



Town of Yountville

6550 Yount Street
Yountville, CA 94599

Staff Report

Agenda Item #: {{section.number}}C

Yountville Town Council Staff Report

DATE: March 5, 2024

TO: Mayor and Town Council

FROM: Brad Raulston, Town Manager
Celia King, Administrative Service Director

PREPARED BY: Celia King, Administrative Service Director

RECOMMENDATION

Consider adoption of Resolution Number 24-4252 approving establishment of project CF-0046 in Capital Projects Fund 50 with an initial budget of \$11.5 Million, along with required budget transfers to fund the acquisition of the Yountville Elementary School site property at 6554 Yount Street, and finding approval exempt from the California Environmental Quality Act.

DISCUSSION/BACKGROUND

In 2020, the Napa Valley Unified School District (NVUSD) closed Yountville Elementary School due to declining enrollment. Since the closure of the Yountville Elementary School located at 6554 Yount Street in 2020, the Town and NVUSD have been engaged in discussions regarding the future use and potential transfer of the former school site.

After the November 2022 Election, the newly elected 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 their highest priority in 2023 and reaffirmed that in 2024. The Town will be acquiring the property as an investment in our community. The Town is committed to creating a balanced project that addresses housing needs, enhances resident amenities, and supports our local economy.

\$11 million has been allocated for the purchase, with \$500k designated for initial cleanup and related tasks (the "Initial Phase"). Staff estimates it may need approximately \$500k for interim community uses of certain existing buildings (the "Interim Phase"), and an additional estimated \$500k for outreach, planning, and design/engineering for the long-range vision for the site (the "Idea/Initiative Phase"), as described below.

1. Initial Phase - purchase of the property (\$11 million) and addressing immediate needs such as cleanup and beautification of the site (\$500,000)
2. Interim Phase - adaptive reuse of existing buildings over the next three to eighteen months (estimate \$500,000 for FY 2024-2025)
3. Idea/Initiative Phase – outreach, planning, and design/engineering over the next three to six years (estimate of \$500,000 for FY 2024-2026)

The purpose of this staff report is to outline the proposed budgetary and accounting transactions necessary for the Initial Phase of this process for the Town Council's review and approval.

Staff recommends that the Town Council first approve establishing project CF-0046 Purchase and Development of 6554 Yount Street in Capital Projects Fund 50 in the current Fiscal Year (FY) 2023/2024. This project will need an initial budget amount of \$11.5 million. To provide funding for this project, staff also recommends that the Town Council approve the following actions in FY 2023/2024:

- Release the General Fund Assigned for Affordable Housing Opportunities fund balance allocation of **\$3,616,075** so that it is available for use, and transfer into Capital Projects Fund 50 specifically to be used for CF-0046.
- Transfer General Fund Unassigned Fund Balance as of the close of FY 2022/2023 of **\$3,364,000** into Capital Projects Fund 50 specifically to be used for CF-0046.
- Reduce Unanticipated Tourism Revenue Deficits Reserve Fund 05 by **\$900,000** and transfer this amount into Capital Projects Fund 50 specifically to be used for CF-0046.
 - The remaining balance in Unanticipated Tourism Revenue Deficits Reserve Fund 05 will still meet the policy minimum of 25% of FY 2023/2024 estimated Transient Occupancy Tax revenues.
- Transfer **\$3,019,925** from Measure S Workforce and Affordable Housing Fund 71 into Capital Projects Fund 50 specifically to be used for CF-0046.
 - Measure S Funds may be used for programs and services related to workforce and affordable housing. Upon purchase of the property, the Town plans to pursue using approximately 1/3 of the 6.83 acre school site property to accommodate workforce and/or affordable housing. This type of development will require planning studies, CEQA review, and a funding/construction plan. The amount of Measure S funds to be used in this transaction represents 27.4% of the total purchase price, which is less than the 1/3 (33%) of the site that the Town will pursue using for workforce and/or affordable housing. This is a proper use of Measure S funds as it preserves the Town's ability to pursue construction of workforce and/or affordable housing and does not exceed the proportional cost of workforce and affordable housing which may be planned on the site, subject to additional CEQA review and compliance.
 - The Measure S Oversight Committee will review the expenditure and develop a policy that ensures Measure S funds are used properly.
 - Measure S is an ongoing funding source in perpetuity and is collected monthly. The current annual revenue from Measure S is approximately \$750k.
- Reduce Fleet, Tools and Equipment Repair and Replacement Fund 82 by **\$600,000** and transfer this amount into Capital Projects Fund 50 specifically to be used for CF-0046.

The result of these transactions will be that Capital Projects Fund 50 will have the required \$11 million available for CF-0046, to pay the purchase price for the Town to acquire the property at 6554 Yount Street, and the \$500,000 allocation needed for immediate cleanup and beautification.

Project CF-0046 can also be used in the upcoming Biennial Budget for FY 2024/2025 and 2025/2026 to budget for improvements to and development of the property.

It is worth noting that reducing the reserve funds will mean that General Fund transfers may need to be planned for FY 2024/2025 and 2025/2026 to ensure that the reserves meet the policy minimums in those fiscal years.

ENVIRONMENTAL REVIEW

Adoption of this resolution 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 is 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 Town explicitly conditions its future use and/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? Nominal

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 their highest priority in 2023 and reaffirmed that in 2024.