

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

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Regular Meeting – December 17, 2013  
7:00 P.M.  
CITY COUNCIL CHAMBERS

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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  
                 Council Member Carbone  
                 Council Member Hubler  
                 Council Member Kruper  
                 Mayor Pendergrass

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

**AGENDA ITEM 4, COMMUNICATIONS**

A.      Written communication distributed to the council were comments received regarding the Collections Project with an additional comment from Hostel International, a revised Resolution with changes incorporated in Exhibit C (Agenda item 8A), and a conflicts list.

B.      Oral

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

There was no comment from the Public.

7:08 P.M.      Floor closed to Public Comment.

Mayor Pendergrass requested that Council Members Hubler and Kruper meet with Staff to discuss the preliminary phase of the City Hall Remodel and the possibility of moving forward with plans for future construction of a community room.

## 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 #186,236,286, Gene's Auto Body (automotive shop), 1531-A Shasta/ 524-A Elder Avenue
  - (2) CUP #394, Frank D'Aquanno (automotive), 477 Redwood Avenue
  - (3) CUP #425, Glastonbury, Inc. (equipment store & rent), 495-A Elder Avenue
  - (4) CUP #480, Video Ranch (office, video production), 1793 Catalina Avenue
  - (5) CDP #0707, Ga-Ga (hair salon), 490 Orange Avenue
- B. There was no discussion of the Sand City Council Meeting Minutes, November 19, 2013.
- C. There was no discussion of the Public Works Monthly Report, November, 2013.
- D. There was no discussion of the Police Department Monthly Report, November, 2013.
- E. There was no discussion of the City/Successor Agency Monthly Financial Report, October 2013.
- F. There was no discussion of the City **Resolutions** to approve a New Benchmark and Health Care Incentive for Employee Health Care Benefit regarding the approval of City Resolution electing to be Subject to Public Employees' Medical and Hospital Care Act and Fixing the Employer's Contribution at an amount Equal to or Greater than that Prescribed by Government Code Section 22892(b), and City Resolution authorizing Health Care Benefit Changes for the 2014 Contract Year.
- G. There was no discussion of the City **Resolution** continuing the Appointments to Various Local and Regional Agencies and Boards effective January 1, 2014.
- H. There was no discussion of the City **Resolution** Honoring Mayor David K. Pendergrass, for 35 Years of Service and Commitment to the City of Sand City and Monterey Peninsula.
- I. There was no discussion of the City Donations/Contributions to the Arts Habitat for \$250 and the Salvation Army Holiday Food Drive for \$200.

Motion to approve the consent calendar was made by Council Member Carbone, seconded by Council Member Kruper. 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, OLD BUSINESS**

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

City Engineer Leon Gomez summarized recent production from the desalination plant. Since the installation of the new reverse osmosis membranes, the plant has been operable every day since the installation, and has either attained or surpassed its target rate for water production. The propane tank at the Public Works corporation yard has been replaced under a new lease agreement with Suburban Propane. They will be responsible for maintaining, refilling, and replacing the tank. The new Regional Stormwater Management Program Manager Jeff Condit, has replaced the prior program manager. He has met with each permittee to discuss goals, objectives, and needs for the coming year.

City Administrator Steve Matarazzo reported that the South County and Cities of the Peninsula have requested that Sand City pay a pro-rated share of a study being conducted by the Monterey Regional Waste Management District (MRWMD) regarding a Solid Waste Management Study. Further information on the study and approximate costs will be brought before the Council in January.

Mayor Pendergrass reported that information from planning staff regarding an application submitted by the Orosco Group on behalf of Panera Bread will be brought to the Council for site plan approval in January.

### **B. Consideration of City RESOLUTIONS: (1) Certifying as Adequate the Collection at Monterey Bay Final EIR (FEIR), and (2) Approving a Mitigation Monitoring and Reporting Program (MMRP) for the Collection at Monterey Bay Coastal Resort**

City Administrator Steve Matarazzo confirmed that the Public Hearing for the Collections Project was closed at the November 19, 2013 Council meeting. Staff recommends approval of the attached resolutions.

Motion to approve the City **Resolution** certifying as adequate the Collection at Monterey Bay Final EIR (FEIR) was made by Council Member Hubler, seconded by Council Member Kruper. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

Motion to approve the City **Resolution** by title, approving a Mitigation Monitoring and Reporting Program (MMRP) for the Collection at Monterey Bay Coastal Resort was made by Council Member Carbone, seconded by Council Member Kruper. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

## **AGENDA ITEM 8, PUBLIC HEARING**

- A. FIRST READING: An Ordinance of the City of Sand City amending Title 18 of the Municipal Code and Zoning Map to Eliminate the Coastal Zone manufacturing (CZ-M) Zoning Designation from those properties commonly referred to as the “Sterling” Site and the “Granite Construction” property and to establish a Planned Unit Development (PUD) Combining District for all properties within the “Collections at Monterey Bay” Coastal Resort Project Properties (APN 011-012-001, 002, 005 & 001-501-016); and consideration of City Resolution Approving Coastal Development Permit (CDP 13-06), Site Plan (SP 13-03), and Planned Unit Development Permit (PUD) for the 340-Room Coastal Resort, known as The Collection a Monterey Bay, located at the Northwest Quadrant of Highway One/Tioga Avenue**

City Administrator Steve Matarazzo recommended tabling the First Reading on the City Ordinance amending Title 18 of the Municipal Code and Zoning Map. Section 18.60.020 of the City’s ordinance states that a PUD can be approved by a permit that is part of the combined development permit brought before the Council. The rezoning to remove the coastal zone manufacturing designation was performed by the Coastal Commission back in 2002/03 when they approved the City’s General Plan Amendments. Staff recommends no action for this item is necessary.

7:18 P.M. Floor opened for Public Comment.

There was no comment from the Public.

7:18 P.M. Floor closed to Public Comment.

There was consensus of the Council to table this item.

City Administrator Steve Matarazzo reported that City Staff met with representatives of the Coastal Commission on December 9, 2013 to discuss key issues of the Collections of Monterey Bay Project. As listed in the supplemental staff report the six issues addressed were visual impacts

and mitigation, bluff erosion and managed natural shoreline retreat, coastal hazards and risk assumption, coastal access, water supply, and lower-cost visitor accommodations. Mr. Dave Watson is present to specifically address these key issues and to explain to the Council how these issues have been addressed to meet the satisfaction of the Coastal Commission.

The Council received clarification from the City Administrator that the revised conditions were distributed in the handout as conditions 11, 56 and 57.

On behalf of King Ventures, Dave Watson expressed his appreciation to City staff and Coastal Commission representatives for addressing some of the key issues regarding the project. There was extensive discussion in the environmental impact report for determining the visual impacts, height limitations, view corridor and setback restrictions to ensure that they were consistent with the requirements of the Sand City Local Coastal Program. The Coastal Commission expressed concern regarding the 50 year coastal erosion setback. This was addressed by amending condition 11 to the combined development permit. These amendments included a waiver of rights to construct shoreline protective devices, provide an emergency management plan, implement procedures for emergency conditions, a managed bluff retreat program to include the maintenance of the fore dunes area, and a coastal hazards risk and response plan. The project would include coastal access at Tioga Avenue to the beach, a public restroom, and public parking spaces. Water supply demand will be met with 44.4 AFY allocation from the Sand City desalination plant. City staff discussed several ways of meeting lower-cost visitor accommodations with options that included providing hotel and/or vacation club units, vacation club ownership programs, an off-site hostel, on-site "temporary" seasonal tent camping or similar transitory accommodations, required surcharge on each occupied room, and/or in lieu fees. Mr. Watson concluded that Condition 56, Lower Cost Visitor-Serving Facilities, and Condition 57, Vacation Club Use and Operations were added to the combined development permit for the project to further meet the lower-cost accommodation goals of the Coastal Act and the Coastal Commission.

There was Council discussion regarding future coastal erosion, managed natural retreat, and a program to ensure that the structural integrity of the project remains intact and appropriately managed.

7:44 P. M. Floor opened for Public Comment.

On behalf of Central California Hostelling International, Melissa Newland commented that for the past 13 years, their organization had a hostel in Monterey which provides low cost accommodations to visitors and tourist. The letter distributed tonight outlines a few options in regard to the Collection at Monterey Bay Project. The in-lieu fee to accommodations

may or may not be feasible dependent on how it is applied. Ms. Newland encouraged the Council to look into other options regarding lower cost accommodations.

Rick Medina from the City of Seaside, expressed the City's concerns as they relate to alternative thresholds provided in the Traffic Impact Analysis and Regional Impact Fees. He further noted comments regarding the Draft Environmental Impact Report (DEIR) relating to policy analysis; that it does not address issues concerning visual, land use, traffic, and biological impacts. The letter submitted earlier this afternoon details these concerns.

7:48 P.M. Floor closed to Public Comment.

The City Administrator commented that an additional condition be added to the coastal development permit regarding water supply. The condition to be added states: *"The Environmental Impact Report certified for the project estimates that the project will use up to 64.4 acre feet of water annually. The City has authorized the allocation of twenty (20) acre feet of water from its Public Water Credit Account to the project. The City will also authorize the allocation of forty four (44.4) acre feet of water from the Sand City Water Entitlement to the project. If, for any reason, water allocated from the Public Water Credit Account cannot be used for the project, the City will authorize the allocation of an additional twenty (20) acre feet of water from the Sand City Water Entitlement to the project on the condition that the applicant abandon any right he may have to any allocation of water from the City's Public Water Credit Account"*.

Mr. Watson clarified that the amount shown on page 8A-10 should be \$20,000 per week under Option 2 of the vacation club ownership program. This relates to the value of a week as a maximum threshold.

Mr. Matarazzo pointed out the typographical error on page 8A-11, under Condition 56.

Motion to approve the City **Resolution** approving Coastal Development Permit (CDP 13-06), Site Plan (SP 13-03), and Planned Unit Development Permit (PUD) for the 340-Room Coastal Resort, known as The Collection at Monterey Bay, located at the Northwest Quadrant of Highway One/Tioga Avenue as amended with the addition of Condition 58 was made by Council Member Carbone, seconded by Council Member Kruper. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

*{Council Members Hubler and Kruper stepped down from the dais due to a possible conflict of interest by residing within 500' of the subject property}*

**B. Consideration of City Resolution approving Conditional Use Permit**

**574 for Ringer Electric and Solar Contractor's Office and Storage at 613-C Ortiz Avenue**

Associate Planner Charles Pooler presented an application submitted by Ringer Electric and Solar to operate an electrical contractor business at 613-C Ortiz Avenue. The applicant will use the site for office, storage, and company truck parking, and intends to park the company trucks inside the building during non-business hours. Hours of operation will be from 7:30 a.m. to 5:00 p.m., Monday through Friday. Employees will be out at contract job sites throughout the day. The zoning code requires three parking spaces for the 2,000 square foot unit. The applicants unit accommodates four parking spaces with adequate off-street parking. There will be no routine shipments or deliveries to the applicant's location. The proposed use is not anticipated to generate excessive impacts. Some noise and vibration from the ignition of vehicle engines within the building is anticipated, but not at a detrimental level. Staff recommends approval of the conditional use permit.

7:57 P.M. Floor opened for Pubic Comment.

Jason Mendes of Ringer Electric thanked the Council for their consideration and confirmed that he is in agreement with the conditions of the permit.

7:57 P.M. Floor closed to Public Comment.

Motion to approve the City **Resolution** approving Conditional Use Permit 574 for Ringer Electric and Solar Contractor's Office and Storage at 613-C Ortiz Avenue by title, was made by Council Member Carbone, seconded by Council Member Blackwelder. AYES: Council Members Carbone, Blackwelder, Pendergrass. NOES: None. ABSTAIN: Council Members Hubler, Kruper. ABSENT: None. Motion carried.

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

**C. Consideration of City Resolution approving Conditional Use Permit 575 for Ryan Shatto of Mattress Nation to Operate a Mattress Wholesale Warehouse at 495-B Elder Avenue**

Associate Planner Charles Pooler presented an application submitted by Ryan Shatto of Mattress Nation to utilize a commercial unit at 495-B Elder Avenue for a mattress storage and warehouse operation. The applicant intends to hold monthly wholesale events at the proposed location between 8:00 a.m. to 10:00 a.m. or 6:00 p.m. to 8:00 p.m. Staff finds the proposed hours acceptable for the Monday through Friday sales, however; weekend sales should not commence prior to 10:00 a.m., and should not last for more than two consecutive days per month. No manufacturing will

occur at the location as it will primarily be used to store mattresses, box-springs, bed frames, pillows, sheets, and mattress protectors. The location provides adequate on-site parking spaces for the location. Deliveries are scheduled from 8:00 a.m. to 10:00 a.m. and 6:00 p.m. to 9:00 p.m. daily. Noise, dust, vibration, and odors are not anticipated for this low impact use. All storage should be maintained within the building, including packaging, pallets, or other discarded items, which should be a condition of permit approval. Staff recommends approval of the attached conditional use permit.

The Mayor asked for clarification regarding the applicants' sixteen foot truck, and whether it will be parked inside the building. Staff confirmed that the applicant will be parking his vehicles within the designated parking spaces shown on the plan.

8:04 P.M. Floor opened for Public Comment.

The applicant Ryan Shatto commented that his truck should fit within the designated parking space, and will not be parked along the street. No trailer hitch will be attached to the truck. The Mayor asked if he was in agreement with the conditions of the use permit. Mr. Shatto replied that he is in agreement. He also explained that his company has a contract with HOPE Services to haul away any unwanted mattresses.

8:06 P.M. Floor closed to Public Comment.

Motion to approve the City **Resolution** by title, approving Conditional Use Permit 575 for Ryan Shatto of Mattress Nation to Operate a Mattress Wholesale Warehouse at 495-B Elder Avenue was made by Council Member Kruper, seconded by Council Member Carbone. AYES: Council Members Kruper, Carbone, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: Council Members Blackwelder, Hubler. Motion carried.

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

### **A. Upcoming Meetings/Events**

There were no RSVP's from the City Council.

## **AGENDA ITEM 10, CLOSED SESSION**

8:08 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) Carmel v. Monterey County (No. M125153), and related actions  
c) Seaside v. Sand City (No. M120996) and related cross action*

**2) Public Employee Performance Evaluation, pursuant to Section 54957 of the Ralph M. Brown Act, position: City Administrator**

8:49 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**

Council received a report from its Legal Counsel on Items A1 a) and c). No action was taken.

#### **AGENDA ITEM 11, ADJOURNMENT**

Motion to adjourn the Council meeting was made by Council Member Hubler, seconded by Council Member Carbone to the next regularly scheduled Council meeting on Tuesday, January 7, 2014. There was unanimous consensus of the Council to adjourn the meeting at 8:50 p.m.



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Connie Horca, Deputy City Clerk