

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

Regular Meeting – February 19, 2013
7:00 P.M.
CITY COUNCIL CHAMBERS

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 {excused absence}
Council Member Kruper
Mayor Pendergrass

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

AGENDA ITEM 4, COMMUNICATIONS

A. Written communication's distributed were a list of possible conflicts, Exhibit B for Agenda Item 10B, and a Power Point presentation for Agenda Item 10C.

B. Oral

Mayor Pendergrass commented that Mr. Ghandour requested that the Public Hearing, Agenda Item 8C regarding the "No Trespassing" signs be continued to the March 5, 2013 Council meeting.

7:03 p.m. Floor opened for Public Comment

There was no comment from the Public.

7:03 p.m. Floor closed to Public Comment.

AGENDA ITEM 5, CONSENT CALENDAR

The Consent Agenda consists of routine items for which City Council approval can be taken with a single motion and vote. A Council member may request that any item be placed on the Regular Agenda for separate consideration.

- A. There was no discussion of the following use permits.
 - (1) CUP #212 Nicholas Olivio, (Recording Studio), 1745 Hickory Street,
 - (2) CUP #448, Mike Houser, (Shirt Printer), 542 #4 Ortiz Avenue
 - (3) CDP #98-01, James Davi, (Contractor), 1815-E Contra Costa Street
 - (4) CDP #07-01, Sato Racing, (Wholesale), 2-John Street

- B. There was no discussion of the February 5, 2013 Council Meeting Minutes.

- C. There was no discussion of the Police Department Monthly Report, January 2013.

- D. There was no discussion of the Public Works Monthly Report, January 2013.

- E. There was no discussion of the City/Successor Agency Monthly Financial Report, January 2013.

- F. There was no discussion of the California Planning & Development Report (CPDR) (Information Only).

- G. There was no discussion of the City donation/contribution to Seaside Pony Baseball & Softball for \$500, and Monterey High School, Sober Grad Night for \$200.

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

- A. Michael Ward, Commander of the American Legion Post 591, presented a plaque to the Police Department in recognition of their service and dedication to the larger community and Sand City. The plaque reads: *Seaside American Post Legion 591, thank you for going above and*

beyond, presented to the Sand City Police Department in recognition of outstanding service, January 1, 2012 to January 31, 2013 with great appreciation of your dedication, duty of service, to protection of American Legion Post 591, and the Seaside and Sand City community. Chief Michael Klein accepted the plaque on behalf of the Police Department.

The Mayor thanked Commander Ward for this recognition, and expressed his appreciation in receiving the commendation.

AGENDA ITEM 8, PUBLIC HEARING

Mayor Pendergrass commented that Agenda Item 8C has been continued.

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

- A. Consideration of City Resolution approving an amendment of Site Plan Permit 05-01 authorizing the General Site Design Concept to modify the Public Plaza at 600 Ortiz Avenue pending further Staff Review and Design Review Committee action, and also reaffirm that the Sign Program for this property remains unchanged in the Prohibition of Rooftop Signs ***{this item continued from the February 5, 2013 Council meeting}***

Associate Planner Charles Pooler reported that at the February 5 Council meeting, the Orosco Group presented a proposal to refurbish the front plaza, to erect a rooftop billboard sign, adjust the below market rate housing allocation at 600 Ortiz Avenue. There was Council consensus on February 5th that the proposed plaza modifications were generally acceptable. The rooftop sign was not supported. Staff recommends the plaza modifications, in general concept be adopted with further review required by the Design Review Committee regarding pavement materials/colors, landscaping, topography, relocation of the sculpture, and final pavement/landscaping. No Council action is recommended regarding the affordable housing; however, Staff recommends that the public hearing be continued to the March 5th Council meeting to avoid re-noticing the public hearing. Staff recommends approval of the attached resolution approving the general concept of the plaza modifications (subject to DRC review) to deny the property owner's request for rooftop signs, and that the Sign Program remains unchanged.

7:14 P.M. Floor opened for Public Comment.

On behalf of the Orosco Group, Matt Knorr commented that he appreciates the chance to work with the Design Review Committee to finalize the plan for the plaza. Research is being conducted regarding the affordable housing requirements, and he looks forward to meeting with staff to remedy the issue.

City Administrator Steve Matarazzo suggested that the Council approve

the site plan changes for the plaza, as directed in the attached resolution, and continue the affordable housing issue to a future council meeting.

There was Council discussion regarding negotiations in the possible purchase of the Ream Property, and its relation to the possible acquisition of the Carroll Property in order for plans to move forward. The Council further discussed the proposed landscaping design, and whether it would meet the needs of future businesses and tenants.

City Administrator Steve Matarazzo added that the Successor Agency would need to decide what it would like to do with the Carroll Property as it was originally intended for off-street parking. The Oversight Board may also decide if they would like to sell it or not.

City Attorney Jim Heisigner referred to page 63 of the Agenda packet, (Exhibit A) of the attached resolution requesting that Staff clarify the easement area with respect to the building. The applicant needs to be aware that public plaza access may have to be considered in the modification of the plans from a legal standpoint. There was discussion regarding the parking area, and its future use for public events. The City Administrator clarified that at the last Council meeting, there was Council consensus to redesign the public plaza regardless of whether the Ream property would be acquired.

The Mayor directed Mr. Knorr to speak with Staff regarding the future of the Carroll Property. On behalf of the Orosco Group, Mr. Knorr was in agreement with the conditions of the site plan permit.

7:26 P.M. Floor closed to Public Comment.

Motion to approve the City **Resolution** approving an amendment of Site Plan Permit 05-01 authorizing the General Site Design Concept to modify the Public Plaza at 600 Ortiz Avenue pending further Staff review and Design Review Committee action, and also reaffirm that the sign program for this property remains unchanged in the prohibition of rooftop signs was made by Council Member Blackwelder, seconded by Council Member Carbone. AYES: Council Members Blackwelder, Carbone, Pendergrass. NOES: None. ABSENT: Council Member Hubler. ABSTAIN: Council Member Kruper. Motion carried.

{Council Member Kruper returned to the dais}

B. Consideration of City Resolution approving Site Plan 13-01 for Site Modifications to replace a Landscape Planter with a Paved Patio Area at 915 and 925 Playa Avenue in the Edgewater Center.

Associate Planner Charles Pooler presented a site plan permit application submitted by Elio Chiappe, property owner for the location at 915 and 925 Playa Avenue, to remove the landscaping from the square planting area in front of his building and pave the area with concrete to accommodate a

patio area. Most of the landscaping is in fairly good condition, with the exception of the ground cover that has receded due to foot traffic. Staff finds Mr. Chiappe's request reasonable with the conditions that the existing tree remain, the patio design should include a heavy duty metal grate around the trunk, pavement consist of decorative pavers, and the placement of patio furniture should not impede public access of any units. Other landscaping on the property that is unsightly shall be replaced with new specimens; with new shrubs not less than 5 gallons, new trees not less that 24-inch box with a 1.5 diameter, and that a landscape plan be provided. Staff recommends approval of the site plan that removes the grounds cover and shrubs for the "patio project" while maintaining the existing tree.

7:32 P.M. Floor opened for Public Comment.

On behalf of Mr. Chiappe, Andra Swenson commented that as part of their due diligence, Mr. Chiappe was prepared to move forward with the project. He distributed letters to adjacent property owners requesting their approval of a yogurt shop. Out of six property owners, one objected to the proposed use, and Mr. Chiappe received a letter from their attorney stating why they were not in agreement. The letter briefly stated that the proposed expansion of the restaurant use would not be conducive to a good mix with other present and anticipated uses in the Shopping Center. She stated that the reason for the patio work was to accommodate outside seating for the yogurt shop, and since there was not a consensus for approval from adjacent property owners, they will no longer need to proceed with the modifications. Ms. Swenson distributed the letter to the Council for their information, and added that Mr. Chiappe may seek another tenant for that location. She commented that she is withdrawing the application at this time.

Mayor Pendergrass expressed his concerns regarding the aesthetics of the Edgewater Shopping Center. The City has sent letters to Target as well as other property owners to improve the parking area and landscaping.

Mr. Pooler has been in contact with Target since last December, regarding the parking lot lights. There has been communication regarding improvements to the shopping center from both Ross and Target Stores.

7:36 P.M. Floor closed to Public Comment.

C. Consideration of City Resolution approving Coastal Development Permit 13-01 for Ed Ghandour to Post "No Trespassing" Signs on his Coastal Property.

Motion to table the Public Hearing to March 5, 2013 regarding the City **Resolution** approving Coastal Development Permit 13-01 for Ed Ghandour to Post "No Trespassing" Signs on his Coastal Property was

made by Council Member Kruper, seconded by Council Member Blackwelder. AYES: Council Members Blackwelder, Carbone, Kruper, Pendergrass. NOES: None. ABSENT: Council Member Hubler. ABSTAIN: None. Motion carried.

AGENDA ITEM 9, OLD BUSINESS

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

Interim Public Works Engineer Leon Gomez reported that for the past two weeks, he has been attending the Storm Water Technical Advisory Committee meetings regarding the Phase II, Storm Water Permit that was adopted by the Regional Quality Board, and State Water Quality Control Board. The Board is looking at an effective date of September 2013. A few elements in the permit are still undergoing review, especially the post construction requirements. This was pulled from the original Storm Water Management permit due to objections from various entities throughout the State. He thanked Associate Planner Pooler for his patience, cooperation, and his availability in answering procedural questions pertaining to municipal codes and ordinances that may need to be reviewed for this revised permit. In March, Mr. Gomez will be making a PowerPoint presentation to the Council on the revisions to the permit. He confirmed that the desalination plant has been operating at full capacity.

City Administrator Steve Matarazzo reported that Staff will be meeting with the Association of Monterey Bay Area Governments (AMBAG) to review population forecast numbers they are proposing in relation to transportation planning conducted every five years. AMBAG's numbers show Sand City at 450 people by 2035; however they will need to reflect a more realistic number consistent with the City's general plan. Last year's numbers reflected only aggregated numbers, and although they have disaggregated these numbers, Sand City's numbers are depicted too low.

AGENDA ITEM 10, NEW BUSINESS

- A. Presentation on and Consideration of the Audited Financial Statements for the Year Ended June 30, 2012 and Independent Auditor's Report by Therese Courtney and Mike Nolan of Hayashi & Wayland, and approval of City Resolution accepting the Audited Financial Statements for the Year Ended June 30, 2012 and Independent Auditors' Report

Mike Nolan of Hayashi & Wayland, reported that the financial statements the City received in the past included both the City of Sand City's and the Redevelopment Agency. Due to the dissolution of Redevelopment Agencies, this year's financial statement reflects only the City's, and the Successor Agency's. The statements reflect a clean opinion of the audit. There were no disagreements or difficulties with management

encountered in the audit; and the process went smoothly.

Auditor Therese Courtney reported on various key points of the audit such as the City's assets and liabilities, and non-liquid assets and future liabilities. She referred to page 162 of the agenda packet, and explained that the City ended the fiscal year with a structural deficit. Ms. Courtney also reported on the Commitments and Contingencies as it relates to the City of Seaside's claim for payment. Ms. Courtney added that all governments will have to recognize its pension obligations, including Other Post Employment Benefit (OPEB) beginning in 2015. This is not currently being reported. Once the OPEB is reflected, it will have a significant impact on the City's financial statement.

There was Council discussion regarding the issue of reporting the OPEB, how it may affect future bonding, and why it coincides with John Bartel (City's actuary) report regarding how much the City should set aside for other post-employment benefits.

Motion to approve the City **Resolution** accepting the Audited Financial Statements for the Year Ended June 30, 2012 and Independent Auditors' Report was made by Council Member Kruper, seconded by Council Member Carbone. AYES: Council Members Blackwelder, Carbone, Kruper, Pendergrass. NOES: None. ABSENT: Council Member Hubler. ABSTAIN: None. Motion carried.

- B. Consideration of Successor Agency Resolution approving the Draft Recognized Obligations Payment Schedule (ROPS 13-14A) for July 2013 through December 2013.

City Administrator Steve Matarazzo recommended that an amendment to the ROPS is reflected in Exhibit B to show an Administrative Budget of \$184,670.65. The reason for the increase is due to outside legal services of \$60,000. Should the Council approve the resolution, the amendment would be included within the sentence following RESOLVED, to state: *and its related Administrative Budget attached as Exhibit B*. The ROPS title has now changed to remain consistent with new Department of Finance (DOF) language. This ROPS 13-14A reflects the first half of fiscal year 2013-14. Items on the ROPS are standard, and show the bond payments split between two ROPS periods; calculated on prior funding affecting the year of bond payments. A \$200,000 contingent liability is included regarding the Seaside lawsuit.

There was Council discussion on payments received from the County-Auditor and where those payments were applied. The City Attorney commented that there is no remedy in the law to challenge the action of an Oversight Board.

City Administrator Steve Matarazzo added that should the Council adopt the ROPS, the Administrative Budget amount of \$184,670.65 needs to be adjusted on the ROPS. He also reported that the Department of Finance

no longer requires pass-through payments be reported on the ROPS as well.

City Attorney Jim Heisinger commented that after the dissolution of the Redevelopment Agency, the State took the tax increment and placed it in a new fund called the Real Property Tax Transfer Fund (RPPTF). This fund can be utilized to pay off old liabilities, such as bond payments, payments to the City, and any contingent liabilities. Once these debts have been paid, the real property tax revenue to the City will be greatly reduced.

Motion to approve the Successor Agency **Resolution** by title, approving the Draft Recognized Obligations Payment Schedule (ROPS 13-14A) for July 2013 through December 2013, as amended, was made by Council Member Blackwelder, seconded by Council Member Kruper. AYES: Council Members Blackwelder, Carbone, Kruper, Pendergrass. NOES: None. ABSENT: Council Member Hubler. ABSTAIN: None. Motion carried.

- C. Consideration of request from Art Committee for use of the Carroll Property, 525 Ortiz Avenue for a Mural Competition.

Council Member Todd Kruper stepped down from the dais to address the Council regarding a request from the Arts Committee. The Arts Committee would like to hold a mural competition on the Carroll Property under the auspices of the City. A request for qualifications for artists will be distributed, in which 20 will be selected, with the understanding that the art will be a temporary display. The primary goal would be to create more public art, mitigate blight, create a project for the Arts Committee leading up to the West End Celebration, and support Sand City's artist community. Mr. Kruper presented the challenges as well as the benefits of the mural. He included a budget for the competition to include fees for public relation/advertisement, prizes, portable restrooms, judges, and a reception. The prize money would be awarded as part of donations and administrative fees. If there is not enough participation, then the mural competition may not proceed as planned. The call for artists would begin in March, collection of RFP's in May/April, selection of artist in June, workdays would occur during the month of July, and at the end of July the prize award and reception would be held; leading into the West End Celebration in August.

There was Council consensus to move forward with the mural competition, subject to Oversight Board approval.

- D. Upcoming Meetings/Events.

There were no RSVP's from the Council.

AGENDA ITEM 11, CLOSED SESSION

8:40 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) *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 Year

8:47 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 City Attorney reported that no action was taken.

AGENDA ITEM 12, ADJOURNMENT

Motion to adjourn the City Council meeting was made by Council Member Kruper, seconded by Council Member Blackwelder to the next regularly scheduled Council meeting on March 5, 2013 at 7:00 p.m. There was consensus of the Council to adjourn the meeting at 8:48 p.m.



Connie Horca, Deputy City Clerk