

MINUTES
JOINT SAND CITY COUNCIL AND SUCCESSOR AGENCY
OF THE REDEVELOPMENT AGENCY

Regular Meeting – February 19, 2019
5:30 P.M.

CITY COUNCIL CHAMBERS
Sand City Hall, One Pendergrass Way, Sand City, CA 93955

Vice Mayor Blackwelder opened the meeting at 5:30 PM.
Invocation was led by Reverend Hellam.
The Pledge of Allegiance was led by Chief Ferrante

Present: Mayor Mary Ann Carbone – excused absence
Vice Mayor Blackwelder
Council Member Hawthorne
Council Member Sofer
Council Member Cruz

Staff: Fred Meurer, Interim City Administrator
Vibeke Norgaard, City Attorney
Leon Gomez, City Engineer
Brian Ferrante, Police Chief
Charles Pooler, City Planner
Linda Scholink, Administrative Services Director/City Clerk

AGENDA ITEM 4 ANNOUNCEMENTS BY MAYOR AND CITY ADMINISTRATOR

The Mayor was not present at the commencement of the meeting as she was attending a memorial service in honor of her brother. The Council decided to delay Item 8B in expectance of the Mayor's late arrival.

Fred Meurer, Interim City Administrator, spoke on the continuing discussions with California American Water (CalAm) regarding the new wells. He has a meeting set with them on Friday, February 22, and will have a better understanding of their interests at that time.

He spoke on notes he has provided staff to ensure that the Mid-Year Budget Review prepares a viable document for communicating to the community what the Council views as the community's highest priority. Some adjustments in the budget will be necessary, since the last approval, to reflect the realities of City spending.

He also presented notes on study groups/task forces to address a number of issues, specifically the website and asset management. Staff will present white

papers to describe the scope of work of these projects.

Mr. Meurer addressed comments received at the last meeting from representatives of the City of Marina regarding action on CalAm. He spoke on a document created by CalAm addressing the concerns of various representatives from Marina in regard to the PUC. An appeal has been sent to the US Supreme Court.

He then recommended Council team-building activities as there are many new Council Members. He hopes to receive information from the Council at these meetings on their priorities.

Council Member Blackwelder asked if an agenda would be prepared for the February 27th meeting.

Mr. Meurer affirmed that one would be provided to Council. He will also create a list of his priorities as developed from his time in Sand City.

Linda Scholink, Administrative Services Director/City Clerk, provided a handout for Item 6D to Council.

AGENDA ITEM 5 PUBLIC COMMENT

5:35 P.M. Floor opened for Public Comment

Jim Vossen, General Manager of the Sand City Chamber of Commerce, spoke on a project started January 1, 2019. The chamber now has their own broadcast TV facility in the Chamber office. It is on 19.4 and is streamed online. The visual slides are a combination of public service announcements and items of interest to members of the Chamber of Commerce. The use of the facility is a service provided to its members. There is also a talk studio to provide for a program for those would like to use it.

5:40 P.M. Floor closed to Public Comment.

AGENDA ITEM 6 CONSENT CALENDAR

- A. There was no discussion of January 22, 2019 Special Council Meeting Minutes
- B. There was no discussion of February 5, 2019 Council Meeting Minutes
- C. There was no discussion of City **Resolution** Fixing the Employer Contribution at an Equal Amount for Employees and Annuitants under the Public Employees' Medical and Hospital Care Act

- D. Approval of City **Resolution** Approving the Memorandum of Understanding for the Sand City Police Officers Association effective July 1, 2018. **This item was pulled from the consent calendar for consideration under Agenda Item 7.**
- E. There was no discussion of City Donation/Contribution
Sand City Chamber of Commerce- \$2,500

Motion to approve the consent calendar items was made by Council Member Hawthorne, seconded by Council Member Sofer. AYES: Council Members Blackwelder, Cruz, Hawthorne, Sofer. NOES: None. ABSENT: Mayor Carbone. ABSTAIN: None. Motion carried.

AGENDA ITEM 7 CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR

Item 6D, City **Resolution** Approving the Memorandum of Understanding for the Sand City Police Officers Association effective July 1, 2018, was pulled from the consent calendar.

Linda Scholink spoke on a clarification issue that language in the MOU is inconsistent and needs to be amended to match language used previously in the same document.

Motion to approve City Resolution Approving the Memorandum of Understanding for the Sand City Police Officers Association effective July 1, 2018 as amended was made by Council Member Sofer, seconded by Council Member Hawthorne. AYES: Council Members Blackwelder, Cruz, Hawthorne, Sofer. NOES: None. ABSENT: Mayor Carbone. ABSTAIN: None. Motion carried.

AGENDA ITEM 8 PUBLIC HEARING

A. FIRST READING: ORDINANCE Amending Sand City Municipal Code to Change the Title of City Administrator to City Manager

Vibeke Norgaard, City Attorney, said that at the last City Council meeting, the Council agreed to move forward with the title change and so no further discussion is necessary.

5:45 P.M. Floor opened for Public Comment.

There was no public comment.

5:45 P.M. Floor closed to Public Comment.

Council Member Blackwelder specified that the role of City Manager will need to be defined.

Vibeke Norgaard clarified that only the title would change and the duties would remain the same as they were for the City Administrator.

There was consensus to waive reading of the Ordinance in full.

Motion to approve, by title only, the Sand City Ordinance Amending Sand City Municipal Code to Change the Title of City Administrator to City Manager was made by Council Member Hawthorne, seconded by Council Member Cruz. AYES: Council Members Blackwelder, Cruz, Hawthorne, Sofer. ABSTAIN: None. NOES: None. ABSENT: Mayor Carbone. Motion carried.

There was consensus to skip item 8B and return to it later in the meeting with the arrival of Mayor Carbone. This is due to regulations surrounding conflicts of interest.

AGENDA ITEM 9 OLD BUSINESS

A. Engineering and Public Works Department Summary Report including the Sand City Water Supply Project, Storm Water Management Program, City Projects: West Bay St. Coastal Access Repair Project, Carroll Property Parking, TAMC Parcel Landscaping Project, Calabrese Park Improvement Project, Private Development Projects including the South of Tioga Project, and Grant Updates. Community Development and Planning Department updates by the City Administrator/City Planner

Leon Gomez, City Engineer, presented the Engineering and Public Works Department Summary Report. Well production through February 18, 2019 has been 3.67 acre-feet. High salinity at the intake wells coupled with limits on the discharge has prevented operation of the desalination plant from the 1st through the 14th.

The City Engineer is working with AMBAG to confirm classification of Catalina Street as a minor arterial and to update the Caltrans website so that the street may qualify for PG&E's Rule 20A program for undergrounding of existing overhead facilities in correlation with the Prop. 1 Technical Assistance Grant.

As reported previously, on February 1st, 2019 the City Engineer submitted a letter to the applicant for the Monterey Bay Shores Resort summarizing findings from a site inspection conducted on January 18th, 2019 with City of Monterey Building Department staff. The letter identified the need to address construction site better management practices (BMPs). The applicant recently responded that he will be addressing the items identified in the City's letter this week and the City Engineer

will follow up to confirm.

Last week, the City Engineer conducted inspections of construction site BMPs at the San Juan Pools commercial building both prior to and during the recent storm events and found a significant lack of BMPs in place. The City Engineer met with the applicant onsite and sent follow up correspondence regarding this issue. To his credit, the applicant responded in a timely manner and addressed most of the primary concerns. The City Engineer will continue to monitor this issue.

Material removed from the Sewer Main Cleaning project continues to be stored at the City-owned Carroll Property. As reported previously, the material was tested and found to have elevated levels of copper, zinc, and lead. As a result, the material is classified as “state hazardous waste” or “federal hazardous waste” and will not be accepted by the local landfill near Marina. Seaside will likely have to register as a “temporary one time generator” for the waste in order to properly dispose of the material. Currently, Seaside is looking at facilities in the Central Valley and hopes to have the issue resolved in the next couple of weeks.

The City Engineer is currently reviewing the Public Improvement Plan for the proposed work on 325 Elder Ave for Camp Transformation.

AGENDA ITEM 10 NEW BUSINESS

A. Consideration of City RESOLUTION Approving Classification Titles and Job Specifications

Linda Scholink explained that the titles and specifications are based on a salary survey that was performed by Michael McCarthy. This resolution is to update the titles and specifications for the positions of City Planner, Finance Specialist, Deputy City Clerk/ Administrative Assistant, Administrative Assistant, Police Records Coordinator, Public Works Foreman, Maintenance Worker II, and Police Chief/ Public Works Supervisor.

Fred Meurer specified that these titles better match the current roles performed in relation to the current conditions of the market.

6:00 P.M. Floor opened for Public Comment.

There was no public comment.

6:00 P.M. Floor closed to Public Comment.

Motion to approve the Sand City RESOLUTION Approving Classification Titles and Job Specifications was made by Council Member Hawthorne, seconded by Council Member Sofer. AYES: Council Members Blackwelder, Cruz, Hawthorne, Sofer. ABSTAIN: None. NOES: None. ABSENT: Mayor Carbone. Motion carried.

B. Discussion and Update regarding National Incident Management Training and Sand City's Emergency Operations Plan

Chief Ferrante presented an update on the City's Emergency Operations Plan, last updated in 2005. He spoke on changes in process, community standards, and community involvement, the utilization of a Regional Emergency Coordination Center, and additional training.

Fred Meurer mentioned additional support provided by the City of Monterey.

C. Discussion regarding Affordable Housing Mix in R2 Residential Housing component of the South of Tioga Project

{Council Member Cruz stepped down from the dais due to a possible conflict of interest by residing within 500' of the subject property}

Mr. Meurer began the discussion by explaining that the developer for the South of Tioga project presented him with a proposal to change the mix of affordable housing units in the new complex, R2. Of the 52 units required for the overall project, his portion of the project will be providing 46 and all of these units would be for individuals of very low income. This is to optimize the incentives for very low income housing. Also, as these units are rentals and not for purchase, the marketplace will provide the mix of affordability without the restrictions of the City controlling the rent.

Charles Pooler, City Planner, compared the proposal to the original plan.

Vibeke Norgaard mentioned that the City may need to make concessions such as density, parking, and others as a result of the affordable housing units being solely for very low income housing.

Lee Newell, developer, spoke for the project. He has developed several projects in the area. He explained that he considers this an "80-20" project in that 20 percent is at the very low income housing threshold. The use of multi-family housing bonds is a major point for these projects in addition to tax exempt bonds and low income housing tax cuts. This financing structure is essential to make these projects work. He worked on the first project in California that qualified for a density bonus.

The units would be scattered throughout the project and have the same access to all amenities. He insisted that the apartments will serve Sand City's workforce who fall into the very low income housing category.

Lee Newell spoke on their commitment to monitoring the housing for 55 years to ensure that the individuals are in the correct financial category to be living in the

affordable units. There would also be a regulatory agreement that will be recorded against the project. The State audits this document every six months.

Council Member Hawthorne said that there would be a high demand for the very low income apartments.

Council Member Blackwelder insisted that the apartments be clean and stylish regardless of the income of resident.

Fred Meurer asked Mr. Newell to address the issue raised by the City Attorney in regard to concessions.

Lee Newell said that they would not be asking for any concessions or density bonuses at this time.

Will Silva, the consultant for Mr. Newell spoke on the complications of the financial mechanisms associated with very low income housing. If something different is done, it simply will not work. Mr. Silva believes that this change in the number of affordable housing units will serve the public good.

Council Member Hawthorne asked about the impact of inflation on the price of the affordable units.

Will Silva assured that the prices of the units are provided by a calculation provided by HUD and the county.

Charles Pooler, City Planner, spoke on the inconsistency in the approved Vesting Tentative Map and the proposed housing plan. He discussed potential pros and cons. The City would lose a range of housing to fit the range of incomes found of those who work in Sand City in exchange for more housing for those that are at the very bottom of the income bracket.

Vibeke Norgaard reiterated that although Mr. Newell is not claiming concessions at this moment, it is quite possible he will later on. As part of the density bonus, the project would also be allowed fewer parking spaces per key. In addition, the VTM did have several senior-reserved apartments that could be lost with this new approach to affordable housing.

Lee Newell responded that he would not need to utilize the density bonus. He also assured that the project exceeds the number of parking spaces necessary with the inclusion of the density bonus.

{Council Member Cruz returned to the dais}

Mayor Carbone arrived at 7:00 PM. The Council returned to item 8B.

AGENDA ITEM 8 PUBLIC HEARING

B. Consideration of City RESOLUTION to Approve Coastal Development Permit 19-01 for a Production Operation of Food-Grade Flavors for Electric Cigarettes at 1801 Catalina Avenue

A straw draw was done for Council Members Blackwelder, Hawthorne, and Sofer. *{Council Members Blackwelder and Hawthorne stepped down from the dais due to a possible conflict of interest by residing within 500' of the subject property}*

Charles Pooler presented the staff report. An application was submitted to the City by Chris Ramirez for a Coastal Development Permit to establish and operate the production of food-grade flavors to be used by electric cigarettes within a 1,200 square foot lower level segment of an existing 2-story commercial unit at 1801 Catalina Street.

The subject property is a multi-sided trapezoidal shaped parcel of approximately 7,500 square feet abutting the State Highway 1 freeway corridor. The site facilitates an approximate 4,800 square foot 2-story multi-unit commercial building. The applicant indicated they will be open Monday-Friday, 9AM to 3PM, and possibly open some weekends. Sand City has typically limited commercial activities in the West End District to occur between 7AM and 6PM on weekdays and 10AM to 5PM on Saturdays with exceptions to office or janitorial activities. Staff recommends the permit specify these as the authorized hours of operation and that deliveries would be restricted to these days/hours, with no production or deliveries on Sundays.

The subject property provides two parking spaces on-site in front of the building and another nine parking spaces on-site to the area northeast of the building for a total of eleven off-street parking spaces. The applicant's floor area is approximately 1,200 square feet which required two on-site parking spaces. There will be one full-time employee. There is ample parking provided on-site to accommodate the applicant's use with remaining spaces to accommodate the other units of this building.

As a condition of permit approval, staff recommends the applicant be required to review his operational practices with Monterey One Water and the Sanitation District, and that the applicant abide by all of those requirements.

Council Member Cruz confirmed that only the liquid will be made and not the mechanical electronic cigarettes.

7:15 P.M. Floor opened for Public Comment.

There was no public comment.

7:15 P.M. Floor closed to Public Comment.

Mayor Carbone asked the applicant if they agree with the conditions of the permit. The applicant agreed with the conditions.

Motion to approve by title only the Sand City Resolution to Approve Coastal Development Permit 19-01 for a Production Operation of Food-Grade Flavors for Electric Cigarettes at 1801 Catalina Avenue was made by Council Member Cruz, seconded by Council Member Sofer. AYES: Council Members Carbone, Cruz, and Sofer. ABSTAIN: Council Members Blackwelder and Hawthorne. NOES: None. ABSENT: None. Motion carried.

{Council Members Blackwelder and Hawthorne returned to the dais}

The Council returned to item 10D.

AGENDA ITEM 10 NEW BUSINESS

D. Comments by Council Members on Meetings and Items of interest to Sand City

There were no comments by Council Members.

E. Upcoming Meetings/Events

RSVP's for the Monterey Peninsula Chamber of Commerce's 111th Annual Awards Dinner on March 23, 2019 from 6PM to 10PM.

Mayor Carbone
Council Member Blackwelder
Council Member Cruz
Council Member Hawthorne
Council Member Sofer
Chief Ferrante

AGENDA ITEM 11 CLOSED SESSSION

7:20 PM

- A. City Council/Agency Board adjourned to Closed Session pursuant to Government Code Section 54956.9 Conference with Legal Counsel regarding:
- 1) Anticipated Litigation - Initiation of litigation pursuant to Government Code section 54956.9(d)(4),(1Case)
 - 2) Existing litigation pursuant to Government Code section 54956.9(d)(1): *Monterey Peninsula Water Management District v. State Water Resources Control Board* (Case no 1-

- 10-CV163328, 2010)
- 3) Real Property Negotiations pursuant to Government Code Section 54956.8(b)
Agency Negotiator: Interim City Administrator
Property: Alta Sand City (APN: 011-181-021-000, 011-155-022-000, 011-155-023-000)

8:07 PM

- B. City Council/Agency Board re-adjourned to Open Session to report any action taken at the conclusion of Closed Session in accordance with 54957.1 of the Ralph M. Brown Act
- 1) Council gave direction to staff to take steps toward the initiation of litigation; additional measures will be taken once litigation has commenced.
 - 2) No action was taken on existing litigation.
 - 3) Council gave direction to negotiator, Interim City Administrator, for real property negotiations.

AGENDA ITEM 12 ADJOURNMENT

Motion to adjourn the City Council meeting was made by Council Member Blackwelder, seconded by Council Member Hawthorne to the next scheduled Council meeting. There was consensus of the Council to adjourn the meeting at 8:09 PM.



Linda K. Scholink, City Clerk