

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

Regular Meeting – May 1, 2012
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
Council Member Carbone
Council Member Hubler
Council Member Kruper
Mayor Pendergrass

Staff: Steve Matarazzo, City Administrator/Community Development Director
Jim Heisinger, City Attorney
Richard Simonitch, City Engineer
Charles Pooler, Associate Planner
Connie Horca, Deputy City Clerk

AGENDA ITEM 4, COMMUNICATIONS

A. Written communications distributed to the Council were a list of possible conflicts for tonight's meeting, a publication produced by Habitat for Humanity, staff update on Agenda Item 8C, a Resolution regarding the ROPS for the term July through December 2012, a payment schedule of the former Redevelopment Agency to the City, and information regarding the Community Human Services Genesis House project.

B. Oral

Mayor Pendergrass commented that the conditional use application for Royal Splendor (agenda item 8C) has been withdrawn.

7:05 P.M. Floor opened for Public Comment.

Robin McCrae, CEO of Community Human Services (CHS) reported on a capital improvement project for Genesis House, a 36 bed State licensed residential drug treatment facility located in Seaside. The facility offers 28 co-ed beds and 8 prenatal beds for pregnant and parenting women. Services are offered on a sliding

fee scale, up to 1/10 of what other programs charge; and no one is turned away for inability to pay. CHS and Genesis House are raising funds to remodel the children's play area, the main kitchen, dining room and living areas. These are in dire need of repair and remodel. Despite the present condition, treatment rates are high, and results from the past 5 years indicate that 40% of participants are still clean and sober. Clients of the program deserve a nice, clean and well maintained environment in which to recover. In conclusion, Ms. McCrae encouraged the Council to consider supporting this important community resource by donating to the Genesis House capital improvement project. All donations will go directly to facility improvements and not for general operating expenses. She thanked the Council for supporting the efforts of Community Human Services, and invited the Council to the graduation ceremony on Thursday, May 17, 2012 at the Oldemeyer Center in Seaside at 5:00 P.M.

Flyers were distributed to the Council.

7:10 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 regarding the approval of the Sand City Council Meeting Minutes, April 17, 2012.
- B. There was no discussion regarding the acceptance of the Fort Ord Reuse Authority (FORA) Report, April, 2012.
- C. There was no discussion regarding the approval of the City Resolution calling for November 6, 2012 General Municipal Election.
- D. There was no discussion regarding the approval of the City Resolution recognizing May 9, 2012 as California's Day of the Teacher.
- E. There was no discussion regarding the approval of the City Resolution recognizing the week of May 20-26, 2012 as Classified School Employee Week.
- F. There was no discussion regarding the approval of the City Resolution authorizing the engagement of Best, Best & Krieger to represent the City as well as the City in its capacity as Successor Agency to the Sand City Redevelopment Agency in matters concerning the dissolution of the Sand City Redevelopment Agency.

Motion to approve the Consent Calendar items was made by Council Member Kruper, seconded by Council Member Hubler. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSTAIN: None. ABSENT: 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. Rob White, Economic Development Director of Livermore, and Board Member of the California Association for Local Economic Development (CalED) congratulated the Council on being the 2011 Grand Prize Award Winner for the Sand City Water Desalination Plant. He reported on the successes that led to the completion of the desalination plant, a project that took ten years to complete. The acquisition of permits, and the involvement of numerous other agencies posed a challenge in itself. On behalf of CalED, he congratulated the Council, not only for creating the desalination plant, but also in moving forward on the economic development agenda in the construction of this necessary infrastructure. The City is now the only jurisdiction on the Peninsula that can accommodate substantial new development, and new land uses of higher water consumption. This will result in job creation and economic stimulation for the City. The water available from the desalination project has enabled revitalization of the Independent, and is the first of its kind to be built in the State. It also satisfies all the new California regulations. In conclusion, Mr. White extended his praise for the City's accomplishment and involvement in creating this water supply. He presented a plaque to Mayor Pendergrass on behalf of CalED.

AGENDA ITEM 8, PUBLIC HEARINGS

{Vice Mayor Carbone stepped down from the dais due to a possible conflict of interest by residing within 500' of the subject property}

- A. Associate Planner Charles Pooler presented an application submitted by Robert Luster for a landscaping contractor's office and storage at 1700 Oceanview Avenue. The applicant intends to store tools, new plants, and equipment. There will be no open piles of materials, fertilizers, or waste/clippings. The applicant would like to place at least two storage containers at the location. There will be 1 to 2 employees at the office/storage facility during the day, while the "field employees" will be out at contract job sites. Field employees take their trucks home and check in should they need specialized equipment. Three pick-up trucks will be stored on-site, in addition to a hitch trailer, a mini-excavator, and one bob-cat truck. The applicant's vehicles should be prohibited from parking within any City Street. Fencing on the property is incomplete, and it is recommended that new fencing be required. Since the 2002 General Plan designates this area as a primary residential development, Staff recommends the permit be limited to 5 years. At the end of the 5 year term, the property should be re-zoned to multi-family residential. Staff further recommends the applicant and/or property owner be required to implement maintenance and repair to include replacing the fence, repainting the building, removal of weeds, and striping two parking spaces. Staff recommends approval of the attached resolution.

There was Council discussion regarding the applicants' vehicles fitting within

the fenced storage, concern for the residents who live on that street, and vehicle activity that may pose possible traffic and noise impacts. Additional concern regarding the parking of employee personal vehicles while company trucks were in use was expressed. The Mayor recommende that the applicant provide a site plan that would include where the vehicles will be stored, what the fencing would look like, and where the vehicles will enter/exit.

7:33 P.M. Floor opened for Public Comment.

The applicant, Mr. Robert Luster addressed the Council's concern and stated that the trucks will be taken home with the employees. The site will be used primarily for storage since the main office is located in Carmel Valley. He stated that whatever equipment may not fit, will be stored off-site. He is in agreement with the conditions of the permit.

There was Council discussion regarding a six month review, and whether this should be part of permit conditions.

Adjacent Property Owner Earl Meyers commented that he is very concerned about this proposed use. He would like to see a site plan prior to the permit being issued. He occupies the home next door and is not agreeable with trucks/cars coming in at street side next to his residence. He does not want trucks pulling into his driveway five days a week especially during the hours prior to 8:00 a.m. He expressed his concern regarding what will be stored there and requested a detailed list of items to be stored.

Adjacent Property Owner Bonnie Sunwood added that having trucks, trailers and other items stored in a residential neighborhood seems unacceptable. She expressed with no offense to the applicant, that she would prefer the use permit be denied.

7:52P.M. Floor closed to Public Comment.

Mayor Pendergrass commented that use permits are reviewed, so that businesses and residents may be able to both operate and live compatibly in a mixed-use location. Other commercial sites are located within the same area, and must abide by the same rules.

City Administrator Steve Matarazzo suggested that changes be made to Item 3 (under Termination) adding a sentence at the end stating that, "there shall be a six month review period on this permit to ensure that the conditions of approval have been satisfied, and this review shall be sent to the City Council at a regularly scheduled meeting". Also, a change to Item 6 (Storage) adding a sentence stating, "a site plan, to be approved by the Community Development Director, shall be required prior to the issuance of a business license". Staff would be agreeable to share the site plan with the neighbors once approved.

There was Council discussion regarding the yard's entry/exit be moved due to possible noise impacts generated by trucks. The entrance/exit to the storage yard may be relocated, once the site plan has been submitted for review. The City

Administrator suggested that the use permit does not become effective until the site plan has been approved by the Community Development Director.

City Attorney Jim Heisinger reiterated the changes to the use permit. The first would be a phrase added to the end stating “and until a site plan for the property has been reviewed and approved by the Community Development Director”, the second change is stated above as part of Item 3, and the third is in regard to the fencing to include an earth tone, dark color or wood.

Motion to approve the City Resolution by title, as amended, approving Conditional Use Permit 547 for Town and Country Gardens to operate a Landscape Contractor’s Office and Storage Yard at 1700 Oceanview Avenue was made by Council Member Blackwelder, seconded by Council Member Kruper. AYES: Council Members Blackwelder, Kruper, Pendergrass. NOES: Council Member Hubler. ABSENT: None. ABSTAIN: Council Member Carbone. Motion Carried.

{Vice Mayor Carbone returned to the dais}

- B. Associate Planner Charles Pooler presented an application submitted by Joseph Hertlein, on behalf of Habitat for Humanity, to store donated construction materials and household items at 840-842 Fir Avenue. Habitat for Humanity is a non-profit organization that builds homes for people in need. The applicant will occupy 11,000 square feet of an approximate 27,000 square foot building. The operation will accept donated construction materials, plumbing and electrical fixtures, tile, and household items that cannot be used for construction. These items will be resold to raise funds for other projects. One truck and a trailer will be stored at the warehouse. The building’s Fir Avenue frontage is 185-feet long, and adequate for seventeen non-tandem parking spaces. A truck and trailer are used to bring in and distribute those materials they collect. The primary concern is adequate off-street parking and the loading/unloading area for the Saturday sales. The property owner should make available a segment of the southern abutting undeveloped property for additional parking and loading/unloading activities. The applicant has been informed that the property is within the South of Tioga planning district, and that permits issued within this District are for interim uses. Permits issues are typically for one year with the option of 90-day time extensions thereafter. Staff recommends approval of the attached conditional use permit.

8:01 P.M. Floor opened for Public Comment.

Steve Thigpen, President of the Monterey County Affiliate of Habitat for Humanity commented that most of the deliveries will occur on Orland Way to decrease interference with traffic on Fir Avenue. He addressed the parking situation and mentioned that each customer spends approximately 20 minutes doing business. Mr. Thigpen was in agreement with the conditions of the permit.

Council Member Kruper commented that he has frequented the location during sales hours, and that they definitely need the extra parking. Fir Avenue generates a lot of traffic. He is concerned that the back of Orland Way will become a place

for trash to accumulate. There was discussion whether the property owner would be agreeable to have the dumpster moved inside.

On behalf of the property owner, Geary Coats clarified that they are not looking at any parking within the abutting property where fencing has already been approved.

8:08 P.M. Floor closed to Public Comment.

Motion to approve the City Resolution by title, approving Conditional Use Permit 544 for Habitat for Humanity to use a Commercial Property at 840-842 Fir Avenue as an Interim temporary use for storage and weekly sales events 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.

- C. Consideration of City Resolution approving Conditional Use Permit 546 for a wholesale/retail operation of Women's Apparel, Accessories and Jewelry, as an interim use at 865 Fir Avenue was withdrawn at the request of the applicant.

City Administrator Steve Matarazzo requested that Agenda item 8D be taken out of order and placed last on the agenda.

AGENDA ITEM 9, OLD BUSINESS

- A. City Engineer Richard Simonitch reported that he has not received a production report from Cal-Am, and expects to receive it by tomorrow. He has contacted P.G. & E. regarding the four street lights on Ortiz Avenue. The City will need to install a timer so the lights will not be on continuously. The work is expected to be completed by the end of May. Staff is in the process of closing escrow on the John Street lots, and the Taormina property merge. Plans for grant funding have been submitted for the parking lot improvements across from City Hall.

City Administrator Steve Matarazzo reported that the City should receive a report regarding the CDBG grant application in July.

AGENDA ITEM 10, NEW BUSINESS

- A. City Administrator Steve Matarazzo reported on actions taken by the Successor Agency Oversight Board on April 27, 2012. The first Oversight Board meeting went well, and everyone was cordial. Supervisor Parker was unable to attend. The Board approved the Recognized Obligation Payment Schedule (ROPS) with the exception of the Agency's obligation to the City. The value was based on accrued interest, and the figure was significantly reduced. The Board requested that the City provide a payment schedule of the former redevelopment agency's debt to the City.

The Mayor returned to PUBLIC HEARING: Agenda Item 8D.

{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}

- D. Associate Planner Charles Pooler presented an application submitted by the Orosco Group to continue ongoing farmers' market events at 600 Ortiz Avenue. The first event held on April 5th had a large turnout. The next event is proposed for May 3, 2012. The applicant is requesting to use the vacant area of the building's ground floor from time to time. It is recommended the Permit terminate use of the building by the end of 2012 regardless of whether construction on building renovations has commenced or not. The farmers' market needs to have at least one event manager on-site during the event to address any issues or problems that may occur. The manager should carry a cell phone with that number available to the City's Police Department. Properties within the 500 and 600 blocks of Ortiz Avenue are to be provided a written flyer/brochure that identifies dates of events, the name and cell phone number of the on-site manager, and state that this number be contacted for complaints. This was discussed at the April 11th "post-event meeting" along with the need for additional parking, and that a "Safety and Security Plan" be provided to the City. Mr. Pooler emphasized that the neighbors need to be notified of the event, as this is a permit requirement. Some neighbors were not aware of the farmers' market event on April 5th. The applicant has been meeting with the County Health Department in regards to ongoing event permitting and requirements. Staff recommends approval authorizing a Farmers' Market once per month.

There was Council discussion regarding the use of the Carroll Property for additional parking. The property is owned by the former Redevelopment Agency, and must go through the Oversight Board for approval of its use.

8:28 P.M. Floor opened for Public Comment.

On behalf of the Orosco Group, Geary Coats thanked the Council for allowing the Farmer's Market event on April 5th. The event was very successful, and local businesses profited as well. Through this process, the event coordinators learned the importance of paying attention to details, and how to improve the event. He requested that two conditions of the permit be changed; one of which is the hours of operation, and the second is regarding that each vendor pay a business license fee. The cost to host an event of this size is substantial, and the vendors do not make much profit. He asked if this fee can be waived, as marketing/advertising costs run very high. The Health Department has allowed one permit for the event for all the vendors who participate.

Event Manager, Todd Champaign expressed the importance of the event being made available to farmers, artisans and the food industry. This monthly festival mimics the tempo of other events in the Peninsula. The participating vendors are broken up into various categories, and charged a flat fee of forty dollars for the marketplace. Vendor sales generate approximately \$12,000 with an average of \$400 per vendor.

There was Council discussion regarding the business license fee for each vendor.

The municipal code establishes a vendor fee of \$3.00. The applicant requested that the Council consider one business license fee to include all the vendors. After research of the municipal code, Mr. Pooler reported that the business license fee cannot be arbitrarily waived. However, the applicant can make a claim for exemption by submitting a verified statement to justify exemption. Also, non-profit organizations are exempt, but must still submit a verified statement to that effect.

The Council was in consensus to charge a business license fee of \$3 dollars to the Orosco Group as one business for the Farmers' Market event.

9:00 P.M. Floor closed to Public Comment.

Motion to approve the City **Resolution** by title, as amended, approving a Conditional Use Permit and Coastal Development Permit to authorize Farmer's Market Events once per month on property at 600 Ortiz Avenue was made by Mayor Pendergrass, seconded by Council Member Carbone. AYES: Council Members Blackwelder, Carbone, Pendergrass. NOES: None. ABSTAIN: Council Members Hubler, Kruper. ABSENT: None. Motion Carried.

{Council Members Hubler and Kruper returned to the dais}

The Mayor resumed **NEW BUSINESS: Agenda Item 10B**

- B. City Administrator Steve Matarazzo reported that the Oversight Board approved the first ROPS with the exception of the former Redevelopment Agency debt owed to the City. They also requested at the last meeting a payment schedule. This is included in this agenda item. The City is proposing annual payments of approximately \$865,000 in quarterly payments ending in July 2026.

City Attorney Jim Heisinger added that the Council does not have to take action on the attached payment schedule. The action required is regarding the ROPS for July through December 2012.

Motion to approve the City **Resolution** by title, of the City of Sand City, Serving as the Successor Agency to the former Redevelopment Agency, approving the Recognized Obligation Payment Schedule (ROPS) for the term July 2012 through December 2012 was made by Council Member Hubler, seconded by Council Member Blackwelder. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion Carried.

- C. There were no additional RSVP's.

AGENDA ITEM II, CLOSED SESSION

9:12 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) *Security National Guaranty, Inc. v. California Coastal Commission*
- c) *Sierra Club v. MPWMD (SNG as real party in interest)*
- d) *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*

2) To confer with Legal Counsel regarding significant exposure to litigation pursuant to Section 54956.9(b) of the Ralph M. Brown Act

9:31 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 gave a report on items IIA (1a-d) and IIA (2).

AGENDA ITEM 12, ADJOURNMENT

Motion to adjourn the Council meeting was made by Council Member Blackwelder, seconded by Council Member Hubler to the next regularly scheduled Council meeting on May 15, 2012 at 7:00 P.M. There was unanimous consensus of Council to adjourn the meeting at 9:32 P.M.



Connie Horca, Deputy City Clerk