City of Calistoga
STAFF REPORT

To: Honorable Mayor and City Council
From: Sheli Wright, Fairgrounds Revitalization Director
Meeting: City Council - Regular Meeting - Nov 17 2026
Subject: **Calistoga Speedway License Agreement with Half Mile Heritage Motorsports, Inc. operation of the Calistoga Speedway**

DESCRIPTION:

Calistoga Speedway License Agreement with Half Mile Heritage Motorsports, Inc. operation of the Calistoga Speedway

RECOMMENDATION:

Consider Authorizing the City Manager/Staff to Enter into the Agreement

SUMMARY:

Approve the proposed business terms and authorize the City Manager to finalize and execute a five-year license agreement, subject to City Attorney approval, verification of financial capacity, formation of the operating corporation, and required insurance.

ANALYSIS:

BACKGROUND

Half Mile Heritage Motorsports proposes to operate and promote events at Calistoga Speedway. The proposed ownership includes Scott Russell, Kami Arnold, Malyssa Perkins, and Mike Mitchell, whose experience includes speedway operations, racing promotion, event administration, and construction.

PROPOSAL HIGHLIGHTS

- **Term:** Five years, with an optional five-year extension.
- **Events:** Four two-day weekends annually—three sprint car weekends and one Monster Truck weekend. Dates and sanctioning partners remain subject to confirmation.
- **Rental revenue:** Proposed annual payment of $60,000, based on eight event days at $7,500 per day, including existing utilities.
- **Infrastructure investment:** Operator commitment of $50,000 annually for five years, totaling $250,000. Proposed improvements include restrooms, accessibility, concessions, track barriers, fencing, electrical systems, and lighting, subject to City approval.
- **Operations:** Operator responsible for event preparation, staffing, safety coordination, cleanup, and restoration.
- **Requested rights:** Retention of event admissions, parking, concessions, merchandise, and approved beer and wine revenue; extended setup and cleanup access; and complimentary personnel RV accommodations.

- **Other events:** First opportunity to provide concessions at City operated non-racing events, with 25% of gross concession sales, excluding sales tax, paid to the City when the operator elects to provide service.

COMMUNITY BENEFITS

The proposal supports continued use of the historic Speedway, provides rental income, and commits private funding toward City-owned infrastructure. Events are expected to attract visitors and support local lodging, restaurants, retailers, and other businesses. Restroom, accessibility, and concession improvements could also benefit other Calistoga Fairgrounds activities.

FISCAL IMPACT

Proposed rental payments total **$300,000 over the initial five-year term**, plus **$250,000 in operator-funded capital improvements**. Rental receipts remain subject to final cancellation provisions. City costs include utilities and the financial effect of requested fee waivers and revenue rights.

COUNCIL DIRECTION

The proposal requests no City capital contribution.

Attachment: Licensed Agreement and Operator proposal.

FINANCIAL IMPACT:

The City estimates $80,000 per year in gross RV revenue, along with the $60,000 per year of rental revenue for a total of approximately $140,000 per year of gross revenue. Additionally, the agreement adds $50,000 per year in capital improvements.

CEQA STATUS:

The recommended action is not a project under the definitions contained in the Guidelines of the California Environmental Quality Act (CEQA) and is therefore exempt from CEQA