

Napa County Board of Supervisor Diane Dillon, Deputy County Executive Officer Molly Rattigan and Laurie, Attorney, Burke Williams & Sorensen addressed the City Council.

Mayor Galbraith closed the public comment.

Councilmember Dohring made a motion to approve staff’s recommendation with the notation to resolution condition #8 gives staff authority and flexibility to work with the primary lender in case there’s any further modification with the respect to the documents involving the primary lender. The motion was seconded by Vice Mayor White and on roll call carried by the following vote:

AYES: Councilmembers Dohring, White, Ellsworth, Koberstein and Mayor Galbraith

NOES: None

ABSENT: None

10.2. Review and Discussion of Our Town St Helena Conceptual Development Proposal for 1572 and 1574 Railroad Avenue

CEQA Determination: If a development project application is filed as a result of this, or future discussions, that application will be fully analyzed under the requirements of CEQA.

Prepared By: Noah Housh, Planning Director

Recommendation: Provide direction

Planning Director reported on this item.

Councilmember Koberstein made a motion to continue the meeting beyond 10:00 pm. The motion was seconded by Councilmember Ellsworth and on roll call carried by the following vote:

AYES: Councilmembers Koberstein, Ellsworth, Dohring, White and Mayor Galbraith

NOES: None

ABSENT: None

Our Town St. Helena representative Mary Stephenson addressed the City Council.

Mayor Galbraith called for public comment.

Lois Battuello addressed the City Council.

Mayor Galbraith closed public comment.

The City of St. Helena will not pursue the proposed development of 1572 and 1574 Railroad Avenue.

10.3. Potential City Manager appointment by the City Council and possible direction to staff to begin contract negotiation.

This item was not heard due to the Mayor providing the update under reports by staff and City Council.

10.4. Report out by the Ad Hoc Utility Rate Committee Chair Bonnie Long and Vice Chair Tom Vence

CEQA Determination: Not a CEQA project

Prepared By: Bonnie Long, Ad Hoc Utility Rate Committee Chair

Tom Vence, Ad Hoc Utility Rate Committee Vice Chair

Recommendation: Receive and file. Direct staff to schedule a study session.

Ad Hoc Utility Rate Committee Chair Bonnie Long provided the City Council with a report on behalf of the Ad Hoc Utility Rate Committee.

Mayor Galbraith called for public comment.

Pat Dell and Grace Kistner addressed the City Council.

Mayor Galbraith closed the public comment.

A Special City Council Study Session is scheduled for Monday, June 19, 2017 related to this topic.

10.5. Consideration and Proposed Approval of a Resolution 2017-83 Adopting Fiscal Year 2017/18 City of St. Helena Annual Budget. (Attachment 1 - Fiscal Year 2017/18 City of St. Helena Annual Budget document will be available online by 5:00 pm Friday, June 9, 2017. The City Clerk will republish the agenda on Friday, June 9, 2017 notifying the public to its availability.) Attachment 1 was provided online at 3:36 pm Friday, June 9, 2017

Finance Director April Mitts reported on this item.

Chief of Police William Imboden and Planning Director Noah Housh addressed the City Council regarding budget related items.

Mayor Galbraith called to place item 10.5 on hold to hear item 10.7 before concluding item 10.5. The action is noted under item 10.7.

Councilmember Koberstein made a motion to continue the meeting beyond 10:30 pm. The motion was seconded by Vice Mayor White and on roll call carried by the following vote:

AYES: Councilmembers Koberstein, White, Ellsworth, Dohring and Mayor Galbraith

NOES: None

ABSENT: None

Mayor Galbraith called to place item 10.5 on hold to hear item 10.6 before concluding item 10.5. The action is noted under 10.6.

Councilmember Koberstein made a motion to approve a resolution adopting Fiscal Year 2017/18 City of St. Helena Annual Budget. The motion was seconded by Councilmember Dohring and on roll call carried by the following vote:

AYES: Councilmembers Koberstein, Dohring and Ellsworth

NOES: Vice Mayor White and Mayor Galbraith

ABSENT: None

10.6. Consideration regarding notice of intent to sell affordable housing unit at 1620 Voorhees Circle and direction as to whether the city desires to exercise its option to purchase said property

CEQA Determination: Not a CEQA project

Prepared By: Noah Housh, Planning Director

Recommendation: Provide direction

Planning Director Noah Housh reported on this item.

The majority of the City Council declined the purchase of affordable housing unit at 1620 Voorhees Circle and requested the item come back before the City Council at a regular or special meeting.

10.7. Mayor Galbraith - Consideration of Piano in the Park at Lyman Park

No public comment received

It was the consensus of the City Council to direct staff to work with the community representatives to have a piano in the park at Lyman Park.

Councilmember Dohring made a motion to direct staff to work with the community representatives to have a piano in the park at Lyman Park. The motion was seconded by Vice Mayor White and on roll call carried by the following vote:

AYES: Councilmembers White, Dohring, Koberstein and Ellsworth and Mayor Galbraith

NOES: None

ABSENT: None

Items 10.8 and 10.9 were not heard.

10.8. Councilmember Ellsworth - A discussion and review of St. Helena Water Security policies including our Water Agreement contracts and Bell Canyon Reservoir. St. Helena is a water provider for customers both in and out of St. Helena City Limits, including roughly 50 enterprises with separate Water Agreements with the City of St. Helena.

Bell Canyon Reservoir is located outside of city limits in an area sensitive to county level decisions.

With recent state and national wide discussion on water equity and concerns regarding water privatization this is a general discussion of policies and procedures regarding those agreements and protections of our municipal reservoir.

10.9. *Councilmember Mary Koberstein - adoption of protocol regarding preparation of resolutions for matters considered on appeal.

11. ITEMS LIKELY TO BE PLACED ON THE NEXT OR FUTURE MEETING AGENDA:

11.1. 6/19/17 Proposed Special Study Session Meeting:

1. Ad Hoc Utility Rate Committee recommendation

6/26/17 Proposed Special City Council Meeting:

1. Interview applicants and Board/Committees/Commission appointments - Cindy

6/27/17 Regular City Council Meeting:

1. 6/27 Continuation of City Council Appeal of a Notice to Abate - 395 South Crane Avenue - Erica

2. 6/27 Adopt a park policy – Tracey
3. 6/27 NVTA MOU for Vine Shuttle - Tracey
4. 6/27 Little League Contract Amendment - Tracey
5. Request for additional Council input on the CIA resolution, with the goal of expanding the findings to ensure the full intent of the Council is captured in the decision document. - Noah
6. 6/27 Discussion of next steps on evaluating responses to Adams Street RFP's – Larry
7. 6/27 Stale dated checks – April
8. 6/27 – PSA with GEI Bell Canyon intake tower rehabilitation- Erica
9. 6/27 Forensic Accounting - April
10. 6/27 Professional Service Agreement with Aqua Sierra Controls for Annual Instrumentation Maintenance and Repair Services at the Wastewater Treatment Plant - Tobias
11. 6/27 Accessory Dwelling Unit 2nd reading Ordinance - Noah
12. 6/27 NOAA site agreement for the weather station at the water treatment plant– Jennifer T.
13. 6/27 GANN Limit - April
14. 6/27 Appointing LOCC voting delegate - Cindy

12. ADJOURNMENT

ADJOURNMENT

Mayor Galbraith adjourned the meeting at 10:57 pm.

The June 13, 2017 minutes were approved at the November 14, 2017 City Council meeting.

APPROVED:

ATTEST:

Alan Galbraith, Mayor

Cindy Tzaopoulos, City Clerk

**Minutes
City of St. Helena
Special City Council Meeting
Monday, June 19, 2017 @ 5:00 PM
Vintage Hall Board Room - Second Floor
465 Main Street, St. Helena**

A complete video recording of this meeting, except for closed session, can be found at <https://sthelena.civicweb.net/Portal/> or by calling the City Clerk at (707) 967-2792. The City Council video is the official record of the Council meeting.

1. PLEDGE OF ALLEGIANCE

2. CALL TO ORDER

3. ROLL CALL

Present: Councilmembers Koberstein, Ellsworth, Dohring, White, Mayor Galbraith

Absent: None

4. PUBLIC COMMENT:

No public was received.

5. CLOSED SESSION:

No closed session held.

6. NEW BUSINESS

6.1. Review, discuss and provide direction on specific recommendations made by the Ad Hoc Utility Rate Committee to the City Council

Mayor Galbraith announced that the City Council will review each recommendation from the Ad Hoc Utility Rate Committee individually.

Bonnie Long, Ad Hoc Utility Rate Committee Chair and Tom Vence, Ad Hoc Utility Rate Committee Vice Chair reported on each item.

1. Increase CIP for water and waste water costs by 5%.

Mayor Galbraith called for public comment.

Pat Dell addressed the City Council.

Mayor Galbraith closed public comment.

The City Council was not in favor of updating the Capital Improvement Program (CIP) costs and schedules with best available current information.

2. Update CIP costs and schedules with best available current information.

Mayor Galbraith called for public comment.

Bobbi Monnette addressed the City Council.

Mayor Galbraith closed public comment.

The City Council was in favor of moving the update of the Water and Wastewater Master Plan to FY 17/18.

3. Increase water and wastewater mainline replacement to 4% per annum from 1%.

Mayor Galbraith called for public comment.

Pat Dell addressed the City Council.

Mayor Galbraith closed public comment.

Committee member Lester Hardy addressed the City Council.

The City Council was in favor of keeping the Water and Wastewater mainline replacement to 1% per annum until the Master Plan is updated.

4. Accept new spray field cost of \$1.4M.

No public comment received.

The City Council was in favor to accept the new spray field cost of \$1.4 million..

5. Seek timely compliance with bond covenants.

Financial Advisor Kenneth Dieker also reported on this item.

No public comment was received.

The City Council was in favor of recommendation #5.

6. When pursuing new debt use debt service ratio of 1.3 to 1.5 as guideline.

Financial Advisor Kenneth Dieker also reported on this item.

No public comment was received.

The City Council was in favor of recommendation #6.

7. Maximize the use of state and federal loans and grants for CIP projects.

Financial Advisor Kenneth Dieker also reported on this item.

Mayor Galbraith called for public comment.

Pat Dell addressed the City Council.

Mayor Galbraith closed public comment.

The City Council is in favor of maximizing the use of state and federal loans/grants for CIP projects and begin the process to obtain loans and grants.

8. Prioritize CIP funding in terms of regulatory and infrastructure needs. Request guidance from financial consultant to pursue other funding options including municipal bonds. Seek the guidance of financial consultant to attain a balance between debt and cash financing.

Financial Advisor Kenneth Dieker also reported on this item.

Mayor Galbraith called for public comment.

Tom Belt and Pat Dell addressed the City Council.

Mayor Galbraith closed public comment.

The City Council was in favor of prioritizing the CIP funding in terms of regulatory and infrastructure needs. Request guidance from financial consultant to pursue other funding options including municipal bonds. Seek the guidance of financial consultant to attain a balance between debt and cash financing.

9. Create adequate sinking funds and rehabilitation funds for both water and waste water.

No public comment was received.

The City Council was in favor of keeping depreciation in the rate model for purposes of rehabilitation.

10. Operating cash reserves should range from 6-8 months for wastewater and 10-14 for water.

Financial Advisor Kenneth Dieker also reported on this item.

No public comment was received.

The City Council was in favor of having operating cash reserves should range from 6-8 months for Wastewater and 10-14 months for Water.

11. Replace the current wastewater rate structure with the Modified Rate Structure previously offered as an option to the current rate structure by Catherine Hansford in 2016.

Financial Advisor Kenneth Dieker also reported on this item.

Committee member Lester Hardy addressed the City Council

Mayor Galbraith called for public comment.

Jennifer Fradelizio addressed the City Council.

Mayor Galbraith closed public comment.

The City Council was in favor of replacing the current Wastewater rate structure with the Modified Rate Structure previously offered as an option to the current rate structure by Hansford Consulting in 2016.

12. Update and recalculate the rate model to include the committee's recommendations.

No public comment was received.

The City Council was in favor of changing non-residential Wastewater use to be the annual average (instead of winter average).

Additionally, there were several recommendations by the Utility Rate Ad Hoc Committee that the City Council felt were important, but not a priority at this time. These included:

13. Consider requiring new businesses to put in a sewer meter and two water meters (inside and landscape) for more accurate measurement.

14. Revisit the subject of multiple users on a single meter.

15. Examine the issue of water rates for intermittently occupied versus continually occupied residences. Work towards including more costs in the base rates.

16. Examine the longer range issue of charging some users more based on the actual costs to provide service, with particular emphasis on those outside of the City.

17. Review businesses for actual wastewater usage. Move away from charging by meter size and move towards flow and quality.

Mayor Galbraith called for additional public comment.

Pat Dell, Susanne James and Tom Belt addressed the City Council.

Mayor Galbraith called for a break at 7:20 pm.

Mayor Galbraith reconvened the meeting at 7:26 pm.

6.2. Consideration regarding notice of intent to sell affordable housing unit at 1620 Voorhees Circle and direction as to whether the city desires to exercise its option to purchase said property

Planning Director Noah Housh reported on this item.

No public comment was received.

Vice Mayor White moved to decline the purchase of affordable housing unit at 1620 Voorhees Circle. The motion was seconded by Councilmember Dohring and on roll call carried by the following vote:

AYES: Councilmembers White, Dohring, Koberstein, Ellsworth and Mayor Galbraith

NOES: None

ABSENT: None

Item 6.3 was not heard.

6.3. Councilmember Koberstein - Consideration regarding notice of intent to sell affordable housing unit at 1620 Voorhees Circle and direction as to whether the city desires to exercise its option to purchase said property

7. ADJOURNMENT

ADJOURNMENT

Mayor Galbraith adjourned the meeting at 7:33 p.m.

The June 19, 2017 minutes were approved at the November 14, 2017 City Council meeting.

APPROVED:

ATTEST:

Alan Galbraith, Mayor

Cindy Tzaopoulos, City Clerk

**Minutes
City of St. Helena
Regular City Council Meeting
Tuesday, June 27, 2017 @ 6:00 PM
Vintage Hall Board Room - Second Floor
465 Main Street, St. Helena**

A complete video recording of this meeting, except for closed session, can be found at <https://sthelena.civicweb.net/Portal/> or by calling the City Clerk at (707) 967-2792. The City Council video is the official record of the Council meeting.

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

Present: Councilmembers Koberstein, Ellsworth, Dohring, White, Mayor Galbraith

Absent: None

4. PUBLIC FORUM:

Gene Armstead and Anthony Micheli addressed the City Council.

5. REPORTS BY STAFF AND CITY COUNCIL, FUTURE AGENDA ITEMS, AND AB 1234 REPORTS:

Finance Director April Mitts provided a subsidy program update and noted there will be an Ad Hoc Utility Rate Committee update at the August 8, 2017 regular City Council meeting with consultants in attendance as well.

Acting Recreation Director Tracey Perkosky announced upcoming recreation events.

Library Director Chris Kreiden announced upcoming events at the library.

Public Works Director and City Engineer Erica Ahmann Smithies noted that the NVTa will be changing from phone in dispatch services to automated services.

5.1. Commission update by Planning Commission Chair Grace Kistner

Planning Commission Chair Grace Kistner provided a Planning Commission update to the City Council

5.2. Commission update by Parks & Recreation Chair Matthew Demchuk

Parks & Recreation Chair Matthew Demchuk provided a Parks & Recreation update to the City Council.

6. STAFF BRIEFING

6.1. None

7. CONSENT ITEMS

7.1. Consideration and proposed approval of Regular Meeting Minutes of March 28, 2017, Special Meeting Minutes of April 6, 2017, Regular Meeting Minutes of April 11, 2017 and Regular Meeting Minutes of April 25, 2017.

CEQA Determination: Not a CEQA project
Prepared By: Cindy Black, City Clerk
Recommendation: Approve

Item 7.2 was pulled from consent.

~~7.2. Second reading and proposed adoption of an Ordinance 2017-2 with Zoning Text Amendments to St. Helena Municipal Code Title 17 as required to establish consistency with recent amendments to California state law (California Government Code Section 65852.2) governing Accessory Dwelling Units pursuant to the passage of AB 2299 and SB 1069.~~

~~CEQA Determination: It is determined that the Ordinance is exempt from CEQA pursuant to Guidelines Sections 15061(b)(1), 15061(b)(2), and specifically, the "General Rule" Section 15061(b)(3), where it can be seen with certainty that the proposed action will have no significant effect on the environment.~~
~~Prepared By: Noah Housh, Planning Director~~
~~Recommendation: Adopt~~

7.3. Consideration and proposed approval of a resolution 2017-84 authorizing a yes vote to reauthorize Napa County Service Area No. 4 to impose an assessment not to exceed \$15.00 per planted vineyard acre per year for an additional five-year period commencing Fiscal Year 2017/2018 through Fiscal Year 2021/2022 for the purpose of providing funding for farmworker housing in Napa County

CEQA Determination: Not a CEQA project
Prepared By: April Mitts, Finance Director
Recommendation: Approve

7.4. Consideration and proposed approval of a resolution 2017-85 authorizing the release of unclaimed checks per Section 50053 of the Government Code of the State of California allowing for unclaimed checks held over three years to become the property of the local agency after notice if not claimed and if no verified complaint is filed and served.

CEQA Determination: Not a CEQA project
Prepared By: Jennifer Weeks, Accounting Asst. I
April Mitts, Finance Director
Recommendation: Approve

7.5. Resolution 2017-86 Accepting Bids and Awarding Contracts to the Lowest Responsible Bidders for Furnishing Chemicals for Water and Wastewater Treatment for Fiscal Year 2017/2018

CEQA Determination: Not a CEQA project
Prepared By: Dan Brunetti, Chief Water Treatment Plant Operator
Recommendation: Adopt

7.6. Resolution 2017-87 approving extension of License Agreement #17WBR0007 between the National Oceanic and Atmospheric Administration (NOAA) Office of Atmospheric Research and the City of St. Helena for the continued placement of a precipitation radar and gauge at the Louis Stralla Water Treatment Plant

CEQA Determination: Class I Categorical Exemption under Section 15301 of CEQA
Prepared By: Jennifer Tuell, Water Conservation Coordinator
Recommendation: Adopt

7.7. Adopt a resolution 2017-88 approving the draft American with Disabilities Act Self Evaluation and Transition Plan as Final

CEQA Determination: Not a CEQA project
Prepared By: Tobias Barr, Project Manager
Recommendation: Adopt

7.8. Consider a Resolution 2017-89 authorizing the City Manager to Execute the Memorandum of Understanding (MOU) Between the Napa Valley Transportation Authority (NVTA) and the City of St. Helena for Fixed Route and On-Demand Shuttle Service through the St. Helena VINE Shuttle

CEQA Determination: Not a CEQA project
Prepared By: Tracey Perkosky, Acting Recreation Director/Grants & Finance Manager
Recommendation: Adopt

7.9. *This item will not be heard and will be rescheduled to a later date.

Consideration and proposed approval of a resolution adopting Recreation fees and charges

CEQA Determination: Not a CEQA project

Prepared By: Tracey Perkosky, Acting Recreation Director/Grants & Finance Manager

Recommendation: Adopt

7.10. Approve resolution 2017-90 a Professional Service Agreement in the amount of \$423,640 with GEI for Design, Engineering, Environmental Review and Permitting of the Bell Canyon Reservoir Intake Tower Rehabilitation

CEQA Determination: CEQA will be completed as part of project design

Prepared By: Tobias Barr, Project Manager

Recommendation: Adopt

Item 7.11 was pulled from consent.

~~7.11. Approving a 3 year Professional Service Agreement with Aqua Sierra Controls for Annual Instrumentation Maintenance and Repair Services at the Wastewater Treatment Plant, this project will be budgeted over three fiscal years for a total not to exceed amount of \$80,000.~~

~~CEQA Determination: Not a CEQA project~~

~~Prepared By: Tobias Barr, Project Manager~~

~~Recommendation: Adopt~~

7.12. Consideration and proposed approval of a resolution 2017-92 authorizing and approving publicly available pay schedules in accordance with the requirement of California Code of Regulations Title 2, section 570.5 which includes amended pay schedule for FY 2017-2018 to include the A) Utilities Operations Manager Position, and B) Amend working titles for Public Works Maintenance Manager, Public Works Project Manager and Water Conservation Coordinator on the salary schedule to include Management Analyst and Senior Management Analyst pay scales, C) Public Works Superintendent Position and approval of Public Works Superintendent job description, D) Firefighter hourly rate increase of 3%

CEQA Determination: Not a CEQA project

Prepared By: Mandy Kellogg, Admin Services Manager

Recommendation: Adopt

7.13. Consideration and proposed approval of a resolution 2017-93 approving a third amendment to Unrepresented Compensation Program which includes the following: extending the term of the program to end on December 31, 2017, adding approved Utilities Operation Manager, adding Exhibit 3, duly approved and adopted compensation schedule approved on June 27, 2017, and administrative clean up amendments

CEQA Determination: Not a CEQA project
Prepared By: Kathy Robinson, HR & IT Director
Recommendation: Adopt

7.14. Consideration and proposed approval of a resolution 2017-94 authorizing appointment of City Manager and approval of an Employment Agreement between the City of St. Helena and Mark Prestwich; and in accordance with the newly enacted requirement of California Code Section 54953(c)(3) the recommended final action for City Manager beginning July 31, 2017 provides for an annual base salary of \$189,880 with the following benefits, vehicle allowance of \$250 per pay period, Deferred Compensation City match of up to \$200 per month, health benefits consistent with the benefits offered to other employees of the City, and will receive retirement benefits at a Classic Tier 2 formula of 2% at 60, final compensation based on highest 12-month period

CEQA Determination: Not a CEQA project
Prepared By: Kathy Robinson, HR & IT Director
Recommendation: Approve

7.15. Consideration and proposed approval of a resolution 2017-95 approving temporary appointment of Department Head Erica Ahmann Smithies as Interim City Manager, and in accordance with the newly enacted requirement of California Code Section 54953(c)(3) the recommended final action on salary increases related to Director Ahmann Smithies' compensation is a 20% base salary increase adjustment to \$175,885 for her additional capacity as Interim City Manager

CEQA Determination: Not a CEQA project
Prepared By: Kathy Robinson, HR & IT Director
Recommendation: Adopt

7.16. Consideration and proposed approval of a resolution 2017-96 authorizing a budget expense increase of \$160,647 to the General Fund (101), a budget expense increase of \$80,827 to the Water Fund (561), a budget expense increase of \$727 to the Wastewater Fund (571), a budget expense increase of \$35,000 to the Affordable Housing Fund (751), a budget revenue increase of \$169,727 to the General Fund (101),

and a transfer of \$47,725 from the General Fund (101) to the Fire Department Equipment Replacement Fund (593).

CEQA Determination: Not a CEQA project
Prepared By: April Mitts, Finance Director
Recommendation: Adopt

Item 7.17 was pulled from consent.

~~7.17. Consideration and Proposed Approval of a Resolution approving an Employment Agreement with André Pichly and Ratifying the City Manager's Appointment to serve as the Recreation Director; and in accordance with the newly enacted requirement of California Code Section 54953(c)(3) the recommended final action for Recreation Director beginning July 26, 2017 provides for an annual base salary of \$125,572 with the following benefits, vehicle allowance of \$200 per pay period, Deferred Compensation City match of up to \$200 per month, health benefits consistent with the benefits offered to other employees of the City, and will receive retirement benefits at a Classic Tier 2 formula of 2% at 60, final compensation based on highest 12-month period~~

~~CEQA Determination: Not a CEQA project
Prepared By: Mandy Kellogg, Admin. Services Manager
Recommendation: Approve~~

Vice Mayor White moved to approve Consent items 7.3 – 7.8, 7.10 and 7.12 – 7.16. The motion was seconded by Councilmember Koberstein and on roll call carried by the following vote:

AYES: Councilmembers White, Koberstein, Dohring, Ellsworth and Mayor Galbraith
NOES: None
ABSENT: None

7.2. Second reading and proposed adoption of an Ordinance 2017-2 with Zoning Text Amendments to St. Helena Municipal Code Title 17 as required to establish consistency with recent amendments to California state law (California Government Code Section 65852.2) governing Accessory Dwelling Units pursuant to the passage of AB 2299 and SB 1069.

CEQA Determination: It is determined that the Ordinance is exempt from CEQA pursuant to Guidelines Sections 15061(b)(1), 15061(b)(2), and specifically, the "General Rule" Section 15061(b)(3), where it can be seen with certainty that the proposed action will have no significant effect on the environment.
Prepared By: Noah Housh, Planning Director

Recommendation: Adopt

Planning Director Noah Housh reported on this item.

No public comment was received.

Councilmember Koberstein moved to approve Consent item 7.2 as amended. The motion was seconded by Councilmember Dohring and on roll call carried by the following vote:

AYES: Councilmembers Dohring, Koberstein, White, Ellsworth and Mayor Galbraith

NOES: None

ABSENT: None

7.11. Approving resolution 2017-91 a 3 year Professional Service Agreement with Aqua Sierra Controls for Annual Instrumentation Maintenance and Repair Services at the Wastewater Treatment Plant, this project will be budgeted over three fiscal years for a total not to exceed amount of \$80,000.

CEQA Determination: Not a CEQA project

Prepared By: Tobias Barr, Project Manager

Recommendation: Adopt

Public Works Director and City Engineer Erica Ahmann Smithies reported on this item.

Mayor Galbraith called for public comment.

Chris Malan addressed the City Council.

Mayor Galbraith closed public comment.

Councilmember Dohring moved to approve Consent item 7.11. The motion was seconded by Vice Mayor White and on roll call carried by the following vote:

AYES: Councilmembers Dohring, White, Koberstein, Ellsworth and Mayor Galbraith

NOES: None

ABSENT: None

7.17. Consideration and Proposed Approval of a Resolution 2017-97 approving an Employment Agreement with André Pichly and Ratifying the City Manager's Appointment to serve as the Recreation Director; and in accordance with the newly enacted requirement of California Code Section 54953(c)(3) the recommended final action for Recreation Director beginning July 26, 2017 provides for an annual base

salary of \$125,572 with the following benefits, vehicle allowance of \$200 per pay period, Deferred Compensation City match of up to \$200 per month, health benefits consistent with the benefits offered to other employees of the City, and will receive retirement benefits at a Classic Tier 2 formula of 2% at 60, final compensation based on highest 12-month period

CEQA Determination: Not a CEQA project
Prepared By: Mandy Kellogg, Admin. Services Manager
Recommendation: Approve

Interim City Manager Larry Pennell reported on this item.

No public comment was received.

Councilmember Dohring moved to approve Consent item 7.17. The motion was seconded by Vice Mayor White and on roll call carried by the following vote:

AYES: Councilmembers Dohring, White, Koberstein, Ellsworth and Mayor Galbraith
NOES: None
ABSENT: None

8. PUBLIC HEARINGS

8.1. Establishing an Appropriation Limits for Fiscal 2017-2018 and the Selection of Current Year Adjustment Factors resolution 2017-98

CEQA Determination: Not a CEQA project
Prepared By: April Mitts, Finance Director
Recommendation: Adopt

Finance Director April Mitts reported on this item.

Mayor Galbraith opened the public hearing.

No public comment was received.

Mayor Galbraith closed the public hearing.

Vice Mayor White moved to adopt a resolution establishing appropriation limits for Fiscal 2017-2018 and the selection of current year adjustment factors. The motion was seconded by Councilmember Ellsworth and on roll call carried by the following vote:

AYES: Councilmembers White, Ellsworth, Koberstein, Dohring and Mayor Galbraith

NOES: None
ABSENT: None

9. NEW BUSINESS

9.1. Consideration and proposed approval of a resolution 2017-99 appointing applicants to various boards, commissions and committees

CEQA Determination: Not a CEQA project
Prepared By: Cindy Black, City Clerk
Recommendation: Appoint and provide additional direction to staff

City Clerk Cindy Black reported on this item.

Mayor Galbraith called for public comment.

John Anderson, Douglas Keller, Lester Hardy, John Ponte and Bobbi Monnette addressed the City Council.

Mayor Galbraith closed public comment.

Mayor Galbraith nominated Joshua Parke to the Planning Commission. The motion was seconded by Vice Mayor White and on roll call carried by the following vote:

AYES: Mayor Galbraith and Vice Mayor White
NOES: Councilmembers Dohring, Ellsworth and Koberstein
ABSENT: None

The motion did not pass due to lack of votes.

Mayor Galbraith nominated John Anderson to the Planning Commission. The motion was seconded by Vice Mayor White and on roll call carried by the following vote:

AYES: Mayor Galbraith and Vice Mayor White
NOES: Councilmembers Dohring, Ellsworth and Koberstein
ABSENT: None

The motion did not pass due to lack of votes.

Mayor Galbraith nominated Tony Leonardini to the Planning Commission. The motion was seconded by Vice Mayor White and on roll call carried by the following vote:

AYES: Mayor Galbraith and Vice Mayor White

NOES: Councilmembers Dohring, Ellsworth and Koberstein
ABSENT: None

The motion did not pass due to lack of votes.

Mayor Galbraith nominated Lester Hardy to the Planning Commission. The motion was seconded by Councilmember Dohring and on roll call carried by the following vote:

AYES: Mayor Galbraith and Councilmembers Dohring, Ellsworth, White and Koberstein
NOES: None
ABSENT: None

Mayor Galbraith nominated Michael Chisek to the Planning Commission. The motion was seconded by Vice Mayor White and on roll call carried by the following vote:

AYES: Mayor Galbraith and Vice Mayor White
NOES: Councilmembers Dohring, Ellsworth and Koberstein
ABSENT: None

The motion did not pass due to lack of votes.

Mayor Galbraith nominated John Ponte to the Planning Commission. The motion was seconded by Councilmember Dohring and on roll call carried by the following vote:

AYES: Mayor Galbraith and Councilmembers Dohring, Ellsworth, White and Koberstein
NOES: None
ABSENT: None

Mayor Galbraith nominated Bobbi Monnette to the Planning Commission. The motion was seconded by Councilmember Koberstein and on roll call carried by the following vote:

AYES: Mayor Galbraith and Councilmembers Koberstein, Dohring and Ellsworth
NOES: Vice Mayor White
ABSENT: None

Mayor Galbraith nominated Jeff Farmer to the Active Transportation and Sustainability Committee. The motion was seconded by Vice Mayor White and on roll call carried by the following vote:

AYES: Mayor Galbraith and Councilmembers White, Dohring, Ellsworth and Koberstein
NOES: None
ABSENT: None

Mayor Galbraith nominated Lin Weber to the Library Board of Trustees. The motion was seconded by Councilmember Ellsworth and on roll call carried by the following vote:

AYES: Mayor Galbraith and Councilmembers Ellsworth, Dohring, White and Koberstein
NOES: None
ABSENT: None

Mayor Galbraith nominated Terry Wood to the Library Board of Trustees. The motion was seconded by Councilmember Koberstein and on roll call carried by the following vote:

AYES: Mayor Galbraith and Councilmembers Koberstein, Ellsworth, Dohring and White
NOES: None
ABSENT: None

Mayor Galbraith nominated David Slaby to the Library Board of Trustees. The motion was seconded by Councilmember Dohring and on roll call carried by the following vote:

AYES: Mayor Galbraith and Councilmembers Dohring, Ellsworth, White and Koberstein
NOES: None
ABSENT: None

Mayor Galbraith nominated Paul Kass to the Parks and Recreation Commission. The motion was seconded by Vice Mayor White and on roll call carried by the following vote:

AYES: Mayor Galbraith, Vice Mayor White and Councilmembers Dohring, Ellsworth and Koberstein
NOES: None
ABSENT: None

Mayor Galbraith nominated Matthew Demchuk to the Parks and Recreation Commission. The motion was seconded by Vice Mayor White and on roll call carried by the following vote:

AYES: Mayor Galbraith, Vice Mayor White and Councilmembers Dohring, Ellsworth and Koberstein
NOES: None
ABSENT: None

9.2. Report to City Council of the Forensic Accountant Report by Nigro & Nigro.

CEQA Determination: Not a CEQA project
Prepared By: April Mitts, Finance Director
Recommendation: Receive and file

Finance Director April Mitts reported on this item.

Jeff Nigro, Partner of Nigro and Nigro CPA firm also reported on this item.

Mayor Galbraith called for public comment.

Dale Grossman addressed the City Council.

Mayor Galbraith closed public comment.

Mayor Galbraith called for a break at 7:53 pm.

Mayor Galbraith reconvened the meeting at 8:02 pm.

9.3. Consideration of Recommendation to Select HRV Hotel Partners As Preferred Developer of Adams Street Property, Direct City Manager to Prepare an Exclusive Negotiation Agreement with HRV Hotel Partners, and Direct City Manager to Pursue Negotiations of Teen Center Component of HRV Proposal

CEQA Determination: Not a CEQA project
Prepared By: Michael G. Biddle, Partner, Burke Williams & Sorensen
Robert Gamble, Managing Director, PFM Financial Advisors
Michael Oliver, President, Municipal Resource Group
The Review Committee recommends the City Council:

1. Select HRV Hotel Partners as the Preferred Developer of the Adams Street property.
2. Direct the City Manager to prepare and negotiate an Exclusive Negotiation Agreement with HRV to be presented for the City Council's review and consideration at a subsequent meeting.
3. Direct City staff to pursue Teen Center component of HRV proposal.

Michael G. Biddle, Partner, Burke Williams & Sorensen reported on this item.

Mayor Galbraith called for public comment.

Lois Battuello, Tom Belt, Glenn Smith, Doug Barr, Clair Barr, Susan Davis, Antonia Allegra, citizen, Andy Navone, citizen, Jeff Burton, Phil Murphy, Donald Williams, Ann

Nevero, Mario Sculatti, Tim Neiman, Chuck Vondra, Chris Malan and Elaine de Man addressed the City Council.

Robert Gamble, Managing Director, PFM Financial Advisors addressed the City Council.

Councilmember Dohring made a motion to have the meeting continue beyond 10:00 pm. The motion was seconded by Councilmember Koberstein and on roll call carried by the following vote:

AYES: Councilmembers Dohring, Koberstein, White, Ellsworth and Mayor Galbraith

NOES: None

ABSENT: None

Councilmember Koberstein made a motion to:

1. Receive report and place on file.
2. Direct staff to prepare a RFP and bring to Council for discussion and approval at July 11 meeting. Scope of RFP is to evaluate present conditions and future requirements of municipal properties and facilities, identify viable options (including repair, replacement, relocation, recombination) and their costs. In addition to a facilities planner who can recommend alternative locations and/or civic facility combinations, the team should include a qualified appraiser to provide current market values of City properties based on current zoning and also highest and best use. Suggested timeframe for delivery is first Council meeting in September.
3. Direct staff to prepare an analysis of current and near term financial condition or operating budget and capital funds (not including water/wastewater). Sources of funds for capital civic projects. Report to Council and community in late July or early August.
4. Determine and retain appropriate retain real estate, financial and environmental advisors (i.e. investment banking, commercial real estate services, public sector finance) to assist City in evaluating fiscal viability of the May, 2009 Adams Street Property Visioning Statement in light of current conditions, as well as land use recommendations in light of RFP responses and market conditions. Advisors would also assist City in future negotiations.
5. Beginning with July 11 City Council meeting and every meeting thereafter, agendize Adams Street study sessions to receive and discuss *reports*, provide opportunity for resident questions and input and set

future agendas. Expand to town hall format and other public meetings at pertinent points in the process as appropriate.

6. Appoint a temporary Council subcommittee of 2 members to: work with City Manager and Staff on RFP preparation; determine development timeline; areas for coordination; consideration of options that arise from RFP and financial reports.

The motion did not pass due to not being properly agendized per the Brown Act.

Councilmember White made a motion to receive and file the report with no further action taken and to agendize Councilmember Koberstein's motion (items 1-6 below) for the next meeting:

1. Receive report and place on file.
2. Direct staff to prepare a RFP and bring to Council for discussion and approval at July 11 meeting. Scope of RFP is to evaluate present conditions and future requirements of municipal properties and facilities, identify viable options (including repair, replacement, relocation, recombination) and their costs. In addition to a facilities planner who can recommend alternative locations and/or civic facility combinations, the team should include a qualified appraiser to provide current market values of City properties based on current zoning and also highest and best use. Suggested timeframe for delivery is first Council meeting in September.
3. Direct staff to prepare an analysis of current and near term financial condition or operating budget and capital funds (not including water/wastewater). Sources of funds for capital civic projects. Report to Council and community in late July or early August.
4. Determine and retain appropriate retain real estate, financial and environmental advisors (i.e. investment banking, commercial real estate services, public sector finance) to assist City in evaluating fiscal viability of the May, 2009 Adams Street Property Visioning Statement in light of current conditions, as well as land use recommendations in light of RFP responses and market conditions. Advisors would also assist City in future negotiations.
5. Beginning with July 11 City Council meeting and every meeting thereafter, agendize Adams Street study sessions to receive and discuss *reports*, provide opportunity for resident questions and input and set future agendas. Expand to town hall format and other public meetings at pertinent points in the process as appropriate.

6. Appoint a temporary Council subcommittee of 2 members to: work with City Manager and Staff on RFP preparation; determine development timeline; areas for coordination; consideration of options that arise from RFP and financial reports.

The motion was seconded by Councilmember Ellsworth and on roll call carried by the following vote:

AYES: Councilmembers White, Ellsworth, Dohring, Koberstein and Mayor Galbraith

NOES: None

ABSENT: None

9.4. Councilmember Ellsworth - A discussion and review of St. Helena Water Security policies including our Water Agreement contracts and Bell Canyon Reservoir.

St. Helena is a water provider for customers both in and out of St. Helena City Limits, including roughly 50 enterprises with separate Water Agreements with the City of St. Helena.

Bell Canyon Reservoir is located outside of city limits in an area sensitive to county level decisions.

With recent state and national wide discussion on water equity and concerns regarding water privatization this is a general discussion of policies and procedures regarding those agreements and protections of our municipal reservoir.

Councilmember Ellsworth reported on this item.

Mayor Galbraith called for public comment.

Grace Kistner, Tom Belt, Chris Malan and Bobbi Monnette addressed the City Council.

Mayor Galbraith closed public comment.

Mayor Galbraith made a motion to continue the meeting beyond 10:30 pm. The motion was seconded by Councilmember Ellsworth and on roll call carried by the following vote:

AYES: Mayor Galbraith and Councilmembers Ellsworth, Dohring, Koberstein

NOES: Vice Mayor White

ABSENT: None

The following items were not heard due to not receiving an unanimous vote to move beyond 10:30 pm.

9.5. Councilmember Koberstein - adoption of protocol regarding preparation of resolutions for matters considered on appeal

9.6. Councilmember Koberstein - order an appraisal of City owned Railroad Ave. property

10. ITEMS LIKELY TO BE PLACED ON THE NEXT OR FUTURE MEETING AGENDA:

- 10.1. 1. 7/11 Appointing LOCC voting delegate - Cindy
2. 7/11 LOCC Annual Conference Legislative Resolutions for Considerations - Cindy
3. 7/11 Councilmember Ellsworth - A discussion regarding a possible LARGE COMMERCIAL TRUCK ORDINANCE
4. 7/11 Little League Contract Amendment - Tracey
5. 7/11 Staff Briefing: City Water Agreements – Jennifer T.
6. 7/11 Hunter Update - Noah
7. 7/11 Vineland fire agreement - Erica

11. ADJOURNMENT

ADJOURNMENT

Mayor Galbraith adjourned the meeting at 10:30 p.m.

The June 27, 2017 minutes were approved at the November 14, 2017 City Council meeting.

APPROVED:

ATTEST:

Alan Galbraith, Mayor

Cindy Tzafopoulos, City Clerk



Report to the City Council
Council Meeting of November 14, 2017

Agenda Section: Consent

Subject: Consideration and Approval of a Resolution Terminating the Local Emergency Declared by the City Council on October 11, 2017

CEQA Determination: Not a CEQA project

Prepared By: Mark Prestwich, City Manager

Reviewed By: Mark Prestwich, City Manager

Approved By: Mark Prestwich, City Manager

BACKGROUND

The St. Helena City Council proclaimed an existence of a local emergency at a Special Meeting on October 11, 2017 related to the severe fires in Napa and surrounding counties. The purpose of this action is to declare the termination of the local emergency.

FISCAL IMPACT

The City will be seeking state and federal reimbursement for eligible fire disaster expenses.

RECOMMENDED ACTION

Approve Resolution declaring the termination of a local emergency related to the fire in Napa and surrounding counties.

ATTACHMENTS

[Resolution Proclaiming Termination Of Local Emergency](#)

**CITY OF ST.HELENA
RESOLUTION NO. 2017-**

**PROCLAIMING THE TERMINATION OF THE LOCAL EMERGENCY PROCLAIMED
BY RESOLUTION NO. 2017-132**

RECITALS

- A. Government Code Section 8630 and City of St. Helena Municipal Code Chapter 2.64 authorize the City Council when in session to proclaim the existence and the subsequent termination of a local emergency.
- B. On October 11, 2017, by Resolution No. 2017-132, the City Council proclaimed the existence of an emergency in connection with the devastating Tubbs and other fires affecting Napa and Sonoma Counties.
- C. The conditions giving rise to that emergency proclamation have ended.

RESOLUTION

NOW, THEREFORE, the City Council of the City of St. Helena resolves as follows:

- 1. The City Council hereby proclaims the termination of the local emergency proclaimed by Resolution No. 2017-132.

Approved at a Regular Meeting of the St. Helena City Council on November 14, 2017, by the following vote:

Mayor Galbraith:	_____
Vice Mayor White:	_____
Councilmember Dohring:	_____
Councilmember Koberstein:	_____
Councilmember Ellsworth:	_____

APPROVED:

ATTEST:

Alan Galbraith
Mayor

Cindy Tzaopoulos
City Clerk



Report to the City Council
Council Meeting of November 14, 2017

Agenda Section: Consent

Subject: Consideration and proposed approval of a Resolution (1) authorizing Amendment #1 in the amount of \$16,350 to the contract with Willdan Financial Services for a Full Cost Services and Development Impact Fee Study for an amount not to exceed \$97,890 and (2) authorizing the use of Development Impact Fees to cover the additional costs for the Development Impact Fee study

CEQA Determination: Not a CEQA project

Prepared By: April Mitts, Finance Director

Reviewed By: Erica Ahmann Smithies, Public Works Director and City Engineer

Approved By: Mark Prestwich, City Manager

BACKGROUND

On November 24, 2015, City Council approved Resolution No. 2015-146 approving a Professional Services Agreement with Willdan Financial Services to provide a Full Cost Services and Development Impact Fee study for the City of St. Helena (Attachment 1). To date, Willdan is nearing completion of the cost-allocation plan and all impact fee accounts except for water and wastewater. However, Willdan's original 2015 proposal did not include impact fee studies for the water and wastewater systems. Therefore, to ensure all impact fees are reviewed and updated, staff recommends amending the contract to include water and wastewater impact fees.

DISCUSSION

City staff has reached out to Willdan to provide an addendum to the Professional Services Agreement ("Agreement") to include services related to Development Impact Fee Update study to include the water and wastewater impact fees. The additional cost will be \$16,350 bringing the total contract amount with Willdan to a not to exceed amount of \$97,890.

FISCAL IMPACT

City staff has reached out to Willdan to provide an addendum to the Professional Services Agreement (“Agreement”) to include services related to Development Impact Fee Update study to include the water and wastewater impact fees. The additional cost will be \$16,350 bringing the total contract amount with Willdan to a not to exceed amount of \$97,890.

RECOMMENDED ACTION

The fiscal impact for Amendment #1 to the contract with Willdan Financial Services will not exceed \$16,350 and will be split equally from the Development Impact Fee Accounts. Funds are available in each account.

ATTACHMENTS

[Attachment 1 - Resolution 2015-146](#)

[Attachment 2 - Resolution Approving Amendment #1 Willdan](#)

[Attachment 3 - Willdan Amendment #1](#)

Attachment 1

**CITY OF ST. HELENA
RESOLUTION NO. 2015-146**

**RESOLUTION AUTHORIZING AN AGREEMENT WITH WILLDAN
FINANCIAL SERVICES TO PROVIDE A FULL COST SERVICES AND
DEVELOPMETN IMPACT FEE STUDY**

RECITALS

- A. The City conducted its most recent cost of services study in November 2011 and an updated fee schedule was adopted by City Council on March 27, 2012; and
- B. The City conducted its last development impact fee study in April 2013 and an updated development impact fee schedule was adopted by City Council on November 12, 2013; and
- C. In September 2015, staff issued Full Cost Services and Development Impact Fee Study Request for Proposals; and
- D. Based on the proposal, consultant's relevant experience, references and interview, staff recommends Willdan Financial Services.

RESOLUTION

The City Council of the City of St. Helena hereby resolves as follows:

- 1. Council authorizes the agreement with Willdan Financial Services for a total not to exceed amount of \$81,540.
- 2. Council authorizes the City Manager to execute the agreement on behalf of the City.

Approved at a Regular Meeting of the St. Helena City Council on November 24, 2015, by the following vote:

Mayor Galbraith:	<u>Yes</u>
Vice Mayor White:	<u>Yes</u>
Councilmember Crull:	<u>Yes</u>
Councilmember Dohring:	<u>absent</u>
Councilmember Pitts:	<u>Yes</u>

APPROVED:

ATTEST:


Alan Galbraith, Mayor




Cindy Black, City Clerk

PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT, made and entered into on November 24, 2015 by and between the City of St. Helena, located in the County of Napa, State of California (City), and Willdan Financial Services (Consultant).

RECITALS:

A. City desires to employ Consultant to furnish professional services in connection with the project described as Full Cost Services and Development Impact Fee Study.

B. Consultant has represented that Consultant has the necessary expertise, experience, and qualifications to perform the required duties.

NOW, THEREFORE, in consideration of the mutual premises, covenants, and conditions herein contained, the parties agree as follows:

SECTION 1 – BASIC SERVICES

Consultant agrees to perform the services and work (together, “services”) set forth in Exhibit A, “Scope of Services” and made part of this Agreement.

SECTION 2 – ADDITIONAL SERVICES

Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to or outside of those set forth in this Agreement or Exhibit A, “Scope and Provisions”, unless such additional services and compensation are authorized in advance and in writing by the City Council or City Manager of the City.

SECTION 3 – TIME FOR COMPLETION

The time for completion of services shall be as identified in Exhibit A, “Scope and Provisions”.

SECTION 4 – COMPENSATION AND METHOD OF PAYMENT

A. Subject to any limitations set forth in this Agreement, City agrees to pay consultant the amount specified in Exhibit B, “Compensation”, attached hereto and made a part hereof. Total compensation shall not exceed \$81,540.00, unless additional compensation is approved in accordance with Section 2.

B. Consultant shall furnish to City an original invoice for all services performed and expenses incurred during the preceding month. The invoice shall detail charges by the following categories if applicable: labor (by sub-category), travel, materials, equipment, supplies, subconsultant contracts, and miscellaneous expenses. City shall independently review each invoice submitted to determine whether the services performed and expenses incurred are in compliance with the provisions of this Agreement. If no charges or expenses are disputed, the invoice shall be approved and City will use its best efforts to cause Consultant to be paid within

30 days of receipt of invoice. If any charges or expenses are disputed by City, the original invoice shall be returned by City to Consultant for correction and resubmission. If the City reasonably determines, in its sole judgment, that the invoiced charges and expenses exceed the value of the services performed to date and that it is probable that the Agreement will not be completed satisfactorily within the Agreement price, City may retain all or a portion of the invoiced charges and expenses. Within thirty (30) days of satisfactory completion of the project, City shall pay the retained amount, if any, to Consultant. In no event shall City be obligated to pay late fees or interest, whether or not such requirements are contained in Consultant's invoice.

C. Payment to the Consultant for services performed pursuant to this Agreement shall not be deemed to waive any defects in services performed by Consultant.

SECTION 5 – STANDARD OF PERFORMANCE

Consultant represents and warrants that it has the qualifications, experience and facilities necessary to properly perform the services required under this Agreement in a thorough, competent and professional manner. Consultant shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described herein. In meeting its obligations under this Agreement, Consultant shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing services similar to those required of Consultant under this Agreement.

SECTION 6 – INSPECTION AND FINAL ACCEPTANCE

City may inspect and accept or reject any of Consultant's services under this Agreement, either during performance or when completed. City shall reject or finally accept Consultant's services within sixty (60) days after submitted to City, unless the parties mutually agree to extend such deadline. City shall reject services by a timely written explanation, otherwise Consultant's services shall be deemed to have been accepted. City's acceptance shall be conclusive as to such services except with respect to latent defects and fraud. Acceptance of any of Consultant's services by City shall not constitute a waiver of any of the provisions of this Agreement including, but not limited to, the sections pertaining to indemnification and insurance.

SECTION 7 – INSURANCE REQUIRED

Consultant shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the services hereunder by the Consultant, its agents, representatives, or employees, as indicated:

- A. **Minimum Scope of Insurance.** Coverage shall be at least as broad as:
 1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
 2. Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, code 1 (any auto).
 3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

B. Minimum Limits of Insurance. Consultant shall maintain limits no less than:

1. General Liability: \$2,000,000 per occurrence for bodily injury, personal injury and property damage including operations, products and completed operations, as applicable. If Commercial General Liability Insurance or other form with a General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: \$2,000,000 per accident for bodily injury and property damage.
3. Employer's Liability: \$2,000,000 per accident for bodily injury or disease.

C. Professional Liability Insurance. When Consultant under this Agreement is duly licensed under California Business and Professions Code as an architect, landscape architect, professional engineer, or land surveyor ("design professional"), Consultant shall maintain at least \$2,000,000 of professional liability insurance.

D. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions of \$25,000 or greater must be declared to and approved by the City.

E. Other Insurance Provisions. The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The City, its agent, officers, officials, employees, and volunteers are to be covered as additional insured as respects: liability arising out of services or operations performed by the Consultant or Consultant's subconsultants; or automobile owned, leased, hired or borrowed by the Consultant.
2. For any claims related to Consultant's conduct while performing the services of this project, the Consultant's insurance coverage shall be primary insurance as respects the City, its agents, officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its agents, officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.
4. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subsection (b) of Section 2782 of the Civil Code.

F. Waiver of Subrogation. The workers compensation policy is to be endorsed with a waiver of subrogation. The insurance company, in its endorsement, agrees to waive all rights of subrogation against the City, its agents, officers, officials, employees and volunteers for losses paid under the terms of this policy which arises from the services performed by the named insured for the City.

G. The Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII, unless otherwise acceptable to the City.

H. Verification of Coverage. Consultant shall furnish the City with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on forms provided by the City or on forms that conform to City requirements. All certificates and endorsements are to be received and approved by the City before services commence. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.

SECTION 8 – INDEMNIFICATION

A. Consultant shall indemnify and hold harmless City, its agents, officers, officials, employees, and volunteers from any and all claims, demands, suits, loss, damages, injury, and/or liability (including any and all costs and expenses in connection therewith), incurred by reason of any negligent or otherwise wrongful act or omission of Consultant, its officers, agents, employees and subcontractors, or any of them, under or in connection with this Agreement; and Consultant agrees at its own cost, expense and risk to defend any and all claims, actions, suits, or other legal proceedings brought or instituted against City, its agents, officers, officials, employees and volunteers, or any of them, arising out of such negligent or otherwise wrongful act or omission, and to pay and satisfy any resulting judgments.

B. When Consultant under this Agreement is a design professional, the provisions of this section regarding Consultant's duty to defend and indemnify apply only to claims that arise out of or relate to the negligence, recklessness, or willful misconduct of the design professional.

C. If any action or proceeding is brought against Indemnitees by reason of any of the matters against which Consultant has agreed to indemnify Indemnitees as provided above, Consultant, upon notice from City, shall defend Indemnitees at Consultant's expense by counsel acceptable to City, such acceptance not to be unreasonably withheld. Indemnitees need not have first paid for any of the matters to which Indemnitees are entitled to Indemnification in order to be so indemnified. The insurance required to be maintained by Consultant shall ensure Consultant's obligations under this section, but the limits of such insurance shall not limit the liability of Consultant hereunder. The provisions of this section shall survive the expiration or earlier termination of this Agreement.

D. The provisions of this section do not apply to claims to the extent occurring as a result of the City's sole negligence or willful acts or misconduct.

SECTION 9 – INDEPENDENT CONTRACTOR STATUS

A. Consultant is and shall at all times remain a wholly independent contractor and not an officer, employee or agent of City. Consultant shall have no authority to bind City in any manner, nor to incur an obligation, debt or liability of any kind on behalf of or against City, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by City.

B. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither City, nor any elected or appointed boards, officers, officials, employees or agents of City, shall have control over the conduct of Consultant or any of Consultant's officers, employees or agents, except as

set forth in this Agreement. Consultant shall not at any time or in any manner represent that Consultant or any of Consultant's officers, employees or agents are in any manner officials, officers, employees or agents of City.

C. Neither Consultant, nor any of Consultant's officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to City's employees. Consultant expressly waives any claim Consultant may have to any such rights.

SECTION 10 – CONFLICTS OF INTEREST

A. Consultant covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of City or which would in any way hinder Consultant's performance of services under this Agreement. Consultant further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent, or subcontractor without the express written consent of the City Manager. Consultant agrees to at all times avoid conflicts with the interests of City in the performance of this Agreement.

B. City understands and acknowledges that Consultant is, as of the date of execution of this Agreement, independently involved in the performance of non-related services for other governmental agencies and private parties. Consultant is aware of any stated position of City relative to such projects. Any future position of City on such projects shall not be considered a conflict of interest for purposes of this section.

SECTION 11 – OWNERSHIP OF DOCUMENTS

A. All original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files and other documents prepared, developed or discovered by Consultant in the course of providing any services pursuant to this Agreement shall become the sole property of City and may be used, reused or otherwise disposed of by City without the permission of the Consultant. When requested by City, but no later than three years after project completion, Consultant shall deliver to City all such original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files and other documents.

B. All copyrights, patents, trade secrets, or other intellectual property rights associated with any ideas, concepts, techniques, inventions, processes, improvements, developments, works of authorship, or other products developed or created by Consultant during the course of providing services (collectively the "Work Product") shall belong exclusively to City. The Work Product shall be considered a "work made for hire" within the meaning of Title 17 of the United States Code. Without reservation, limitation, or condition, Consultant hereby assigns, at the time of creation of the Work Products, without any requirement of further consideration, exclusively and perpetually, any and all right, title, and interest Consultant may have in the Work Product throughout the world, including without limitation any copyrights, patents, trade secrets, or other intellectual property rights, all rights of reproduction, all rights to create derivative works, and the right to secure registrations, renewals, reissues, and extensions thereof.

SECTION 12 - CONFIDENTIAL INFORMATION: RELEASE OF INFORMATION

A. All information gained or Work Product produced by Consultant in performance of this Agreement shall be considered confidential, unless such information is in the public domain or already known to Consultant. Consultant shall not release or disclose any such information or Work Product to persons or entities other than City without prior written authorization from the City Manager, except as may be required by law.

B. Consultant, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the City Manager or unless requested by the City Attorney of City, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the services performed under this Agreement. Response to a subpoena or court order shall not be considered "voluntary" provided consultant gives City notice of such court order or subpoena.

C. If Consultant, or any officer, employee, agent or subcontractor of Consultant, provides any information or Work Product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Consultant for any damages, costs and fees, including attorneys fees, caused by or incurred as a result of Consultant's conduct.

D. Consultant shall promptly notify City should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the services performed thereunder. City retains the right, but has no obligation, to represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Consultant. However, this right to review any such response does not imply or mean the right by City to control, direct, or rewrite such response.

SECTION 13 - SUSPENSION OF SERVICES

City may, at any time, by ten (10) days written notice suspend further performance by Consultant. All suspensions shall extend the time schedule for performance in a mutually satisfactory manner and Consultant shall be paid for services performed and reimbursable expenses incurred prior to the suspension date.

SECTION 14 - COMPLIANCE WITH LAW

Consultant shall keep itself informed of and comply with all applicable federal, state and local laws, statutes, codes, ordinances, regulations and rules in effect during the term of this Agreement. Consultant shall obtain any and all licenses, permits and authorizations necessary to perform the services set forth in this Agreement. Neither City, nor any elected or appointed boards, officers, officials, employees or agents of City, shall be liable, at law or in equity, as a result of any failure of Consultant to comply with this section.

SECTION 15 – COMPLIANCE WITH CIVIL RIGHTS

During the performance of this Agreement, Consultant agrees as follows:

A. Equal Employment Opportunity. In connection with the execution of this Agreement, Consultant shall not discriminate against any employee or applicant for employment because of race, religion, color, ancestry, age, sexual orientation, physical handicap, medical condition, marital status, sex, or national origin. Such actions shall include, but not be limited to, the following: employment, promotion, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rate of pay or other forms of compensation; and selection for training including apprenticeship.

B. Nondiscrimination Civil Rights Act of 1964. Consultant will comply with all federal regulations relative to nondiscrimination to federally-assisted programs.

C. Solicitations for Subcontractors including Procurement of Materials and Equipment. In all solicitations, either by competitive bidding or negotiations, made by Consultant for services to be performed under a subcontract, including procurement of materials or leases of equipment, each potential subcontractor, supplier, or lessor shall be notified by Consultant of Consultant's obligations under this Agreement and the regulations relative to nondiscrimination.

SECTION 16 – RECORDS

A. Records of Consultant's direct labor costs, payroll costs, and reimbursable expenses pertaining to this project covered by this Agreement will be kept on a generally recognized accounting basis and made available to City if and when required for a period of up to 3 years from the date of Consultant's final invoice.

B. Consultant's records and design calculations will be available for examination and audit if and as required. The cost of any reproductions shall be paid by City.

SECTION 17 – COOPERATION BY CITY

All public information, data, reports, records, and maps as are existing and available to City as public records, and which are necessary for carrying out the services as outlined in the Exhibit A, "Scope of Services", shall be furnished to Consultant in every reasonable way to facilitate, without undue delay, the services to be performed under this Agreement.

SECTION 18 – NOTICES

All notices required or permitted to be given under this Agreement shall be in writing and shall be personally delivered, or sent by facsimile or first class mail, addressed as follows:

To City: City Manager
1480 Main Street
St. Helena, California 94574

To Consultant: Willdan Financial Services
Chris Fisher
27368 Via Industria, Suite 200
Temecula, CA 92590
CFisher@Willdan.com
951-587-3500

Notice shall be deemed effective on the date personally delivered or transmitted by facsimile, or, if mailed, three (3) days after deposit in the custody of the U.S. Postal Service.

SECTION 19 – TERMINATION

A. City may terminate this Agreement, with or without cause, at any time by giving ten (10) days written notice of termination to Consultant. If such notice is given, Consultant shall cease immediately all services in progress.

B. If either Consultant or City fail to perform any material obligation under this Agreement, then, in addition to any other remedies, either Consultant, or City may terminate this Agreement immediately upon written notice.

C. Upon termination of this Agreement by either Consultant or City, all property belonging to City which is in Consultant's possession shall be delivered to City. Consultant shall furnish to City a final invoice for services performed and expenses incurred by Consultant, prepared as set forth in this Agreement.

SECTION 20 – ATTORNEY FEES

If litigation or other proceeding is required to enforce or interpret any provision of this Agreement, the prevailing party in such litigation or other proceeding shall be entitled to an award of reasonable attorneys' fees, costs and expenses, in addition to any other relief to which it may be entitled. In addition, any legal fees, costs and expenses incurred to enforce the provisions of this Agreement shall be reimbursed to the prevailing party.

SECTION 21 – ENTIRE AGREEMENT

This Agreement, including the attached Exhibits, is the entire, complete, final and exclusive expression of the parties with respect to the matters addressed therein and supersedes all other agreements or understandings, whether oral or written, or entered into between Consultant and City prior to the execution of this Agreement. No statements, representations or other agreements, whether oral or written, made by any party which are not embodied herein shall be valid and binding unless in writing duly executed by the parties or their authorized representatives.

SECTION 22 – SUCCESSORS AND ASSIGNS

This Agreement shall be binding on the heirs, executors, administrators, successors and assigns of the parties. However, this Agreement shall not be assigned by Consultant without written consent of the City.

SECTION 23 – CONTINUITY OF PERSONNEL

Consultant shall make every reasonable effort to maintain the stability and continuity of Consultant's staff assigned to perform the services required under this Agreement. Consultant shall notify City of any changes in Consultant's staff assigned to perform the services required under this Agreement, prior to any such performance.

SECTION 24 – DEFAULT

In the event that Consultant is in default under the terms of this Agreement, the City shall not have any obligation or duty to continue compensating Consultant for any services performed after the date of default and may terminate this Agreement immediately by written notice to Consultant.

SECTION 25 – WAIVER

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision, nor a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or services by Consultant shall not constitute a waiver of any of the provisions of this Agreement.

SECTION 26 – LAW TO GOVERN; VENUE

This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Napa. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Northern District of California, in San Francisco.

SECTION 27 – SEVERABILITY

If any term, condition or covenant of this Agreement is declared or determined by any court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall not be affected thereby and the Agreement shall be read and construed without the invalid, void or unenforceable provision(s).

Attachment 1

SECTION 28 – SPECIAL PROVISIONS

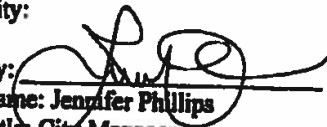
This Agreement is subject to the following special provisions: none.

IN WITNESS WHEREOF, the parties hereto have accepted, made, and executed this Agreement upon the terms, conditions, and provisions above stated, the day and year first above written.

Consultant:

By: 
Name: Chris Fisher
Title: Vice President - Group Manager

City:

By: 
Name: Jennifer Phillips
Title: City Manager

Approved as to Form

By: 
Name: Thomas B. Brown
Title: City Attorney



CITY OF ST. HELENA

Exhibit A

F. Scope and Provisions

Project Understanding

Willdan is confident that we can meet the City of St. Helena's request for services for a Cost Allocation Plan, User Fee Study and Development Impact Fee Study.

The end products will include user-friendly Excel-based models, which City staff will retain, and can be easily updated to add or remove services and/or costs, update budgets in future years, determine the proper allocation of expenditures, and on-going full cost of services provided by the City. Most importantly, we will ensure that the results and recommendations are clear and understandable, defensible, and easily implementable.

We will coordinate directly with departmental representatives at the City at the beginning of the project, to discuss the approach and process for the studies. Discussions will include ways to combine tasks and efforts among the study components in order to maximize efficiencies, and ensure adherence to specified timelines.

It is important to have a thorough understanding of specific City policies and objectives, the structure and organization of the City, and the relationships between the central and operating departments for a successful and effective engagement.

For the Cost Allocation Plan Study, we will review the City's existing plans and structure, to ensure that general government costs are fairly and equitably allocated to the appropriate programs and funds. This effort will ensure that each enterprise and program bears its fair share of general governmental expenses.

We will work directly with personnel at the City who provide the services applicable to the User Fee Study, in order to understand the procedures and processes involved, and to identify the associated costs.

For the Development Impact Fee Study, Willdan will review the existing impact fee schedule and report prior to the kick-off to determine what has changed in terms of facilities and needs for the fee categories. We will update the demographics, and present the City with the facilities list and discuss the current status for each fee type. We will work with the City to implement an impact fee program that ensures that new development pays its fair share of infrastructure while being mindful of the impact of fees on development.

Willdan possesses the resources, practical experience, creative thinking, and collaborative consulting skills necessary to complete this important project. Key distinct advantages that Willdan brings to the City include the following:

On-site Data Gathering: Our experience has taught us that working together, via face-to-face discussions, is the most efficient and thorough way to ensure that results are accurate, and that studies are completed in a timely manner. Consequently, through on-site interviews with your staff, Willdan will collect the majority of required data for the studies. This method is better than the typical "time and motion surveys" that are provided to agency staff when studies like these are conducted. This process ensures that we gather the data needed in one coordinated step, rather than having to go through repeated follow-up and clarification. This approach and the dedication of several of our staff will help ensure we meet the City's timeline and objectives, and provide important information to City staff and the Council as soon as possible.

Public Engagement: Our models and project approach are geared toward delivering our work on schedule and presenting our analysis results at public meetings and Council workshops. While we understand that the City Council and local business community may be generally supportive of increasing fees where necessary, it will be important to present recommendations to them in a way that clearly demonstrates the rationale and supporting analysis. The Willdan Team is experienced at communicating complex analytical results in a manner that is easy to understand by non-finance oriented individuals and facilitates discussion. Our proposed project manager for this engagement has coordinated, or participated in numerous public and staff workshops regarding fees and cost of service based charges. As previously mentioned, our objective is to provide useful, detailed information to the Council and City staff, necessary to make important decisions. Our experience ensures that we can meet this objective.

Attachment 1



CITY OF ST. HELENA

User-friendly Models and Reports: Willdan prides itself on creating user-friendly Excel-based models that the City can retain, and **conducting our analysis and developing the models collaboratively with City staff.** With City staff's immediate input and collaboration, Willdan will design extremely flexible, intuitive Excel-based models. In the future, as the City assumes new responsibilities, modifies existing processes, and/or eliminates unnecessary services or programs, the models will be capable of adding or deleting funds, objects, departments, programs, staff positions, and activities. Willdan understands that issues facing the City are unique; consequently, we design our models to match your immediate and desired needs to ensure that end-results exceed staff expectations.

These models are then the City's to retain, after our services are completed, and allows for the creation of revenue projections, highlighting potential new revenues, and levels of subsidy.

A key element of these studies are presenting results and recommendations in a straightforward manner, that allows Council and staff to confidently make fee setting policy decisions, and understand the impacts of those decisions. Rather than using an inflexible proprietary software program, we construct our models from the ground up, as previously discussed, mirroring the City's budget format wherever possible. As a result, the information contained in our models is easy for City staff to interpret, and the familiar software ensures ease of navigation. As the models are being designed and constructed, we will work together with City staff to determine the best and most effective features to include. After the project is completed, we will provide training, so that your staff can independently and efficiently evaluate the effects of changes in certain factors. Created directly from the models, our reports clearly and graphically illustrate bases for the full cost recovery level of fee programs, provide projections of revenue from fee programs, both at full cost recovery and at recommended levels, and present the fee methodologies.

The models will be developed to allow the City to run "what if" scenarios to address possible changes in staffing levels, working hours, etc.



Cost Allocation Plan Methodology

The purpose of this cost allocation plan engagement is to ensure that the City of St. Helena is maximizing the recovery of indirect costs from identified operating departments, as well as enterprise and other chargeable funds and capital projects. Furthermore, a sound cost allocation plan is a foundational element of a user fee study, and the development of internal hourly rates, including CIP billing rates. We will work closely with staff in identifying the proper balance of allocation factors appropriate for the City. In order to achieve the maximum cost recovery objective, the City must have a method of identifying and distributing administrative costs that is fair, comprehensive, well documented, and fully defensible. A cost allocation plan coupled with comprehensive overhead rates will enable the City to achieve this goal.

Approach for Managing the Project

Willdan's "hands-on" supervision of Cost Allocation Plan studies, include the following methods:

- **Effective Project Management** — Project Manager Chris Fisher will manage the entire project with an eye toward high responsiveness, while ensuring that all stakeholders are "on board" with the direction of the project, as well as with the final results. Mr. Fisher will ensure that regular status updates are provided to City staff, conference calls are scheduled, and that in-person meetings are conducted (as necessary).
- **Adherence to Time Schedule** — Willdan recognizes that the use of "timelines" is highly effective in meeting all required deadlines. To keep the project on schedule, there are several tasks that must be completed in a timely manner. Therefore, we will present a project timeline at the kick-off meeting that should be closely followed.

Although the establishment of an experienced project team and a detailed project timeline work extremely well in general, Willdan understands that outside influences can create uncontrollable situations for everyone involved in the project. In rare circumstances like these, our team quickly adapts to changes, and communicates our recommended schedule adjustments to the City.

Approach in Communicating with the City

Willdan staff is accustomed to interfacing with local government councils, boards, staff, community organizations, and the public in general in a friendly and helpful manner; we are always mindful that we represent the public agency. We are sensitive to the need of delivering a quality product, with the highest level of service and professionalism. Therefore, as the work on the project progresses, we understand that it will be necessary for our staff to work closely with you and City personnel. To accomplish this, we employ a variety of tools, including monitoring project status and budget costs; and ensuring effective communication through several options that are based on the City's preferences.

Experience with Development Service Processes

A unique aspect of our firm is our relationship with our Engineering Division. For many agencies throughout California and other Western states, this division provides contracted services in planning, engineering, and building and safety. When conducting cost recovery studies, we regularly consult with our engineering and land-development staff of experts on development-related issues. By working with our planners, engineers, and building officials, we understand development-related agency service procedures and workflow functions, which often make the entire user fee study process smoother for your staff.

User Fee Study Methodology

In order to comprehensively update fees, the City should develop a comprehensive user fee schedule that accurately accounts for the true cost of providing services. Once the study is complete, the fee study model must be flexible so that the City can add, delete, and revise fees in the future. To meet this goal, we will bring our expertise and unique perspectives to your fee study by approaching the project with these three principles:

1) Defensibility

Our user fee projects have not been legally challenged since the inception of this practice area in our firm. We have accomplished this by closely working with legal counsel familiar with user fee studies, our engineering division and with agency staff. In this way, we can tailor the correct approach to ensure full cost recovery combined with a sound and reasonable basis for each user fee you implement.

While Proposition 218 does not directly apply to non-property-related fees, we employ principles from this important constitutional article to make certain that your user fee and rate schedule is developed with fairness, equity, and



proportionate cost recovery principles in mind. With the addition of Proposition 26, Willdan will review each analyzed user fee for compliance and appropriateness to ensure continued defensibility.

Approach and Staff Time

The City must have a sound and technically defensible fee schedule to ensure costs are appropriately recovered, as applicants approach the City for its services. Our standards and approaches serve to get to the issues of your fee study quickly. Starting with the project kick-off, we will make certain that your staff understands the purpose and scope of the study and its corresponding on-site departmental interview. As Willdan is able to communicate directly with the service providers, this face-to-face interaction provides valuable time estimates.

Client Involvement

We take great pride in providing responsive service to our client agencies. Frequent communication is critical to a successful user fee study experience. We will provide a list of data requirements in advance of the project kick-off. Due to this simple step, the introductory meeting can focus on the survey input process, answering questions, determining policy goals, and defining next steps in the project. We will follow up weekly with you at each step in the fee study process to make sure that staff "buys in" to the fee study approach and results.

Approach

Our approach to preparing the user fee study and documentation for St. Helena includes:

- Close coordination with your staff to devise a consensus approach. Different programs and/or different service delivery methods will necessitate different approaches. We will discuss specific pros and cons with City staff as we determine which methods work best for various categories of fees;
- Strict adherence to key legal and policy issues with regard to user fees, including the percent of cost recovery that the City seeks to achieve. A user fee shall not be set higher than the reasonable cost of providing a fee-generating service. Our approach provides you with a fee schedule that achieves maximum legal cost recovery while ensuring that each fee is supported by technically defensible documentation; and
- Technical analysis necessary for project participants to resolve policy issues.

As described below, there are two basic approaches to calculating user fees:

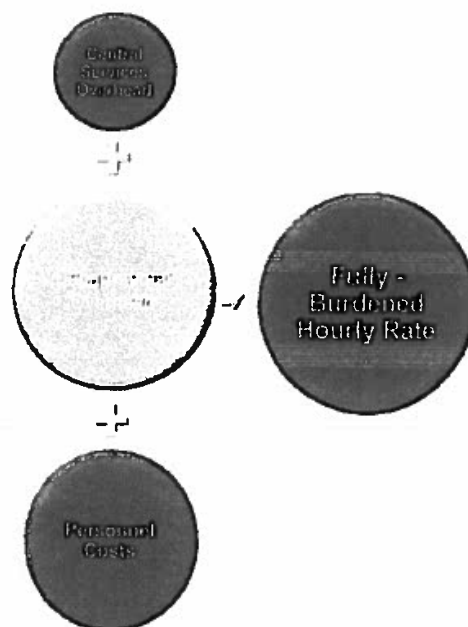
Approach 1: Case Study Method

This is also sometimes referred to as a cost build-up approach. Using a time and materials approach, the "Case Study Method" examines the tasks, steps and City staff involved in providing a particular 'unit' of service, such as a permit review, and then uses that information to develop estimates of the actual labor and material costs associated with providing a unit of service to a single user. It is often used when a service is provided on a regular basis, and staff and other costs associated with the service can be segregated from available budget data.

A typical case study fee model should comprise the following three general cost layers:

1) **Central Services Overhead:** This category may involve such costs as labor, services, and supplies that benefit more than one department, division, or project. The exact benefits to specific areas are impossible to ascribe to a single activity. Examples are purchasing, human resources, and liability insurance. As part of the user fee study, these costs are calculated in the overhead cost review.

2) **Department Overhead:** This category may include expenses related to such items as office supplies, outside consultants, and membership dues. It may include management, supervision, and administrative support that are not provided to a direct fee-generating service. Typically, these items are charged, on an item-by-item basis, directly to the department, division, or project.





CITY OF ST. HELENA

3) Personnel Costs: This category refers to direct salary and benefit costs of staff hours spent on providing a fee-generating service (e.g., on-site building inspector).

Approach 2: Average Cost Method

This is also sometimes referred to as a programmatic approach, because it looks at costs at a program level, and then allocates them to participants on an occurrence basis. By taking total service costs across a substantial sample period (a year), and dividing by the total number of service units delivered over that same period, costs per unit of service is estimated.

This approach is useful when services or programs are provided in a more aggregate manner, where it might be difficult to identify a specific sequence of steps associated with one user or participant; or where it is not feasible to cost-effectively segregate costs associated with specific activities.

Development Impact Fee Study Methodology

Willdan's methodology for calculating public facilities fees is both simple and flexible. Simplicity is important so that the development community and the public can easily understand the justification for the fee program. At the same time we use our expertise to reasonably ensure that the program is technically defensible.

Flexibility is important so we can tailor our approach to the available data, and the agency's policy objectives. Our understanding of the technical standards established by statutes and case law suggests that a range of approaches are technically defensible. Consequently, we can address policy objectives related to the fee program, such as economic development and affordable housing. Flexibility also enables us to avoid excessive engineering costs associated with detailed facility planning. We calculate the maximum justifiable impact fee and provide flexibility for the agency to adopt fees up to that amount.

Development impact fees are calculated to fund the cost of facilities required to accommodate growth. The four steps followed in an impact fee study include:

- **Estimate existing development and future growth:** Identify a base year for existing development and a growth forecast that reflects increased demand for public facilities;
- **Identify facility standards:** Determine the facility standards used to plan for new and expanded facilities;
- **Determine facilities required to serve new development and their costs:** Estimate the total amount and cost of planned facilities, and identify the share required to accommodate new development; and
- **Calculate fee schedule:** Allocate facilities costs per unit of new development to calculate the public facilities fee schedule.

We discuss key aspects of our approach to each of these steps in the subsections that follow.

Growth Projections

In most cases, we recommend use of long-range market-based projections of new development. By "long-range" we suggest 20 to 30 years to:

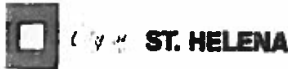
- 1) Capture the total demand often associated with major public facility investments; and
- 2) Support analysis of debt financing, if needed. In contrast to build out projections, market based projections provide a more realistic estimate of development across all land uses. Build out projections typically overestimate commercial and industrial development because of the oversupply of these land uses relative to residential development.

Facility Standards

The key public policy issue in development impact fee studies is the identification of facility standards (step #2, above). Facility standards document a reasonable relationship between new development and the need for new facilities. Standards ensure that new development does not fund deficiencies associated with existing development.

Our approach recognizes three separate components of facility standards:

- 1) **Demand standards** determine the amount of facilities required to accommodate growth. Examples include park acres per thousand residents, square feet of library space per capita, or gallons of water per day. Demand standards may also reflect a level of service such as the vehicles-to-capacity (V/C) ratio used in traffic planning;



- 2) Design standards determine how a facility should be designed to meet expected demand, for example park improvement requirements and technology infrastructure for office space. Design standards are typically not explicitly evaluated as part of an impact fee analysis but can have a significant impact on the cost of facilities. Our approach incorporates current facility design standards into the fee program to reflect the increasing construction cost of public facilities; and
- 3) Cost standards are an alternate method for determining the amount of facilities required to accommodate growth based on facility costs per unit of demand. Cost standards are useful when demand standards were not explicitly developed for the facility planning process. Cost standards also enable different types of facilities to be analyzed based on a single measure (cost or value), useful when disparate facilities are funded by a single fee program. Examples include facility costs per capita, per vehicle trip, or cost per gallon of water per day.

Identifying New Development Facility Needs and Costs

We have a number of approaches that can be used to identify facility needs and costs to serve new development. Often this is a two step process: (1) identify total facility needs; and (2) allocate to new development its fair share of those needs. Total facility needs are often identified through a master facility planning process that typically takes place concurrent with or prior to conducting the fee study. Engineered facility plans are particularly important in the areas of traffic, water, sewer, and storm drain because of the specialized technical analysis required to identify facility needs.

There are three common methods for determining new development's fair share of planned facilities costs: (1) the existing inventory method; (2) the planned facilities method; and (3) the system plan method. Often the method selected depends on the degree to which the community has engaged in comprehensive facility master planning to identify facility needs.

The formula used by each approach and the advantages and disadvantages of each method is summarized on the page that follows:

Existing Inventory Method

The existing inventory method allocates costs based on the ratio of existing facilities to demand from existing development as follows:

$$\frac{\text{Current Value of Existing Facilities}}{\text{Existing Development Demand}} = \$/\text{unit of demand}$$

Under this method new development funds the expansion of facilities at the same standard currently serving existing development. By definition, the existing inventory method results in no facility deficiencies attributable to existing development. This method is often used when a long-range plan for new facilities is not available. Only the initial facilities to be funded with fees are identified in the fee study. Future facilities to serve growth are identified through an annual Capital Improvement Plan ("CIP") and budget process, possibly after completion of a new facility master plan.

Planned Facilities Method

The planned facilities method allocates costs based on the ratio of planned facility costs to demand from new development as follows:

$$\frac{\text{Cost of Planned Facilities}}{\text{New Development Demand}} = \$/\text{unit of demand}$$

This method is appropriate when specific planned facilities can be identified that only benefit new development. Examples include street improvements to avoid deficient levels of service or a sewer trunk line extension to a previously undeveloped area. This method is appropriate when planned facilities would not serve existing development. Under this method new development funds the expansion of facilities at the standards used for the master facility plan.



System Plan Method

This method calculates the fee based on the ratio of the value of existing facilities plus the cost of planned facilities divided by demand from existing plus new development:

$$\frac{\text{Value of Existing Facilities} + \text{Cost of Planned Facilities}}{\text{Existing} + \text{New Development Demand}} = \$/\text{unit of demand}$$

This method is useful when planned facilities need to be analyzed as part of a system that benefits both existing and new development. It is difficult, for example, to allocate a new fire station solely to new development when that station will operate as part of an integrated system of fire stations that together to achieve the desired level of service. Police substations, civic centers, and regional parks are examples of similar facilities.

The system plan method ensures that new development does not pay for existing deficiencies. Often, facility standards based on policies such as those found in General Plans are higher than existing facility standards. This method enables the calculation of the existing deficiency required to bring existing development up to the policy-based standard. The local agency must secure non-fee funding for that portion of planned facilities, required to correct the deficiency, to ensure that new development receives the level of service funded by the impact fee.

Calculating the Fee Schedule

The fee schedule uses the cost per unit of demand discussed in the last subsection to generate the fee schedule. This unit cost is multiplied by the demand associated with a new development project to calculate the fee for that project. The fee schedule uses different demand measures by land use category to provide a reasonable relationship between the type of development and the amount of the fee. We are familiar with a wide range of methods for identifying appropriate land use categories and demand measures depending on the particular study.

Related Approach Issues

Funding and Financing Strategies

In our experience, one of the most common problems with impact fee programs and with many CIPs is that the program or plan is not financially constrained to anticipated revenues. The result is a "wish list" of projects that generate community expectations that often cannot be fulfilled. Our approach is to integrate the impact fee program into the local agency's existing CIPs while encouraging those plans to be financially constrained to available resources. We clearly state the cost of correcting existing deficiencies, if any, to document the relationship between the fee program and the need for additional non-fee funding.

We can also address one of the most significant drawbacks of an impact fee program – the inability to support conventional public debt financing, so projects can be built before all fee revenues have been received. In collaboration with financial advisors and underwriters, we have developed specific underwriting criteria so that fees can be used to pay back borrowing as long as another source of credit exists. Typically, this approach involves the use of Certificates of Participation or revenue bonds that are calibrated so that they can be fully repaid using impact fee revenues.

Economic Development Concerns

The development community often is concerned that fees and other exactions will become too high for development to be financially feasible under current market conditions. Local agencies have a number of strategies to address this concern, including:

- Conducting an analysis of the total burden placed on development, by exactions, to see if feasibility may be compromised by the proposed fees;
- Gathering similar data on the total fee burden imposed by neighboring or competing jurisdictions;
- Developing a plan for phasing in the fees over several years to enable the real estate market to adjust;
- Providing options for developers to finance impact fees through assessment and other types of financing districts; and
- Imposing less than the maximum justified fee.

If less than the maximum justified fee is imposed, we will work with staff to identify alternative revenues sources for the CIP. The CIP should remain financially feasible to maintain realistic expectations among developers, policy-makers, and the public.



Stakeholder Participation

Stakeholder participation throughout the study supports a successful adoption process. Our approach is to create consensus first, around the need for facilities based on agreed upon facility standards. Second, we seek consensus around a feasible funding strategy for these needs, leading to an appropriate role for impact fees.

Gaining consensus among various groups requires a balanced discussion of both economic development and community service objectives. Often, our approach includes formation of an advisory committee to promote outreach to and input from the development community and other stakeholders. We have extensive experience facilitating meetings to explain the program and gain input.

Program Implementation

Fee programs require a certain level of administrative support for successful implementation. Our final report will include recommendations for appropriate procedures, such as:

- Regularly updating development forecasts;
- Regularly updating fees for capital project cost inflation;
- Regularly updating capital facility needs based on changing demands;
- Developing procedures for developer credits and reimbursements; and
- Including an administrative charge in the fee program.



Work Plans

Our proposed work plans, described in detail by task, are provided below. We propose to maximize efficiency and cost-effectiveness by combining meetings and data gathering efforts between the studies wherever possible.

We explain how each task will be accomplished, and identify associated meetings and deliverables. We want to ensure our scope provides quality and clarity, and is responsive to the City's needs and specific local circumstances. We will work in concert with the City to adjust scopes as needed during the course of the studies.

Cost Allocation Plan

Task 1: Initial Document Request

Initial due diligence.

Prior to the kick-off call, relevant documentation will be obtained and reviewed in order to confirm our understanding of the City's cost allocation plan and internal structure of the agency. A written request for specific data will be sent to the City. The data provided in this task will provide the building blocks for later model development.

Our request may include (but is not limited to):

- Detailed budget and accounting data;
- Prior year's financial data, salary, position and staffing data;
- Organizational structure; and
- Data related to various allocation bases that may be incorporated as part of the methodology, i.e. City Council agenda frequencies by department, AP/AR transactions by department, IT equipment distribution by department, etc.

Willdan: Submit information request to City.

City: Provide requested data to Willdan (prior to Task 2, Kick-off Call/Refine Scope). We will follow up with the City to confirm in writing the data that we have received, or which is still outstanding.

Task 2: Kick-off Call / Refine Scope

Confirm project goals and objectives. Identify and resolve policy issues raised by the study and determine appropriate fee categories.

Willdan will identify and resolve policy issues typically raised by these studies and address data gaps in order to gain a full understanding of the City's goals for the cost allocation plan. We will establish effective lines of communication and processes for information gathering and review.

During this meeting, we will ask that the City assign a project manager to serve as its primary contact. The selected City project manager will ensure that available data is provided to Willdan in a timely manner, thereby maintaining adherence to the project's schedule.

We will review the current cost allocation methodology and discuss with City staff. The objective of this review is to determine specific areas of focus as they relate to the City's objectives, and to discuss and evaluate current and potential allocation factors.

One (1) project kick-off conference call to initiate the project, discuss data needs and methodologies and to address policy issues. We would propose to conduct the comprehensive user fee study kick-off during this same meeting to maximize efficiency and cost effectiveness of staff and Willdan time.

Willdan: If needed, a revised project scope and schedule.

City: Provide further data requirements and select / introduce City's project manager.



Task 3: Gather Staffing Information and Develop Cost Allocation Plan Model

Confirm existing information related to indirect staffing and functions. Prepare updated draft cost allocation plan and model.

This task involves the gathering of specific information, directly from City staff, through interviews and discussion, related to the functions served by indirect staff and the departments served by their activities. This task also focuses on the adjustment of existing, allocation bases, and the development and testing of an updated model that will ultimately be used to calculate the proper cost allocations derived from data gathered in prior tasks.

The model will be developed to incorporate any recent changes in the provision of City services, and fully allocate central service costs, as well as to allocate only those costs eligible under OMB A-87 guidelines. This is accomplished by loading relevant data into the model, then employing a toggle that will remove the OMB A-87 ineligible costs as appropriate. The OMB A-87 compliant model is valuable as the City may receive Federal or State grant funding that mandates compliance with the Federal OMB regulations.

We will utilize budget and organizational information, and other required information gathered from City staff to complete the work in this task. Specific discussions will be held to discuss bases, how central overhead services are provided to and utilized by other departments, cost categories and allocation criteria, and how these will factor into the overall cost allocation methodology.

We will work with the City to review any existing Internal Service Funds (ISF) and their functions and structures, and incorporate them into the model and methodology.

The model and methodology will also produce fully loaded hourly billing rates for City staff positions. These rates will be suitable for a variety of uses, including billing to CIP projects, and in the OMB A-87 compliant CAP, to Federal grants.

Conference call with staff to understand structure and operations as model and allocation bases are developed. Key staff will be interviewed to best understand central overhead staffing and functions and the departments served.

Willdan: One (1) user-friendly model in Microsoft Excel format that provides both a full cost allocation plan and an OMB A-87 compliant cost allocation plan.

Task 4: Test and Review Cost Allocation Methodology

Test and review model and results with City.

The draft cost allocation plan model will be reviewed with City staff, and adjusted as necessary, to ensure that preliminary allocations provide an accurate depiction of how the central overhead costs should be borne by the operating programs and funds. Over the past several years, we have successfully integrated online meetings by using GoToMeeting™ as an element to our approach. This allows us to remotely guide staff through the model review, and allows you the opportunity to interactively change inputs and test approaches.

One (1) conference call and online demonstration (GoToMeeting) to review the model.

Willdan and City: Draft cost allocation plan model review.

Task 5: Prepare and Present Draft Report

Prepare the draft cost allocation report.

This task involves the draft report preparation. The cost allocation plan's background, model methodologies, and results will be discussed; calculations and supporting data will be presented textually and in easily understood tables, and provided to the City.

One (1) meeting to present the draft report to the City Manager, City staff, and if called upon to do so, the City Council.

Willdan: Draft report for City review and input.

City: Review of draft report, with comments, and edits.



Task 6: Discuss and Revise Report

Review of draft report, cost distribution methods, and model.

An in-depth review of the draft report and model will be conducted to arrive at an optimum allocation method for each expenditure type. Often, through the course of an engagement, comments usually revolve around issues of: understandability; appropriate levels of enterprise funds' cost recovery, etc.; ease of calculation; and overhead costs' distribution methods.

Following a round of comments from City staff concerning the draft report, the final report will be prepared for presentation to the Council.

One (1) conference call with City staff to review the report.

Draft report, and revised draft/final report.

Task 7: Prepare and Present Final Report/Train Staff on Model

Prepare and present the final report to City Council. Educate City staff on the operation and use of the model for future modifications.

This task is the culmination of the cost allocation plan project. Based on staff comments on the draft report, Willdan will prepare the final report for presentation to City Council.

We will also provide staff training on the operation and use of the model.

Willdan: Provide five (5) bound copies, one (1) unbound copy, and one (1) electronic PDF file copy of the final report and models (full and OMB A-87 compliant) to the City. Using Microsoft Word and Excel, an updateable electronic copy of the study and models, as well as related schedules, will also be provided on CD/ROM.

User Fee Study

Task 1: Initial Document Request

Initial due diligence; obtain study-related data.

Prior to the kick-off meeting, we will review relevant documentation to confirm our understanding of the services, fees, and rates to be studied. A written request for data will be sent to the City.

We will request information and documentation on current fees and fee programs, activity levels, and budget and staffing information (to the extent not already available) related specifically to programs and activities which have associated fees, and for which the City has this level of detail.

Willdan: Submit information request to City.

City: Provide requested data to Willdan (prior to Task 3, Kick-off Call/Refine Scope). As with the cost allocation plan, we will follow up with the City to confirm receipt of requested data and information, and highlight data elements that are outstanding.

Task 2: Confirm Inventory of Current and Potential Fees

Willdan will confirm, and update if necessary, the schedule of fees and methodology for calculating the fees.

Based on the results of the initial document request and independent research, incorporate into our model the existing fees, provided by the City, to comprise the parameters of the fee study.

It is possible that a conference call with the City may be necessary to discuss new fees to implement or existing fees that may no longer be required.

Willdan: One (1) draft list of current fees based on initial data provided (to be discussed and finalized during the kick-off call).

City: Review completed fee schedule with comments/revisions to be discussed during the kick-off.



Task 3: Kick-off Call/Refine Scope

Confirm goals and objectives for the User Fee Study. Identify and resolve policy issues typically raised by a User Fee Study, address gaps in data, and refine appropriate existing or new fee categories (based on Task 2).

Verify our understanding of the City's goals, the City's cost-recovery policy for user fees, and to fill any gaps in data/information necessary for the project. It is important for the City and Willdan to identify and address any foreseeable problems, and maintain open communication throughout the process.

During this meeting, we will ask that the City identify a project manager who will serve as the primary contact for the project. The project manager shall have responsibility for ensuring that all available data is provided in a timely manner, thereby maintaining adherence to the project's schedule.

One (1) project kick-off conference call to initiate the entire project, discuss data needs, and address policy issues. This will be held in conjunction with the kick-off for the cost allocation plan. As mentioned in the cost allocation plan work plan, we suggest combining the kick-off call to increase efficiency.

Willdan: 1) Revised project scope and schedule (if needed); and 2) brief summary of policy decisions (if needed).

City: 1) Provide further data needs; and 2) determine/introduce City's project manager.

Task 4: Develop Comprehensive Fee Model

Develop and test updated model.

This task involves the development of the model ultimately used to calculate the departmental fees, based on data and information gathered in previous tasks and in the Time Survey Interviews described in Task 5. To ensure that City policies are met through the imposition of the calculated fees, the model will be formatted to include appropriate costs.

Key model inputs will include staff and allocated overhead costs per position, and relevant budget data on salaries and benefits. Most of this information will be developed during the cost allocation plan phase of this project, and will be incorporated directly into the user fee model. We will request clarification and/or additional data if necessary.

The model will build upon the cost allocation plan results, to provide an allocation of administrative and overhead costs to fee related activities and departments providing services to customers, so that fees and billable rate schedules incorporate applicable costs. Furthermore, the fees and rates charged to customers will also reflect the cost of the services being provided, to the extent possible given policy and/or political considerations.

Willdan: One (1) user-friendly model in Microsoft Excel format, which, when finalized, City staff can use to calculate fee changes annually, or as often as deemed appropriate by the City Council.

Task 5: Time Survey Interviews and On-site Information Gathering

Meet with City staff to update and confirm Time Surveys and understand service delivery processes. As this is an updated, it is anticipated that a wholesale study of times and levels of effort will not be necessary. We will review the data compiled for the original study, and update it where necessary to reflect new or modified processes and effort levels.

We will schedule one (1) full day of on-site meetings with staff; however, the number of meetings needed may vary depending on the number of staff and departments involved.

The Willdan Team will conduct interviews with supervisors/managers, as well as other staff, as deemed appropriate and/or necessary, from each department involved in the user fee study to confirm and/or update the average time required by City staff to provide each of the services for which a fee is collected.

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The fee model is designed so that full cost recovery fees are calculated immediately upon input of staff time. These full costs are also compared to current cost recovery levels. This will allow Willdan and City staff to conclude with a final meeting to review the draft full cost recovery fees, and adjust any times as necessary, once all information has been compiled and input into the fee model. We will schedule the interviews with staff to minimize any disruption to their normal workflow.

One (1) full business day of on-site meetings/staff interviews.

Willdan and City: Time surveys and draft full cost recovery fees.

Task 6: Common Fees Comparison

Examine the user fees charged by comparable Napa County, or jurisdictions that are similar to the City of St. Helena.

We will access and use our knowledge of other jurisdictions to benchmark the City's five (5) most common fees or highest yielding fees with comparable jurisdictions agreed.

Fee schedules are rarely readily or directly comparable from agency to agency due to definitional and operational differences. For example, a grading permit in one jurisdiction may include the plan check service, while the same permit in another jurisdiction may not, resulting in similar sounding services with widely varying costs. For this reason Willdan takes a selection of the City's most commonly used and/or highest yielding fees.

The survey will contain the following:

- Comparison of common or similar fees and charges used by the City and other jurisdictions;
- Current and proposed fees and charges unique to the City of St. Helena;
- Fees and charges used by other public entities not currently used in the City; and
- If possible, identify characteristics and processes unique to the City that account for significant variances in fees and charges used by other jurisdictions.

Willdan: Recommendations provided in Task 8 will incorporate the data gathered during our examination.

Task 7: Data Analysis and Final Fee and Rate Schedule

Incorporate information obtained from on-site surveys to fully develop model.

We will update the model, based on information received during the on-site reviews, to generate a comprehensive user fee schedule. In addition, a supplemental data request may be necessary, based on new fees identified that the City is not currently collecting. Where appropriate, we will suggest and discuss with staff alternate approaches to existing fee programs (i.e. building fees), and suggest potential areas where fees could be collected where they are not currently. We will present the full cost recovery level for fees, both current and projected under the new calculated fees, and revenue projections, given certain assumptions about the levels of subsidy for different fees. Current levels of cost recovery will be compared to actual full costs calculated during the course of this study. Cost will be calculated at reasonable activity levels, and include all appropriate direct and indirect costs and overhead. We will review fee programs for compliance with Propositions 218 and 28.

The user fee data analysis and model development may take three (3) to four (4) weeks with frequent correspondence with City staff to discuss current cost recovery amounts, necessary to recover full cost and frequency activity.

Conference calls to finalize fee schedule.

Final user fee and rate model for City Council presentation and discussion.



Task 8: Prepare and Present Draft Report

Prepare draft report.

This task involves the preparation of the draft report that discusses the study's background, the methodologies utilized in the study, and the results and presentation to various stakeholder groups. As noted below, meetings may occur during this or the next task as appropriate. The calculations used to generate the fee and rate study will be included textually, as well as in easy to understand tables. Individual fee summaries by department and a comprehensive fee schedule will be included. The draft report will include the following:

- Key results and findings;
- Basic descriptions of each service;
- The full cost of each service and current cost recovery levels;
- Costs broken down graphically into indirect and direct components, with a graphic display of the level of cost recovery;
- Fee recommendations with associated levels of cost recovery;
- Projections of potential fee revenue;
- Assessment of reasonableness of each City's costs;
- Review of reasonableness of current consultant cost structure (for Building Division services);
- As appropriate, recommend alternative methodologies for building permit fee calculation; and
- Summary and recommendations.

The objective of the report is to communicate the recommendation of appropriate fees, which include the appropriate subsidy percentage for those fees where full cost recovery may be unrealistic.

One (1) conference call or online meeting to present the draft report to City staff and the City Manager.

Willdan: Draft report for City review and comment.

City: Review of draft report, with comments and edits.

Task 9: Revise Draft Report Determine Cost Recovery Levels for Recommended Adoption

Review of draft report and fee model.

The goal of this task is to conduct an in-depth review of the draft report and model, and finally arrive at an optimum fee structure. Often through the course of an engagement, City staff will volunteer insightful likes and dislikes regarding the existing fee structure. We listen to this feedback carefully because your staff members know the community best. Comments usually revolve around issues of:

- Understandability;
- Fairness to applicants;
- Ease of calculation;
- Appropriate levels of cost recovery; and
- Full cost recovery hourly rates.

When adjusting fee recovery levels, we believe it is important to address these concerns.

Following one (1) round of comments from City staff on the draft report, we will prepare the final report for presentation to the City Council.

One (1) online demonstration (GoToMeeting) to review the model.

Draft report, revised draft /final report.



Task 19: Prepare and Present Final Report/Train Staff on Model

Prepare and present final report to City Council. Train staff on the operation and use of the model for future modifications.

This task is the culmination of the entire project. Based on staff comments received regarding the draft report, we will prepare the final report for presentation.

One (1) meeting with City Council to present the results. We will also provide staff training on the operation and use of the model on the same day, during regular business hours.

We will provide up to five (5) bound copies, one (1) unbound copy and one (1) electronic PDF file copy of the final report and model to the City. Using Microsoft Word and Excel, an updateable electronic copy of the study and model, as well as related schedules, will also be provided on CD/ROM.

Development Impact Fee Update

Willdan will work with the City to update the following fees.

- Public safety
- Civic improvement
- Parks
- Storm Drainage
- Traffic
- Housing

Task 1: Identify and Resolve Policy Issues

Identify and resolve policy issues raised by the study.

Review agency documents related to existing capital planning policies and funding programs including existing impact fees. Bring policy issues to City staff's attention, as appropriate, during the project and seek guidance prior to proceeding. Potential policy issues include:

- Adequacy of General Plan and other public facility planning policies (e.g. level of service standards); impact fee ordinances and resolutions, and prior nexus studies;
- Availability of existing public facility master plans and CIPs to identify needed facilities;
- Types of facilities to be funded by each fee;
- Land use categories for imposition of fees;
- Nexus approach to determining facility standards;
- Nexus approach to allocating cost burden among land uses, including need for separate fee zones;
- Potential alternative funding sources, if needed;
- Funding existing deficiencies, if identified; and
- Implementation concerns and strategies.

(1) Information requests; (2) revised project scope and schedule (if needed); and (3) brief summary of policy decisions (if needed).

Task 2: Identify Existing Development and Future Growth

(1) Identify estimates of existing levels of development; and (2) identify a projection of future growth consistent with current planning policy.

Identify base year for estimating existing levels of development and for calculating facility standards based on existing facility inventories (see Task 3). Include entitled development that would be exempt from fee program.

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Consult with City staff to identify growth projections to a defined long range planning horizon (10 to 30 years). Projections provide a basis for determining the facilities needed to accommodate growth (see Task 4). Consider projections from regional metropolitan planning agencies and other available sources - City staff to provide estimates and projections by zone if needed.

Develop approach for converting land use data to measure of facility demand. For example, identify population and employment density factors to convert population and employment estimates to dwelling units and building square footage. Select appropriate approach for each impact fee based on:

- Available local data on facility demand by land use category;
- Approaches used by other agencies; and
- Support for other agency policy objectives.

Changes to estimates and projections during subsequent tasks could cause unanticipated effort and require an amendment to the scope of services and budget. Obtain approval of estimates and projections from City staff prior to proceeding.

Memorandum to City staff summarizing estimates of existing development and projections for new development.

Task 3: Determine Facility Standards

Conduct Tasks 3, 4, and 5 separately for each facility and fee type. Conduct tasks concurrently because of the effect of facility standards (Task 3), facility needs (Task 4), and alternative funding (Task 5) on the fee calculation.

Determine standards to identify facilities required to accommodate growth.

Identify and evaluate possible facility standards depending upon the facility type, current facility inventory data, and available facility planning documents. Consider use of: (1) adopted policy standards (e.g. General Plan, master facility plans); (2) standards derived from existing facility inventories; or (3) standards derived from a list of planned facility projects. City staff to provide policies, inventories, and project lists.

Task 4: Determine Facilities Needs and Costs

Identify the type, amount and cost of facilities required to accommodate growth and correct deficiencies, if any.

Quantify total planned facilities based on growth projection from Task 2 and facility standards from Task 3. Express planned facilities in general quantities such as acres of parkland, or as a specific list of capital projects from a master facility plan. Location of planned facilities may or may not be specified. If only a general description of planned facilities is available through the planning horizon, City staff to provide a list of specific capital projects for use of fee revenues during the short term (e.g. five years).

Distinguish between: (1) facilities needed to serve growth (that can be funded by impact fees); and (2) facilities needed to correct existing deficiencies (that cannot be funded by impact fees). Use one of three cost allocation methods (existing inventory, system plan, or planned facilities).

Gather planning-level data on new facilities costs based on lump sum project cost estimates, or unit costs and project quantities (acres, building square feet, lane miles, etc.). Consider recent City experience, local market data such as land transactions, and consultant team experience from prior projects. Inflate older cost estimates to base year using appropriate cost indices.

This scope of work does not include additional engineering analysis to identify total facility needs, existing deficiencies, or cost estimates.



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Task 5: Identify Funding and Financing Alternatives

Determine the extent of alternative (non-fee) funding available for new facilities.

If impact fees are going to only partially fund a capital project, the *Mitigation Fee Act* requires the agency report on the anticipated source and timing of the additional funding every five years. There are two types of alternative funding sources that we will identify:

1. Funding from non-impact fee sources to correct existing deficiencies; and
2. Funding from new development other than impact fees that must be credited against new development's impact fee contributions, possibly including taxes paid to finance facilities.

Identify anticipated alternative funding based on information from City staff, or note that funds are still to be identified based on a list of probable funding alternatives. If fees will fund debt service include financing costs in the total cost of facilities.

Assume facilities to be funded predominantly on a pay-as-you-go basis. Scope does not include a cash flow analysis to analyze effect of timing of fee revenues on financing costs.

Task 6: Calculate Fees and Prepare Report

Provide technically defensible fee report that comprehensively documents project assumptions, methodologies, and results.

Generate fee schedule to apportion facility costs to individual development projects. Use facility costs per unit of demand multiplied by demand by land use category based on data developed in prior tasks.

Prepare draft report tables for City staff to review that document each step of the analysis, including schedule of maximum justified fees by facility type land use category.

Following one (1) round of comments from City staff on the quantitative analysis and fee schedules, prepare administrative draft report. Following one (1) round of comments on administrative draft, prepare public draft for presentation to interested parties, the public and elected officials. Prepare final report if necessary based on one (1) round of comments received on the public draft report. If requested, post report on our website for public access.

Provide legal counsel with copies of fee resolutions and ordinances used by other jurisdictions.

We will provide up to four (4) bound copies of the draft report, one (1) unbound copy, one Microsoft Word copy, and up to eight (8) bound copies of the final report, one (1) unbound copy, and one Microsoft Word copy.

Task 7: Meetings

The project manager or other necessary Willdan staff will attend project meetings. A member of the development impact project team will attend up to four meetings throughout the Development Impact Fee Study engagement. Phone conferences are not considered meetings for the purposes of this scope. Additional meetings may be requested for an additional fee based on our hourly billing rates.

Attachment 1



City Staff Support

To complete our tasks, we will need the cooperation of City staff. We suggest that the City of St. Helena assign a key individual to represent the City as the project manager who can function as our primary contact. We anticipate that the City's project manager will:

- Coordinate responses to requests for information;
- Coordinate review of work products; and
- Help resolve policy issues.

We will ask for responses to initial information requests in a timely manner. If there are delays on the part of the City, we will contact the City's project manager to steer the project back on track. We will keep the City's project manager informed of data or feedback we need to keep the project on schedule.

Willdan will endeavor to minimize the impact on City staff in the completion of this project.

Willdan will rely on the validity and accuracy of City data and documentation to complete our analysis. Willdan will rely on the data as being accurate without performing an independent verification of accuracy, and that we will not be responsible for any errors that result from inaccurate data provided by the City or a third party.

Attachment 1

Exhibit B



G. Cost Data

Not to Exceed Fee

Willdan proposes a **not-to-exceed fee of \$81,540** for the project as a whole. Below we have presented a breakdown of each specific phase of the project.

Cost Allocation Plan

Based on the previously identified cost allocation plan scope, we propose a **fee of \$10,305**. The table below provides a breakdown of this fee by task and project team member.

City of St. Helena Cost Allocation Plan					
	C. Fisher Principal-In- Charge	T. Thrasher Analytical Support	R. Quaid QA/Tech Advisor	Hours	Total Cost
	\$ 210	\$ 120	\$ 185		
Task 1: Initial Document Request	-	2.0	-	2.0	\$ 240
Task 2: Kick-off /Refine Scope	1.0	2.0	-	3.0	480
Task 3: Gather Staffing Information, Develop Cost Allocation Plan Model	1.0	18.0	-	19.0	2,370
Task 4: Test and Review Cost Allocation Methodology	2.0	10.0	2.0	14.0	1,950
Task 5: Prepare and Present Draft Report	4.0	12.0	2.0	18.0	2,610
Task 6: Discuss and Revise Report	2.0	8.0	1.0	11.0	1,545
Task 7: Prepare and Present Final Report/Train Staff on Model	2.0	8.0	-	8.0	1,140
Subtotal - Cost Allocation Plan Study:	12.0	58.0	5.0	75.0	\$ 10,305
Total Willdan Labor - Cost Allocation Study	12.0	58.0	5.0	75.0	\$ 10,305

User Fee Study

Based on the previously identified user fee study scope, we propose a **fee of \$22,320**. The table below provides a breakdown of this fee by task and project team member.

City of St. Helena User Fee Study					
	C. Fisher Principal-In- Charge	T. Thrasher Analytical Support	R. Quaid QA/Tech Advisor	Hours	Total Cost
	\$ 210	\$ 120	\$ 185		
Task 1: Initial Document Request	-	2.0	-	2.0	\$ 240
Task 2: Confirm Inventory of Current and Potential Fees	4.0	8.0	-	10.0	1,560
Task 3: Kick-off Call /Refine Scope	2.0	4.0	-	6.0	900
Task 4: Develop Comprehensive Fee Model	2.0	20.0	2.0	24.0	3,150
Task 5: Time Survey Interviews and On-site Information Gathering	14.0	18.0	-	32.0	5,100
Task 6: Common Fees Comparison	2.0	10.0	1.0	13.0	1,785
Task 7: Data Analysis and Final Fee and Rate Schedule	4.0	20.0	2.0	26.0	3,570
Task 8: Prepare and Present Draft Report	2.0	18.0	2.0	20.0	2,670
Task 9: Revise Draft/Determine Cost Recovery Levels	2.0	10.0	1.0	13.0	1,785
Task 10: Prepare and Present Final Report/Train Staff on Model	4.0	8.0	-	10.0	1,560
Subtotal - User Fee Study:	38.0	112.0	8.0	158.0	\$ 22,320
Total Willdan Labor - User Fee Study	38.0	112.0	8.0	158.0	\$ 22,320



Attachment 1



Development Impact Fee Study

Based on the previously identified impact fee study scope, we propose a fee of \$48,915. The table below provides a breakdown of this fee by task and project team member.

City of St. Helena Development Impact Fee Study				
	J. Edison Project Manager	C. Villarreal Analytical Support	Hours	Total Cost
	\$ 200	\$ 145		
Task 1: Identify and Resolve Policy Issues	12.0	18.0	30.0	\$ 5,010
Task 2: Identify Existing Development and Future Growth	10.0	16.0	26.0	4,320
Task 3: Determine Facility Standards	25.0	55.0	80.0	\$ 12,975
Task 4: Determine Facilities Needs and Costs	28.0	52.0	80.0	13,140
Task 5: Identify Funding and Financing Alternatives	6.0	12.0	18.0	\$ 2,940
Task 6: Calculate Fees And Prepare Report	16.0	22.0	38.0	6,390
Task 7: Meetings	12.0	12.0	24.0	4,140
Subtotal - Development Impact Fee Study:	109.0	187.0	296.0	\$ 48,915
Total Willdan Labor - Development Impact Fee Study	109.0	187.0	296.0	\$ 48,915

Notes:

- The cost of preparing the User Fee Study and Cost Allocation Plan can be included in the resulting new fee schedule. Therefore, over time, the City can recover the initial outlay of funds that was required to complete the studies.
- There is no additional expense for the proprietary software program.
- Our fee includes direct expenses associated with the project.
- We will invoice the City monthly based on percentage of project completed.
- Additional services may be authorized by the City, and will be billed at our then-current hourly overhead consulting rates.

Hourly Fee Schedule

Our current hourly rates are listed below.

Hourly Rate Schedule	
Position	Hourly Rate
Group Manager	\$210
Principal	\$200
Senior Project Manager	\$185
Project Manager	\$145
Senior Project Analyst	\$130
Senior Analyst	\$120
Analyst	\$100
Assistant Analyst	\$75



Attachment 2

CITY OF ST. HELENA

RESOLUTION NO. 2017-_____

**RESOLUTION APPROVING (1)
AMENDMENT #1 TO THE CONTRACT
WITH WILLDAN FINANCIAL SERVICES
FOR AN AMOUNT OF \$16,350 FOR FULL
COST SERVICES AND DEVELOPMENT
IMPACT FEE STUDY FOR A NOT TO
EXCEED CONTRACT AMOUNT OF
\$97,980 AND (2) USE OF DEVELOPMENT
IMPACT FEES TO COVER THE
ADDITIONAL COSTS OF THE
DEVELOPMENT IMPACT FEE STUDY**

RECITALS

WHEREAS, on November 24, 2015 City Council approved Resolution No 2015-146 approving a Professional Services Agreement with Willdan Financial Services to provide a Full Cost Services and Development Impact Fee Study for an amount not to exceed \$81,540; and

WHEREAS, the initial Agreement did not include impact fee studies for the water and wastewater systems; and

WHEREAS, the City and Consultant desire to amend the Agreement to add water and wastewater impact fees to the Development Impact Fee Update study for an additional cost of \$16,350; and

WHEREAS, the total amended contract with Willdan Financial Services will not exceed \$97,890; and

WHEREAS, funds for Amendment #1 are available and will be split equally from the Development Impact Fee Accounts.

RESOLUTION

The City Council of the City of St. Helena hereby resolves as follows:

1. The City approves the Amendment #1 to the contract with Willdan Financial Services for an additional \$16,350 for a total not to exceed amount of \$97,890; and
2. The City approves the use of Development Impact Fee Accounts for the additional cost of \$16,350, to be split equally; and
3. The City Council authorizes the City Manager to execute Amendment #1 to the Agreement on behalf of the City.

Approved at a Special Meeting of the St. Helena City Council on November 14, 2017, by the following vote:

Mayor Galbraith: _____
Vice Mayor White: _____
Councilmember Dohring: _____
Councilmember Koberstein: _____
Councilmember Ellsworth: _____

APPROVED:

ATTEST:

Alan Galbraith, Mayor

Cindy Tzaopoulos, City Clerk

Attachment 3

**AMENDMENT #1 TO AGREEMENT FOR PROFESSIONAL
SERVICES WITH WILL DAN FINANCIAL SERVICES FOR A FULL COST SERVICES
AND DEVELOPMENT IMPACT FEE STUDY**

- A. Pursuant to the terms of the written Agreement between City and Consultant, approved on November 24, 2015, the City entered into a Professional Services Agreement ("Agreement") with Willdan Financial Services (Consultant) for a Full Cost Services and Development Impact Fee Study for an amount not to exceed \$81,540; and
- B. The initial Agreement did not include impact fee studies for the water and wastewater systems; and
- C. The Consultant has represented they have the necessary expertise, experience, and qualifications to assist with municipal financial services; and
- D. City and Consultant desire to amend the Agreement to add water and wastewater fees to the Development Impact Fee Update study for an additional cost of \$16,350; and
- E. Amendment No. 1 in the amount of \$16,350 to the Agreement for Consultant Services with Willdan Financial Services is hereby approved; and
- F. The total amended contract not to exceed \$97,890; and
- G. In all other respects the terms of the Parties' Agreement remain in effect and unchanged.

IN WITNESS WHEREOF, the parties hereto have accepted, made, and executed this Agreement upon the terms, conditions, and provisions above stated, the day and year first above written.

Consultant:

City:

By: _____
Name: Chris Fisher
Title: Vice President – Group Manager

By: _____
Name: Mark Prestwich
Title: City Manager

Approved as to Form:

By: _____
Name: Thomas B. Brown
Title: City Attorney

Page 1 of 1



Attachment 3

October 26, 2017

Ms. Erica Ahmann-Smithies, PE
 Public Works Director/City Engineer
 City of St Helena
 1480 Main Street
 St Helena, California 94574

Re: First Addendum to Agreement for a Development Impact Fee Update Study

Dear Ms. Smithies:

As a follow up to our recent correspondence, Willdan Financial Services ("Willdan") is pleased to submit the following scope of services, staffing, and budget to the City of St. Helena in regard to preparing a public facilities impact fee update.

Scope of Services

Below is our proposed scope of services, which is described in detail by task. Willdan will perform the following tasks to assist the City of St. Helena with the development impact fee report update.

Task 1: Water Impact Fee Analysis

Objective: Document maximum justified water impact fee analysis

Description: Willdan will work with City staff to identify water facilities to serve new development. Using the methodologies established in our original scope of work, we will develop a water facilities impact fee schedule that meets the requirements of the Mitigation Fee Act. The analysis will be documented in the St. Helena development Impact Fee Update report, along with the other fee categories listed in the original proposal.

Deliverables: Draft tables, administrative draft report, final draft report.

Task 2: Wastewater Impact Fee Analysis

Objective: Document maximum justified wastewater impact fee analysis

Description: Willdan will work with City staff to identify wastewater facilities to serve new development. Using the methodologies established in our original scope of work, we will develop a water facilities impact fee schedule that meets the requirements of the Mitigation Fee Act. The analysis will be documented in the St. Helena development Impact Fee Update report, along with the other fee categories listed in the original proposal.

Deliverables: Draft tables, administrative draft report, final draft report.

Client Responsibility

The City of St. Helena acknowledges that Willdan will rely upon the validity and accuracy of the agency's data and documentation, and agrees that Willdan shall not be liable for any inaccuracies contained in such information.

Staffing

Mr. James Edison, Managing Principal of Willdan's Financial Consulting Services group, will serve as the principal-in-charge for this engagement, and will be responsible for ensuring the quality of all work products. Mr. Carlos Villarreal will serve as project manager for this engagement with responsibility for ensuring completion of all work associated with the project, and serving as the day-to-day contact for the City of St. Helena.

Budget

Willdan will complete the scope of services for a **fixed fee of \$16,350**. This fee is in addition to the original contract amount of \$81,540. The revised contract amount totals \$97,890. This fee does not include attendance at in-person meetings beyond those listed in the original scope of work. If the City would like Willdan personnel to attend a meeting in regard to this project, the fee would be \$1,750 per meeting. Please note, telephone conference calls are not considered meetings.

Additional Services

Additional services may be authorized by the City of St. Helena and will be billed at our then current hourly consulting rates. Our current hourly rates are:

Willdan Hourly Rate Schedule	
Position	Hourly Rate
Group Manager	\$250
Managing Principal	\$240
Principal Consultant	\$210
Senior Project Manager	\$185
Project Manager	\$165
Senior Project Analyst	\$135
Senior Analyst	\$125
Analyst II	\$110
Analyst I	\$100

Willdan Financial Services appreciates this opportunity to continue to serve the City of St. Helena. If you have any questions regarding this proposal please contact Mr. James Edison at (510) 912-4687 or via email at jedison@willdan.com.

Sincerely,

WILLDAN FINANCIAL SERVICES



Chris Fisher, Vice President - Group Manager
 Financial Consulting Services

COMPREHENSIVE. INNOVATIVE. TRUSTED.





Report to the City Council
Council Meeting of November 14, 2017

Agenda Section: Consent

Subject: Consideration of a Resolution Accepting a Grant from Napa Valley Community Foundation in the Amount of \$87,500 and Approving a General Fund Revenue Budget Increase of \$87,500 to Account #101-3460-0000

CEQA Determination: Not a CEQA project

Prepared By: April Mitts, Finance Director

Reviewed By:

Approved By: Mark Prestwich, City Manager

BACKGROUND

Kaiser Permanente decided to make voluntary, one-time grants to various public agencies and special districts within Napa County to help offset a reduction in Kaiser's property tax revenues, which stems from a recent property tax adjustment for one of its local facilities. Napa Valley Community Foundation is managing the distribution of funds for Kaiser through the Kaiser Northern California Community Benefit Programs Fund.

DISCUSSION

The City of St. Helena has received a voluntary, one-time grant of \$87,500 for general support of the City of St. Helena from the Napa Valley Community Foundation made possible by Kaiser Permanente Northern California Community Benefit Programs.

FISCAL IMPACT

The acceptance of the grant requires a General Fund revenue budget increase to account #101-3460-0000.

RECOMMENDED ACTION

Staff recommends the City Council adopt Resolution No. 2017-_____ accepting the grant from Napa Valley Community Foundation in the amount of \$87,500 and authorize a General Fund Revenue Budget increase of \$87,500 to 101-3460-0000 for FY 2017/18.

ATTACHMENTS

[Attachment 2 - Napa County Community Foundation Grant](#)

[Attachment 1 - Resolution](#)

Attachment 2

NAPA VALLEY

COMMUNITY FOUNDATION

Board of Directors

Carry Thatcher
Chair of the Board

Miriam Ayala
Jennifer Byrum
Mary Ann Clardy
Dell Coats
Dawnine Dyer
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Kent Inrie
Ed Matovic
Blair Lambert
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Dave Meyers
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Janet Pagano
William H. Phelps
Harry T. Price
Nicky Suard
Richard E. Walton

August 23, 2017

**Kaiser Northern California
Community Benefit Programs Fund**

Mr. Larry Pennell
City of St. Helena
1480 Main St.
St. Helena, CA 94574

Dear Mr. Pennell:

We are pleased to award City of St. Helena a grant in the amount of \$87,500.00 for general support. This grant was made possible by Kaiser Permanente Northern California Community Benefit Programs.

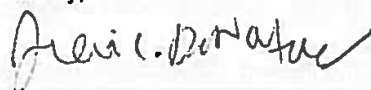
Please note that by accepting the enclosed check, your organization confirms that this grant:

- Is fully tax deductible and individuals connected with the above-mentioned Fund will receive no benefits, goods or services in exchange;
- Will not be used to satisfy the payment of a pre-existing pledge or other financial obligation;
- Will be used solely for the charitable purpose specified in this letter; and,
- Complies with our Nondiscrimination Policy available at www.napavalleycf.org.

Finally, by accepting this grant, you agree to read the back of this grant letter to learn about publicizing your grant, donor recognition, gift acknowledgment and the availability of future grants from this and other Funds of Napa Valley Community Foundation.

Thanks to you and your colleagues for your important work.

Sincerely,



Julia C. DeNatale
Vice President of Philanthropic Services

JCD:emd

Enclosure(s): Grant 20180013, check 21259

cc: Kaiser Northern California Community Benefit Programs Fund

Attachment 2

NAPA VALLEY

COMMUNITY FOUNDATION

Congratulations, your organization has received a grant from Napa Valley Community Foundation! Thanks for your support in recognizing the Foundation, which helps us acquire additional resources to devote to future grantmaking. Please read the information below for tools to help in your publicity efforts.

Here are five ways you can publicize the good news of your grant:

1. Share on social media and your website
2. Send an email newsletter to your email list
3. Write a Letter to the Editor
4. Send out a press release
5. Put us in your written publications, like annual reports and brochures

For an electronic Media Kit to help you with the above, including: NVCF logos; mission statement; fact sheet; social media resources; press release and Letter to the Editor templates; sample language for crediting Donor Advised and Community Impact Funds and more, please visit: <http://www.napavalleycf.org/media-kit/>

Acknowledgments: Please do not issue a tax receipt to Napa Valley Community Foundation or the recommending donor(s)/Fund(s) for this grant. Acknowledgments of gratitude should be addressed to the _____ Fund *[please insert the Fund name(s) from the front of this letter]* of Napa Valley Community Foundation, 3299 Claremont Way, Suite 2, Napa, CA 94558. We will forward letters to the donor(s)/Fund(s) as appropriate. Please note that we cannot provide donors' personal contact information.

Help us tell your story: If you've got photos, stories or videos, please send them our way! We'd love to share them with our Board, community and our donors via social media, our website, our e-newsletter, and our Annual Report. Please send them to: Julia DeNatale, Vice President of Philanthropic Services at julia@napavalleycf.org and include explicit written permission for our use in the email. Also, if schedules permit, we'd welcome the opportunity to speak with your Board. Give us a call to learn more.

About Donor Advised Funds: Frequently Asked Questions Re: Donor Advised Funds/Foundations also can be found at the Media Kit link above.

Questions? Please contact Julia DeNatale, Vice President of Philanthropic Services at 707.254.9565 x16. We are happy to brainstorm ideas with you, or review your materials prior to distribution. We also are happy to discuss the availability of future grants with you.

Attachment 1

CITY OF ST. HELENA

RESOLUTION No. 2017-

**RESOLUTON OF THE COUNCIL OF THE CITY OF ST. HELENA ACCEPTING A
GRANT FROM NAPA VALLEY COMMUNITY FOUNDATION IN THE AMOUNT OF
\$87,500 AND APPROVING A GENERAL FUND REVENUE BUDGET INCREASE OF
\$87,500 TO ACCOUNT #101-3460-0000**

RECITALS

- A. Kaiser Permanente decided to make voluntary, one-time grants to various public agencies and special districts within Napa County to help offset a reduction in Kaiser's property tax revenues; and
- B. Napa Valley Community Foundation is managing the distribution of funds for Kaiser through the Kaiser Northern California Community Benefit Programs Fund; and
- C. The City of St. Helena has received a voluntary, one-time grant of \$87,500 for general support of the City of St. Helena.

RESOLUTION

The City Council of the City of St. Helena hereby resolves as follows:

- 1. The City Council accepts the grant from Napa Valley Community Foundation in the amount of \$87,500, and
- 3. The City Council approves a General Fund revenue budget increase of \$87,500 to Account #101-3460-0000 in FY 2017/18.

Approved at a Regular Meeting of the St. Helena City Council on November 14, 2017,
by the following vote:

Mayor Galbraith:	_____
Vice Mayor White:	_____
Councilmember Ellsworth:	_____
Councilmember Dohring:	_____
Councilmember Koberstein:	_____

APPROVED:

Alan Galbraith, Mayor

ATTEST:

Cindy Black, City Clerk



Report to the City Council
Council Meeting of November 14, 2017

Agenda Section: Public Hearing

Subject: Consideration and proposed approval of a Resolution accepting the Feasibility Analysis and Comparison of Sites for New Affordable Housing Development study prepared by Vernazza Wolfe and Associates through funding from CDBG No. 12-CDBG-8416 and City.

CEQA Determination: Not a CEQA project

Prepared By: April Mitts, Finance Director

Reviewed By: Noah Housh, Planning & Community Improvement Director

Approved By: Mark Prestwich, City Manager

BACKGROUND

In 2013, the City of St. Helena was awarded a Community Development Block Grant (CDBG) to analyze both the feasibility of constructing affordable housing units in St. Helena, and to review the most appropriate City owned sites for new affordable housing development within the City. This analysis resulted in a detailed report which includes general feasibility of affordable housing construction and a comparison of City owned sites where such development would be considered.

The Feasibility Analysis and Comparison of Sites for New Affordable Housing Development (Attachment 1) was completed in September 2015 and presented to City Council on October 27, 2015. The goal for presenting the Vernazza Wolfe and Associates report was to stimulate a Council level discussion on the issue of affordable housing.

DISCUSSION

The report was funded by the Department of Housing and Community Development through a Community Development Block Grant (CDBG). The City recently requested and received \$39,810 in funding from CDBG for the completed report. Staff is working

on the closeout process for CDBG No. 12-CDBG-8416. A requirement for closeout is to conduct a public hearing to notify the public of accomplishments funded by the grant as well as obtain City Council approval of a resolution accepting the study. Grant funds received from CDBG allowed for completion of this study.

Staff recommends City Council approve the attached resolution accepting the Feasibility Analysis and Comparison of Sites for New Affordable Housing Development allowing for closeout of CDBG No. 12-CDBG-8416.

FISCAL IMPACT

Closeout of CDBG No. 12-CDBG-8416 allows the City of St. Helena to retain the \$39,810 in funds received for the Feasibility Analysis and Comparison of Sites for New Affordable Housing Development study.

RECOMMENDED ACTION

Staff recommends approval of Resolution No. 2017-___ accepting the Feasibility Analysis and Comparison of Sites for New Affordable Housing Development study prepared by Vernazza Wolfe and Associates through funding from CDBG No. 12-CDBG-8416 and the City.

ATTACHMENTS

[Attachment 1 - Final Report - 2015 Feasibility Analysis and Site Comparison Study - St Helena](#)

[Attachment 2 - Resolution Accepting Vernazza Wolfe and Associates Report](#)

Feasibility Analysis and Comparison of Sites for New Affordable Housing Development

Final Report

Submitted to

The City of St. Helena

VERNAZZA WOLFE ASSOCIATES, INC.
2909 Shasta Road
Berkeley, CA 94708
Telephone (510) 548-8229
www.vernazzawolfe.com

With
Mikiten Architecture
www.mikitenarch.com

Community Economics, Inc.
communityeconomics.org

September 2015

This report was funded through Community Development Block Grant (CDBG): 12-CDBG-8416

Attachment 1

Table of Contents
Feasibility Analysis and Comparison of Sites for
New Affordable Housing Development

Executive Summary i

 Risks..... ii

 Site Ranking..... iii

 Next Steps iv

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Summary of Existing Site Information 1

Technical Review- Affordable Housing Sites 6

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Financial Feasibility..... 17

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 Background..... 17

 Rental Housing Financing Scenarios..... 19

 Ownership Housing Financing Scenarios..... 21

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 Risk Assessment 26

Technical Appendices

 Technical Review and Site Plans

 Development Cost Information Used for Financing Options

Attachment 1

Executive Summary

The City of St. Helena commenced a Site Assessment study in February 2015 in order to identify a strategy to expand the supply of affordable housing in St. Helena. The consulting team of Vernazza Wolfe Associates Inc., Mikiten Architecture and Community Economics was retained by the City to conduct this study.

This study consists of a report and detailed appendices that provide site specific information, site plans, and financing scenarios that should provide practical assistance to the City. The appendices provide useful resource information for the site or sites to be selected by the City for further evaluation.

The six sites identified by the City include the following: Adams Street site (5.6 acres owned by the City); City Hall/Police Station (1.7 acres); two private houses and lots at 644 and 684 McCorkle Avenue (684 is owned by the City), Scout Hall (.05 acre site with structure owned by the City), and the Teen Center (a .93 acre site owned by the City). All sites are zoned for residential uses, do not contain environmental sensitivities, and are within the urban service boundary for all utilities.

There are major differences among these sites in terms of size, potential risks, and the amount of time it could take to develop new housing.

- The Scout Hall site was eliminated from further assessment due to its small size.
- All sites, with the exception of Adams Street, will require demolition of existing structures. If the City moves forward with sites that have existing structures, it needs to obtain the services of a cost estimator that can estimate the demolition costs. These costs are not included in the development cost scenarios.
- The number of units that can be constructed is a factor to consider. If there is a choice, it is better to select a site that can accommodate a larger number of units. Projects that provide more units are more favorably viewed by outside funding sources. And, the timeline for a smaller project is not that much different than the timeline for a larger project. (A larger project has the advantage of providing more affordable units.)
- In addition, if the City provides one or more of the sites it currently owns, it is necessary to develop more accurate land cost estimates. There are two components to these costs:
 1. The first are land costs to be determined by an appraiser.

2. The second component of land costs are the costs to the City of relocating existing city uses. The costs to relocate existing uses, particularly City Hall and the Police Station cannot be included in project financing, but are still real costs that the City will face.

Risks

Project risk can be assessed in a variety of ways. Factors to consider include site control (including the availability of the site), whether a project sponsor would be interested, financial competitiveness given the size of the project (larger projects are viewed more favorably), the amount of time a project could take from start to finish, and whether there are unknowns, regarding costs and site control. The sources of funding vary in terms of their competitiveness and availability.

In order to maximize the competitiveness for financing, this study has assumed that the rental projects would serve households that are very low-income and below. Table ES-1 presents the percentage of units by income level, the incomes these income levels represent, and the gross rents that could be charged. To simplify the presentation, these calculations include only a household size of four persons.

ES-1: Example of Incomes and Rents Used in Rental Housing Financing Scenarios

Affordability Assumptions - All Rental Scenarios	Percentage of Units in Project	Income 4-Person Household	Affordable Gross Monthly Rent
Units Affordable to HH Earning 30% of Area Median Income	10%	\$26,200	\$655
Units Affordable to HH Earning 40% of Area Median Income	20%	\$34,440	\$861
Units Affordable to HH Earning 45% of Area Median Income	25%	\$38,745	\$969
Units Affordable to HH Earning 50% of Area Median Income	45%	\$43,650	\$1,091

Since all project scenarios indicate a significant funding gap, another important consideration is whether it would be possible to lower the costs through redesign and value engineering. This applies to both the rental and ownership projects. Often when a project does not “pencil out”, adjustments are made, possibly to unit sizes, finishes, amenities etc. This study did not consider alternative costs, but this is important for the next phase if St. Helena decides to move forward.

Site Ranking

Based on considerations of site availability and size, the Adams Street site stands out as the best possible site for rental housing among the six assessed in this study. However, the City has gone through two processes in the past to consider uses for this site, including obtaining proposals for affordable housing and then later conducting a visioning process for the site for potential mixed-use development. This site is still highly recommended, and perhaps it would be possible to design a project that could meet with public approval. Only a portion of the site (1.3 acres) is being recommended at this time, which may help it to gain public support.

The Teen Center site is ranked second for rental development, given that the after school programs operated by the Parks and Recreation Department do not need to be operating out of a public building, but could be relocated, if another location is feasible. Before seriously considering this site, the City needs to decide if there is an alternative location, or if the City would consider building a community center that could include these programs. The cost of building a new center (and the time to secure funds) would greatly reduce the attractiveness of the Teen Center site for affordable housing.

Finally, the last ranked site is the City Hall/Police Station site. There is the need to procure funds and identify an alternative location on which to construct one or more buildings.

Since only one project is proposed for ownership housing (self-help housing on the McCorkle Avenue sites), this is also ranked highly, particularly considering that a local group has started project planning for the 684 McCorkle Avenue site. However, the City needs to undertake more investigation regarding the availability of the second proposed site (644 McCorkle Avenue) which is privately owned. Perhaps a smaller self-help project of only 9 units instead of 18 units could make the most sense at this time.

Table ES-2 compares the number of units, cost per unit, and the funding gaps associated with each development scenario and is presented in rank order (from most recommended to least recommended). Note: The difference in costs per unit related to the two tax credit funding options reflects additional funding costs that are required under the 4% scenarios. These costs impact other soft costs, such as bond issuance, soft cost contingency, and fees for a syndication consultant. Construction and land costs are assumed to be the same.

Table ES-2 Site Comparison Presented in Order of Greater to Lesser Potential

Sites (Presented in Order of Greater Potential to Lesser Potential)	Number of Units	Estimated Cost per Unit	Average Estimated Funding Gap Per Unit
<u>Adams Street (Rental)</u>			
9% Tax Credit	31	\$551,759	\$251,756
4% Tax Credit	31	\$583,446	\$388,346
<u>644 and 684 McCorkle Avenue (Ownership)</u>			
Design Option 1 (Detached Units)	18	\$485,002	\$322,657 (50% AMI)
			\$201,325 (up to 80% AMI)
Design Option 2 (Cluster housing in one- and two-story buildings)	18	\$443,047	\$280,701 (50% AMI)
			\$159,370 (up to 80% AMI)
<u>Teen Center</u>			
9% Tax Credit	20	\$572,681	\$319,937
4% Tax Credit	20	\$587,520	\$391,914
<u>City Hall</u>			
9% Tax Credit	46	\$532,795	\$211,156
4% Tax Credit	44	\$583,018	\$378,882

Next Steps

We recommend the following strategy for the City of St. Helena.

- First, the City needs to identify its top priorities for new affordable housing. Should it focus on rental housing, self-help ownership or both?
- Second, given these priorities, which sites seem to have the greatest potential?
- Three, what are the resources that the City can provide to a new development?
- Fourth, given that there are gaps between funding and development costs, what will the City do to assist a new development? For example, will the City consider providing 684 McCorkle Avenue to a project sponsor, possibly on a long term land lease or as a contribution to a project? Will the City provide its housing trust funds (\$900,000) to one or two projects?
- Finally, the City needs to consider if there are staff available to oversee this process. If not, what are the City's options?

Assuming that the City will consider contributions to a project (land, funds, or both), the next step would be to develop a Notice of Funding Availability (NOFA) and then send it out to

Attachment 1

potential project sponsors. The NOFA should include the City's criteria for choosing a developer, including prior experience with similar developments and the population to be served.

Attachment 1

Feasibility Analysis and Comparison of Sites for New Affordable Housing Development City of St. Helena

Introduction

The City of St. Helena is interested in encouraging development of additional affordable housing within its city limits. There are presently three affordable rental developments in St. Helena (affordable to low- and very low-income households) and two for-sale developments that sold price-restricted units to moderate-income households. In 2013, the City took the pro-active step of obtaining State Community Development Block Grant funding for a study designed to assess the feasibility of at least three sites as to their potential for development of new affordable housing affordable to households at 80% area median income (AMI) or below.

This report follows St. Helena's research design originally submitted to the State for this funding. The study consisted of three phases.

- (1) Using existing information undertake a preliminary site assessment of six sites provided by the City of St. Helena. If any sites were identified as being clearly infeasible, they were to be eliminated from future examination.
- (2) For the remaining sites, undertake a technical assessment of their suitability as future affordable housing sites and design site plans based on separate development programs for each site. These development programs were designed to support competitiveness under specified funding programs. In addition, this phase included preparation of detailed site plans that could be used in assessing financial feasibility.
- (3) Undertake a detailed financial feasibility analysis for each site plan. This analysis also includes risk factors and detailed financial information.

The final step is the presentation of a chart to the City that ranks each site according to its opportunity and potential for affordable housing, identifying any constraints that impact what can be built as well as the likelihood of overcoming potential risks.

Summary of Existing Site Information

The first phase was to undertake an initial assessment of six sites identified by the City. These sites (in alphabetical order) included the Adams Street site (5.6 acres owned by the City); City Hall/Police Station (1.7 acres) ; two private houses and lots on 644 and 684 McCorkle Avenue

Attachment 1

(684 is owned by the City), Scout Hall (.05 acre site owned by the City), and the Teen Center (a .93 acre site owned by the City). The results of this assessment are presented in Table 1.

Table 1: City of St. Helena Initial Affordable Housing Site Assessment

Site Name	City Hall	Scout Hall	Adams St.	Teen Center	684 McCorkle	644 McCorkle
Address	1480 Main St.	Railroad Ave	Adjacent to Library	Railroad Avenue	684 McCorkle	644 McCorkle
Size	1.7 acres	.05 acres	5.6 acres	.93 acres	.54 acres	.76 acres
Current Land Uses	City Hall including police station still in use.	Small, older building. Still used by Boy Scout Troop.	Vacant. Currently leased for small vineyard operations.	Building on site still in use.	Deep lot with at least two exiting residential structures.	Deep lot. Appears to have two houses on the lot with a long driveway.
Adjacent Land Uses	Low rise public buildings, including a new fire station. Surface parking lots.	Low rise public buildings. Older housing.	Public Library. Open fields. Older structures in distance.	Low rise public buildings. Communications tower on site. At-grade wine train crossing. Surface parking lots.	Residential with a variety of structures.	Residential with a variety of structures.
Topography	Level	Level	Level	Level	Appears to be level, but due to heavy vegetation in front of property, it is difficult to see the entire site.	Appears to be level – however, since the parcel is a deep one, it difficult to see behind the structures that face the street.

Site Name	City Hall	Scout Hall	Adams St.	Teen Center	684 McCorkle	644 McCorkle
Address	1480 Main St.	Railroad Ave	Adjacent to Library	Railroad Avenue	684 McCorkle	644 McCorkle
Zoning	PQP: Public and Quasi-Public Zoning. This zoning designation does not allow residential uses.	MR: Medium Density Residential Zoning	CB: Central Business District	BPO: Business and Professional Office District	HR: High Density Residential District	HR: High Density Residential District
Permitted MF Residential Uses	Operated by public/quasi public entities.	Duplex or triplex.	Residential units limited to upper floors.	Residential units limited to upper floors.	Multifamily (4+ units)	Multifamily (4+ units)
Setbacks	Determined in use permit process.	Regulations for small lots apply. Front: 15'-20'; Side: 5'-10'; exceptions possible.	No setbacks required.	Front: 20'; Side: 10'; Rear: 15'.	Front: 20'; Side: 10'; Rear: 20'.	Front: 20'; Side: 10'; Rear: 20'.
Height	Determined in use permit process.	30'	30' if adjacent to residential. 35' otherwise.	30'	30' for 1-4 units. 35' for 4+ units.	30' for 1-4 units. 35' for 4+ units.
Lot Coverage	Determined in use permit process.	45% max.	No standard.	15% of lot must be landscaped.	45% max.	45% max.
Floor Area Ratio	Determined in use permit process.	Determined by lot size in 17.40.070.	Max. 2.	No standard.	Determined by lot size in 17.40.070.	Determined by lot size in 17.40.070.
Density	No standard.	Min. 5.1 units per acre.	No standard.	No standard.	16.1+ units per acre.	16.1+ units per acre.

Site Name	City Hall	Scout Hall	Adams St.	Teen Center	684 McCorkle	644 McCorkle
Address	1480 Main St.	Railroad Ave	Adjacent to Library	Railroad Avenue	684 McCorkle	644 McCorkle
Flood Designation	None.	None.	None.	None.	None.	None.
Other Environmental Sensitivities	No known sensitivities.	No known sensitivities.	No known sensitivities.	No known sensitivities.	No known sensitivities.	No known sensitivities.
Building Width	No standard.	Max. 60% of lot width.	No standard.	No standard.	No standard.	No standard.
Parking	2 per unit for duplexes (one covered); 1.5 for studios & 1-bdrm (one covered); 2 per each larger unit (Section 17.1240.30)	2 per unit for duplexes (one covered); 1.5 for studios & 1-bdrm (one covered); 2 per each larger unit (Section 17.1240.30)	2 per unit for duplexes (one covered); 1.5 for studios & 1-bdrm (one covered); 2 per each larger unit (Section 17.1240.30)	2 per unit for duplexes (one covered); 1.5 for studios & 1-bdrm (one covered); 2 per each larger unit (Section 17.1240.30)	2 per unit for duplexes (one covered); 1.5 for studios & 1-bdrm (one covered); 2 per each larger unit (Section 17.1240.30)	2 per unit for duplexes (one covered); 1.5 for studios & 1-bdrm (one covered); 2 per each larger unit (Section 17.1240.30)
Service Connections	Within the urban service boundary for all utilities.	Within the urban service boundary for all utilities.	Within the urban service boundary for all utilities.	Within the urban service boundary for all utilities.	Within the urban service boundary for all utilities.	Within the urban service boundary for all utilities.
Notes		Regulations for small lots apply. (4,000 sq.ft. or less.)	Buildings limited to 10,000 sq.ft.			

On the positive side, all but one site (City Hall) are zoned for residential uses, do not contain environmental sensitivities, and are within the urban service boundary for all utilities. However, we expressed the following concerns about the feasibility and practicality of some of the sites. These include the following factors:

- Scott Hall –The site is too small to be a feasible housing development. While the zoning allows for medium density housing, the site size (.05 acres or about 2,200 SF) would not allow for a feasible affordable housing development.
- City Hall (and Police Station) Site – These are larger sites (which is a positive feature). However, it will be necessary to relocate the current public uses to another location and re-zone the site. In the case of the City Hall and the Police Station, it would be necessary to identify a site in St. Helena and secure funds and build new facilities before the existing structures are demolished and the site prepared for development. Given the importance of expanding the supply of affordable housing in St. Helena at present, identification of other sites that could be made available on a faster timeline should be considered.
- Teen Center – This Center is a city-operated facility which provides after-school programs for middle school students operated by Parks and Recreation. If this Center is used for an affordable housing development, an alternative site needs to be identified.¹

The City decided to eliminate Scott Hall from further study, but to continue with the remaining five sites.

Technical Review- Affordable Housing Sites

The next step was to conduct a technical review of the five remaining sites. In addition to the technical review that addressed conditions at the five sites, this review also provided a separate memo for each site that addressed specific site constraints, additional site information, and presents site plans for all options presented in this review. Site specific information including site plans are presented in an Appendix to this study.

Based on background information provided to the planning team by the City of St. Helena, none of the remaining five sites was eliminated due to issues of access, availability of public services, traffic impacts, zoning, or other environmental considerations.² These five sites are located east of Highway 29 in a developed area that is well-served by services. The Adams Street site is the most unique in that it is a large, vacant site and is located at the edge of the developed part of the

¹ One idea discussed in the City would be to include a new teen center as part of a new community center

² While the City Hall site would need to be rezoned so that residential uses are allowed, this requirement does not eliminate the site.

City. The other four sites have existing land uses that would need to be demolished in order for affordable housing to be built. There are additional constraints to developing on all five sites which are presented in individual memoranda. Finally, the amount of required parking (as specified in the local Zoning Code) is a major factor when determining the unit capacity for these sites.

The original goal of this site assessment study was to come up with two development concepts for affordable housing for each site. Since homeownership is costly and complicated for low- and very low-income households, the site plans for each site address rental housing, with two exceptions - the 644 and 684 McCorkle Avenue sites. Because a local housing advocacy group (Our Town) has proposed a self-help ownership project at 684 McCorkle Avenue, the consultants broadened the assessment to include both a rental and ownership site concept for the two McCorkle Avenue sites.

The remaining sites assume rental housing only. Two funding scenarios are assumed - Low-Income Housing Tax Credit (LIHTC) financing and USDA Rural Rental Housing Loan and Grant Programs (Sections 514, 515, and 516). The same site plans for the Teen Center and the Adams Street sites are consistent with requirements for both funding scenarios.

The site specific information presented was used to create site plans for each site and to provide information that could be used in the financial feasibility assessment.

Summary of Technical Information

Tables 2, 3, 4, and 5 provide technical information that is useful when assessing the five sites explored in this study.

- Table 2 provides a summary of the sites, including location, zoning, adjacent land uses, topography, and other background information.
- Table 3 provides a development summary for initial development options for each of the five sites.
- Table 4 provides a development summary for additional development options on three of the five sites (City Hall, 644 McCorkle Avenue and 684 McCorkle Avenue). Only one site plan is provided for the other two sites - the Teen Center and Adams Street. Any alternative plan would have reduced the number of units that could be planned for these two sites.³

³ Although the Adams Street site exceeds the 1.3 acres that were included in this site assessment, it is our understanding that additional land uses may be planned for this site in the future.

Attachment 1

- Table 5 presents the program summary (unit and other requirements required by federal funding sources) that was used in the site plans for the five sites.
- Finally, Table 6 provides a brief comparison of the development options presented for the five sites. While information on the two McCorkle Avenue sites is presented separately on this table, the table also shows a combined project which would be the smallest of the four proposed. The City Hall and Adams Street sites are the only ones that could provide 30 or more units.

Table 2: Site Characteristics and Zoning Requirements

	City Hall	Adams St.	Teen Center	684 McCorkle Avenue	644 McCorkle Avenue
Address	1480 Main St.	Adjacent to Library	Railroad Avenue	684 McCorkle Avenue	644 McCorkle Avenue
Size	1.7 acres	5.6 acres	.93 acres	.54 acres	.76 acres
Current Land Uses	City Hall including police station still in use.	Vacant. Currently leased for small vineyard operations.	Building on site still in use.	Deep lot with at least two exiting residential structures.	Deep lot. Appears to have two houses on the lot with a long driveway.
Adjacent Land Uses	Low rise public buildings, including a new fire station. Surface parking lots.	Public Library. Open fields. Older structures in distance.	Low rise public buildings. Communications tower on site. At-grade wine train crossing. Surface parking lots.	Residential with a variety of structures.	Residential with a variety of structures.
Topography	Level	Level	Level	Appears to be level, but due to heavy vegetation in front of property, it is difficult to see the entire site.	Appears to be level – however, since the parcel is a deep one, it difficult to see behind the structures that face the street.
Zoning	PQP: Public and Quasi-Public Zoning. Rezoning is needed for residential use.	CB: Central Business District	BPO: Business and Professional Office District	HR: High Density Residential District	HR: High Density Residential District
Setbacks	Determined in Use Permit Process	No setbacks required.	Front: 20'	Front: 20'	Front: 20'
			Side: 10'	Side: 10'	Side: 10'

	City Hall	Adams St.	Teen Center	684 McCorkle Avenue	644 McCorkle Avenue
			Rear: 15'	Rear: 20'	Rear: 20'
Height	Determined in Use Permit Process	Height: 30' if adjacent to residential. 35' otherwise.	Height: 30'	Height: 30' for up to 4 units. 35' for more than 4 units.	Height: 30' for up to 4 units. 35' for more than 4 units.
Density	No standard.	No standard.	No standard.	Not less than 16.1 units per acre.	Not less than 16.1 units per acre.
Lot Coverage	No standard.	Building Footprint 10,000 sf max.	No standard.	45%	45%
Flood Designation	None	None	None	None	None
Landscaping Requirements	No standard.	No standard.	15% of lot must be landscaped.	No standard.	No standard.
Service Connections	No known obstacles.	No known obstacles.	No known obstacles.	No known obstacles.	No known obstacles.
Parking	All Districts				
	-2 per unit for duplexes, one covered, one not per Zoning Code 17.124.030.1				
	-1.5 for studios and one bedroom units, one covered per Zoning Code 17.124.030.2.a				
	-2 for each larger unit per Zoning Code 17.124.030.2.b				
Special Parking Considerations	Hammerhead required with driveways over 100' per Zoning Code 17.124.070.B.1 (CBC requires it at 150')				
	Tandem parking OK in residential districts per Zoning Code 17.124.050.D				

Table 3: Development Summary

	Adams St. (Adjacent to Library)	City Hall (1480 Main St.) – Option 1	684 McCorkle Avenue– Rental Option	644 McCorkle Avenue – Rental Option	Teen Center (Railroad Avenue)
Concept	Two 2-Story Buildings Large Shared Yard Covered Parking Under Building & Arbor	Four 2-Story Buildings Large Shared Yard Efficient Drive-Through Parking Covered Parking Under Building & Arbor	Single Building Two Stories Large Shared Yard Concentrated Parking	Single Building One Story Large Shared Yard Community/ Concentrated Parking	Single Building Large Shared Yard Two Parking Lots Covered Parking Under Building & Arbor
Site Area	56,802 sf (1.3 acres) of 243,936 sf (5.6 acres)	74,052 sf (1.7 acres)	23,522 sf (.54 acre)	33,106 sf (.76 acre)	40,511 sf (.93 acre)
Total Building Area (SF)	37,659	57,465	10,979	9,780	23,156
Lot Coverage (Buildings)	16,165 sf	28,855 sf	6,147 sf	9,780 sf	12,461 sf
	28%	39%	26%	30%	31%
Shared Yard	4,015 sf	6,023 sf	3,770 sf	3,87 sf	2,887 sf
Unit Count					
0-Studio	-	-	-	-	
1-Bedroom	12	12	-	-	4
2-Bedroom	4	12	7	9	6
3-Bedroom	11	14	2	-	8
4-Bedroom	4	6	-	-	2
Total Units	31	44	9	9	20
Parking Count					
Regular Spaces	56	78	18	18	36
H/C Spaces	2	4	1	1	2
Visitor Spaces	0	0	2	1	0
Total Parking	58 (53 required)	82 (82 required)	21 (18 required)	20 (18 required)	38 (38 required)

Source: Mikiten Architecture

Table 4: Development Summary (Options)

	684 McCorkle Avenue Ownership Housing - Option 1	644 McCorkle Avenue Ownership Housing - Option 1	684 McCorkle Avenue Ownership Housing - Option 2	644 McCorkle Avenue Ownership Housing - Option 2	City Hall - Option 2
Concept	Townhouse & Flat Mix One & Two Story Detached Small Private Yards Fire Truck Hammerhead One Garage + One driveway parking space	Townhouse & Flat Mix One & Two Story Detached Small Private Yards Fire Truck Hammerhead One Garage + One driveway parking space	Townhouse & Flat Mix One & Two Story Clusters Large Shared Yard Small Private Yards Concentrated Parking	Townhouse & Flat Mix One & Two Story Clusters Large Shared Yard Small Private Yards Concentrated Parking	Two 2-Story Buildings (2) Large Shared Yards Efficient Drive-Through Parking Covered Parking Under Arbor
Site Area	23,522 S.F. (0.54 acre)	33,106 S.F. (0.76 acre)	23,522 S.F. (0.54 acre)	33,106 S.F. (0.76 acre)	74,052 S.F. (1.7 acre)
Total Building Area	6,900	13,050	7,500	9,600	58,470
Lot Coverage (Buildings)	5300 sf	10100 sf	5750 sf	7,150 sf	29235 sf
	23%	31%	24%	22%	39%
Shared Yard	0 sf	0 sf	4850 sf	7,335 sf	7520 sf
Unit Count					
0-Studio	-	-	-	-	-
1-Bedroom	-	-	-	-	8
2-Bedroom	5	10	7	8	12
3-Bedroom	1	2	1	2	20
4-Bedroom	-	-	-	-	6
Total Units	6	12	8	10	46

	684 McCorkle Ave. Ownership Housing Option 1	644 McCorkle Ave. Ownership Housing Option 1	684 McCorkle Ownership Housing Option 2	644 McCorkle Ownership Housing Option 2	City Hall - Option 2
Parking Count					
Regular Spaces	12	24	14	19	84
H/C Spaces	0	0	1	1	5
Visitor Spaces	3	1	0	0	0
Total Parking	15 (12 required)	25 (24 required)	15 (16 required)	20 (20 required)	89 (88 required)

Source: Mikiten Architecture

Table 5: Program Summary Used in Site Plans

Site	Concept (Option)	Funding Source(s)	Target # of Units	Unit Mix	Requirements (See Notes)
644 and 684 McCorkle Avenue	1. Ownership Housing	Self Help Housing	18	Mostly 2 and 3 bdm units, no 4 bdm units	Group A
	2. Farmworker Rental	514 Farm Labor Housing Loan Program	Maximize	Unspecified	Group B
City Hall	1. Family Rental	Tax Credits	30 minimum for Tax Credits	30% 3 bdrm or larger	Group B
	2. Farmworker Rental	514 Farm Labor Housing Loan Program	Maximize	Unspecified	Group B
Adams Street	1. Family Rental	Tax Credits	30 minimum for Tax Credits	30% 3 bdrm or larger	Group B
	2. Farmworker Rental	514 Farm Labor Housing Loan Program	Maximize	Unspecified	Group B
Teen Center	1. Family Rental	Tax Credits	30 minimum for Tax Credits	30% 3 bdrm or larger	Group B
	2. Farmworker Rental	514 Farm Labor Housing Loan Program	Maximize	Unspecified	Group B

Sources: LIHTC Credit Requirements and USDA Rural Development Loans.

Notes to Table 5 (Program Summary)**Requirements: Group A (Low-Income Housing Tax Credit Financing)⁴**

1 bdrm (size not stated, 1 bathroom
 2 bdrm 800-900 sq. ft., 1 bathroom
 3 bdrm 1,200 sq.ft, 1.5 bathrooms

Requirements: Group B - (Rural Development – USDA)

1 bdrm 500 sq.ft. Minimum
 2 bdrm 750 sq. ft. minimum
 3 bdrm 1,000 sq.ft. Minimum
 4 bdrm 1,200 sq.ft. Minimum (requires 2 bathrooms)

Additional Requirements for Group B

- Play space if over 20 units
- 600 sq.ft. Common space, for up to 30 units. Projects from 31 to 60 units - at least 1,000 sq.ft.
- Laundry Area

⁴ As of July 2015, TCAC has proposed a number of changes in its regulations. One change in particular could affect the site plans. The requirement that 30% of units should consist of three-bedrooms could be reduced to 25%. However, since this requirement has not yet changed (and since these plans have already been drawn up), the unit mix remains unchanged. Should these changes be adopted by TCAC, the result could be to reduce costs slightly if fewer three-bedroom units are included in the unit mix.

Table 6: Comparison of Development Options

Site Plan	Tenure	Total Units	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom	No. of Stories	Parking	Yard Space
644 McCorkle Avenue	Rental	9		9			1 story building	20 spaces in one covered lot	3,787 sq. ft. (shared)
684 McCorkle Avenue	Rental	9		7	2		2 story building	21 spaces in one covered lot	3,770 sq.ft. (shared)
Combined Project		18		16	2				
644 McCorkle Avenue Option #1	Ownership	12		10	2		1 and 2 story, individual detached units	25 spaces (including one garage for each unit)	individual back yards
684 McCorkle Avenue Option #1	Ownership	6		5	1		1 and 2 story, individual detached units	15 spaces (including one garage for each unit)	individual back yards
Combined Project		18		15	3				
644 McCorkle Avenue Option #2	Ownership	10		8	2		1 and 2 story clusters	20 concentrated	Large shared yard and individual yards
684 McCorkle Avenue Option #2	Ownership	8		7	1		1 and 2 story clusters	15 concentrated	Large shared yard and individual yards
Combined Project		18		15	3				
Teen Center	Rental	20	4	6	8	2	2 story building	38 spaces in two covered parking areas	2,887 sq. ft. (shared)

Site Plan	Tenure	Total Units	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom	No. of Stories	Parking	Yard Space
City Hall Option #1	Rental	44	12	12	14	6	4 - two story buildings	82 spaces in covered parking under building and under arbor	6,023 sq. ft. (shared)
City Hall Option #2	Rental	46	8	12	20	6	2 - two story buildings	89 covered spaces under arbor	2 shared yards totaling 7,520 sq. ft.
Adams Street	Rental	31	12	4	11	4	2 - two story buildings	58 spaces in covered parking under building and under arbor	4,015 sq. ft. (shared)

Sources: Mikiten Architecture and Vernazza Wolfe Associates Inc.

Financial Feasibility

Overview

Detailed development cost and funding pro formas were developed for each of the following site scenarios

- 644 and 684 McCorkle Avenue sites – Financing scenarios for three site design options are presented here - two ownership options and one rental option.
- City Hall site – Financing scenarios for two rental housing site plans are included.
- Adams Street site – Two financing scenarios for one rental housing site plan are included.
- Teen Center – Two financing scenarios for one rental housing site plan are included.

Therefore, there are a total of nine financing scenarios – all of which show significant funding gaps.

Another consideration is whether it would be possible to lower the costs through redesign and value engineering. This applies to both the rental and ownership projects. My impression is that there was no reworking to try to lower construction costs. Often when a project does not pencil out, adjustments are made (unit size, finishes, amenities etc.). My impression is that this did not happen because there was not time or budget to look at alternatives.

Background

There are common features to all financing scenarios. These include building costs, financing costs, City fees, and land cost assumptions. In an Appendix to this study, additional information is provided on how building and land costs were estimated for the financial analyses.

Building Costs are rapidly increasing in the San Francisco Bay Area. Contributing factors are increased building material costs, higher labor costs due to a shortage of labor and rising wages, and the high demand affording contractors higher profit margins than were not possible during the economic downturn. One *San Francisco Business Times* article from 11/21/2014 quoted Ken Rosen, formerly a professor of Real Estate Economics at the Haas School at UC Berkeley and currently CEO of the Rosen Consulting Group as saying, “Construction costs are skyrocketing. Some people tell me it’s a 15 to 20 percent annualized increase – big, big numbers.” Developers of affordable housing face the same high costs as market rate developers.

Financing Costs for affordable housing are based on overall development costs. It is important to note that, generally, reducing project costs by a dollar is as good as finding a dollar of gap funding. So, anything the City or a developer can do to bring costs down is also helpful in achieving financial feasibility.

City Fees – St. Helena, similar to other cities in the Bay Area, charges fees on new development to offset city costs (such as planning and building) as well as impact fees to offset increased demand for facilities and infrastructure improvements to offset impacts from growth. These fees include water, sewer and drainage, schools, public safety, parks, traffic mitigation, civic improvements and affordable housing impacts. Per unit fee costs vary depending on whether new residential development is multifamily or single family. For this study, we have assumed that single family residential fees apply to the ownership options on the McCorkle Avenue sites, and multifamily fees apply to the other project scenarios.

Fees significantly increase housing costs. For example, a per unit fee amount (including all fees) for rental units at the Adams Street site could average approximately \$52,000. Without the housing impact fee, this total drops by approximately \$8,000 to \$44,000 per unit. The costs presented in this study have not included a housing impact fee, given that the potential projects only provide affordable housing.

Land Costs are another significant cost for development. In the case of St. Helena's potential sites, four sites (all except Adams Street) require demolition of existing structures, and in the case of the City Hall site, concurrent development of a new city hall and police station. Whether the Teen Center needs to be replaced, or whether alternative locations can be identified for its current uses remains to be determined. Costs included for land in this study are only estimates at best. To determine actual site costs, including land and site demolition costs, it is necessary to hire a cost estimator. This could be the next step once a site is selected.

Rental Housing Financing Scenarios

Table 7 presents the rental housing financing options for the four potential rental projects - Teen Center, Adams Street, City Hall (two site plans) and one McCorkle Avenue project that combines the two McCorkle sites into one project. Per unit costs, including financing costs range from a low of approximately \$533,000 under the 46-unit City Hall site plan to a high of \$757,400 per unit at the combined McCorkle Avenue site. At this time, the cost estimates are too tentative to explain these differences. Potential factors that could explain these differences include (1) how land costs are estimated; (2) fixed costs that do not vary by project size; and (3) site features.

The McCorkle Avenue sites also show the highest level of funding gap per unit. More generally, the project financing scenarios that assume 4% Low Income Housing Tax Credit (LIHTC) financing also have higher funding gaps per unit. This reflects the more limited amount of tax equity that is available from the 4% LIHTC program.

Finally, the project options that show the lowest level of financing gap per unit are the Adams Street and City Hall sites, assuming the 9% LIHTC financing option. However, it would still be necessary to identify additional funding aside from LIHTC funds for both sites. In the case of the City Hall site, the gap would be \$9.7 million or \$211,160 per unit, and for Adams Street, the comparable gap figures would be \$7.8 million or \$252,000 per unit.

Table 7: Rental Housing Financing Options (4% and 9% Low Income Housing Tax Credit Program)

	644/684 McCorkle Avenue (4% Tax Credits)	Teen Center (9% Tax Credits)	Teen Center (4% Tax Credits)	Adams Street (9% Tax Credits)	Adams Street (4% Tax Credits)	City Hall (9% Tax Credits)	City Hall (4% Tax Credits)
Number of Units	18	20	20	31	31	46	44
Supportable Mortgage	\$135,500	\$218,200	\$218,200	\$273,200	\$273,200	\$457,800	\$446,700
Gap/Public Agency Soft Debt Needed	\$9,255,447	\$6,398,734	\$7,838,284	\$7,804,422	\$12,038,726	\$9,713,197	\$16,670,805
Gap/Public Agency Soft Debt Needed (Per Unit)	\$514,192	\$319,937	\$391,914	\$251,756	\$388,346	\$211,156	\$378,882
Tax Credit Equity (\$1.05/federal, \$.65 per State credit)	\$4,241,702	\$4,836,679	\$3,693,907	\$9,027,215	\$5,774,888	\$14,337,596	\$8,535,306
Total Development Costs	\$13,632,649	\$11,453,613	\$11,750,391	\$17,104,838	\$18,086,814	\$24,508,593	\$25,652,810
Total Development Costs Per Unit	\$757,369	\$572,681	\$587,520	\$551,769	\$583,446	\$532,795	\$583,018

Sources: Community Economics Inc. and Vernazza Wolfe Associates Inc.

Ownership Housing Financing Scenarios

Two proposed project options on McCorkle Avenue assume self-help ownership construction and financing scenarios. Financing for self-help ownership programs is provided by the United States Department of Agriculture (USDA) Rural Development Section 502 Direct Loan Program. Under the 502 program, participants buy their lots before construction begins, which is different from other programs. These loans are based on the appraised value of each home. Furthermore the loans convert to permanent loans at the end of construction. There are no interest payments during construction. The interest accrued during construction is added to the original loan amount.

Table 8 presents the for-sale housing development costs for two Site Plans. Site Plan #1 consists of detached units, and Site Plan #2 consists of cluster housing in one- and two-story buildings. The construction costs have been adjusted downward to reflect cost offsets from the participation of future owners in building the units.

Table 8: Ownership Housing Development Costs (Site Plan 1 and 2)

	644/684 McCorkle Ave.	644/684 McCorkle Ave.
	Ownership Site Plan #1	Ownership Site Plan #2
Number of Units	18	18
USES OF FUNDS		
Land Acquisition	\$1,784,000	\$1,784,000
Construction	\$5,383,097	\$4,811,834
Construction Contingency	\$269,155	\$240,592
Architecture/Engineering & Consultants	\$484,479	\$433,065
Construction Loan Fees	\$53,831	\$48,118
Construction Loan Expenses	\$30,000	\$30,000
Construction Loan Interest	\$188,408	\$168,414
Planning, Building & Impact Fees	\$444,400	\$383,862
Soft Cost Contingency	\$72,672	\$64,960
Legal Construction	\$15,000	\$5,000
Audit	\$2,500	\$2,500
Market Study	\$2,500	\$2,500
TOTAL	\$8,730,041	\$7,974,845
Cost Per Unit	\$485,002	\$443,047

Sources: Community Economics and Vernazza Wolfe Associates Inc.

Qualified household incomes (very low- and low-income) are based on the income limits for the 502 program and are shown below in Tables 9 and 10 for four-person and six-person households.

Table 9: Two-Bedroom Unit Loan Amounts (Assumes Four-Person Household)

Affordability Level	Very Low-Income	Low-Income
Maximum income limit	\$43,650	\$70,550
Income for Determining Sale Price	\$43,650	\$70,550
% of Income for Housing	30%	30%
Income for Housing	\$13,095	\$21,165
Less Utilities and Repairs	2,316	2,316
Amount. To Support Mortgage and Pay Other Expenses (1)	\$10,779	\$18,849
Affordable Purchase Price	\$150,066	\$262,418

(1) Includes mortgage payment, property taxes, PMI and property insurance.

Loan Assumptions: Two-Bedroom House, Household Size of four persons, zero down payment, interest rate of 3.125%, and a loan term of 33 years.

Table 10: Three-Bedroom Unit Loan Amounts (Assumes Six-Person Household)

Affordability Level	Very Low- Income	Low-Income
Maximum income limit	\$50,650	\$81,850
Income for Determining Sale Price	\$50,650	\$81,850
% of Income for Housing	30%	30%
Income for Housing	\$15,195	\$24,555
Less Utilities and Repairs	2,652	2,652
Amount. To Support Mortgage etc.(1)	\$12,543	\$21,903
Affordable Purchase Price	\$174,625	\$304,936

(1) Includes mortgage payment, property taxes, PMI and property insurance.

Loan Assumptions: Three-Bedroom House, Household Size of six persons, zero down payment, interest rate of 3.125%, and a loan term of 33 years.

In the case of ownership housing, the gap is defined as the difference between the values of the mortgages that owners can take out under the 502 Program and the development costs (averaged for two- and three-bedroom units). This difference is presented in Table 11 for both site plans.⁵ This gap amount ranges from a low of \$159,370 (Site Plan #2 for low-income households) to a high of \$322,657 for Site Plan #1 for very low-income households. In order for either of these two project options to be feasible, it is necessary to identify additional funding sources. A brief discussion of these additional options is presented in the next section.

⁵ Because the calculations in this study do not distinguish among unit sizes (ones, twos, threes etc.), the ownership calculations area based on averaging the costs of the two- and three-bedroom units and averaging the affordable mortgage amounts for four- and six-person households.

Table 11: Difference between Development Costs and Permanent Financing

	Affordable Sales Prices (Mortgages) by Income Level ⁽¹⁾	
Number of Bedrooms	Very Low-Income	Low-Income
2	\$150,066	\$262,418
3	\$174,625	\$304,936
Average Sales Prices/ Mortgage Amounts	\$162,346	\$283,677
	Option 1 - Average Costs Per Unit	Option 2 - Average Costs Per Unit
McCorkle Avenue Average Cost per Unit	\$485,002	\$443,047
	Average Gap Per Unit	
	Very Low-Income	Low-Income
Option 1	\$322,657	\$201,325
Option 2	\$280,701	\$159,370

(1) Since the mortgages do not require a down payment, they are almost equivalent to the sales prices.

Source: Vernazza Wolfe Associates Inc.

Availability of Financing

A common theme running across all project funding scenarios is the size of the funding gap that still remains. While the City of St. Helena currently has a balance of \$900,000 in the Affordable Housing Trust Fund, this amount is insufficient to cover the remaining funding gaps on any project scenario. The following section lists and evaluates additional sources of funding.

Rental Housing Scenarios

The analysis assumes two likely financing options for the rental housing properties – 9% federal tax credits plus 30% State tax credits and 4% federal credits plus tax-exempt bonds with 13% State tax credits. These were selected because the tax credit programs are fully funded at levels that provide reasonable certainty of receiving an award.

The USDA Section 514 program and the State farm worker tax credit program are not included in the financing scenarios because funding levels for both are at such historically low levels that there is not a realistic certainty of receiving an award. The State farm worker tax credit is in nearly every respect identical to the regular State tax credit program, except that it is reserved for qualifying farm worker projects. The State farm worker credit receives an allocation of \$500,000 per year from the State budget. As a result, over time, the program can build up a considerable balance. Currently one farm worker project is likely to receive an allocation equal

to most of the existing balance of the program's allocation over several years. The resulting program balance is unlikely to provide sufficient credits to fully fund a farm worker project for several years. There is a proposal in the legislature to greatly expand the farm worker credit and to make it substantially more valuable but there is also great uncertainty whether it will pass and be signed by the Governor.

The federal tax credit program provides a 4% or 9% annual credit on the eligible basis for ten years, for which a corporate investor might currently pay anywhere from \$1.00 to \$1.15 per tax credit for projects of this size and location. We have assumed \$1.05 per credit to be somewhat conservative. The State tax credit provides either a 13% or 30% credit over four years for which investors will typically pay around \$.65 per dollar of tax credit.

While the 4% plus tax-exempt bonds program is generally not competitive, the 9% program is quite competitive. Applicants generally must achieve a perfect score within the scoring system and then successfully compete based on a tiebreaker score. This score is currently driven principally by the amount of public funds or donations committed to the project and by the amount of credits requested by the applicant – the fewer credits requested the better the score. This results in a more competitive application but a less feasible project. For this analysis we have assumed that the applicant would reduce its request for 9% credits sufficient to achieve a tiebreaker score of 60%, which was in the range of the lowest winning score in the last TCAC allocation cycle.

All of the scenarios presented assume that rents must be restricted at levels sufficiently low to garner full points in TCAC's competition. Any net income remaining after expenses and reserves are assumed to support some level of conventional bank mortgage.

The difference between the total development cost of each scenario and the sum of the supportably bank loan and the tax credit proceeds is the current funding gap. In California, where our funders generally value the lowest possible funding request, nonprofit developers must fill this gap by applying to other agencies providing grants and deferred payment loans. Unfortunately, in the past several years, nonprofit developers have lost two of the biggest providers of such funds in the State – local redevelopment agencies and the State Multifamily Housing Program (MHP). Redevelopment agencies were closed by the Brown administration, and MHP has allocated the last available funds for now.

Possible sources to fill rental housing gaps include the following: city and county funds, HOME and CDBG funds from either local or State sources, the Federal Home Loan Bank's Affordable Housing Program, the State Affordable Housing Sustainable Communities Program, and the

state Department of Housing and Community Development's Veteran's Housing and Homeless Prevention Program.

AB 35 (expansion of state low-income housing tax credit authorization) and AB 1335 (\$75 fee on real estate recorded documents) both currently in the State legislature, could provide substantial new funds for affordable housing and could certainly help make a major dent in the projected gaps. AB 35 appears likely to pass out of the legislature but there are questions about the Governor's willingness to sign. AB 1335 requires a 2/3 vote and faces a more uphill battle.

Ownership Housing Scenarios

It is very challenging to obtain adequate funding for the self-help ownership scenarios presented for the two McCorkle Avenue sites. The Section 502 loans proposed for permanent financing by individual homeowners will not be adequate to cover development costs. Therefore, costs will have to be cut or additional sources of funding will need to be identified by a project applicant. Also, for the self-help ownership, this study has assumed that the work done by the families may account for a larger percentage of the construction costs, 65% to 70%. Our estimate is conservative in that it does not credit more work to the families.

Possible funding sources in addition to the Section 502 loans for individual participants include the following:

- USDA, Mutual Self-Help Housing Technical Assistance Grant – Provides grants to qualified organizations to help them carry out the construction project. Eligible activities include technical and supervisory assistance to the participating families and recruit families and help them complete construction of their homes and help them complete loan applications. This is an important source of startup funds.
- Federal Home Loan Bank of San Francisco runs the Affordable Housing Program (AHP), which is competitive, for this region. There may be a priority for ownership projects. In the funding round this year, several self-help projects received \$20,000 per unit in grant funding that does not have to be repaid unless a participant sells the home.
- HUD Self-Help Homeownership Opportunity Program (SHOP) – This program provides grant funds that can only be used for land acquisition, infrastructure improvements and administrative costs. Grants cannot exceed \$15,000 per unit plus administrative costs. These funds may also be administered through the Housing Assistance Council (HAC).

- HCD Predevelopment Loan Program (PDLF) – This program provides loans for up to two years to fund start-up costs. Since the funds have to be repaid, they do not address the gap. The funds are provided through a revolving loan fund and are accessed through a NOFA. Interest of 3% simple interest is charged. The maximum loan is \$200,000 except for site purchase.

Project sponsors may also seek local funding from a city or county or from other local entities. It may be possible to get donations of materials from local suppliers or financial assistance from local civic groups or churches.

Risk Assessment

Project risk can be assessed in a variety of ways. Factors to be considered include site control (including the availability of the site), whether a project sponsor would be interested, financial competitiveness given the size of the project, the amount of time a project could take from start to finish, and whether there are unknowns, regarding costs and site control. Table 12 provides a comparative list of these risk factors for each development scenario. In addition to the risks summarized in Table 6, the ownership options face an additional risk factor. Specifically, there is the requirement for the sponsoring agency to identify 18 financially qualified families who are interested in working for approximately one year as part of a team to build the homes. Since it will take at least a year to complete these units, these families need to live in St. Helena or within close proximity in order to be available to work.

Since all project scenarios indicate a significant funding gap, another important consideration is whether it would be possible to lower the costs through redesign and value engineering. This applies to both the rental and ownership projects. Often when a project does not “pencil out”, adjustments are made, possibly to unit sizes, finishes, amenities etc. This study did not consider alternative costs, but this is important for the next phase if St. Helena decides to move forward.

Note: the 9% Low-Income Housing Tax Credit program is almost always more competitive than the 4% LIHTC Program. So all project scenarios that assume 9% Tax Credits are riskier than those that assume 4% Tax Credits.

Table 12: Site and Funding Option Comparisons

Size Name	Site Control	Demolition Required	Other Site Issues	Potential Sponsor Interest	Funding Likelihood	Unknowns	Time Required to Complete Project
Rental							
McCorkle Avenue	Partial	Yes	Necessary to Purchase One Site	Small Size is a Constraint	Limited	Limited risk, except for site control.	Assuming site can be purchased, should be reasonable time frame.
Teen Center - 9% Tax Credits	Yes	Yes	Necessary to Relocate Current Services	Small Size is a Constraint	Limited	Medium risk - cost to move uses	Reasonable, assuming services can be relocated.
Teen Center - 4% Tax Credits	Yes	Yes	Necessary to Relocate Current Services	Small Size is a Constraint	Limited	Medium risk - cost to move uses	Reasonable, assuming services can be relocated.
Adams Street - 9% Tax Credits	Yes	No	Vacant-City Owns	Strong (Over 30 Units)	Strongest	Few risks	Shortest, if community is supportive.
Adams Street - 4% Tax Credits	Yes	No	Vacant-City Owns	Strong (Over 30 Units)	Strong	Few risks	Shortest, if community is supportive.
City Hall - 9% Tax Credits	Yes	Yes	Necessary to Build New City Hall and Police Station and Rezone Site	Strong (Over 40 Units)	Strong	High cost to move uses	Five or more years, given need to build new facilities.
City Hall - 4% Tax Credits	Yes	Yes	Necessary to Build New City Hall and Police Station and Rezone Site.	Strong (Over 40 Units)	Strong	High cost to move uses	Five or more years, given need to build new facilities.
Ownership							
McCorkle Avenue Ownership #1	Partial	Yes	Necessary to Purchase One Site	Strong	Strong	Limited risk, except for site control.	Assuming site can be purchased, should be reasonable time frame.
McCorkle Avenue Ownership #2	Partial	Yes	Necessary to Purchase One site	Strong	Strong	Limited risk, except for site control.	Assuming site can be purchased, should be reasonable time frame.

Source: Vernazza Wolfe Associates Inc.

Attachment 1

Feasibility Analysis and Comparison of Sites for New Affordable Housing in St. Helena

Technical Appendices Table of Contents

Technical Review and Site Plans

Rental Housing

1. City Hall Option #1
2. City Hall Option #2
3. Teen Center
4. Adams Street

Rental and Ownership Housing

1. 644 and 684 McCorkle Avenue Rental Option
2. 644 and 684 McCorkle Avenue Ownership Option #1
3. 644 and 684 McCorkle Avenue Ownership Option #2

Land and Development Cost Information Used for Financing Options

Cost, Income, and Expense Information Used for Financial Assessments

Technical Review City Hall

In comparison to the other sites, use of the City Hall site could result in the construction of the greatest number of affordable rental housing units (over 40). Table 1 in the Technical Review provides information on zoning, existing land uses, and other site features and does not indicate any barriers to development on this site. Table 2 presents the two design options for the City Hall site. The site plan for Option #1 indicates that 44 units could be constructed, consisting of 24 one- and two-bedroom units, 14 three-bedroom units, and 6 four-bedroom units. Option #2 provides the same number of two-bedroom units (12), slightly fewer one-bedroom units (8 instead of 12), but more three-bedroom units (20), and the same number of four bedroom units (6). Both design options will work well for 9% LIHTC financing or USDA financing.

Site Constraints

The City Hall site requires the relocation of the City Hall and the Police Department. The costs to demolish the existing structures and build new facilities are outside the scope of this Study. However, in addition to considering demolition costs, the City would need to identify funds, a building site, and construct the replacement buildings in order to move forward with an affordable housing project on this site. This process could take five or more years to complete.

Site Information

The site is level with frontage on Main Street. It consists of 1.7 acres. As shown in Table 1, the zoning is PQP (Public and Quasi-Public Land Use) which does not allow residential development. Therefore, the site would need to be rezoned. For the purposes of this assessment study, we have assumed the same zoning requirements for multifamily residential that currently apply to the CBD area. Zoning requirements could include the following:

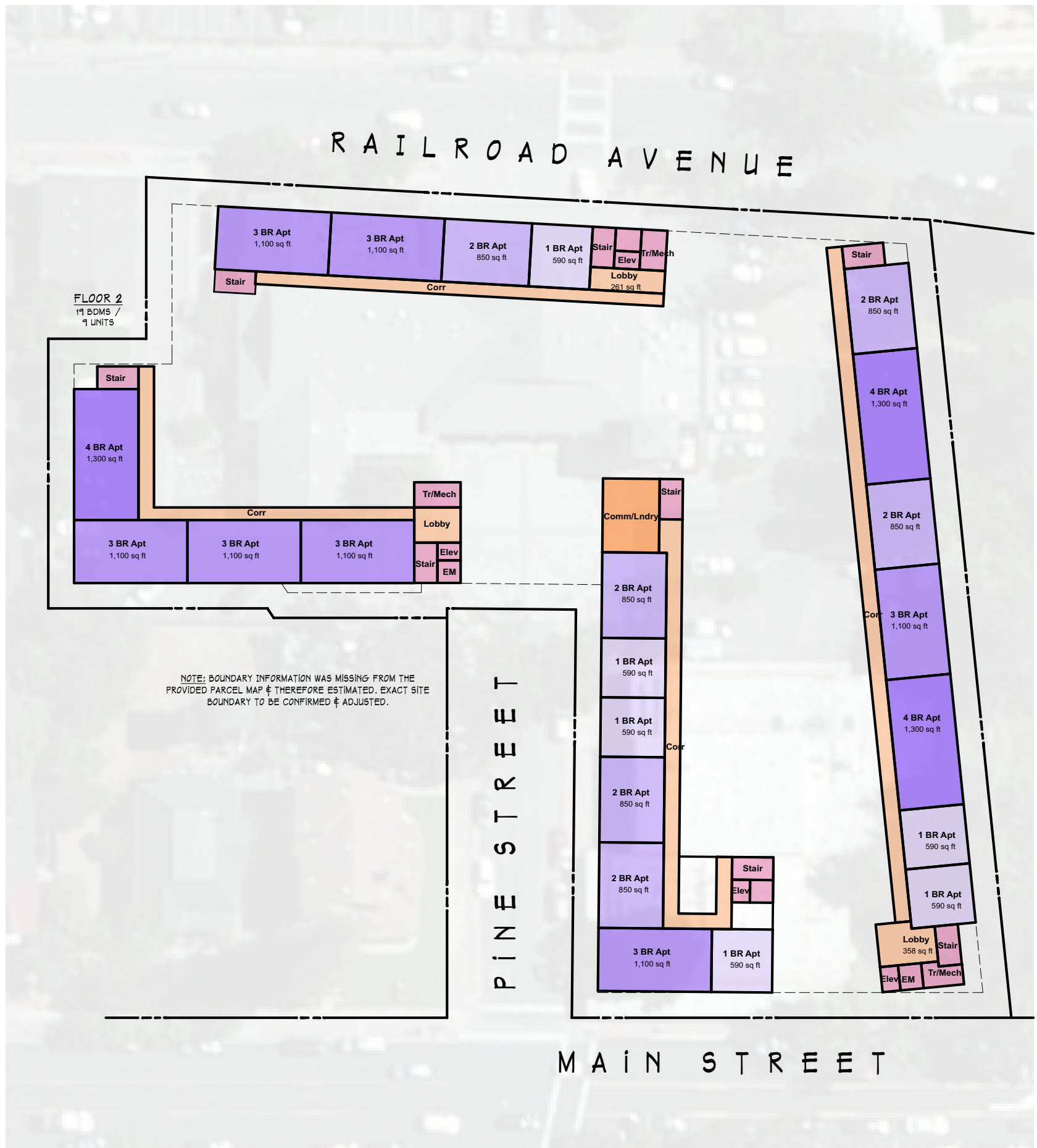
- Parking - (1.5 per unit for studios and one-bedrooms, and two spaces for each larger unit).
- 30 feet height limit, if adjacent to residential – 35 feet otherwise.
- There are no designated setbacks.
- There are no landscaping requirements

Site Plans

For the City Hall site, two site plans were prepared. The site plan for Option #1 indicates that the total building area would be 57,465 square feet, and the lot coverage of the buildings would be 39%. In addition to the units themselves, there would be 82 covered parking spaces and a shared yard. As mentioned above, this site plan accommodates the construction of 44 units, configured in 4 two-story buildings.

The site plan for Option #2 indicates a total building area that would be slightly larger at 58,470 square feet, and the lot coverage of the buildings would still be 39%. In addition to the units themselves, there would be 89 covered parking spaces (additional parking is required due to the additional two units). As mentioned above, this site plan accommodates the construction of 46 units, configured in 2 two-story buildings and provides for two shared yards. The combined size of these yards is approximately 7,520 sq. ft., slightly larger than the single shared yard in Option #1 (6,023 sq. ft.).





PROJECT:
ST. HELENA
COMPARISON SITES

DRAWING TITLE:

CITY HALL SITE - 2ND FL -OPTION 1

SCALE: 1" = 40'

SHEET #: SK-4

DATE: 7/15/15

ARCHITECT:
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Technical Review Teen Center

The Teen Center site is located near Cit Hall. Table 1 (in the Technical Review) provides information on zoning, existing land uses, and other site features and does not indicate any barriers to development on this site. Table 2 presents the one design option for the Teen Center site – Twenty rental units – half are planned as one- and two-bedroom units, and half as three- and four-bedroom units. The required number of parking spaces is provided as covered parking.

Site Constraints

The Teen Center site would be a good location for affordable housing. However, it is necessary to demolish the existing structures on the site which are used by the Parks and Recreation Department for programs and locate alternative facilities for these city services. The cost to demolish these structures is outside the scope of this study. In addition, there is a cell phone tower on the site. However, according to city staff, this would not be a constraint, since the city would either fully convey the site, including the cell tower to the developer, who would then have the right to collect any fee payable from the communications company or alternatively, the tower could be excluded from the sale of the site. This is an element to be addressed, should the Teen Center site be selected for an affordable housing development.

Site Information

The site is an irregularly shaped quadrangle and is approximately .93 acres (40,511 square feet). It is a level site. As shown in Table 1, the zoning is BPO (Business and Professional Office District), which allows for multifamily housing, without a density designation. Zoning requirements include the following:

- Parking - (1.5 per unit for studios and one-bedrooms, and two spaces for each larger unit)
- 30 feet height limit
- Setbacks (20 feet front, 10 feet side, and 15 feet rear)
- 15% of lot must be landscaped

Site Plans

For the Teen Center, only one site plan was prepared covering the first and second floors. This plan indicates that the total building area would be slightly over 23,000 square feet, and the lot

Attachment 1

coverage of the buildings would be 31%. In addition to the units themselves, there would be 38 covered parking spaces, a shared yard, and a laundry area.

Twenty units of rental housing are proposed for this site, consisting of the following units:

- 4 - one-bedroom units
- 6 - two-bedroom units
- 8 - three-bedroom units
- 2 - four-bedroom units

The units are proposed to be constructed in one two-story building, although a third floor could be added if an additional ten units were needed to be more competitive for the LIHTC program. A density bonus would be needed for these additional ten units.

*3rd Floor may be added to obtain (30) units for tax credit purposes. Density bonus required.

	Teen Center Railroad Avenue
Concept	• Single Building • Large Shared Yard • Two Parking Lots • Covered Parking Under Building & Arbor
Site Area	40,511 S.F. (0.93 acre)
Total Building Area	23,156
Lot Coverage (Buildings)	12461 sf 31%
Shared Yard	2,887 sf
Unit Count	
0-Studio	
1-Bedroom	4
2-Bedroom	6
3-Bedroom	8
4-Bedroom	2
Total Units	20
Parking Count	
Regular Spaces	36
H/C Spaces	2
Visitor Spaces	
Total Parking	38 (38 required)



PROJECT:
ST. HELENA COMPARISON SITES

DRAWING TITLE:
TEEN CENTER SITE - 1ST FLOOR

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*3rd Floor may be added to obtain (30) units for tax credit purposes. Density bonus required.



PROJECT:
ST. HELENA COMPARISON SITES

DRAWING TITLE:
TEEN CENTER SITE - 2ND FLOOR

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Technical Review Adams Street

The Adams Street Site is an excellent building site and is vacant. However, the City of St. Helena has already tried several times to plan for this site unsuccessfully.

- The first time was in 2009, when the City undertook a visioning process that considered several land uses, including retaining the existing vineyard, community open space, an expansion of the library, other civic/community uses, mixed use residential/commercial development, housing, and parking.
- The second time was in 2011, when the City issued an RFP seeking development proposals for affordable housing to be built on this site. According to a January 2012 staff report, none of the proposals that were received met the requirements of the RFP.
- The third time was in 2012, when a committee was formed to review a preferred land use scenario in an effort to develop a master plan for the site.

While a new library occupies a portion of the site, the remainder of the site is currently in agricultural use (vineyard).

Table 1 in the Technical Review provides information on zoning, existing land uses, and other site features and does not indicate any barriers to development on this site. Table 2 presents the one design option for the Adam Street site – 31 rental units – spanning unit sizes from one through four, with the majority proposed as one- and three-bedroom units. The required number of parking spaces are provided either as covered parking (under an arbor) or under the building.

Site Constraints

This site faces the fewest physical constraints. No buildings need to be demolished and not all the site would be needed for the proposed development. Of the 5.6 acres, only 1.3 acres would be needed, and so there would be room for other potential city uses, such as a relocation of the city hall and police station. The only “potential” constraint would be to gain community support for an affordable housing development at this location.

Site Information

The site is vacant, level, and currently leased as a vineyard operation. As shown in Table 1, the zoning is CB (Central Business District) which allows for multifamily housing.

Zoning requirements include the following:

- Parking - 1.5 per unit for studios and one-bedrooms, and two spaces for each larger unit

Attachment 1

- 30 feet height limit, if adjacent to residential - 35 feet otherwise
- There are no designated setbacks.
- There are no landscaping requirements.

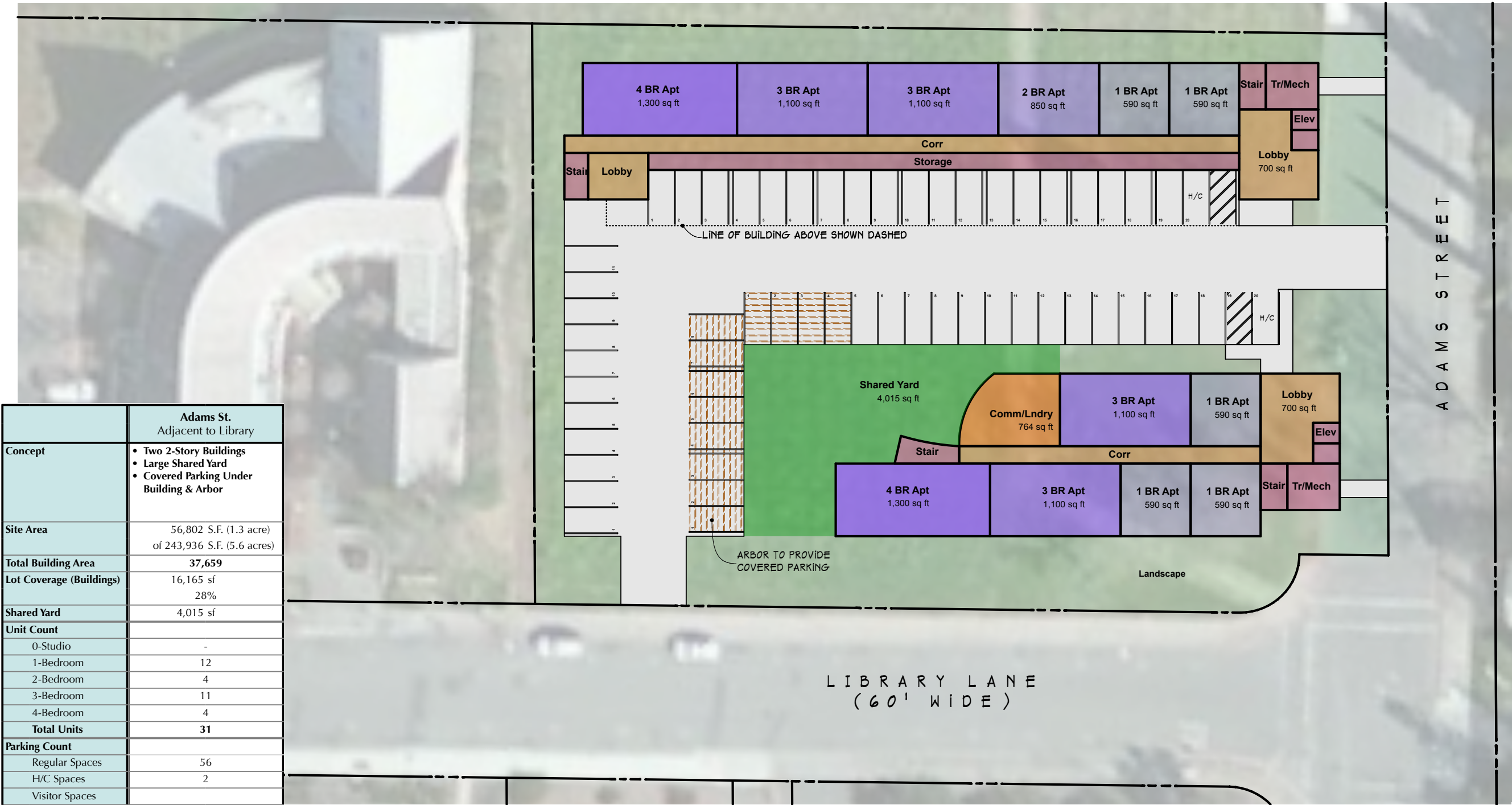
Site Plans

For the Adams Street site, only one site plan was prepared covering the first and second floors. This plan indicates that the total building area would be slightly over 37,660 square feet, and the lot coverage of the buildings would be 28%. In addition to the units themselves, there would be 58 covered parking spaces, a shared yard, and a laundry area.

The thirty-one units of rental housing proposed for this site, include the following units:

- 12 - one-bedroom units
- 4 - two-bedroom units
- 11 - three-bedroom units
- 4 - four-bedroom units

The units are proposed to be constructed in two, two-story buildings.



PROJECT:
ST. HELENA COMPARISON SITES

DRAWING TITLE:
ADAMS STREET SITE - 1ST FLOOR

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510-540-7111
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PROJECT:
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DRAWING TITLE:
ADAMS STREET SITE - 2ND FLOOR

SCALE: 1/32" = 1'-0"

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Technical Review 644 and 684 McCorkle Avenue

The two McCorkle Avenue sites - 644 McCorkle and 684 McCorkle – are treated as one site for the purpose of site planning, since it is necessary to combine them in order to create a large enough site for a viable project (either for an ownership development or for a rental housing development). Table 1 in the Technical Review provides information on zoning, existing land uses, and other site features and does not indicate any barriers to development on these sites. Table 2 in the Technical Review presents a rental housing design option for the two sites, and Table 3 in the Technical Review presents two ownership options for the two sites. Under all options, up to 18 rental units could be built or 18 ownership units.

- The rental option assumes that there would be 7-two-bedroom units and 11-three-bedroom units.
- Both ownership options indicate 15-two-bedroom units and 3-three-bedroom units.

Finally, two parking options (concentrated and garages) are proposed for the ownership options, while the rental option assumes concentrated parking only.

Site Constraints

There are several constraints to developing housing on these two parcels.

- One site is city-owned (684 McCorkle Avenue), but 644 McCorkle Avenue is not. So, it would be necessary for a developer (or the City) to purchase 644 McCorkle Avenue via a voluntary purchase.
- The current buildings on both McCorkle Avenue sites would need to be demolished. In assessing financial feasibility (to be provided to the City in a subsequent report), it will be possible to estimate a “proxy” cost measure for this land. However, the services of a cost estimator would be needed to estimate how much it would cost to demolish the existing structures on the two sites.
- Another potential constraint applies to the ownership scenario which assumes a self-help ownership project under the USDA 502 Program. Table M-1 presents information on maximum incomes under the USDA 502 Program to obtain subsidized mortgages and maximum mortgage amounts. Development costs are likely to exceed the affordable sales prices listed below, and therefore additional subsidies would need to be identified in order to bridge the gap between an affordable mortgage payment and the actual costs to be financed.

Table M-1: Affordable Sales Prices and Household Incomes under the USDA 502 Program

	Two-Bedroom House	Three-Bedroom House
Very Low-Income Households		
Affordable Sales Price	\$144,423	\$168,058
Maximum Income	\$43,650	\$50,650
Low-Income Households		
Affordable Sales Price	\$252,549	\$293,468
Maximum Income	\$70,550	\$81,850

Source: USDA Home Loan Program

Site Information

Both sites are deep, rectangular lots. There are at least two existing residential structures on each site. The sites appear to be level. Combined acreage is 1.3 acres. Because of the shape of these sites and limited street frontage, it was necessary to devote a portion of the site area under ownership Option #1 for fire truck access (referred to as “Fire Truck Hammerhead”) in the site plan for this option.

Zoning requirements include the following:

- Parking - two spaces for each unit, since all units are two or more bedrooms. While the rental option and ownership Option #1 exceeds this parking requirement, the ownership option #2 provides all but one of the required spaces.
- 35 feet height limit, since more than four units are proposed at each location.
- Setbacks (20 feet front, 10 feet side, and 20 feet rear)
- Lot coverage cannot exceed 45%

Site Plans

For the combined site, three site plans were prepared. Each is described below.

Rental Option:

This plan indicates that the total building area at 684 McCorkle would be 10,979 square feet and at 644 McCorkle, the building size would be 9,780 square feet for a combined total of

Attachment 1

approximately 20,760 square feet for the two sites. Lot coverage at 684 McCorkle would be 26% and a little higher at 644 McCorkle at 30%. Additional features are as follows:

Eighteen units of rental housing are proposed for this site, consisting of the following units:

- 16 - two-bedroom units
- 2 - three-bedroom units

The units are proposed to be constructed in a one-story building (644 McCorkle Avenue) and in a two-story building (684 McCorkle Avenue).

Ownership Option #1:

This plan indicates that the total building area at 684 McCorkle would be 6,900 square feet and at 644 McCorkle, the building size would be 13,050 square feet for a combined total of approximately 19,950 square feet for the two sites. Lot coverage at 684 McCorkle would be 23% and a little higher at 644 McCorkle at 31%. Additional features are as follows:

Eighteen units of ownership housing are proposed for this site, consisting of the following units:

- 15 - two-bedroom units
- 3 - three-bedroom units

The units are proposed to be constructed as one and two story individual detached units. Individual back yards are also included in this site plan as well as garages.

Ownership Option #2:

This plan indicates that the total building area at 684 McCorkle would be 7,500 square feet and at 644 McCorkle, the building size would be approximately 9,600 square feet for a combined total of approximately 17,100 square feet for the two sites. Lot coverage at 684 McCorkle would be 24% and at 644 McCorkle, lot coverage would be 22%. Additional features are as follows:

Eighteen units of ownership housing are proposed for this site, consisting of the following units:

- 15 - two-bedroom units
- 3 - three-bedroom units

The units are proposed to be constructed in one and two story clusters. Individual back yards and a shared yard are also included in this site plan. Because Option #1 includes individual garages and single family detached units, lot coverage is slightly higher for Option #1 in comparison to Option #2.



	684 McCorkle 684 McCorkle
Concept	• Single Building • Two Stories • Large Shared Yard • Concentrated Parking
Site Area	23,522 S.F. (0.54 acre)
Total Building Area	10,979
Lot Coverage (Buildings)	6,147 sf 26%
Shared Yard	4,517 sf
Unit Count	
0-Studio	-
1-Bedroom	-
2-Bedroom	7
3-Bedroom	2
4-Bedroom	-
Total Units	9
Parking Count	
Regular Spaces	18
H/C Spaces	1
Visitor Spaces	2
Total Parking	21 (18 required)

PROJECT:
ST. HELENA COMPARISON
SITES

DRAWING TITLE:
684 MCCORKLE - RENTAL OPTION

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environmental
universal
inspirational
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PROJECT:
ST. HELENA
COMPARISON SITES

DRAWING TITLE:
644 MCCORKLE AVE - RENTAL OPTION

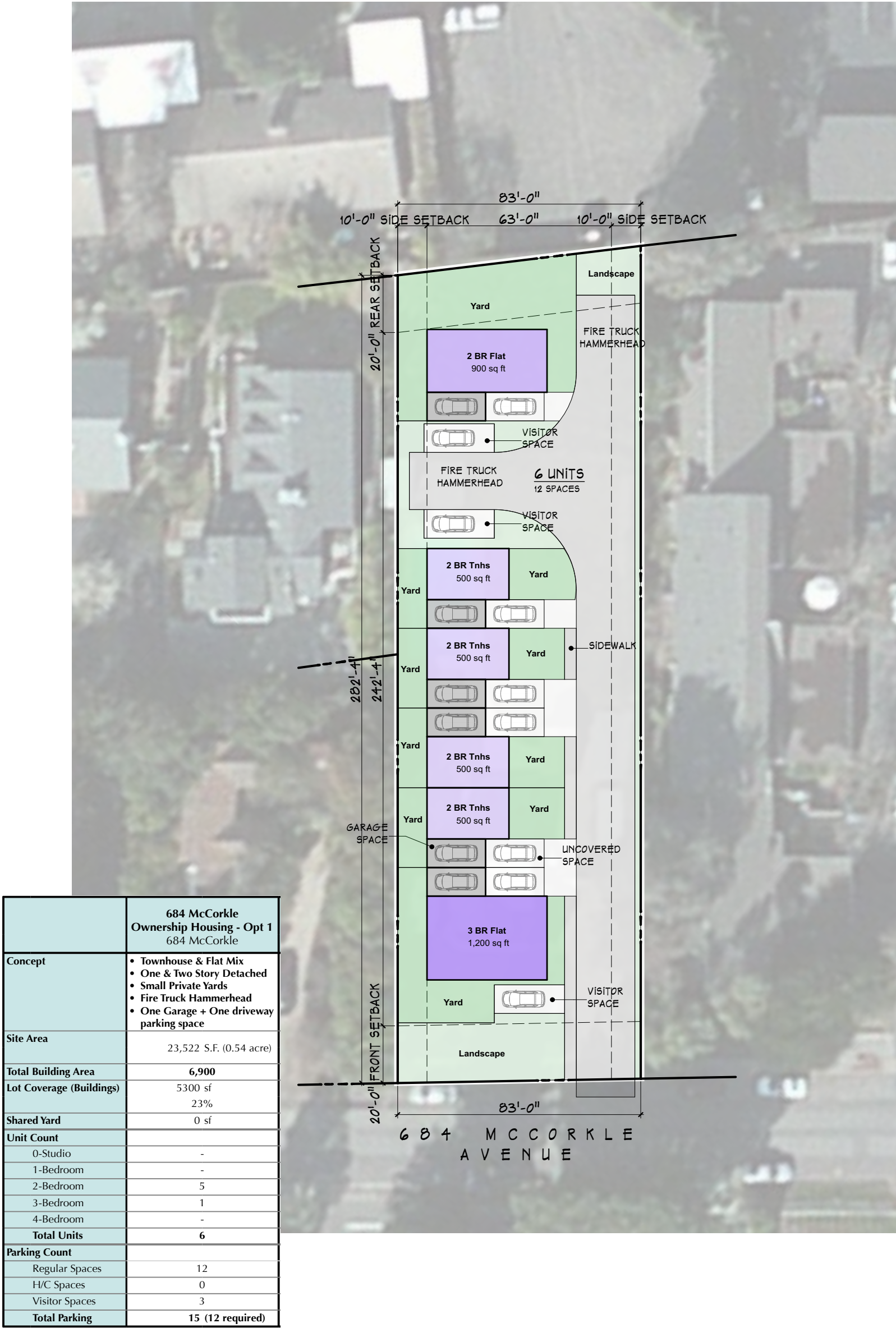
SCALE: 1/32" = 1'-0" SHEET #: SK-10 DATE: 7/23/15

ARCHITECT:
MIKITEN ARCHITECTURE
2415 Fifth Street
Berkeley • CA • 94710
510-540-7111
FAX 540-7117
www.MikitenArch.com

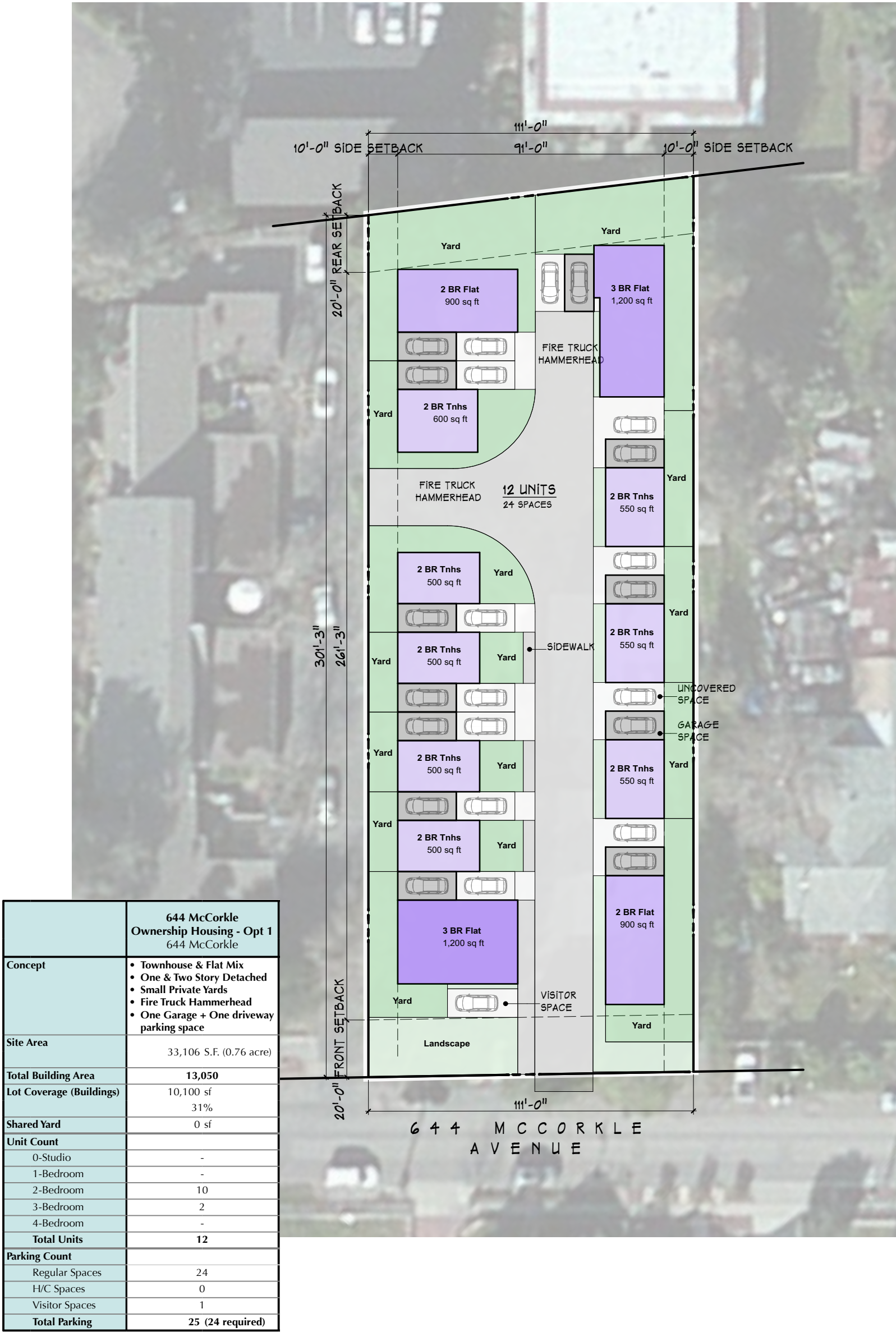


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PROJECT: ST. HELENA COMPARISON SITES	DRAWING TITLE: 684 MCCORKLE - OWNERSHIP OPTION 1 SCALE: 1/32" = 1'-0" SHEET #: SK-11 DATE: 7/15/15	ARCHITECT: MIKITEN ARCHITECTURE 2415 Fifth Street Berkeley • CA • 94710 510-540-7111 FAX 540-7117 www.MikitenArch.com	MIKITEN ARCHITECTURE creative responsible environmental universal inspirational architecture
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PROJECT:
ST. HELENA
COMPARISON SITES

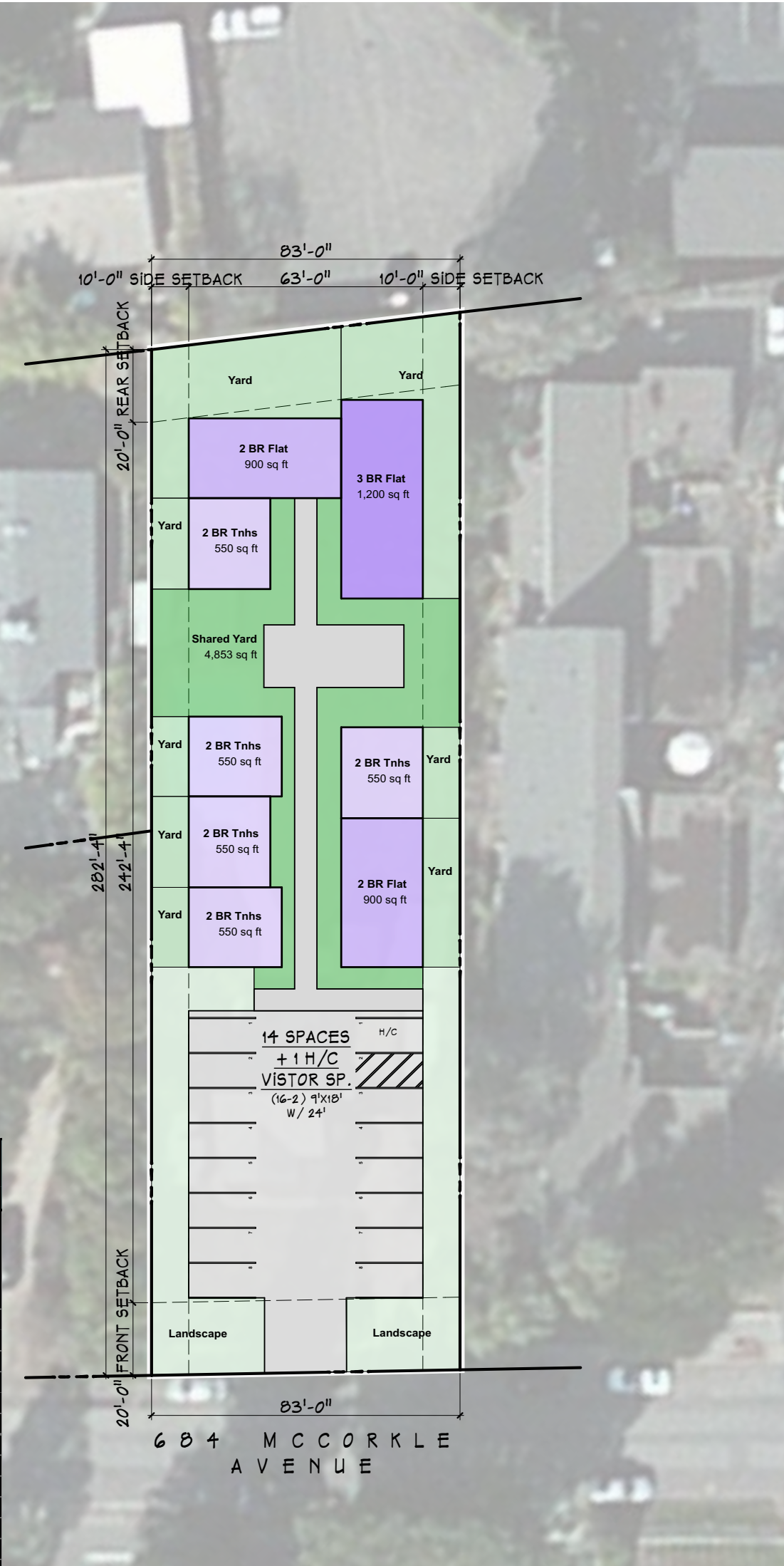
DRAWING TITLE:
**644 MCCORKLE SITE - OWNERSHIP
OPTION 1**

SCALE: 1/32" = 1'-0" SHEET #: SK-12 DATE: 7/15/15

ARCHITECT:
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2415 Fifth Street
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	684 McCorkle Ownership Housing - Opt 2 684 McCorkle
Concept	• Townhouse & Flat Mix • One & Two Story Clusters • Large Shared Yard • Small Private Yards • Concentrated Parking
Site Area	23,522 S.F. (0.54 acre)
Total Building Area	7,500
Lot Coverage (Buildings)	5750 sf 24%
Shared Yard	4850 sf
Unit Count	
0-Studio	-
1-Bedroom	-
2-Bedroom	7
3-Bedroom	1
4-Bedroom	-
Total Units	8
Parking Count	
Regular Spaces	14
H/C Spaces	1
Visitor Spaces	0
Total Parking	15 (16 required)



PROJECT:
ST. HELENA
COMPARISON SITES

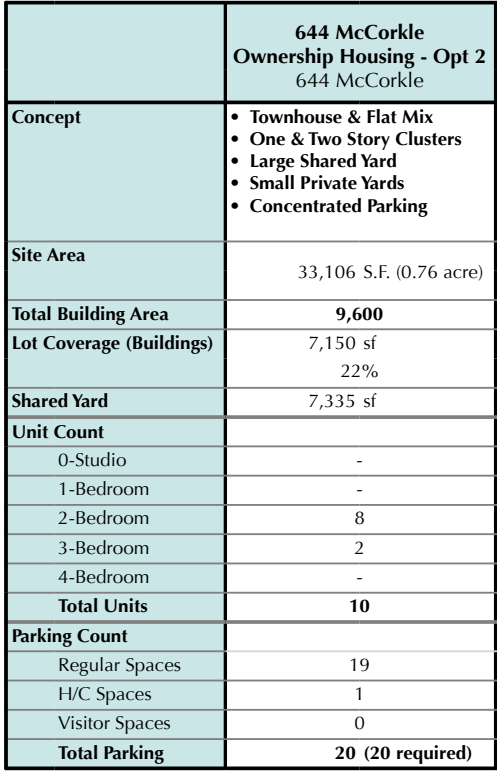
DRAWING TITLE:
684 MCCORKLE - OWNERSHIP OPT 2

SCALE: 1/32" = 1'-0" SHEET #: SK-13 DATE: 7/16/15

ARCHITECT:
MIKITTEN ARCHITECTURE
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Appendix

Land and Development Cost Information Used for Financing Options

Land Costs are an essential input to a financial feasibility analysis of new development and also one of the more difficult inputs to model, since land costs are influenced by a variety of factors, including location (determines desirability of site and zoning requirements), specific site characteristics (such as drainage and slope), and in the case of the St. Helena sites, demolition costs of existing structures (affects all sites with the exception of Adams Street).

Table A-1 presents the land costs used in this Study, and the sources for those costs. Costs for the larger sites were estimated using a land cost figure presented in the May 2015 St. Helena Housing Element (\$1,500,000 per acre). Current home values provided by Trulia were used in estimating land costs for the two McCorkle Avenue sites.

During the research for this study, we contacted several professionals to learn more about land and demolition costs. We learned that land, particularly in more desirable parts of St. Helena, is not readily available and almost always includes demolition of existing structures. Furthermore, there is no rule of thumb to estimate demolition costs. Therefore, these costs are not included in the land cost estimates. Therefore, it is likely that the overall development costs are under-stating true site costs.

Further complicating the situation in St. Helena is the need to relocate existing city services from two of the sites (Teen Center and City Hall/Police Station). While it may be possible to locate the Teen Center services to other buildings in St. Helena, the relocation of City Hall and the Police Station is more complicated, since it will be necessary to identify a site and funds to develop structure(s) to provide these needed municipal services. While the Adams Street site has been discussed as a possible relocation site, at this point, no decision has been reached.

Even if these costs were known, they could not be included on a pro forma provided to a housing funder. While the City will face higher costs if it selects the City Hall site, the City cannot expect repayment for these relocation costs from funding sources for affordable housing.

Table A-1: Estimates of Land Costs Used in Financial Feasibility Analysis

Site	Ownership	Price Estimates	Additional Price Considerations	Demolition Costs to Be Included	Development Site Size (in Acres)	Land Cost Estimates
City Hall	City	Based on HE land cost estimate of \$1.5 million per acre. (1)	Land price needs to include relocation of City Hall and Police Department.	Yes	1.7	\$2,550,000
Adams St.	City	Based on HE land cost estimate of \$1.5 million per acre. (1)	Price needs to be inflated to current dollars. \$3 million was original city purchase price.	No	1.3	\$1,950,000
Teen Center	City	Based on HE land cost estimate of \$1.5 million per acre. (1)	Value needs to consider relocation of services.	Yes	0.93	\$1,395,000
684 McCorkle	City	City paid \$600,000 in 2013. Used \$773,000 cost estimate (Trulia Website 6/21/2015)	None	Yes	0.54	\$773,000
644 McCorkle	Privately Owned	Used \$1,011,000 cost estimate (Trulia Website 6/21/2015)	Do we think the property is available for sale?	Yes	0.76	\$1,011,000

(1) Housing Element Needs Assessment City of St. Helena General Plan Update, May 26, 2015, page 95.

Source: Vernazza Wolfe Associates Inc.

Development Costs were easier to estimate, since development costs per square foot estimates are routinely used in pro forma analysis. Mikiten Architecture, creator of the site plans, provided the site plans to a contractor the firm routinely works with (Branagh Development). Based on these site plans, the site area, and site lay-out, Branagh provided estimates of construction costs for both developed space and the site area. VWA used these costs and the sizes of the units and site area surrounding the units to develop rental housing construction costs. (See Table A-2.)

Ownership Costs Adjustments were needed to adjust construction costs provided by Branagh Development. These costs are based on the assumption that a construction company or contractor undertakes the actual construction work. However, the self-help ownership model assessed in this study is based on future owners completing a considerable amount of the construction. Because actual construction costs would be lower, in order to adjust the construction costs, VWA contacted several agencies who operate self-help programs to ask their opinions of how to adjust costs. Consequently, the adjusted construction cost figures presented in Table A-3 present one option for reducing the construction costs to account for self-help labor. Each self-help project operates differently, and so it would be optimal to engage the services of a cost estimator experienced with self-help programs to develop more accurate cost figures.

The adjustment was in two steps: (1) Assume that 66% of total construction costs are labor (and 34% are materials and other costs). (2) Assume that future owners handle 50% of the construction work. Therefore the labor component of total costs is discounted by 50%.¹ This process can be expressed as follows:

Adjusted Costs = 50% of 66% of total costs (representing the portion of labor costs that will still be paid for) plus 34% of total construction costs (which represents costs of materials, etc.)

Total Development Costs for both rental and ownership project options were calculated, based on construction costs. Community Economics Inc. estimated related costs (based on construction costs), such as construction contingencies and soft costs. Finally the permit and impact fee costs included in this analysis (excluding housing impact fees) were provided by St. Helena planning staff based on the site plans and site sizes. These total costs were used in the rental and ownership housing financing scenarios.

¹ For the self-help ownership the work done by the families may account for a larger percentage of the construction costs, possibly 65% to 70%. Our estimate is conservative in that it does not credit more work to the families.

Table A-2: Estimated Building and Site Costs for Potential Affordable Housing Developments (St. Helena)

	Building Size (SF)	# of Units	Cost per SF (Building Area)	Pervious Surface	Cost per SF	Impervious Surface	Cost per SF	Total Costs	Total Cost Per Unit	Cost per SF of Building Area, Including Site Costs (but Excluding Land)
Rental Buildings										
644 McCorkle	9,780	9	\$265	14,354	\$34	8,773	\$50	\$3,518,386	\$390,932	\$360
684 McCorkle	10,979	9	\$324	10,914	\$36	6,461	\$52	\$4,286,072	\$476,230	\$390
City Hall Option #1	57,465	44	\$215	14,248	\$30	30,949	\$42	\$14,082,273	\$320,052	\$245
City Hall Option #2	58,470	46	\$215	12,155	\$30	32,662	\$42	\$14,307,504	\$311,033	\$245
Teen Center	23,156	20	\$248	13,875	\$33	14,175	\$45	\$6,838,438	\$341,922	\$295
Adams St.	37,659	31	\$240	21,295	\$31	19,931	\$42	\$10,535,407	\$339,852	\$280
Ownership Buildings										
644 McCorkle Option #1	13,050	12	\$315	12,055	\$34	10,951	\$50	\$5,068,170	\$422,348	\$388
684 McCorkle Option #1	6,900	6	\$315	8,220	\$34	10,002	\$50	\$2,953,080	\$492,180	\$428
644 McCorkle Option #2	9,600	10	\$315	15,721	\$34	10,235	\$50	\$4,070,264	\$407,064	\$424
684 McCorkle Option #2	7,500	8	\$315	10,721	\$34	7,051	\$50	\$3,079,564	\$384,946	\$411

Sources: Branagh Construction, Mikiten Architecture, and Vernazza Wolfe Associates Inc.

Table A-3: For-Sale Housing Costs Adjusted for Self-Help Savings (644 and 684 McCorkle Avenue)

	Building Size (SF)	# of Units	Total Project Unadjusted Costs	Total Unadjusted Cost Per Unit	Labor (Assumed to be 66% of Total Construction Costs)	Self-Help Labor (Saves 50% of Total Labor Costs)	Materials and Other Costs (34% of Total Unadjusted Costs)	Total Project Adjusted Construction Costs Per Unit	Total Project Adjusted Costs
Site Plan Option #1- Single Family Units									
644 McCorkle Ave. Option #1	13,050	12	\$5,068,170	\$422,348	\$278,749	\$139,375	\$143,598	\$282,973	\$3,395,674
684 McCorkle Ave. Option #1	6,900	6	\$2,953,080	\$492,180	\$327,792	\$163,896	\$167,341	\$331,237	\$1,987,423
Both Sites			\$8,021,250						\$5,383,097
Site Plan Option #2 – Cluster Units									
644 McCorkle Ave. Option #2	9,600	10	\$4,070,264	\$407,026	\$271,080	\$135,540	\$138,389	\$273,929	\$2,739,288
684 McCorkle Ave. Option #2	7,500	8	\$3,079,564	\$384,946	\$256,374	\$128,187	\$130,881	\$259,068	\$2,072,547
Both Sites			\$7,149,828						\$4,811,834

Sources: Branagh Construction, Mikiten Architecture, and Vernazza Wolfe Associates Inc.

Cost, Income, and Expense Information Used for Financial Assessments

The estimated rental housing and ownership development costs used for the financial analysis are presented in the tables below (Tables A-4 through Table A-11). Also included in these tables are estimates of income and expenses, based on indices that are routinely used in this work. The rental incomes (and sales prices) are based on federal program requirements for the targeted income groups – very low- and low-income households.

As I do not know whether or not you want to mention the fact that it might be possible to lower the costs through redesign and value engineering. This applies to both the rental and ownership projects. My impression is that there was no reworking to try to lower construction costs. Often when a project does not pencil out, adjustments are made (unit size, finishes, amenities etc.). My impression is that this did not happen because there was not time or budget to look at alternatives.

Attachment 1

Table A-4
644 and 684 McCorkle Avenue – 18 Unit Rental Project Option (4% Tax Credits)

USES OF FUNDS

Land Acquisition	\$1,784,000
Construction	\$7,785,219
Construction Contingency	\$389,261
Architecture/Engineering & Consultants	\$700,670
Construction Loan Fees	\$65,292
Bond Issuance Costs	\$130,584
Construction Loan Expenses	\$30,000
Construction Loan Interest	\$201,861
Permanent Loan Fees	\$1,355
Planning, Building & Impact Fees	\$578,528
Soft Cost Contingency	\$275,685
Legal Construction	\$5,000
Legal Syndication	\$45,000
Legal Permanent	\$5,000
Syndication Consultant	\$50,000
Audit	\$7,500
TCAC Fees	\$12,608
Market Study	\$4,500
Capitalized Operating Reserves	\$36,068
Developer Fee	\$1,524,518
TOTAL	\$13,632,649
<i>Tax Credit Eligible Basis</i>	<i>\$10,087,281</i>

INCOME & EXPENSES

Total Number of Units	18
Annual Stabilized Gross Income	\$153,288
Vacancy Loss	-\$7,664
Expected Gross Income	\$145,624
Operating Expenses	\$127,800
Reserves	\$7,200
Annual Debt Service	\$9,271
Annual Cash Flow	\$1,352

Attachment 1

Table A-5
Teen Center – 20 Unit Rental Project Option (9% Tax Credits)

USES OF FUNDS

Land Acquisition	\$1,395,000
Construction	\$6,365,530
Construction Contingency	\$318,277
Architecture/Engineering & Consultants	\$509,242
Construction Loan Fees	\$29,920
Bond Issuance Costs	
Construction Loan Expenses	\$30,000
Construction Loan Interest	\$92,503
Permanent Loan Fees	\$2,182
Planning, Building & Impact Fees	\$988,677
Soft Cost Contingency	\$266,404
Legal Construction	\$5,000
Legal Syndication	\$45,000
Legal Permanent	\$5,000
Syndication Consultant	\$40,000
Audit	\$7,500
TCAC Fees	\$16,501
Market Study	\$4,500
Capitalized Operating Reserves	\$41,217
Developer Fee	\$1,291,160
 TOTAL	 \$11,453,613
<i>Eligible Basis</i>	<i>\$4,922,828</i>

INCOME & EXPENSES

Total Units	20
Annual Stabilized Gross Income	\$175,896
Vacancy Loss	-\$8,795
Expected Gross Income	\$167,101
Operating Expenses	\$142,000
Reserves	\$8,000
Debt Service	\$14,867
Cash Flow	\$2,234

Attachment 1

Table A-6
Teen Center – 20 Unit Rental Project Option (4% Tax Credits)

USES OF FUNDS

Land Acquisition	\$1,395,000
Construction	\$6,365,530
Construction Contingency	\$318,277
Architecture/Engineering & Consultants	\$509,242
Construction Loan Fees	\$55,988
Bond Issuance Costs	\$111,975
Construction Loan Expenses	\$30,000
Construction Loan Interest	\$173,095
Permanent Loan Fees	\$2,182
Planning, Building & Impact Fees	\$988,677
Soft Cost Contingency	\$300,176
Legal Construction	\$5,000
Legal Syndication	\$45,000
Legal Permanent	\$5,000
Syndication Consultant	\$50,000
Audit	\$7,500
TCAC Fees	\$13,011
Market Study	\$4,500
Capitalized Operating Reserves	\$41,217
Developer Fee	\$1,329,021
 TOTAL	 \$11,750,391
<i>Eligible Basis</i>	<i>\$8,784,558</i>

INCOME & EXPENSES

Total Units	20
Annual Stabilized Gross Income	\$175,896
Vacancy Loss	-\$8,795
Expected Gross Income	\$167,101
Operating Expenses	\$142,000
Reserves	\$8,000
Debt Service	\$14,867
Cash Flow	\$2,234

Table A-7
City Hall – 46 Unit Rental Project Option (9% Tax Credits)

USES OF FUNDS

Land Acquisition	\$2,550,000
Construction	\$15,229,371
Construction Contingency	\$761,469
Architecture/Engineering & Consultants	\$1,218,350
Construction Loan Fees	\$111,457
Bond Issuance Costs	
Construction Loan Expenses	\$30,000
Construction Loan Interest	\$344,588
Permanent Loan Fees	\$4,578
Planning, Building & Impact Fees	\$2,034,667
Soft Cost Contingency	\$583,527
Legal Construction	\$5,000
Legal Syndication	\$45,000
Legal Permanent	\$5,000
Syndication Consultant	\$40,000
Audit	\$7,500
TCAC Fees	\$39,539
Market Study	\$4,500
Capitalized Operating Reserves	\$94,048
Developer Fee (1)	\$1,400,000
 TOTAL	 \$24,508,593
<i>Eligible Basis</i>	<i>\$14,592,973</i>

INCOME & EXPENSES

Total Units	46
Annual Stabilized Gross Income	\$400,920
Vacancy Loss	-\$20,046
Expected Gross Income	\$380,874
Operating Expenses	\$326,600
Reserves	\$18,400
Debt Service	\$31,192
Cash Flow	\$4,682

(1) Per TCAC, the developer fee is the lesser of 15% of basis or \$1.4 million for 9% projects and \$2.5 million for 4% projects.

Table A-8
City Hall – 44 Unit Rental Project Option (4% Tax Credits)

USES OF FUNDS

Land Acquisition	\$2,550,000
Construction	\$14,989,445
Construction Contingency	\$749,472
Architecture/Engineering & Consultants	\$1,199,156
Construction Loan Fees	\$125,664
Bond Issuance Costs	\$251,328
Construction Loan Expenses	\$30,000
Construction Loan Interest	\$388,511
Permanent Loan Fees	\$4,467
Planning, Building & Impact Fees	\$2,008,456
Soft Cost Contingency	\$622,668
Legal Construction	\$5,000
Legal Syndication	\$45,000
Legal Permanent	\$5,000
Syndication Consultant	\$50,000
Audit	\$7,500
TCAC Fees	\$26,535
Market Study	\$4,500
Capitalized Operating Reserves	\$90,109
Developer Fee(1)	\$2,500,000
TOTAL	\$25,652,810
<i>Eligible Basis</i>	<i>\$20,297,992</i>

INCOME & EXPENSES

Total Units	44
Annual Stabilized Gross Income	\$384,216
Vacancy Loss	-\$19,211
Expected Gross Income	\$365,005
Operating Expenses	\$312,400
Reserves	\$17,600
Debt Service	\$30,436
Cash Flow	\$4,569

(1) Per TCAC, the developer fee is the lesser of 15% of basis or \$1.4 million for 9% projects and \$2.5 million for 4% projects.

Attachment 1

Table A-9
Adams Street – 31 Unit Rental Project Option (9% Tax Credits)

USES OF FUNDS

Land Acquisition	\$1,950,000
Construction	\$10,178,748
Construction Contingency	\$508,937
Architecture/Engineering & Consultants	\$814,300
Construction Loan Fees	\$64,786
Bond Issuance Costs	
Construction Loan Expenses	\$30,000
Construction Loan Interest	\$200,295
Permanent Loan Fees	\$2,732
Planning, Building & Impact Fees	\$1,366,916
Soft Cost Contingency	\$391,875
Legal Construction	\$5,000
Legal Syndication	\$45,000
Legal Permanent	\$5,000
Syndication Consultant	\$40,000
Audit	\$7,500
TCAC Fees	\$26,471
Market Study	\$4,500
Capitalized Operating Reserves	\$62,779
Developer Fee (1)	\$1,400,000
 TOTAL	 \$17,104,838
<i>Eligible Basis</i>	<i>\$9,188,006</i>

INCOME & EXPENSES

Total Units	31
Annual Stabilized Gross Income	\$267,276
Vacancy Loss	-\$13,364
Expected Gross Income	\$253,912
Operating Expenses	\$220,100
Reserves	\$12,400
Debt Service	\$18,614
Cash Flow	\$2,798

(1) Per TCAC, the developer fee is the lesser of 15% of basis or \$1.4 million for 9% projects and \$2.5 million for 4% projects.

Table A-10
Adams Street – 31 Unit Rental Project Option (4% Tax Credits)

USES OF FUNDS

Land Acquisition	\$1,950,000
Construction	\$10,178,748
Construction Contingency	\$508,937
Architecture/Engineering & Consultants	\$814,300
Construction Loan Fees	\$86,259
Bond Issuance Costs	\$172,517
Construction Loan Expenses	\$30,000
Construction Loan Interest	\$266,683
Permanent Loan Fees	\$2,732
Planning, Building & Impact Fees	\$1,366,916
Soft Cost Contingency	\$431,327
Legal Construction	\$5,000
Legal Syndication	\$45,000
Legal Permanent	\$5,000
Syndication Consultant	\$50,000
Audit	\$7,500
TCAC Fees	\$19,105
Market Study	\$4,500
Capitalized Operating Reserves	\$62,779
Developer Fee (1)	\$2,079,513
 TOTAL	 \$18,086,814
<i>Eligible Basis</i>	<i>\$13,733,385</i>

INCOME & EXPENSES

Total Units	31
Annual Stabilized Gross Income	\$267,276
Vacancy Loss	-\$13,364
Expected Gross Income	\$253,912
Operating Expenses	\$220,100
Reserves	\$12,400
Debt Service	\$18,614
Cash Flow	\$2,798

(1) Per TCAC, the developer fee is the lesser of 15% of basis or \$1.4 million for 9% projects and \$2.5 million for 4% projects.

The estimated adjusted total ownership development costs are presented in the Table A-11 below.

**Table A-11:
644 and 684 McCorkle Avenue – 18 Unit Ownership Project Options**

	644/684 McCorkle Ave.	644/684 McCorkle Ave.
	Ownership Site Plan #1	Ownership Site Plan #2
Construction Loan Required	\$8,730,041	\$7,974,845
Number of Units	18	18
USES OF FUNDS		
Land Acquisition	\$1,784,000	\$1,784,000
Adjusted Project Construction Costs	\$5,383,097	\$4,811,834
Construction Contingency	\$269,155	\$240,592
Architecture/Engineering & Consultants	\$484,479	\$433,065
Construction Loan Fees	\$53,831	\$48,118
Construction Loan Expenses	\$30,000	\$30,000
Construction Loan Interest	\$188,408	\$168,414
Planning, Building & Impact Fees	\$444,400	\$383,862
Soft Cost Contingency	\$72,672	\$64,960
Legal Construction	\$15,000	\$5,000
Audit	\$2,500	\$2,500
Market Study	\$2,500	\$2,500
TOTAL	\$8,730,041	\$7,974,845
Cost Per Unit	\$485,002	\$443,047

Sources: Vernazza Wolfe Associates Inc. and Community Economics

Attachment 2

CITY OF ST. HELENA

RESOLUTION NO. 2017-____

**RESOLUTION ACCEPTING THE
FEASIBILITY ANALYSIS AND
COMPARISON OF SITES FOR NEW
AFFORDABLE HOUSING DEVELOPMENT
STUDY PREPARED BY VERNAZZA
WOLFE AND ASSOCIATES PRIMARILY
PAID FOR THROUGH FUNDING FROM
CDBG NO. 12-CDBG-8416**

RECITALS

WHEREAS, in 2013, the City of St. Helena was awarded a Community Development Block Grant (CDBG) to analyze both the feasibility of constructing affordable housing units in St. Helena, and to review the most appropriate City owned sites for new affordable housing development within the City; and

WHEREAS, the City retained Vernazza Wolfe and Associates to conduct this study; and

WHEREAS, the report by Vernazza Wolfe and Associates resulted in a detailed report which includes general feasibility of affordable housing construction and a comparison of City owned sites where such development would be considered; and

WHEREAS, the Vernazza Wolfe and Associates report was funded by the Department of Housing and Community Development through a Community Development Block Grant (CDBG); and

WHEREAS, on October 27, 2015, the feasibility report was presented to City Council at a regularly scheduled City Council meeting which was publicly notices according to Brown Act guidelines; and

WHEREAS, the feasibility report is available on the City's website; and

WHEREAS, on November 14, 2017 a public hearing was held in front of the City Council to notify the public of accomplishments funded by the Community Development Block Grant; and

WHEREAS, City Council is accepting the Feasibility Analysis and Comparison of Sites for New Affordable Housing Development study prepared by Vernazza Wolfe and Associates primarily paid for through funding from CDBG No. 12-CDBG-8416.

RESOLUTION

The City Council of the City of St. Helena hereby resolves as follows:

1. The City accepting the Feasibility Analysis and Comparison of Sites for New Affordable Housing Development study prepared by Vernazza Wolfe and Associates primarily paid for through funding from CDBG No. 12-CDBG-8416.

Approved at a Special Meeting of the St. Helena City Council on November 14, 2017, by the following vote:

Mayor Galbraith:	_____
Vice Mayor White:	_____
Councilmember Dohring:	_____
Councilmember Koberstein:	_____
Councilmember Ellsworth:	_____

APPROVED:

ATTEST:

Alan Galbraith, Mayor

Cindy Tzafoopoulos, City Clerk



Report to the City Council
Council Meeting of November 14, 2017

Agenda Section: New Business

Subject: Review and Approval of Three Year City Council Goals and 12-Month Strategic Objectives

CEQA Determination: Not a CEQA project

Prepared By: Mark Prestwich, City Manager

Reviewed By: Mark Prestwich, City Manager

Approved By: Mark Prestwich, City Manager

BACKGROUND

On October 4, 2017, the City Council held a facilitated public goal setting workshop with the City's Department Directors to develop three-year broad organizational goals and 12-month strategic objectives to accomplish the goals. Prior to the workshop and to help inform the identification of goals and objectives, City Council Members and Department Directors were asked to complete the following homework assignments:

1. Prepare a Strength, Weaknesses, Opportunities, and Threats (SWOT) analysis of the organization and City of St. Helena.
2. Identify list of organizational accomplishments over the past 12 months
3. Review of the Minutes from the February 4, 2017 facilitated community discussion about potential organizational goals.
4. Review current list of City projects
5. (Council Only) Identify three-year goals and measurable objectives to achieve those goals

DISCUSSION

The workshop resulted in the identification of five broad three-year goals for the organization as noted on the attached matrix. An additional 48 specific objectives have been identified to assist in the accomplishment of organizational goals. The matrix

identifies 1) who is responsible for working on each objective, 2) a projected completion date for accountability purposes, and a "status" column to facilitate periodic City Council review of progress. Upon review and approval of the goals and objectives, it is recommended the matrix be reviewed and discussed every other month at City Council meetings.

FISCAL IMPACT

Not applicable.

RECOMMENDED ACTION

Review and approve three-year organizational goals and 12-month strategic objectives for the City of St. Helena.

ATTACHMENTS

[SH Grid with Votes-AGENDA](#)

3-YEAR GOALS & 12-MONTH STRATEGIC OBJECTIVES (DRAFT)
November 2017 – November 2018

3-YEAR GOAL: Improve and Maintain Safe and Reliable City Infrastructure with a Commitment to Environmental Stewardship & Public Health						
WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. By January 31, 2018	City Manager + PW Management Analyst (Lead)	Complete Facilities Condition & Needs Assessment of City facilities.				
2. By January 31, 2018	City Engineer + Mayor Galbraith & Vice Mayor White	Prepare and present 5-year street capital improvement program (CIP) to City Council for approval.				
3. By April 30, 2018	City Engineer + Public Works Project Manager (Lead)	Prepare construction bid documents for Oak Avenue bathroom project.				
4. By June 30, 2018	City Engineer (Lead) + HR/IT Director	Implement Public Works Asset Management Software.				
5. By August 31, 2018	City Engineer	Identify the scope of work and funding requirements necessary to complete tertiary upgrade to City's wastewater facility.				
6. By October 31, 2018	Planning & Community Improvement Director (Lead) + Recreation Director + Two Council Members + Two Parks & Recreation Commissioners + Landscape Architect	Develop a community supported plan and funding strategy to renovate Lyman Park.				

7. By October 31, 2018	City Engineer	Initiate construction of the Upper York Creek Dam removal project.				
8. By October 31, 2018	City Engineer (Lead) + Finance Director	Identify the funding requirements and strategy to provide for long term maintenance and repair of City sidewalks.				
9. By May 30, 2018 (and annually thereafter)	City Engineer	Complete annual update of the citywide CIP.				
10. By April 30, 2018	Police Chief	Complete 21 days of directed enforcement to improve compliance with Truck Ordinance.				
11. By March 31, 2018	City Engineer	Initiate design of Crinella Pump Station improvement.				
12. By June 30, 2018	Police Chief	Recruit and train a second session of Police Volunteers to compliment the 6 current Volunteers, bringing the number to at least 10.				
13. October 31, 2018	Police Chief	Conduct semi-annual bicycle safety campaigns to include media outreach, public education, and bike rodeos.				

3-YEAR GOAL: Enhance Organizational Performance

WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. By January 31, 2017	Planning & Community Improvement Director (Lead) + Two Council Members	Complete RFP, recommend/approve consultant and initiate preparation of an Environmental Impact Report for City General Plan.				
2. By October 31, 2018	HR/IT Director + Consulting Attorney	Complete update to Employee Handbook and present to the City Council recommend updates to City Policies.				
3. By May 31, 2018	Finance Director	Develop Measure D expenditure policy for City Council review.				
4. By August 31, 2018	City Clerk (Lead) + HR/IT Director	Complete RFP, recommend/approve consultant and funding to complete document scanning in order to deploy public portal within City website to access City records via laserfiche.				
5. By August 31, 2018	City Building Inspector (Lead) + Planning & Community Improvement Director + Two Council Members	Implement a robust Code Enforcement Program that is efficient, readily understandable, and predictable by updating code provisions and establishing dedicated staff resources (funding) to it.				
6. By September 30, 2018	Staff Planner (Lead) + Planning & Community Improvement Director	Review and document status and scale of existing non-conforming industrial businesses within the community.				
7. By September 30, 2018	Planning & Community Improvement Director	Draft and present citywide design guidelines to the City Council for adoption.				
8. By August 31, 2018	HR/IT Director	Prepare/present to the City Council an employee succession plan and/or strategies to help retain employees and minimize turnover costs.				

9. By June 30, 2018	Finance Director	Implement Forensic Audit recommendations on policy and procedure improvements.				Introduced by Council Member Dohring at Meeting of 10/24
10. By November 30, 2018	Finance Director	Complete water contracts compliance review.				Introduced by Council Member Dohring at Meeting of 10/24
11. By April 30, 2018	City Clerk (Lead) + City Manager + Two Council Members	Review and update City Council Protocols/Rules of Conduct.				Introduced by Council Member Dohring at Meeting of 10/24
12. By December 31, 2017	Police Chief + Fire Chief (Lead)	Conduct community Post-Fire Community workshop to solicit citizen emergency preparedness suggestions + prepare/present to the City Manager and City Council.				Added by City Manager

3-YEAR GOAL: Ensure Long Term Economic Sustainability While Safeguarding St. Helena's Unique Culture & Quality of Life

WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. By May 31, 2018	City Manager + Public Works Management Analyst	Complete SHAPE Committee analysis and near and long-term plan for funding, construction/renovation/disposition of civic assets.				
2. By June 30, 2018	Finance Director (Lead) + City Engineer + Planning & Community Improvement Director + Recreation Director + Willdan	Complete and present for City Council adoption Impact Fee Study.				
3. By September 30, 2018	Finance Director	Develop a policy and procedure to receive philanthropic gifts and endowments on behalf of the City.				
4. By April 30, 2018	Finance Director + Consultant + SHAPE Committee	Complete update to Long Range Financial Forecast taking into consideration city facilities condition assessment.				
5. By June 30, 2018	Fire Chief (Lead) + HR/IT Director	Identify options/solutions to ensure continuity of part-time fire operations.				
6. By January 31, 2018	Finance Director + Consultant	Complete the California Municipal Financial Health Diagnostic tool.				

7. By July 31, 2018	City Manager (Lead) + Planning & Community Improvement Director + Council Member(s) + Chamber of Commerce + Two Planning Commissioners (as needed)	Obtain fresh insights/community input and develop local solutions to revitalize downtown to create resilience, including: • Work with local merchants and property owners to catalogue and understand issues and forces related to vacant and underutilized commercial space; • Intervene to assist in securing tenants for vacant buildings; • Take advantage of Urban Land Institute Advisory Services & American Institute of Architects Programs; and • Review and evaluate Zoning Code to evaluate opportunities that improve processes for businesses to open and operate.				
8. By April 30, 2018	City Attorney (Lead) + Planning & Community Improvement Director + Council Member(s)	Evaluate feasibility of modifications to existing agreements with large water users to establish firm caps in order to safeguard water supply.				
9. By November 30, 2018	Finance Director (Lead) + City Engineer + Council Member(s)	Follow through on Ad Hoc Utility Rate Committee observations • Begin process to understand and optimize data capture and collection to justify rate tiers and surcharges and improve rate equity among users and ratepayers • Install wastewater meters for wineries and other users with unique characteristics to improve cost of service/fee nexus				
10. By July 31, 2018	Finance Director + Council Member(s)	Present to City Council for review, a General Fund operating budget option with conservative assumptions that maintains a minimum General Fund reserve of 35-40%.				
11. By October 31, 2018	Finance Director	Complete financial recovery tasks related to 2017 Fire Complex.				Added by City Manager

3-YEAR GOAL: Commit to Full Public Participation, Ongoing Communication & Regional Collaboration

WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. By November 30, 2017	City Manager + HR/IT Director (Lead)	Launch & manage quarterly community newsletter.				
2. October 2017 Forward	City Council + City Manager + All Department Directors	Encourage active and diverse participation in government affairs.				
3. October 2017 Forward	City Council + City Manager + All Department Directors	Utilize a process oriented decision-making style to: - Create meaningful opportunities for citizen and community engagement (Ad Hoc Water Rate Committee model), considering magnitude of the undertaking - Develop alternative forums for informal discussion, Council question and answer - Utilize standing committees / commissions as fact finders and resources to develop recommendations on targeted issues within their area of expertise - Leverage knowledge, ideas and manpower of residents, non-profits, and special interest groups				
4. By June 30, 2018	City Manager + Council Member(s) [possibly NCLOG]	Invite a representative from Napa County and the communities of Calistoga, Angwin, Yountville, Napa, American Canyon and Vallejo to a meeting to discuss approaches to how to initiate regional engagement/dialogue on housing, transportation, environmental impacts, water etc.				
5. By January 31, 2018	Police Chief	Establish monthly "Coffee with a Cop" open forum gatherings.				
6. By September 30, 2018	City Engineer	Conduct a public workshop to solicit community feedback on the concept of a comprehensive approach to improving traffic and pedestrian safety and elm tunnel beautification between Pratt Avenue and Deer Park.				

3-YEAR GOAL: Identify Solutions to Improve Access to Housing

WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. By October 31, 2018	Planning & Community Improvement Director (Lead) + Our Town St. Helena + Gasser Foundation + Two Council Members + Two Planning Commissioners + Consultants (funding required)	Develop a coordinated Citywide Housing Strategy in partnership with Our Town St. Helena (OTSH) and Gasser Foundation considering short and long-term objectives, limited staffing availability, and available outside resources by: - Surveying other ordinances; treatises; OTSH data; revisit CDBG 2015 study findings - Utilizing experts in the housing and finance fields, ULI and others - Utilizing standing committees/commissions to develop select aspects of the plan within their sphere of experience and expertise - Leveraging use of local and regional agencies and non-profits; creating partnerships				
2. By June 30, 2018	Planning & Community Improvement Director (Lead) + City Manager + Two Council Members	Identify the conceptual responsibilities, benefits and funding strategies for the potential hiring of a shared services Housing Coordinator.				
3. By November 30, 2018	Two Council Members (Lead) + Planning & Community Improvement Director	Evaluate opportunities to utilize public assets and authority to: - Enhance City ability to promote housing opportunities through investigation of use/exchange/sale of public land assets as a follow up to SHAPE Committee work - Evaluate use of supplemental tax and finance measures to support housing needs and obligations, mortgage assistance - Capitalize on regulatory powers to encourage transit oriented developments, mixed use, land donations and/or construction - Investigate means to reduce the cost of infill housing - Establish partnerships with school district and major employers to address housing needs - Promote utilization of new building types / ADUs - Sustain and improve financial subsidy programs for lower income residents				

4. By July 31, 2018	Planning & Community Improvement Director (Lead) + City Attorney + City Council Member(s)	Evaluate and recommend for City Council consideration Rent Stabilization Ordinance options to maintain mobile home park units as an affordable housing option.				
5. By October 31, 2018	City Council Member(s) (Lead) + Two Planning Commissioners + Planning & Community Improvement Director + Consultant (funding required)	Develop Mechanisms to Maintain Existing Housing Stock to Serve a Variety of Income Levels and Family Types - Evaluate and create private sector rehabilitation/redevelopment incentives for existing multi and single-family housing - Evaluate creation of public sector intervention strategies for purchase and rehabilitation (as necessary) of moderately priced single-family homes - Protect long term viability of Vineyard Valley as an affordable housing option for persons over age 55 - Capitalize on ADUs/second units as infill rental opportunities - Investigate need for community rehabilitation facility				
6. By November 30, 2018	Two Council Members (Lead) + Two Planning Commissioners + Planning & Community Improvement Director	Mitigate Housing Impacts by: - Mandating employee generation/housing/transportation nexus analysis for new development via: - Presenting for City Council consideration an establish inclusionary requirements; impact fees - Presenting for City Council consideration establish traffic and parking mitigation measures - Take steps to welcome second home owners into the community and encourage participation and support; draw on residents and service organizations to minimize staff time				