

MINUTES
JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY

Regular Meeting – February 1, 2011
7:00 P.M.
CITY COUNCIL CHAMBERS

Mayor Pendergrass opened the meeting at 7:00 p.m.

The invocation was led by Reverend Carl Kelleher.

The Pledge of Allegiance was led by Police Chief Michael Klein.

Present: Council Member Blackwelder
Vice Mayor 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
Michael Klein, Police Chief
Linda Scholink, Director of Administrative Services/City Clerk
Charles Pooler, Associate Planner

AGENDA ITEM 4, COMMUNICATIONS

- A. Written communications distributed tonight was a revised Resolution approving a purchase and sales agreement with Bella Mare Investments, LLC for the John Street Lots (Agenda Item 9A).
- B. Oral
 - 7:02 p.m. Floor Opened for Public Comment.
There were no comments.
 - 7:02 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 Sand City Council Meeting Minutes, January 18, 2011.
- B. There was no discussion of Monthly Fort Ord Reuse Authority (FORA) Report, January, 2011.
- C. There was no discussion of City/Redevelopment Agency Quarterly Treasury Report, December 2010.

- D. There was no discussion of City/Redevelopment Agency Financial Report, December 2010.
- E. There was no discussion of City **RESOLUTION** Authorizing Expenditures of up to \$3,000 for Monterey Blues Festival Promotion and Assistance regarding the 2011 Sand City West End Celebration.

Motion to approve the Consent Calendar was made by Council Member Blackwelder, seconded by Council Member Kruper. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, and 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, PUBLIC HEARINGS

{Council Members Blackwelder and Hubler stepped down from the dais due to a possible conflict of interest by residing/working within 500 feet of the proposed project}

- A. Associate Planner Charles Pooler presented an application submitted by John Craft, owner and operator of Craft Electric Company, for authorization to utilize a segment of an existing commercial building at 1815-A Contra Costa Street, Unit A (portion of APN 011-177-025). The applicant proposes to use an approximate 1,400 square foot ground floor section for his electrical contractor business, to conduct office activities, and store electrical materials, parts, and equipment for use at contract job sites. There are two company vehicles intended to be parked on-site in the parking spaces in front of the unit during non-business hours. Items for storage will be brought in via the applicant's company vehicles. There are to be no major deliveries by outside vendors. Loading/unloading activities should not pose a problem. Parking of contractor vehicles on-site poses the most significant potential impact. Two vehicles can be accommodated however; future expansion of the vehicle fleet could be detrimental if the appropriate parking plan is not implemented. It was recommended that the permit allow up to two (2) company vehicles be parked at the frontage at all times, but that additional company vehicles must be parked/stored either within the applicants unit or on the property owner's vacant property at the end of Redwood Avenue. The permit should also prohibit all company vehicles from parking within City public rights-of-way during non-business hours.

Staff recommends approval of a coastal development permit to John Craft.

7:06 PM The floor was opened for public comment

No one came forward to speak. The Mayor asked John Craft, applicant if he was in agreement with all the conditions of the permit. The applicant responded "yes" he was. The Mayor commented that staff will be reviewing permits regularly regarding compliance with their permits.

7:07 PM The floor was closed to public comment.

Motion to approve the City **RESOLUTION** approving Coastal Development Permit 11-02, allowing an Electric Contractor Office and Storage use at 1815-A Contra Costa Avenue was made by Council Member Kruper, seconded by Council Member Carbone. AYES: Council Members Carbone, Kruper, and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: Council Members Blackwelder and Hubler. Motion Carried.

The Mayor congratulated Mr. Craft and welcomed him to Sand City.

{Council Member Hubler returned to the dais}

B. City Administrator Steve Matarazzo reported that during the recent review of parking problems in Sand City, the City Council determined that better use of the on-street parking areas was needed in order to maximize available parking and to eliminate the blight that is sometimes caused by utility trailers and the other vehicles left unattended. During these discussions it was mentioned that staff needed to notify the business owners of Monterey Bay Restaurant Equipment at 325 Elder to remove their public display of chairs and tables that encroached into the public right-of-way. City staff sent a certified letter to the property owner and business tenant in early December, advising them of a condition in their coastal development permit that states no outside displays were allowed without the permission of the Community Development Director.

As of this date the area has been cleaned up and revised condition is being recommended to their use permit, which is being presented to the Council tonight.

It is recommended that the attached resolution, amending condition number 16 to allow a limited area for outside displays and not into the roadway be approved; and that the City Engineer issue a revocable encroachment permit for this purpose.

Council Member Kruper inquired whether this condition includes the back of the building where there is a large parking lot and there is frequently stored material. The Mayor added he had the same concern.

The City Attorney responded currently condition 16, says, "this business shall be conducted entirely inside the building. Any special outside promotional displays or activities shall require advanced approval from the Director of Community Development." The amendment this evening would allow a small area no greater than 100 square foot to be used for outside display and employee seating. It does not allow for the outside storage of materials.

7:15 PM The floor was opened for public comment

The Mayor asked the applicant to come up to the podium. After some discussion, Bill Locklar, business owner explained how the public display of chairs and tables began; the Mayor asked if he was in agreement with all of the conditions of his permit. The Mayor also advised Mr. Locklar that staff would continue to follow through and keep an eye on the business and look for compliance with his permit conditions. Mr. Locklar agreed to all the conditions of his permit.

City Engineer Richard Simonitch reminded the Council to keep in mind that when considering parking or lack thereof that all of our brackish water and desal lines come down Elder from the freeway. It is important to keep that area as clear as possible in the future. The City Administrator mentioned doing some red curbing on Elder to address this issue.

7:20 PM The floor was closed to public comment.

Motion to approve of City **RESOLUTION** amending Coastal Development Permit 97-05, Monterey Bay Restaurant Equipment (APN 011-242-007,008) to allow outside displays in area adjacent to the building located at 325 Elder Avenue was made by Council Member Kruper, seconded by Council Member Carbone. AYES: Council Members Carbone, Kruper, Hubler and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: Council Member Blackwelder. Motion Carried.

{Council Member Blackwelder returned to the dais}

AGENDA ITEM 8, OLD BUSINESS

- A. City Engineer Richard Simonitch reported that the desalination plant surpassed its previous record, by producing 28 acre feet in January. He stated that he and Charles Pooler have been receiving training on the storm water management low impact development standards. He called AT&T regarding the telephone poles on Elder; there are old poles currently blocking the handicap access, and need to be removed. Regarding the Coastal Bike Trail crossing at Sand Dunes Drive, we did receive comments back from Caltrans, and we are currently addressing those concerns. A "sign-off" letter from a biologist still needs to be done. He is gathering estimates for the retaining wall for the corporation yard that are coming in high, with the highest around \$70,000. He will continue to gather information. The project will eventually need to go out for public bid.

City Administrator/Community Development Director Steve Matarazzo stated that there was a proposed decision on the Cal-Am moratorium application where the Administrative Law Judge of the California Public Utility Corporation is recommending the moratorium be set in place. He makes a number of exemptions in the proposed order, but it doesn't specifically exclude Sand City. The City Attorney will be preparing a letter to make it clear why Sand City should be excluded. Mr. Matarazzo handed out the 2011 Municipal Service and Sphere of Influence Review report on Sand City prepared by LAFCO. He said he was pleased with the report and that LAFCO's staff had complimented Sand City.

The Mayor spoke about the Cal-Am Community breakfast. The new chair of the Water Board, Bob Brower, said they are looking for a secondary fallback in case the regional plant doesn't get implemented. They lost one member of their Board, Alvin Edwards, so now Mayor Pendergrass is on the Water Planning Committee. They are still looking at ways to accomplish water for growth, and they still seem to be looking at Sand City as a location. The Mayor informed them that the City is strongly against that.

{Council Member Blackwelder stepped down from the dais due to a possible

conflict of interest by residing within 500 feet of the subject property}

AGENDA ITEM 9, NEW BUSINESS

- A. The City Attorney presented, for Council's consideration, the sale of the John street lots to property owner James Davi for a price of \$125,000. The negotiations of this sale have been on-going for some time. It began with the previous owner of the contiguous land and buildings, Roy Woods, and now with the current owner Jim Davi. All the regulatory requirements relating to the sale of this surplus property have been satisfied. It is recommended that the Council proceed with the sale of the property and abandonment of most of John Street subject to approval of a purchase agreement with Bella Mare, LLC and the City of Sand City.

A revised resolution was handed out at the beginning of the meeting and this resolution is to approve the purchase and sale agreement that is attached to the resolution. Mr. Heisinger had one change to the purchase and sale agreement, on page 3; paragraph B2, there is actually 6 separate lots of record, not 7. The map shows the area on John Street that will need to be vacated by the City, and this will take separate action by the Council. We can't vacate the public utility easements, so this will be a noticed public hearing process. Once the street vacation is done, Bella Mare will be making an application to re-subdivide this property, which basically amounts to a lot consolidation. Mr. Davi will pay for the preparation of a survey and subdivision map.

The City Administrator added condition number 5, adding the filing of a Notice of Exemption with the County Clerk, to the Resolution.

7:40 PM The floor was opened for Public Comment.

James Davi, President of Bella Mare, Inc. said it is a pleasure to be here and we are excited about the purchase and think this will be good for the City and Bella Mare Investments as well.

Motion to approve the City **RESOLUTION amended by the addition of section 5** Approving a Purchase and Sale Agreement with Bella Mare Investments LLC Regarding the Disposition of City Owned Surplus Property Known as "The John Street Lots" (APN 011-177-009) was made by Council Member Kruper, seconded by Council Member Hubler. AYES: Council Members Carbone, Kruper, Hubler and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: Council Member Blackwelder. Motion Carried.

{Council Member Blackwelder returned to the dais}

- B. City Administrator Steve Matarazzo requested the Council's consideration of a resolution opposing the Governor's proposal to abolish Redevelopment Agencies (RDAs). He stated that part of Governor Brown's budget proposal is to eliminate the huge State budget deficit, by proposing the elimination of all redevelopment agencies. If the RDAs are eliminated this would have the effect of redirecting some existing and future "Tax Increment", currently received by RDAs, back to the school districts and other agencies that received larger portions of the property tax, prior to the formation of the redevelopment agencies.

At this time, there is also a massive lobbying effort by the California Redevelopment Association (CRA) and all of its members to promote the benefits of RDAs to the State Legislators, and request that this proposal to abolish RDAs be dropped from further consideration. The President of the California Redevelopment Association, had a good comment today, he said, "The Governor emphasizes citizen rights to vote on the taxes, and yet three months ago the voters overwhelmingly voted to stop State raids on local funds including Redevelopment Funds; so he seems to be talking out of both sides of his mouth". This is very serious, and would be very serious for Sand City. There is a movement to encourage all cities with redevelopment agencies to pass these resolutions, and send them to their Local Legislators. We could lose as much as \$900,000 a year of tax increment that comes to the Redevelopment Agency. It is recommended the City Council approve the attached resolution.

Motion to approve City **RESOLUTION** Opposing the Governor's Proposal to Abolish Redevelopment Agencies was made by Mayor Pendergrass, seconded by Council Member Carbone. AYES: Council Members Blackwelder, Carbone, Kruper, Hubler and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion Carried.

- C. The City Administrator addressed the City Council regarding consideration of partial debt repayment from the Redevelopment Agency to the City of Sand City. The City has been receiving larger-than-normal debt repayments from the Redevelopment Agency in order to help fund the budget. The debt repayments have been taken out of Redevelopment reserves that are not encumbered by other uses such as bond repayment and housing accounts. Given the precarious nature of future redevelopment funding caused by the Governor's proposal to eliminate redevelopment agencies, it is recommended that the City require immediate repayment to the General fund of some of its monies that were borrowed from the Agency. This is a prudent thing to do. Mr. Matarazzo would amend the resolution by taking out the \$62.5 million; this is owed to the City and the bond holders and so forth over the life of the Agency. This resolution should state that this is partial debt repayment currently owed to the City by the Agency.

In the same regard, hopefully by the next Council meeting we would try and encumber Housing Set Aside funds to the Carroll property. As you may recall our auditor said we had to do this by the end of fiscal year 2012, but I believe we should do it sooner or we could lose those funds to the Housing Authority.

Motion to approve City **RESOLUTION** as amended Requesting Immediate Payment of unencumbered funds from the Sand City Redevelopment Agency for partial debt Repayment to the City was made by Council Member Blackwelder, seconded by Council Member Kruper. AYES: Council Members Blackwelder, Carbone, Kruper, Hubler and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion Carried.

Motion to approve Redevelopment Agency **RESOLUTION** Agreeing to Make Partial Repayment of Debt in the amount of \$800,000 to the City of Sand City as requested by the City on February 1, 2011, was made by Agency Member Kruper, seconded by Agency Member Carbone. AYES: Agency Members Blackwelder, Carbone, Kruper, Hubler and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion Carried.

C. There were no RSVP's required.

The Mayor invited the Council to attend the "Tops in Blue", at no cost and hosted by the US Air Force and Presidio of Monterey being held at the State Theatre on February 8, 2011, and we have reserved seats. He said that he attended last year and it was a great event and very patriotic.

AGENDA ITEM 10, CLOSED SESSION

7:50 PM

A. The City Council /Agency Board adjourned 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) *CalAm v. Seaside*

b) *State Water Resources Control Board Order WR 2009-0060*

c) *Monterey Peninsula Water Management v. State Water Resources Control Board (No. M102101)*

d) *CalAm v. State Water Resources Control Board*

e) *Security National Guaranty, Inc. v. California Coastal Commission*

f) *Sierra Club v. MPWMD*

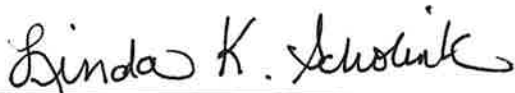
8:04 PM

B. The City Council/Agency Board Readjoined 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.

1) c) *Monterey Peninsula Water Management v State Water Resources Control Board (No. M102101) Council gave direction to City Attorney.*

AGENDA ITEM 11, ADJOURNMENT

Motion to adjourn the City Council meeting was made by Council Member Blackwelder, seconded by Council Member Kruper to the next regularly scheduled Council meeting on February 15, 2011 at 7:00 p.m. There was unanimous consensus of the Council to adjourn the meeting at 8:05 p.m.



Linda K. Scholink, City Clerk