



## Staff Report

**Agenda Item #:** {{section.number}}B

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### Yountville Town Council Staff Report

**DATE:** March 5, 2024  
**TO:** Mayor and Town Council  
**FROM:** Brad Raulston, Town Manager  
**PREPARED BY:** Brad Raulston, Town Manager

#### **RECOMMENDATION**

Adopt Resolution 24-4251 approving, authorizing, and directing execution of a purchase and sale agreement with the Napa Valley Unified School District for the property located at 6554 Yount Street, Yountville, CA 94599 (APN 036-070-026).

#### **DISCUSSION/BACKGROUND**

Since the closure of the Yountville Elementary School located at 6554 Yount Street (the "Property") in 2020, the Town and the Napa Valley Unified School District (the "District") have been engaged in discussions regarding the future use and potential transfer of the former school site. Town staff and the District have reached a proposed agreement for the Town to acquire 6554 Yount Street for a purchase price of \$11,000,000.00 (the "Agreement"). The Agreement memorializes the terms reached during negotiations. Specifically, the Agreement:

1. Requires the Town to provide an initial deposit of \$100,000, which is fully refundable prior to the end of the Due Diligence Period (as defined in the Agreement);
2. Grants the Town immediate access for any inspections deemed necessary through the end of the Due Diligence Period, including inspections and environmental assessments of the buildings and other improvements on the Property;
3. Requires the Town and the District to indemnify each other against any and all claims, damages, or losses arising out of negligence or willful misconduct in connection with the Agreement;
4. Requires the District to indemnify the Town against any and all claims, damages, or losses stemming from environmental hazards on the Property;
5. Includes standard provisions for escrow, closing, costs, and transfer of ownership.

After the November 2022 Election, the newly elected Town Council hosted strategic planning/goal setting workshops on March 27, 2023, and again on January 30, 2024. The Town Council declared the acquisition of the Yountville Elementary School property to be their highest priority in 2023, and reaffirmed that unanimously in 2024. The Town is acquiring the property as an investment in the future of Yountville. The Town is committed to creating a balanced project that addresses housing needs, enhances resident amenities, and supports our local economy.

In a separate item on today's agenda, the Town Council has allocated and budgeted for the total purchase price, with \$500k designated for initial cleanup and related tasks, another estimated \$500k for interim community uses of certain existing buildings, and an additional estimated \$500k for outreach, planning, and design/engineering towards a long-range vision for the site. The budget being prepared for the next two fiscal years will include additional one-time and ongoing costs related to acquisition.

The purchase price for the property was determined through assessments by independent professionals. Multiple factors, including market conditions and property assessments, were taken into consideration to establish a fair market value. Additionally, the Town engaged in negotiations with NVUSD to reach a mutually acceptable purchase price based on these assessments. Measures were also taken to ensure that the acquisition aligns with the Town's fiscal policies and long-term financial sustainability.

The acquisition will be funded by specific savings for this purchase, general fund reserves, and Measure S funds designated for workforce and affordable housing programs and services. The Town will maintain existing reserve targets and not issue any debt for the purchase. This is possible due to consistent growth in revenue and fiscal stewardship of the Town Council.

Regular updates and progress reports will be provided to the community, and opportunities for public input and engagement will be encouraged at various stages of the project. Additionally, all decisions related to the development of the property will be made in accordance with established protocols and laws and with the best interests of the community in mind.

## **ENVIRONMENTAL REVIEW**

The authorization of this purchase and sale agreement is not a project subject to the California Environmental Quality Act (CEQA) (Public Resources Code section 21000, et. seq.) pursuant to CEQA Guidelines (California Code of Regulations, Title 14, section 15000, et seq.) sections 15061(b)(3) (Common Sense Exemption) and/or 15312 (Surplus Government Property Sales). Further, pursuant to CEQA Guidelines section 15004(b)(2)(A), any future use or development of the Property is too speculative at this stage to allow for meaningful environmental assessment. Any future use or development will be contingent on CEQA review and compliance.

CEQA Guideline 15061(b)(3) (Common Sense Exemption): This subsection excludes from CEQA activities that do not have the potential to cause a significant effect on the environment. This approval does not commit the Town to any proposed course of action regarding the use or development of the Property. Any future changes to or development of the Property will be analyzed and approved in accordance with CEQA and the Yountville Municipal Code.

CEQA Guideline 15312 (Surplus Government Property Sales): This subsection categorically exempts from CEQA sales of surplus government property except for parcels of land located in an area of statewide, regional, or areawide concern identified in Section 15206(b)(4). The District has determined the Property is "surplus" and the Property is not located in an area of statewide, regional, or areawide concern.

CEQA Guideline 15004(b)(2)(A), addressing the timing of environmental review under CEQA, requires environmental analyses be completed "as early as feasible" but "late enough to provide meaningful information for environmental assessment." This section authorizes the Town to "enter into land acquisition agreements" before completion of CEQA "when the [Town] has conditioned the [Town's] future use of the site on CEQA compliance." Any future use or development of the Property is too premature at this stage for meaningful environmental assessment. The resolution states the Town conditions any future use or development of the Property upon completion of all necessary CEQA review and approval processes.

## **FISCAL IMPACT**

Is there a Fiscal Impact? Yes

Is it Currently Budgeted? No

Where is it Budgeted? N/A

Is it Mandatory or Discretionary? Discretionary

Is there a Staff Resource Impact? Yes

### **STRATEGIC PLAN GOAL**

Is item Identified in Strategic Plan? Yes

If yes, Identify Strategic Goal and Objective. **Visionary Leadership:** The Town's leadership maintains an open-minded, forward-thinking decision-making process. We value engagement and participation from all members of the community as we work together to create policies and plan for the future.

**Responsible Fiscal Policy:** The Town maintains its fiscal health through policies designed to maximize economic opportunities, manage expenses, and ensure prudent reserves.

Town Council hosted strategic planning/goal setting workshops on March 27, 2023 and January 30, 2024. The Town Council declared the acquisition of the Yountville Elementary School property to be their highest priority in 2023 and reaffirmed that in 2024.

### **RECOMMENDATION**

Receive staff report and direct questions to staff.

Conduct public hearing and receive testimony.

Conduct discussion on the proposed purchase and sale agreement.

Motion and second to adopt the resolution approving, authorizing, and directing the execution of the purchase and sale agreement.

### **Attachments**

Purchase and Sale Agreement