

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

Regular Meeting – January 15, 2013
7:00 P.M.
CITY COUNCIL CHAMBERS

Mayor Pendergrass opened the meeting at 7:01 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 {**excused absence**}
Council Member Carbone
Council Member Hubler
Council Member Kruper
Mayor Pendergrass

Staff: Steve Matarazzo, City Administrator/Community Development Director
Jim Heisinger, City Attorney
Michael Klein, Chief of Police
Leon Gomez, City Engineer
Charles Pooler, Associate Planner
Connie Horca, Deputy City Clerk

AGENDA ITEM 4, COMMUNICATIONS

- A. There was no written communication distributed to the Council.
- B. Oral

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

There were no comments from the public.

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

Mayor Pendergrass commented that Agenda item 7B will be continued to the next Council meeting at the request of the applicant, and Agenda item 5N will

also be continued due to lack of a quorum

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 #110, Solis Automotive (Auto Body), 531 Shasta Avenue
 - (2) CUP # 179, Roy Hubbard (2nd Floor Residential), 542 Ortiz Avenue
 - (3) CUP #238, Just Andy Auto Repair (Auto Repair), 465-A Olympia Avenue
 - (4) CUP #344, Thomas Felix (Woodwork Shop), 672-A Dias Avenue
 - (5) CUP #375, J&D Auto (Auto Repair), 1695 Contra Costa
 - (6) CUP #401, Kyle Racing engines (Motorcycle Engine Assembly), 801-B California Avenue
 - (7) CDP #01-01, Monterey Mattress Company (Mattress Manufacturer, Showroom), 1805 Contra Costa
- B. There was no discussion regarding the December 4, 2012 Council Meeting Minutes.
- C. There was no discussion regarding the December 27, 2012 Special Council Meeting Minutes.
- D. There was no discussion regarding the Public Works Monthly Report, December 2012.
- E. There was no discussion of the Successor Agency/City Monthly Financial Report, November 2012.
- F. There was no discussion of the Fort Ord Reuse Authority (FORA) Monthly Report, December 2012.
- G. There was no discussion of the City **Resolution** approving an Amendment to Chapter 5.12(A) of the Personnel Manual allowing Travel Privileges for travel related to City-Sponsored agencies or non-profits.
- H. There was no discussion of the City **Resolution** appointing members to the Arts Committee.
- I. There was no discussion of the City **Resolution** making re-appointment of Andy Briant and Jerry Lomax to the Sand City Design Review Committee

until January of 2015.

- J. There was no discussion of the City **Resolution** approving Time Extensions to April 30, 2013 of Multiple Conditional Use Permits (CUPs 450, 503, 508, 527, 532 & 533) and Coastal Development Permit 08-03 to continue as interim uses at their respective locations within the South of Tioga Area.
- K. There was no discussion of the City **Resolution** approving Interim Management Staffing for the Police and Public Works Departments.
- L. There was no discussion of the City **Resolutions** honoring the Monterey County Business Council's Economic Vitality Awards Recipients:
 - 1) Christensen & Giannini – Agriculture
 - 2) Bernardus –Tourism
 - 3) Monterey Peninsula College – Educations & Research
 - 4) Scudder Roofing Company – Building & Design
 - 5) Mee Memorial Hospital - Wellness & Lifestyle
 - 6) Redshift Internet Services – Creative & Technology
 - 7) Coastal Luxury Management – Entrepreneurial Start-Up.
- M. There was no discussion of the City Contribution/Donation for the 77th Annual Monterey County Fair Sponsorship for \$500.
- N. Approval of the City **Resolution** approving a contract with Monterey Peninsula Engineering at a cost not to exceed \$11,750 for paving the parking area across from City Hall on Sylvan Park Avenue was pulled from the Consent Calendar due to lack of a quorum.
- O. There was no discussion of the Monthly Police Department Report, December 2012.
- P. There was no discussion of the City **Resolution** authorizing Budget Amendment #1 to the Fiscal Year 2012-13 Budget allowing for the purchase of two police vehicles.

Motion to approve the Consent Calendar 5A-M, and O-P, was made by Council Member Hubler, seconded by Council Member Kruper. AYES: Council Members, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: Council Member Blackwelder. None. ABSTAIN: None. Motion carried.

AGENDA ITEM 6, CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR

Due to a lack of a quorum, Agenda item 5N was pulled from the Consent Calendar and continued to the February 5, 2013 Council meeting.

AGENDA ITEM 7, PUBLIC HEARING

{City Attorney Jim Heisinger stepped down from the dais due to a possible conflict of interest}

- A. Associate Planner Charles Pooler commented that this ordinance (rezoning) is to accommodate a conversion of an existing mixed-use building into two live-work units, and is presented to the Council for second reading. Staff recommends approval of the Second Reading amending Title 18 of the Municipal Code to reclassify certain property at 370 Shasta Avenue from Heavy Commercial Planned Unit Development (C2-PUD) to Planned Mixed-Use (MU-P).

On behalf of the applicant, Donna Rovella of Anthony Lombardo & Associates stated that they were supportive of the staff recommendations.

7:06 P.M. Floor opened for Public Comment.

There were no comments from the Public.

7:06 P.M. Floor closed to Public Comment.

Motion to approve the Second Reading: **Ordinance** of the City of Sand City amending Title 18 of the Municipal Code to reclassify certain property at 370 Shasta Avenue from Heavy Commercial Planned Unit Development (C2-PUD) to Planned Mixed-Use (MU-P) was made by Council Member Carbone, seconded by Council Member Kruper. Roll call vote, AYES: Council Member Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: Council Member Blackwelder. ABSTAIN: None. Motion carried.

{City Attorney Jim Heisinger returned to the dais}

- B. City Administrator Steve Matarazzo reported that consideration of the City **Resolution** approving an amendment to the Combined Development Permit (Use Permit, Coastal Development Permit, Site Plan) for the Independent (previously named the Design Center) at 600 Ortiz Avenue: (Conditional Use Permit 456, Coastal Development Permit 05-01 and Site Plan Permit 05-01) has been continued to the February 5, 2013 City Council meeting at the request of the applicant.
- C. City Administrator Steve Matarazzo announced that John King, of King Ventures was present to report on the architecture of the proposed project, and John Shwarz of David Powers & Associates will comment on the potential significant impacts. Mr. Matarazzo gave a brief history of the proposed project, dating back to the early 2000's with the Redevelopment

Agency entering into a Disposition and Development Agreement (DDA) with John King. The DDA included that acquisition of the Sterling Site be attempted, and the acquisition of water credits. Delays in the project were due to revisions in beach erosion setback, a transfer of ownership of the Granite Site to the City, the acquisition of additional parking, the pending court decision regarding the Monterey Bay Shores Project (which is vital to the approval of this project) and the completion of the Sand City Water Supply Project. Written comments were received from, OPR, Land Watch Monterey County, Department of Parks & Recreation, Department of Transportation, SNG, City of Seaside, Seaside County Sanitation District, TAMC, Monterey Peninsula Water Management District, Edward Thornton, California Environmental law Group, and Peter Baye of the Sierra Club, PRBP Conservation Science, Us Fish and Wildlife Service, California State Lands Commission, Monterey Peninsula Regional Park District, Erin O'Bryan of Carmel Valley, and the Mary Ann Matthews of the Native Plant Society. The combination of all three sites, Sterling, McDonald, and the Granite Site would allow for up to 745 rooms according to the Certified Local Coastal Plan; and this project is proposing 342 rooms. Based on that density, the Park District and State Parks agreed that they would support this project. The Staff report further explains traffic impacts, coastal erosion, noise, public utilities, cultural resources and hazardous materials.

Environmental Consultant John Schwarz, of David Powers & Associates reported that the California Environmental Quality Act (CEQA) requires public agencies to consider environmental impacts and implications of a development project before acting on that project. The main purpose of CEQA is to disclose information to decision makers and the general public about the anticipated environmental impacts, and to identify mitigation measures to reduce or avoid those types of impact. Cumulative impacts identified in this Draft Environmental Impact Report (DEIR) include visual resources, transportation, and cultural sensitivity. Most of the impacts can be mitigated with the exception of coastal erosion. Mr. Schwarz summarized the process of the EIR document that involves the solicitation of information. That information is compiled to produce a Draft EIR, which is then available for public comment. After comments are received, a final written response will be produced as part of the final EIR. The responses to the DEIR should be available by spring.

Mr. Matarazzo commented on the economic impact and fees charged for room rates in regard to estimated hotel occupancy.

Developer John King of King Ventures LLC, added that at a room rate of \$120 per night at 50% occupancy used in the staff report to calculate estimated revenues would be substantially exceeded. Many of King Venture's properties are at 70% occupancy throughout the year. He

further explained the architectural rendering's submitted to the Council in relation to the underground parking and the project's proposed architectural style.

7:21 P.M. Floor opened for Public Comment.

There were no comments from the Public.

7:21 P.M. Floor closed to Public Comment.

There were no additional questions or comments from Council and Staff.

Motion to accept the submittals and comments regarding the Draft Environmental Impact Report was made by Council Member Hubler, seconded by Council Member Kruper. AYES: Council Members, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: Council Member Blackwelder. ABSTAIN: None. Motion carried.

AGENDA ITEM 8, OLD BUSINESS

A. City Engineer Leon Gomez reported that desal production values for December were provided to the Seaside Basin Watermaster Board today. A public forum was also held in Monterey. This forum was open to the public, and provided information on the Stormwater Management Program. The forum lasted over 2 hours; and although public participation was low, the event proved quite successful.

City Attorney Jim Heisinger reported that the SNG (Dr. Ghandour) lawsuit is still pending a final hearing. The judge has been out due to illness the past several weeks. A hearing is scheduled for February 20, 2013, and he is hopeful that this will be the final hearing regarding the lawsuit.

AGENDA ITEM 9, NEW BUSINESS

A. There were no RSVP's from the City Council.

Mayor Pendergrass acknowledged Sand City's former City Manager Kelly Morgan in the audience

AGENDA ITEM 10, CLOSED SESSION

7:35 P.M.

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

1) To confer with Legal Counsel regarding pending litigation in accordance with Section 54956.9(c) of the Ralph M. Brown Act,

- a) *Monterey Peninsula Water Management v. State Water Resources Control Board (No. M102101), and related cases*
- b) *Cal-Am Application to CPUC No. 10-04-019 for Order Authorizing Recovery of Costs for Lease and operation of the Sand City Desalination Facility*
- c) *Seaside v. Sand City (No. M120996) and related cross action*

2) Conference with Legal Counsel in accordance with Section 54956.9 of the Ralph M. Brown Act, regarding Claim against Monterey County reimbursement of Property Tax Administration Fee

8:00 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.

Direction given to City Attorney on one item.

AGENDA ITEM 11, ADJOURNMENT

Motion to adjourn the City Council meeting was made by Council Member Hubler seconded by Council Member Kruper to the next regularly scheduled Council meeting on Tuesday, February 5, 2013 at 7:00 P.M. There was unanimous consensus of the Council to adjourn the meeting at 8:01 P.M.



Connie Horca, Deputy City Clerk