

**MINUTES**  
**JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY**

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**Regular Meeting – June 21, 2011**  
**7:00 P.M.**  
**CITY COUNCIL CHAMBERS**

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

The Mayor stated that due to a lack of quorum items 7B, 7D and 9C would be continued to the July 5<sup>th</sup> meeting.

The pledge of allegiance was led by Mayor Pendergrass.

Present: Council Member Blackwelder  
Council Member Hubler  
Council Member Kruper  
Mayor Pendergrass  
Council Member Carbone (excused absence)

Staff: Steve Matarazzo, City Administrator/Community Development  
Director  
Jim Heisinger, City Attorney  
Richard Simonitch, City Engineer  
Linda Scholink, Director of Administrative Services/City Clerk  
Charles Pooler, Associate Planner

**AGENDA ITEM 4, COMMUNICATIONS**

- A. Written communication distributed this evening included the list of possible conflicts of interest for this meeting, new language for condition 9 (agenda item 7A), and a June 21, 2011 update from the League of California Cities on the status of Redevelopment Bills eliminating Redevelopment (agenda item 8B). The Mayor informed the City Council that the City had received a nice plaque from Seaside Pony Baseball/Softball for the City's contribution and support.
  
- B. Oral
  - 7:04 PM Floor opened to Public Comment.  
There were no comments from the Public.
  - 7:04 PM Floor Closed to Public Comment.

**AGENDA ITEM 5, CONSENT CALENDAR**

- A. There was no discussion on the following permits.
  - (1) CUP #377, Hartzel Automotive (auto), 510-A California Avenue
  - (2) CUP #399, Edgewater Center, (retail/multiple sites), 915, 925 Playa&

- (3) 203 California California  
CUP #419, Carmel Tile/Doubleday (showroom/storage), 1725 Contra Costa
  - (4) CUP #495, Alternator & Starter Exchange (assembly), 352-B Orange Avenue
  - (5) CDP 97-05, Monterey Bay Restaurant Equipment (retail/wholesale), 325 Elder Avenue
  - (6) CUP #321, Groves Masonry (storage yard), 872 Afton Avenue
  - (7) CUP #368, Jersey's (food service), 832 Playa Avenue
  - (8) CUP #463, Monterey Mattress (showroom), 1714 Contra Costa
  - (9) CDP #08-06, Lukasami Imagery, Adrian Daff (photo studio), 1807-B Contra Costa Street
- B. There was no discussion of Sand City Council Meeting Minutes, June 7, 2011.
- C. There was no discussion of Police Department Monthly Report, May, 2011.
- D. There was no discussion of Public Works Monthly Report, May, 2011.
- E. There was no discussion of Sales Tax Update, 4<sup>th</sup> Quarter, ending December, 2010.
- F. There was no discussion of Fort Ord Reuse Authority (FORA) Report, June, 2011.

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

- A. Associate Planner Charles Pooler presented a Coastal Development Permit application submitted by Nicholas Tortorelli to utilize an existing fenced yard on property at the northeast intersection of Tioga Avenue and Highway 1, (APN 011-011-020). The property is vacant, with chain link fencing and slopes down from Tioga Avenue to the base of the site. The Sand Dollar Shopping Center fenced habitat preserve abuts to the north and east.

The applicant proposes to utilize the property for the retail sales of garden statues, fountains, and plants. The applicant proposes to establish an 8'x12' prefabricated wood shed to store fountain pumps and be used as a sales booth. There will be 1 to 2 part time employees. Inventory will be

delivered once a month by a semi-truck. The applicant proposes putting parking at the rear of the site. The Zoning Ordinance does not have a specific parking requirement for sales yards of garden products like the one proposed. Staff reviewed parking requirements for "nurseries" in Salinas, Monterey, and Seaside; the most applicable being the City of Seaside, which requires 1 space per 5,000 sq. ft. of sales area. The site is approximately 1-acre that would equate to 9 parking spaces.

There will be a monthly delivery to the site via a semi-truck. Once on the property, loading/unloading can be adequately accommodated. However, the access and exit of semi-truck traffic poses concerns. The property is only accessible from Tioga Avenue, through an approximate 19-foot wide driveway. There is no space on-site for large trucks to turn around, therefore, these trucks will have to back into the property and exit forward, or drive in and back out. Either scenario could be detrimental to Tioga Avenue traffic. There needs to be adequate sight distance exiting the property. The entrance should be graded to create a relatively flat pad at the entrance. This may also require the entrance to be widened.

The project has adequate water from existing on-site water well. Staff recommends approval, with recommendations to revise the language in condition #9 of the permit as shown in the handout.

The Council and staff discussed conditions 9, 12, and 16, and agreed to additional language to clarify adequate access to the site, the view corridor, (sight distance) and the water approval. The City Engineer said that he may need to review a grading plan that includes topography, truck turning radius, and what they are planning to do.

7:15 PM Floor Opened to Public Comment.

**Nicholas Tortorelli (applicant):** suggested moving the two rows of potted plants to allow better access and truck turn around on the property. He said he is willing to do what he can to get this project moving forward.

**Michael Morris (property owner/resident):** stated that he lives across the street from the proposed project, and believes it is a good project. He has two issues; 1) he feels the width of the driveway needs to accommodate two vehicles at one time, and; 2) the view corridor needs to be addressed. He added the Council may want to consider adding a sunset clause to the permit.

7:25 PM Floor Closed to Public Comment.

The Associate Planner suggested revised language to the permit conditions, and the City Engineer explained there are some conditions in the permit that address mitigation to problems if they arise.

Council Member Kruper suggested the City Council approve the permit, and let the conditions of the permit guide the process. The property owner will need to address the concerns of site distance and view corridors. Occupancy and use of the property should not commence until adequate improvements are done to the satisfaction and approval of the City Engineer.

The City Administrator added additional language/changes to condition number 1 and number 12. The City Attorney suggested changes to the language of condition number 1 and condition number 9. City Administrator then added additional language to condition number 16 which addresses water.

The Mayor asked the applicant if he was in agreement with the conditions of the permit with amendments, and the applicant answered that he was in agreement.

Motion to approve City **RESOLUTION**, as amended, Approving Coastal Development Permit (CDP) 11-06 for Nicholas Tortorelli allowing the use of an existing fenced yard for the Display and Sales of Garden Statues, Fountains, and Plants on property located at the northeast corner of Highway 1 and Tioga Avenue Overpass Intersection (APN 011-011-020) was made by Council Member Blackwelder, seconded by Council Member Kruper. AYES: Council Members Blackwelder, Hubler, Kruper and Pendergrass. NOES: None. ABSENT: Council Member Carbone. ABSTAIN: None. Motion Carried.

B. Motion to continue City **RESOLUTION** Approving Conditional Use Permit 518 for Veggies Produce to use a Commercial Building for Produce Storage and Distribution at 570 California Avenue to the next regularly scheduled Council Meeting on July 5th due to lack of a quorum was made by Council Member Hubler, seconded by Council Member Kruper. AYES: Council Members: Blackwelder, Hubler, Kruper and Pendergrass. NOES: None. ABSENT: Council Member Carbone. ABSTAIN: None. Motion Carried.

C. Associate Planner Pooler presented an application submitted by Robbie Robinson for Carmel Stone Imports to use a commercial building at 783 Redwood Avenue for the storage of stone and tile materials. Carmel Stone currently operates a showroom and inventory storage at 1725 Contra Costa Street. The subject property is a 16,875 square foot parcel with an approximate 10,000 square foot concrete tilt-up commercial warehouse with minor floor area for office and restrooms. There is a 3-foot high concrete dock along the building's Redwood Avenue frontage. The building is set back about 40-feet from Redwood Avenue. The railroad right-of-way cuts across the southeast corner of the site, leaving only a 50-foot wide connection to Redwood Avenue. To the building's east side is the abandoned Moro Street.

There will be minimal employee or customer activity at this location. The

applicant did not state anticipated hours of operation at the property. Staff recommends the permit limit operational hours to occur between 7:00 a.m. to 6:00 p.m. Monday through Friday, and 10:00 a.m. to 5:00 p.m. on weekends; and that all shipments to and from the property only occur during those hours. The southern property frontage is 125-feet wide and can facilitate ten (10) regulation parking spaces. However, this parking arrangement is dependent upon the railroad right-of-way remaining open for access to the property. If this railroad R-O-W became inaccessible, then access to the site would be reduced to a 50-foot wide driveway. Therefore, should access become reduced due to non-usability of the rail right-of-way, it is recommended that the permit require a redesign of on-site parking, with proper access, subject to City review, in order for the use to continue at this location. Staff recommends the coastal development permit be conditioned to require a redesign of on-site parking and loading/unloading access, subject to City approval, if or when site access conditions change. Condition number 7 was discussed.

7:48 PM The Floor was Opened to Public Comment.

**Pete Erickson (Broker, owner and applicant representative):** The current, Contra Costa location houses all operations for Carmel Stone. Approval of this permit will give them flexibility and room, allowing the new site to house the tile crates and be used for storage. They will share the space with another tenant that is in there now, who has an approved use permit.

**Steven Apostalah (Representing Carmel Stone):** Added that the fork lift would be kept on site, and would not be traveling or transporting goods from one site to the other site on City streets.

The Mayor asked if Mr. Robinson, (Carmel Stone business owner) was in agreement with the conditions of the permit, and Mr. Apostalah answered yes.

7:53 PM The Floor was Closed to Public Comment.

Motion to approve City **RESOLUTION** Approving Coastal Development Permit (CDP) 11-07 for Carmel Stone Imports to use a commercial property at 783 Redwood Avenue for the storage of stone and tile inventory was made by Council Member Blackwelder, seconded by Council Member Hubler. AYES: Council Members Blackwelder, Hubler, Kruper and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: Council Member Carbone. Motion Carried.

D. Motion was made by Council Member Hubler to continue this item, (Consideration to City Resolution Approving Coastal Development Permit 11-08 allowing a Fitness Gym at 1815-B Contra Costa Street), to the next regularly scheduled Council Meeting on July 5, 2011 due to lack of a quorum, seconded by Council Member Kruper. AYES: Council Members Blackwelder, Hubler, Kruper and Pendergrass. NOES: None. ABSENT: Council Member Carbone. ABSTAIN: None. Motion Carried.

## **AGENDA ITEM 8, OLD BUSINESS**

- A. The City Engineer reported to the City Council that desal production was over 14 acre feet on June 15<sup>th</sup>. The plant will shut down for a few days for routine maintenance. They are still working on the design/build for the retaining wall for the corporation yard; both will be done by the same company. The work should begin in a few weeks. The lights on Dias Street are with estimating and engineering at PG&E; we are at the mercy of their office in Mountain View. The lights will be installed and maintained by PG&E. He stated that he is working with Monterey Peninsula Engineering for the Tioga interconnect, and is in discussions with TAMC regarding the funding.
  
- B. The City Administrator updated the City Council on the latest proposed State Budget and its impact on Redevelopment. The Legislature passed a budget that calls for the elimination of redevelopment agencies unless individual agencies, by separate ordinance, agree to continue Educational Revenue Augmentation Funds (ERAF) payments to special districts. This has been going on for months. Last week two new bills were introduced concerning Redevelopment. They were AB 26X, which eliminates Redevelopment altogether and AB 27X, which contains contributions towards education around \$250,000 the first year and is now classified as a special district fund. The \$250,000 can be paid out of housing funds. The League and the California Redevelopment Association will be ready to sue within a few days of the bills being signed into law.

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

- A. The Director of Administrative Services presented for the City Council's consideration, a "Fund Balance Policy" required by the Governmental Accounting Standards Board (GASB). The new standard does not change the total amount of a given fund balance, rather it alters the categories and terminology used to describe the components that make up a fund balance. It also clarifies the existing government fund type definitions. This statement establishes accounting and financial reporting standards for all governments that report governmental funds. There is no direct fiscal impact from implementing the new GASB No. 54 standards.

The City Administrator added that we have been using terms as "encumbered" and "discretionary". This new requirement is the way the Government Accounting Board says "Bond Holders" want to see common definitions.

- 1) Motion to approve City **RESOLUTION** approving the "Fund Balance Policy" for the City of Sand City and the Sand City Redevelopment Agency was made by Council Member Kruper, seconded by Council Member Hubler. AYES: Council Members Blackwelder, Hubler, Kruper and Pendergrass. NOES: None.

ABSENT: Council Member Carbone. ABSTAIN: None. Motion Carried.

- 2) Motion to approve Redevelopment Agency **RESOLUTION** Approving the "Fund Balance Policy" for the City of Sand City and the Sand City Redevelopment Agency was made by Board Member Hubler, seconded by Board Member Blackwelder. AYES: Board Members Blackwelder, Hubler, Kruper and Pendergrass. NOES: None. ABSENT: Council Member Carbone. ABSTAIN: None. Motion Carried.

- B. The City Administrator presented the Proposed Combined Amendment # 2 for the City and Redevelopment Agency for fiscal year 2010-2011. He said both amendment #2 for fiscal year 2010-2011 and the proposed budget for fiscal year 2011-2012 were very conservative. The Budget committee met on May 31<sup>st</sup> and June 16<sup>th</sup>. The City Administrator reported to the City Council the budget for fiscal year 2010-2011, which had been brought to the City Council two weeks ago as part of the five year projections. Most of the Council's concerns had been addressed at that time. The only outstanding issue was the negotiations with the Police Officers Association (POA). He highlighted the statement in his staff report that says, the POA would accept the Cost of Living increase of 1.5% in lieu of year 3 salary increases, language pertaining to the court call back time would be added to the personnel manual, and the call back would include training and unscheduled meetings. The only thing the POA added was, "at mid-year budget review, should discretionary, recurring revenues exceed recurring expenditures by at least \$250,000, the City Council will **consider** opening a frozen position with the Police Department". The reasoning was the POA wanted to insure that the frozen positions were frozen and not eliminated. Should economic conditions change to the positive, there would be other expenditures that would be considered at that time, including street improvements, the City Hall expansion, etc. The City Administrator stated that he thought that this acceptable language.

The City Administrator recommended the City Council approve amendment # 2, the final budget for fiscal year 2010-2011, and approve the fiscal year 2011-2012 combined budget. We are staying very tight with our expenditures. The revenues should increase. We have included revenues for the Costco gas station that should begin in January of 2012.

The Mayor added that he sees a very positive outlook in the City's future; the City has water and the City will continue to move forward. The Mayor thanked the Budget committee members and staff for their hard work.

- 1) Motion to approve City **RESOLUTION** Adopting Amendment #2 to the Combined City and Redevelopment Agency Budget for Fiscal Year 2010-2011 was made by Council Member Blackwelder, seconded by Council Member Kruper. AYES: Council Members Blackwelder, Hubler, Kruper and Pendergrass. NOES: None.

ABSENT: Council Member Carbone. ABSTAIN: None. Motion Carried.

- 2) Motion to approve Redevelopment Agency **RESOLUTION** Adopting Amendment #2 to the Combined City and Redevelopment Agency Budget for Fiscal Year 2010-2011 was made by Board Member Kruper, seconded by Board Member Blackwelder. AYES: Board Members Blackwelder, Hubler, Kruper and Pendergrass. NOES: None. ABSENT: Board Member Carbone. ABSTAIN: None. Motion Carried.
  - 3) Motion to approve City **RESOLUTION** Adopting the Proposed Combined City and Redevelopment Agency Budget for Fiscal Year 2011-2012 was made by Council Member Blackwelder, seconded by Council Member Hubler. AYES: Council Members Blackwelder, Hubler, Kruper and Pendergrass. NOES: None. ABSENT: Council Member Carbone. ABSTAIN: None. Motion Carried.
  - 4) Motion to approve Redevelopment Agency **RESOLUTION** Adopting the Proposed Combined City and Redevelopment Agency Budget for Fiscal Year 2011-2012 was made by Board Member Kruper, seconded by Board Member Hubler. AYES: Board Members Blackwelder, Hubler, Kruper and Pendergrass. NOES: None. ABSENT: Board Member Carbone. ABSTAIN: None. Motion Carried.
  - 5) Motion to approve City **RESOLUTION** Establishing an Appropriations Limit for Fiscal Year 2011-2012 Pursuant to Article XIII B of the California Constitution was made by Council Member Hubler, seconded by Council Member Kruper. AYES: Council Members Blackwelder, Hubler, Kruper and Pendergrass. NOES: None. ABSENT: Council Member Carbone. ABSTAIN: None. Motion Carried
- C. Motion to continue City **RESOLUTION** Granting the City Administrator Authorization to Execute Water Assignment Agreement and Assign Water from the Sand City Water Entitlement to property at 600 Ortiz Avenue to the next regularly scheduled Council meeting on July 5<sup>th</sup> 2011 due to lack of a quorum was made by Council Member Hubler, seconded by Council Member Kruper. AYES: Council Members Blackwelder, Hubler, Kruper and Pendergrass. NOES: None. ABSENT: Council Member Carbone. ABSTAIN: None. Motion Carried.
- D. There were no responses needed for upcoming events and meetings.

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

8:40 P.M. The City Attorney stated, there was no need for closed session.

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) *CalAm v. Seaside*

b) *Monterey Peninsula Water Management v. State Water Resources Control Board (No. M102101), and related cases*

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

d) *Sierra Club v. MPWMD*

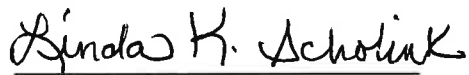
e) *Decker v. Schumer (King), (No. BC 432289)*

2) Conference with Labor Negotiator, City Administrator, Steve Matarazzo regarding Public Safety Employee Organization: Police Officers Association, pursuant to Section 54957.6 of the Ralph M. Brown Act

B. Readjourn 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.

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

Motion to adjourn the City Council meeting was made by Council Member Kruper, seconded by Council Member Hubler to the next regularly scheduled Council meeting on July 5, 2011 at 7:00 p.m. There was unanimous consensus of the Council to adjourn the meeting at 8:40 p.m.



Linda K. Scholink, City Clerk