

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

Regular Meeting – December 18, 2012
7:00 P.M.
CITY COUNCIL CHAMBERS

Mayor Pendergrass opened the meeting at 7:01 P.M.

The invocation was led by Reverend 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
Sidney Morris, City Attorney
Michael Klein, Chief of Police
Leon Gomez, City Engineer
Charles Pooler, Associate Planner

AGENDA ITEM 4, COMMUNICATIONS

A. Written communications distributed to the Council was a list “no conflicts” list, and information regarding General Law City V. Charter City

B. Oral

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. There was no discussion of the following conditional use permits.

- 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.
- (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-B 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 Public Works Monthly Report, November 2012.
- C. There was no discussion of the Police Department Monthly Report, November 2012.
- D. There was no discussion of the Successor Agency/City Monthly Financial Report, October 2012.
- E. There was no discussion of the City **Resolution** appointing a representative to the Monterey County Integrated Waste Management (MCIWM) Task Force.

Motion to approve the Consent Calendar 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 6, CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR

There were no items pulled from the consent calendar. —

AGENDA ITEM 7, PRESENTATION

- A. Mayor Pendergrass presented certificates of appreciation to the supporters and volunteers of the 2012 Annual West End Celebration. He gave special recognition to the West End Event Coordinator, Steve Vagnini for the continued success of the event.

AGENDA ITEM 8, PUBLIC HEARING

- A. Associate Planner Charles Pooler presented applications submitted by Dennis LeVett to convert an existing mixed-use building at 370 Shasta Avenue into two live-work units. Anthony Lombardo of, Lombardo and Associates, is representing Mr. LeVett. The property at 370 Shasta Avenue is one of three properties built in 2002 consisting of one residential dwelling on the upper level and one commercial unit and residential garage on the lower

level. The proposal is to convert the existing building into two side-by-side live-work units. The property was zoned Heavy Commercial-Planned Unit Development in 2002 to accommodate the development of the mixed-use projects. This zoning limits the building to no more than one residential dwelling, one commercial unit and residential garage. Staff recommends reclassifying the subject property to the Planned Mixed-Use (MU-P) zoning to be consistent with the majority of the surrounding properties in the West End District, and allow the proposed live-work project. The project requires a minimum of six on-site parking spaces. Each residential use must have two parking spaces, of which one is to be covered. The project will install a partition wall to separate the workshop and parking. This parking requirement/arrangement should be recorded with the Monterey County Recorder as a deed restriction on the property. The conditional use permit being considered at this time is only for the establishment of the "live-work" units. Future "work" activities for each workshop will need to obtain individual use permits as those uses come forth. Staff is concerned that future occupancy could expand into more than the two live-work units, and no longer function as "live-work" space. In order to maintain the "live-work" relationship between the corresponding upper and lower spaces of each unit, Staff recommends restrictions be noted on the Parcel Map, to be recorded, addressing occupancy density, parking, workshop use and storage. The Monterey Peninsula Water Management District (MPWMD) has determined that converting the building into two independent live-work units will require a water allocation of 0.069 acre-feet. Action by the City Council to approve the 0.069 acre-foot allocation from the City's Water Entitlement (Desalination Plant) is necessary in order for this project to proceed.

Staff recommends the City Council approve the following: 1) first reading of ordinance amending Title 18 to reclassify the property's zoning from C2-PUD to MU-P, 2) draft resolution for Conditional Use Permit 557 allowing the 2 live-work units and allocate 0.069 acre-feet of water from the City's Water Entitlement to the project, and 3) draft resolution approving the Tentative map with conditions.

Council Member Kruper inquired as to whether the partition wall between the garage and workshop was necessary.

Staff replied that this physical separation will ensure the garage will not become an extension of the workshop, and that it be used for the required residential parking.

7:28 P.M. Floor opened for Public Comment.

On behalf of Dennis LeVett, Anthony Lombardo of Lombardo and Associates commented that he is in agreement with the conditions of the permit.

Property Broker, Alison Gaus commented that properties for sale in Sand City are on the market for \$375-\$400 thousand dollars. Sand City affords an ideal location providing a live-work environment.

7:34 P.M. Floor closed to Public Comment.

- 1) Motion to approve the First Reading of the **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 Blackwelder, seconded by Council member Kruper. Roll Call Vote AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.
- 2) Motion to approve the City **Resolution** approving Conditional Use Permit 557 and allocating 0.069 Acre-Feet of water from the Sand City Water Entitlement for Dennis Levett to convert that property at 370 Shasta Avenue into two live/work units was made by Council Member Kruper, seconded by Council Member Blackwelder. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.
- 3) Motion to approve the City **Resolution** approving tentative Parcel Map No 12-01 with conditions for the creation of two live-work units at 370 Shasta Avenue 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 9, OLD BUSINESS

- A. City Engineer Leon Gomez reported that rehabilitation work on the desalination plant wells has been completed. The Annual Storm Water Report has been posted on Sand City's website for a thirty (30) day review period, and thanked Staff for promptly adding the report onto the website.

City Administrator Steve Matarazzo reported that at the December 17th meeting of the Oversight Board, the Board unanimously approved the Due Diligence Review of the Successor Agency assets. Part of the assets are related to property, and the remainder is related to cash or cash equivalents. The recommendation of the Due Diligence Review was that the Successor Agency keep all of its assets due to existing and pending liabilities it retains. The Department of Finance has until April 1st to approve the Due Diligence Review.

Mayor Pendergrass commented that Staff has proven to be effective in dealing with issues presented before the Oversight Board, and commended Staff for their efforts.

AGENDA ITEM 10, NEW BUSINESS

- A. Mayor Pendergrass reported that this would be an opportune time in Sand City's history to consider a gas station at Costco, since the City now has water

available. City Administrator Steve Matarazzo added that there is a possibility of entering into a sales tax reimbursement agreement with Costco to acquire less than an acre of property from DBO Development at the corner of Tioga. He reported on the financial aspects, and cost of the proposed project. The budget committee has reviewed this proposal and recommends moving forward provided certain issues are addressed. Costco seems interested in this proposal, and is working with Staff.

Developer Don Orosco commented that this project would accrue quite a substantial financial investment, and may pose a planning design issue since the South of Tioga project is adjacent to it. In answer to Council Member Blackwelder's question, regarding the architectural design of his project; if a gas station were to be constructed, the firm may have to move towards a more "edgy" design relative to architecture. The residential element would need to be taken into consideration as well. The design for South of Tioga may be a refinement of the overall impression that one might have with Sand City. The overall South of Tioga project may have a value of a third of a billion dollars. He predicts that an environmental impact report may have to be conducted for the larger project.

The Council was in consensus giving Staff direction to move forward with negotiations with Costco.

8:02 P.M. Floor opened to Public Comment.

Sand City resident Mike Morris commented that Costco gas stations he frequented in Southern California were very busy. He agrees with Mr. Orosco that customers and the general public shopping/visiting in the area would stop at the nearest most convenient gas station. We are still unsure what the traffic impacts would be. Mr. Morris suggested that the City conduct a traffic impact study, and think about either widening Tioga Avenue or extending California Avenue along the TAMC right-of-way. He expressed his primary concern that Tioga Avenue may become congested.

8:04 P.M. Floor closed to Public Comment.

Mayor Pendergrass added that the City is presently in negotiation with TAMC, and California Avenue road improvements have been discussed. The City is looking at grants to help defray costs. If and when the project reaches that point, these concerns will be taken into consideration.

There was Council consensus to proceed with negotiations. Council Member Hubler was excused from the meeting due to a family emergency.

- B. Mayor Pendergrass introduced the City Resolution authorizing the City Administrator to apply for a USDA Rural Development Grant for police vehicles. The City's current vehicles have experienced years of wear and tear, and are in need of replacement. Staff researched options in the purchase of new police vehicles including defraying the cost with grant funding and a lease/purchase option.

City Administrator Steve Matarazzo added that the Budget Committee recommended the purchase of two (2) Chevy Tahoes. These would come fully equipped with an estimated cost of approximately \$100,000 dollars. The vehicles would be financed through an allocation of \$28,000 dollars in the FY 2012-13 budget, \$30,000 by a USDA Rural Development Grant, and \$42,000 by a lease purchase agreement payable over a period of three years. The Crown Victoria's are no longer available as police vehicles, and the Chevy Tahoes would serve a more versatile purpose.

Council Member Kruper asked if the City had a lease option, would that eliminate the need to have it serviced by the City of Monterey. Chief of Police Michael Klein responded that the City of Monterey would continue to provide vehicle maintenance services such as lube and oil changes. He recommended that an extended warranty be purchased with the vehicles.

There was Council discussion regarding other financing, should the City not be awarded the grants fund, and how future police vehicles would be financed.

Motion to approve the City **Resolution** authorizing the City Administrator to apply for a USDA Rural Development Community Facilities Grant to defray the cost of 2 police vehicles was made by Vice mayor Carbone, seconded by Council Member Kruper. AYES: Council Members Blackwelder, Carbone, Kruper, Pendergrass. NOES: None. ABSENT: Council Member Hubler. ABSTAIN: None. Motion carried.

- C. There were no RSVP's from the Council.

AGENDA ITEM 11, CLOSED SESSION

- A. City Attorney Jim Heisinger reported that the Council met in Closed Session prior to the regularly scheduled Council meeting regarding one pending litigation matter and received consultation and direction from Counsel.

AGENDA ITEM 12, ADJOURNMENT

Motion to adjourn the City Council meeting was made by Council Member Blackwelder, seconded by Council Member Kruper, to the special Council meeting on December 27, 2012 at 12:00 P.M. There was unanimous consensus of the Council to adjourn the meeting at 8:16 P.M.



Charles Pooler, Associate Planner
Substituting Deputy City Clerk