



Agenda Date: 10/4/2005  
Agenda Placement: 8C  
Set Time: 10:00 AM  
Estimated Report Time: 30 Minutes

## NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

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**TO:** Board of Supervisors  
**FROM:** Michael Stoltz for Robert Peterson - Director  
Public Works  
**REPORT BY:** Michael Stoltz, Deputy Director of Public Works, 299-1365  
**SUBJECT:** Balloon Launching Facility

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### **RECOMMENDATION**

Director of Public Works requests Board discussion and possible direction to staff on actions to establish a balloon launching facility on County owned property adjacent to the Roads Division Corporation Yard on Silverado Trail near Yountville for a six month evaluation period with potential direction from the Board to include releasing a Draft Initial Study and Negative Declaration for public review by Monday, October 10, 2005 in compliance with the California Environmental Quality Act.

**(CONTINUED FROM SEPTEMBER 13, 2005)**

### **EXECUTIVE SUMMARY**

On September 13, 2005 the Board of Supervisors gave direction to further consider establishing a balloon launching facility on County owned property adjacent to the Roads Division Corporation Yard located on Silverado Trail near Yountville. The Board further directed this consideration include that the balloon port be established for a six month evaluation period, with the potential of being operated on a permanent basis based upon the results of the six month program. Direction to staff also included the following parameters:

- | Development of site limited to providing security fence;
- | Minimum staff presence in the operation of the balloon port;
- | Balloon operators shall ensure best management practices are implemented and enforced;
- | Sufficient insurance shall be provided to protect the County from potential liability exposure; and
- | Appropriate payments provided by balloon operators to reimburse County for its development and operation of the balloon port site so there is no fiscal impact.

Staff has subsequently met with balloon representatives to set up a plan to accomplish this direction. A plan was set in motion to accomplish the following actions:

- | Prepare Notice of Intent to adopt a Negative Declaration (staff);

- | Set up public meeting with adjacent property owners (balloon representatives);
- | Establish proposed Code of Conduct (COC) to be provided to Board of Supervisors (balloon representatives);
- | Establish appropriate insurance requirements (staff)
- | Prepare License Agreement for use of site (staff).

Staff and balloon industry representatives will provide a status report on the implementation of these actions with potential further direction from the Board.

Staff does request that the Board provide direction to release a Draft Initial Study and Negative Declaration for public review by Monday, October 10, 2005 in compliance with the California Environmental Quality Act (CEQA). Based upon this release date, staff anticipates returning with final action regarding the Negative Declaration on November 15, 2005.

In addition to this request, staff requests further direction on the following issues:

- | Does the Board wish that the COC be discussed by the industry when the Negative Declaration is returned, or does the Board want a separate earlier hearing on this matter?
- | Board concurrence with staff recommended insurance requirements.
- | Board discussion on method of cost recovery.

#### **FISCAL IMPACT**

Is there a Fiscal Impact?                      No

#### **ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: Negative Declaration to be Prepared prior to Board action on the project.

#### **BACKGROUND AND DISCUSSION**

On September 13, 2005 the Board of Supervisors gave direction to further consider establishing a balloon launching facility on County owned property adjacent to the Roads Division Corporation Yard located on Silverado Trail near Yountville. The Board further directed that this consideration include that the balloon port be established for a six month evaluation period, with the potential of being operated on a permanent basis based upon the results of the six month program. Direction to staff also included the following parameters:

- | Development of site limited to providing security fence;
- | Minimum staff presence in the operation of the balloon port;
- | Balloon operators shall ensure best management practices are implemented and enforced;
- | Sufficient insurance shall be provided to protect the County from potential liability exposure; and
- | Appropriate payments provided by balloon operators to reimburse County for its development and operation of the balloon port site so there is no fiscal impact.

Staff has subsequently met with balloon representatives (Bob and Cindy Barbarick of "Balloons Above The Valley",

and Carol Ann and Nielsen Rogers of "Napa Valley Aloft, Inc. and the Professional Balloon Pilots Association) on September 16, 2005 to set up a plan to accomplish this direction. Based upon this meeting the following conditions were agreed to as to the development and use of the site:

- | Balloon industry shall build a fence from Rector Creek to the northerly property line with a gate securing what is referred to as the pipe yard (but has a variety of County Road materials stored). The fence shall be chainlink and at least 6 feet in height.
- | Balloon launching area shall be kept mowed and free of litter and other materials by balloon industry.
- | A simple key locking system and a manual gate into the property from Silverado Trail is satisfactory.
- | Any additional improvement shall be at the expense of the balloon companies and with the County's approval.
- | Vehicle turning movements into the property shall be restricted to right turn in, right turn out, and no queuing/stacking by vehicles attempting to get access to this site shall be allowed on Silverado Trail.
- | County shall have access through the site to deliver materials and pick up materials and the access is not to be blocked during these times. County staff will attempt to plan material deliveries and the pick up of materials as to minimize the possible conflicts with the balloon port operation.

A plan was also set in motion to accomplish other necessary actions. As of the time of the writing of this report, the status is as follows:

- | Prepare Notice of Intent to adopt a Negative Declaration - Conservation, Development and Planning staff have prepared this document, and it is included as an attachment.
- | Set up public meeting with adjacent property owners - the industry has scheduled a public outreach meeting for October 1st. Neighbors within 5000 feet of the site and other parties who requested an invitation were invited to attend. The industry will report on the results of this meeting.
- | Establish proposed Code of Conduct to be provided to Board of Supervisors - The industry has developed a draft Code of Conduct (COC), which is included as an attachment. The industry has committed to sharing this Code of Conduct with the public (including affected neighbors, the Farm Bureau, and anyone else who is interested). Some members of the public have previously had comments regarding the COC. It is planned that the industry will have an updated draft for presentation to the Board at the October 4th meeting which would include comments from the October 1 public meeting. The Board will ultimately adopt a COC at a later date as part of the final project approval. The COC will also address how the industry will monitor operations and respond to complaints, and what reporting mechanism the industry will use to keep the Board apprised of citizen complaints or other safety or operational issues. The industry is responsible to complete COC that is acceptable to the Board.
- | Establish appropriate insurance requirements - The Risk Manager has set forth in the proposed license agreement the appropriate minimum amounts of insurance that the balloon operators will be required to provide for commercial general, comprehensive automobile, and aircraft liability insurance coverage. In addition to this coverage the Risk Manager has recommended that the County purchase an additional Five Million Dollar Owners', Landlords' and Tenant insurance for the balloon port site for a premium of \$8,000. Consistent with Board direction, this cost will be passed on to the balloon operators who utilize this site. The Risk Manager has opined that "While the balloon industry within the County of Napa has been relatively accident free, with one major exception, there are inherent risks associated with any type of air travel. Therefore, it is critical that the County do whatever is possible to protect itself in the event the Board of Supervisors decides to make a launching site available on county-owned property." The Risk Manager has provided the following background for the Board's information.
  - | The County's General Liability (GL) coverage excludes aircraft.
  - | The County's GL does not insure power transmission and feeder lines more than 1000 feet from the premises.
  - | The County's airport coverage cannot be extended to this site.

- | Owners' Landlords' & Tenants' (OLT) is available to the County and would provide both premises and aircraft landing and take-off coverage with a \$2500 deductible, with the following annual premiums: One Million Dollar coverage - \$6,000 Five Million Dollar coverage - \$8,000 Ten Million Dollar coverage - \$12,500
- | AB 2430, enacted as urgency legislation in 2004, required insurance coverage for hot air balloons to be One Million Dollars of "liability insurance for personal injury, wrongful death and property damage resulting from the operation of a balloon, with additional liability coverage of \$100,000 for each passenger for any balloon carrying more than 10 passengers". This legislation is in effect until January 1, 2009.
- | The insurance requirements contained in the proposed agreement are limited to those outlined above in AB 2430
- | Prepare License Agreement for use of site - County Counsel has prepared a draft document. This draft document has been shared on September 30 with the attendees of the September 16 meeting. Based upon the anticipated county operating cost if this site is made available, staff is proposing a \$67.50 per launch fee along with annual fee of \$8,000 to reimburse for the additional cost of liability insurance. This \$8,000 annual fee is being proposed to be divided among the balloon industry providers who choose to utilize this site. The recommended fees do not include the cost of staff time to date in working on this issue.

Other Board direction requested - In addition to the requested action to provide direction to release a Draft Negative Declaration, staff requests further direction on the following issues:

- | Does the Board wish that the COC be discussed by the industry as the Negative Declaration is returned, or does the Board want a separate earlier hearing on this matter?
- | Board concurrence with staff recommended insurance requirements.
- | Board discussion on method of cost recovery.

### **SUPPORTING DOCUMENTS**

- A . Draft Initial Study and Negative Declaration
- B . Draft Code of Conduct

CEO Recommendation: Approve

Reviewed By: Andrew Carey