City of Calistoga
STAFF REPORT

To: Honorable Mayor and City Council
From: Sheli Wright, Fairgrounds Revitalization Director
Meeting: City Council - Special Meeting - Nov 19 2024
Subject: **Calistoga Speedway - Necessary Repairs and Use of the Race Track**

AGENDA TITLE:

Calistoga Speedway - Necessary Repairs and Use of the Race Track

RECOMMENDATION:

Provide staff direction regarding repairs, initial use(s), if any, of the race track and parameters (including possibility of leasing to a promoter) and/or timing of the use(s).

BACKGROUND:

The Calistoga Speedway is one of the historic features of the newly acquired fairgrounds. The track is one of the oldest racetracks dating back to at least 1937. Horse racing was held prior to car races. The track is a half-mile oval and claims to be the fastest dirt track in the Western United States. It's signature motorized event, the Louie Vermeil Classic, was named for the founder of the Northern Auto Racing Club, a long time Calistoga resident. Other events have included Dirt Modifieds, World of Outlaws, Winged Sprint Cars, USAC Sprint Cars, Midgets, and motorcycle flat-track races among other motorized events.

Noteable repairs are necessary before even initial use of the speedway could occur. In additon, the most requested use the Fairgrounds Revitalization Director has received since her arrival has been for movement toward reopening the Calistoga Speedway. If the city council is interested in the possibility of rental income from the racetrack in 2025, decisions need to be made about how to proceed toward that goal. Staff is seeking City Council direction.

ANALYSIS:

Repairs

Repairs are necessary prior to any use of the track, grandstands, and/or concession building. The necessary repairs as currently known include:

Main Grandstand

- The protective primer or paint coating of the structural steel and cold formed steel beams, columns, and braces have deteriorated, leaving much of it exposed to weather and susceptible to corrosion. A new coating should be applied to the structural steel members to protect them from further corrosion.
- Mild corrosion is present on most of the structural steel members, with several locations with more severe corrosion including pitting and delamination, indicating a reduction in the structural strength. These locations should be fully documented and evaluated for their reduced capacities and repaired or replaced.

- The small free-standing wood-framed structures under the grandstands are constructed from unconventional construction methods and without a weather resistive barrier on the walls, causing severe dry rot of the roof and wall framing. These small structures should be demolished and replaced, as needed, with structures that meet the current code requirements.
- Large cracks and concrete spalls occur at the bottom of several guardrail posts. This appears to have been exacerbated by the corrosion of the post blockout sleeves and lack of concrete reinforcing around the posts. The corroded sleeves should be replaced, and repair is needed to the concrete cracks and spalls.

Ancillary Grandstand

- The rafter tails, fascia, exterior siding, and floor planks of the booth are weathered and have signs of dry rot, reducing the strength of the members. Booth framing should be thoroughly investigated and all members with dry rot be repaired or replaced.
- The wood panel finishes at the interior of the booth show signs of prolonged water exposure, indicating possible dry rot of the internal wall framing, wood paneling needs to be removed so framing can be inspected. The gaps between the guardrail pipes at the edge of walkways, grandstand seating, and stairs have openings that are greater than allowed by California Building Code (CBC) section 1015.4. This item is non-structural, but it is recommended that these conditions be modified to conform to CBC requirements.

Concession Building

The structure is in a state of severe deterioration, with signs of water intrusion and dry rot throughout the building and multiple structural elements never built to code. To reuse the structure, it is recommended that the finishes are removed to allow thorough review of the framing and that all deteriorated framing is replaced. If it is discovered that the extent of damage and dry rot is prolific, it may be more cost effective to demolish and reconstruct the building to current code requirements.

<u>Estimated Repair Costs</u>

Initial cost estimates are $100,000 for repair of the grandstands and $1,000,000 for replacement of concession building based on prevailing wage labor rates. Repair costs for the concession building are unknown until further inspections occur using "destructive testing" meaning more layers of the building are removed. Sewer and water repairs are also necessary, but the full scope is currently unknown and therefore no cost estimates can be made. No funds are budgeted for these repairs.

When facility repairs are completed, the city could likely rent the facility for multiple uses throughout the year even without sewer and possibly without water. Uses might include concerts, rodeos, destruction derby, and many other vendor events.

<u>Repair Option Tied to Use of the Race Track</u>

An option to complete the repairs might be for a race promoter to make the necessary investment. In addition, based on the attached letter, the timing to determine if car races will be allowed in 2025 is now. At least three options related to these two factors are:

1) Direct the Fairgrounds Revitalization Director to prepare a Request for Proposal for motorized racing to go out to bid, with the understanding that the respondents will be responsible to repair the track, grandstand(s) and concession facilities on the grounds.

2) Direct the Fairgrounds Revitalization Director to negotiate a short-term (3-5 year), Sprint Car Only contract with the previous promoter for a discounted rental rate in exchange for repairing the track, grandstand(s) and concession facilities on the grounds. Note that if this option is selected, the Fairgrounds Revitalization Director requests that the city council direction includes directing negotiations for sprint car-only races, a non-exclusive track lease. This differs from the HMC Promotions request to be the exclusive event promoter for the Calistoga Speedway.

3) Forgo the 2025 race season, obtain more financial estimates on repairs, explore different options for funding repairs, and/or wait until more community input can be obtained.

FINANCIAL IMPACT:

Repair costs are discussed in the Analysis section. Revenue estimates for rental of the Calistoga Speedway for sprint car races are difficult to guess unless a competitive RFP process is undertaken. Additional rental income is also difficult to estimate until it is determined what amenities (concesssion stand, restrooms, etc.) will be availalbe to renters.

CEQA STATUS:

None at this time

ATTACHMENT(S):

Calistoga Speedway 10-24'

APPROVAL(S):

Connie Cardenas, Admin. Services Director	Approved - Nov 08 2024
Laura Snideman, City of Calistoga | City Manager	Approved - Nov 14 2024
Yudiana Galvan, City of Calistoga | City Clerk	Approved - Nov 14 2024

I would like to first congratulate Sheli Wright and Scott Atkinson on a successful Calistoga Community Clean Up event. It appears that the Calistoga Community as well as many Calistoga Speedway fans are more than willing to be involved in the Fairgrounds revitalization program. I was in attendance and proud to see the energy and enthusiasm of the over 200 volunteers. I am confident that whatever issues that remain can be swiftly resolved in an economical manner.

Historically, the Racetrack and supporting amenities have played a significant role in not only supporting the Fairgrounds but also generating substantial income streams to local businesses. I'm sure there is data available that outlines the economic impact but consider this: RV space rentals on the "Vermeil " weekend conservatively contributed about $60,000.00 dollars to the upkeep of the Fairgrounds. This amazing amount of revenue does not include Track rental fees or any other revenue stream that is available when there is several thousand people on the facility.

However, we are now at a critical point in the future of the 2025 season. In order to be considered for the 2025 event year the City of Calistoga will need to select an event promoter by the middle of November. I cannot over emphasize the urgency of this appointment. If the Fairground is expected to be able to begin income generation to subsidize whatever debt it develops and potentially deliver a profit to the City immediate consideration is necessary in appointing a qualified individual.

I would like to request that HMC be given the opportunity for exclusive partnership for event promotions for the Calistoga Speedway. My company of family members and loyal supporters would sincerely like the opportunity to serve the Calistoga Community.

HMC Promotions proudly presented successful racing events at Calistoga Speedway for 12 years dating back to 2008 and ceasing operations due to the pandemic in 2019. I have a proven staff of people with years of racing experience anxious to get started on a new adventure. I am proud of our accomplishments and am ready to continue supporting the historical Calistoga Speedway.

Time is of the essence to ensure that Calistoga Speedway can be considered as a viable venue for next year's event calendar. Please allow HMC Promotions the ability to bring the Fairgrounds back to its once majestic presence in the Napa Valley.

Thanks for your prompt consideration on this matter.

Sincerely, Tommy Hunt