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: **License Agreement with Sweet Rentals, LLC for Operation of Calistoga Speedway**

DESCRIPTION:

License Agreement with Sweet Rentals, LLC for Operation of 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 ten-year license agreement with Sweet Rentals, LLC, subject to City Attorney approval and completion of required financial, insurance, and operational reviews.

ANALYSIS:

BACKGROUND

Sweet Rentals, LLC, represented by Brad and Rachel Sweet, proposes to operate, promote, and improve Calistoga Speedway. Their proposal describes experience operating Silver Dollar Speedway, promoting major racing events, and coordinating facility improvements and community partnerships.

PROPOSAL HIGHLIGHTS

- **Term:** Ten years.
- **License payments:** Guaranteed minimum of **$100,000 annually**. Payments of $10,000 per qualifying event night count toward this minimum; each night beyond ten generates an additional $10,000.
- **Events:** Proposed ten-night annual program featuring sprint cars, American Flat Track motorcycles, and Monster Trucks. Final dates and programming remain subject to City approval and sanctioning arrangements.
- **Capital improvements:** Minimum **$250,000 within the first 36 months**, separate from routine maintenance. Priorities include accessible restrooms, concessions, track safety, utilities, and spectator amenities.
- **City revenue shares: 25% of gross beer and wine sales, 20% of gross food and nonalcoholic concession sales, and 15% of gross operator merchandise sales.** Alcohol operations require applicable approvals.
- **Camping:** City retains camping and RV Park revenue. Operator requests 15 complimentary camping spaces per event for staff and competitor VIPs.
- **Operator responsibilities:** Event staffing, track preparation, routine repairs, safety planning, cleanup, restoration, electronic sales reporting, and City audit access.

- **Additional investment:** Operator requests a credit against future license payments equal to **50% of City-approved eligible capital spending above the initial $250,000 commitment**.

COMMUNITY BENEFITS

The proposed agreement would preserve the Speedway's historic racing use, establish recurring City revenue, and secure private investment in public facilities. Regional and national events are expected to encourage overnight stays and spending at local lodging, restaurants, and businesses. Improved restrooms, concessions, accessibility, and safety infrastructure could also support broader Calistoga Fairgrounds use.

FISCAL IMPACT

The proposed ten-year term would generate **$1 million in minimum license payments before approved rent credits**, plus at least **$250,000 in capital improvements**. Additional City revenue would come from concession and merchandise shares, camping, and event nights beyond ten annually.

No upfront City contribution is requested. Actual net revenue will depend on approved improvement credits, complimentary camping, and the final allocation of utilities and other City costs.

COUNCIL DIRECTION

Council should consider the proposed rent credit arrangement and whether to participate further in restroom, beverage-service, or concession improvements. Preliminary improvement concepts total **$425,000–$475,000**, but the operator's firm minimum commitment is **$250,000**. Any additional City participation should identify the approved scope, funding source, credit limits, and completion requirements.

Attachment: Licensed Agreement and Sweet Rentals, LLC proposal.

FINANCIAL IMPACT:

The City estimates $80,000 per year in gross RV revenue, along with a guaranteed of $100,000 per year in rental revenue for a total of approximately $180,000 per year of gross revenue. Additionally, the agreement adds $250,000 in capital improvements within the first 36 months.

CEQA STATUS:

This action does not meet the definition of a "project" under the California Environmental Quality Act (CEQA).