

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

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Regular Meeting – March 18, 2014  
7:00 P.M.  
CITY COUNCIL CHAMBERS

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Mayor Pendergrass opened the meeting at 7:00 p.m.

The invocation was led by Reverend Robert Hellam.

The Pledge of Allegiance was led by Police Chief Michael Klein.

Present: Council Member Blackwelder  
Council Member Carbone  
Council Member Hubler  
Council Member Kruper  
Mayor Pendergrass

Staff: Kelly Morgan, Interim City Administrator  
Jim Heisinger, City Attorney  
Leon Gomez, City Engineer  
Michael Klein, Police Chief  
Charles Pooler, Associate Planner  
Connie Horca, Deputy City Clerk

**AGENDA ITEM 4, COMMUNICATIONS**

- A. Written communication distributed to the Council were publications from the Local Government Commission's Ahwahnee Conference and a 'no conflicts' list.
- B. Oral

7:02 P.M. Floor opened for Public Comment.

There was no comment from the Public.

7:02 P.M. Floor closed to Public Comment.

**AGENDA ITEM 5, CONSENT CALENDAR**

- A. Conditional Use Permits (CUP) and Coastal Development Permits (CDP) are subject to annual review by the City Council and City staff. Upon review of each of the following Use Permits, staff is recommending

continued operation of the Use Permits to the City Council based on the finding that these uses are in compliance with their permits. There was no discussion of the following use permits.

(1) CUP #389, Loren Speck Gallery (manufacturing), 591 Ortiz Avenue

(2) CUP #483, Colton Heating (contractor), 431 Ortiz Avenue

- B. There was no discussion of the March 4, 2014 Council Meeting Minutes.
- C. There was no discussion of the Police Department Monthly Report, February 2014.
- D. There was no discussion of the Public Works Monthly Report, February 2014.
- E. There was no discussion of the Monterey County Convention & Visitor Bureau March 13, 2014 Agenda: INFORMATION ONLY.
- F. There was no discussion of the City **Resolution** recognizing May 3 through May 11, 2014 as Travel and Tourism Week in Sand City, California.
- G. There was no discussion of the Donation/Contribution to Seaside High School 2014 Sober Grad Night for \$200.
- H. There was no discussion of the Successor Agency **Resolution** appointing Kelly Morgan as Interim Executive Director of the Successor Agency to the former Sand City Redevelopment Agency.
- I. There was no discussion of the Progress Report on Long Range Property Management Plan (LRPMP).

Motion to approve the Consent Calendar was made by Council Member Blackwelder, seconded by Council Member Carbone. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

#### **AGENDA ITEM 6, CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR**

There were no items pulled from the Consent Calendar.

#### **AGENDA ITEM 7, PUBLIC HEARING**

- A. **Consideration of City Resolution approving Conditional Use Permit 579 authorizing a Workshop for Jewelry Manufacturing at 337-B Olympia Avenue**

Associate Planner Charles Pooler presented an application submitted by Jill Kahlow to establish a jewelry production workshop at 337 Olympia Avenue. Items used and stored on-site includes hand tools, a drill press, sanders, acetylene torch, tumblers, grinders, and a metal trim saw. There will be no showroom sales or retail clients at this location. The applicant proposes to use the site 7-days per week between the hours of 6:00 a.m. and 10:00 p.m. Staff recommends the permit allow manufacturing activities that involves the use of noise generating tumblers and equipment to occur between 7:00 a.m. to 8:00 p.m. Monday through Friday, and 10:00 a.m. to 5:00 p.m. on weekends. The applicants unit requires two parking spaces and is located within a 25 feet wide frontage that meets adequate parking requirements. Deliveries to the site will occur about once per month via UPS or Fed-Ex and should not pose any traffic impacts. The applicant provided a list of hazardous materials to be stored and used on-site, and they are of minimum quantity (Exhibit E of agenda packet). The list of materials has been forwarded to the County Health and Fire Departments, and they have not expressed concern regarding the storage of these materials. Staff anticipates minimal impacts from the proposed use, and recommends approval of the conditional use permit.

7:08 P.M. Floor opened for Public Comment.

The applicant, Jill Kahlow commented that she has been working as a jeweler for over ten years. This will be her first commercial space, and looks forward in being able to produce more jewelry. In response to the Mayor's question if she was in agreement with her conditional use permit, Ms. Kahlow confirmed that she was in agreement with the permit conditions.

7:09 P.M. Floor closed to Public Comment.

Motion to approve the City **Resolution** by title, approving Conditional Use Permit 579 authorizing a Workshop for Jewelry Manufacturing at 337-B Olympia Avenue was made by Council Member Kruper, seconded by Council Member Hubler. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

## **B. Consideration of City RESOLUTIONS:**

### **1) Approving Coastal Development Permit 14-02 and Conditional Use Permit 580 to Ashley Denning for Operating a Beauty/Hair Salon at 490- C Orange Avenue**

Associate Planner Charles Pooler presented an application submitted by Ashley Denning to establish a hair salon at 490-C Orange Avenue. The property has two small buildings divided into two units. The applicant's unit is 184 square feet and will contain one station for hair cutting/styling. The applicant will be the sole employee. Intended hours of operation will be

between 11:00 a.m. to 6:00 p.m. on Tuesdays, Thursdays, and Saturdays. Staff recommends hours of operation be allowed anywhere between 7:00 a.m. to 9:00 p.m. on weekdays and 10:00 a.m. to 9:00 p.m. on weekends. Based on a 1/300 ratio for a service use, the location has adequate parking for all tenants and meets the City's zoning requirements. The proposed use should not pose a nuisance, and is compatible with an evolving mixed-use neighborhood. Existing on-site water credit is based on a Group I occupancy, and equates to a 0.0129 acre-feet water credit. The proposed salon is a Group III category, which requires 0.0567 acre-feet for one hair salon. A draft resolution is attached for Council's consideration to allocate 0.044 acre feet to the subject property from the Sand City Water Entitlement. Staff recommends that this water allocation not be recorded with the Monterey County Recorder until the applicant has provided City staff with a signed lease and first month's rent payment with the property owner. Approval of the attached coastal development permit, conditional use permit, and draft resolution to allocate 0.044 acre-feet of water to the subject property is recommended.

Mr. Pooler noted that a correction on page 67, condition #20 of the agenda packet be made to indicate that it is a hair salon and jewelry manufacturing.

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

The applicant Ashley Denning commented that she is a hairstylist by trade, has lived in Sand City as a child, and is moving back. She fell in love with the property, its location, and surrounding community. Ms. Denning indicated that although some of her client's needs do not always require the use of water, she is aware of the resolution allocating water to the property. The Mayor asked the applicant if she was in agreement with the conditions of the use permit. Ms. Denning confirmed that she was in agreement with the permit conditions.

Property owner Dan Clark commented that Ms. Denning researched other properties two to three times in various Peninsula Cities. She continued to pursue the location for two months and her tenacity to acquire the property for her business had won him over. Ms. Denning should be a great addition to the Sand City business community.

7:19 P.M. Floor closed to Public Comment.

Motion to approve the City **Resolution** by title, approving Coastal Development Permit 14-02 and Conditional Use Permit 580 to Ashley Denning for Operating a Beauty/Hair Salon at 490- C Orange Avenue was made by Council Member Kruper, seconded by Council Member Carbone. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

Vice Mayor Carbone commented that she is pleased to know that two (2) of

the applicants establishing businesses in Sand City are women.

**2) Granting the City Administrator Authorization to Execute a Water Assignment Agreement and Assign 0.044 Acre-Feet of Water from the Sand City Water Entitlement to Daniel Clark (Property Owner) to Accommodate a Small 1-Station Beauty/Hair Salon at 490 Orange Avenue (APN 011-271-014) in Sand City**

Motion to approve the City **Resolution** by title, granting the City Administrator Authorization to Execute a Water Assignment Agreement and Assign 0.044 Acre-Feet of Water from the Sand City Water Entitlement to Daniel Clark (Property Owner) to accommodate a small 1-Station Beauty/Hair Salon at 490 Orange Avenue (APN 011-271-014) in Sand City was made by Council Member Kruper, seconded by Council Member Hubler. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

**AGENDA ITEM 8, OLD BUSINESS**

**A. Progress report on other Public Works projects, South of Tioga Redevelopment project, Coastal projects, and other Sand City community programs by City Engineer/Community Development Director/City Administrator.**

Council Member Blackwelder updated the Council on the progress of the recruitment for the City Administrator position. Several phone interviews are scheduled next week for March 24<sup>th</sup> & 25<sup>th</sup>. A panel interview will be considered for those individuals who qualify as likely candidates.

Vice Mayor Carbone reported that the Ahwahnee Conference had delegates attending from the City of Watsonville and Supervisor Parker from Monterey County. The City of Lancaster reported on their ability to harness the sun's energy and turn it into electricity to power their city. Topics included loans for infrastructure, working capital for cities who wanted to bring in a grocery supplier/farmers market, and utility services. Another topic of interest included capturing rainfall through underground cisterns for cities who receive little to no rainfall. Vice Mayor Carbone concluded that a staff report and PowerPoint presentation will be provided at a future council meeting.

City Engineer Leon Gomez reported that Cal-Am provided a mid-month water production report of 13.2 AF for the month of March. The plant was inoperable on March 12<sup>th</sup> & 13<sup>th</sup> for scheduled maintenance and valve replacement. A Post-Construction workshop geared to applicants, engineers, and planners will be held on April 17, 2014 in the City of Watsonville and is sponsored by the Storm Water Management Program. Mr. Gomez has been working with City Staff to update Sand City's website to meet the March 6<sup>th</sup> deadline of placing information on Post-Construction requirements. Other Peninsula cities have taken a look at Sand City's

webpage, commending our efforts in getting the word out to the development community. He thanked Connie Horca for her efforts in meeting the deadline of March 6<sup>th</sup>, the effective date of post-construction requirements. The Regional Group is currently working on a regional standardized approach to construction inspection to meet the inspection requirements of the Phase II permit conditions.

Vice Mayor Carbone inquired about the date and reporting requirements for Sand City's annual report. Mr. Gomez confirmed that the report is now due in July due to the change of permitting dates that falls within the fiscal year of June through July.

Mayor Pendergrass reported that he received a call from news media who would like to arrange a tour of Sand City's desalination plant. He also met the new CEO of American Water from New Jersey who was enthusiastic to hear the accomplishments of such a small city.

Interim City Administrator Kelly Morgan reported on a faxed letter received from the California Coastal Commission (CCC) indicating that they have not accepted Sand City's desalination well application. The letter is three (3) pages long with questions that the CCC would like answered before they consider the application as complete. The issues raised are standard concerns and would be answered by Mr. Feeney, the planning department and City Engineer. Staff also received a call from Mr. Don Orosco who is recuperating well. He indicated that he would like to move forward with the South of Tioga project.

City Attorney Jim Heisinger reported that the Monterey Bay Coastal Resort Project will be scheduled for two hearings in April at the Coastal Commission's meeting in Santa Barbara. The Coastal Commission will review the project and may act by consensus to either drop the appeal or not. Mr. Ghandour is hopeful that the Coastal Commission would reconvene on his project on either April 10<sup>th</sup> or 11<sup>th</sup> to vote on the actual application. An agenda item should appear April 9<sup>th</sup> on Dr. Ghandour's project. Mayor Pendergrass added that it has been a long 21 year journey. The City is in full support of Dr. Ghandour's project and is confident that it will one day come to fruition.

## **AGENDA ITEM 9, NEW BUSINESS**

### **A. Consideration of City Resolution Fixing the Employer's Contribution under the Public Employees' Medical and Hospital Care Act**

Interim City Administrator Kelly Morgan reported that the resolution would make a minor adjustment to the current employer's contribution to the PERS Health Plan. The formula in the previously adopted resolution was incorrectly interpreted and not what was originally proposed by the City.

Motion to approve the City **Resolution** by title, Fixing the Employer's Contribution under the Public Employees' Medical and Hospital Care Act was made by Council Member Carbone, seconded by Council Member Blackwelder. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried

**B. Consideration of City Council meeting for Holiday Observance:**

**PURPOSE:** It is proposed that the City Council cancel the City Council meeting scheduled for April 1, 2014 to minimize conflict with the Caesar Chavez Holiday

There was consensus of the City Council to cancel the April 1, 2014 City Council meeting. The next regularly scheduled Council meeting will be Tuesday, April 15, 2014.

**C. Upcoming Meetings/Events**

There were no RSVP's from the Council.

**AGENDA ITEM 10, CLOSED SESSION**

7:42 p.m.

**A. City Council /Agency Board to adjourn to Closed Session:**

**1) To confer with Legal Counsel regarding pending litigation in accordance with Government Code Section 54956.9(d)(1):**

**a) *Monterey Peninsula Water Management v. State Water Resources***

***Control Board (No. M102101), and related cases***

**b) *Seaside v. Sand City (No. M120996) and related cross action***

**c) *Seaside v. Sand City (King Ventures) (No. M126354)***

8:24 p.m.

**B. Re-adjourn 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**

The Council received advice on closed session items, and gave direction to Legal Counsel. No action was taken.

**AGENDA ITEM 11, ADJOURNMENT**

Motion to adjourn the City Council meeting was made by Council Member Blackwelder, seconded by Council Member Hubler to the next regularly scheduled Council meeting on Tuesday, April 15, 2014 at 7:00 p.m. There was unanimous consensus of the Council to adjourn the meeting at 8:25 p.m



Connie Horca, Deputy City Clerk