

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

---

REGULAR MEETING - April 17, 2007  
CITY COUNCIL CHAMBERS  
7:00 P.M.

---

Mayor Pendergrass opened the meeting at 7:04 p.m.

Reverend Snyder gave the invocation

Police Chief Klein led the Pledge of Allegiance

Present: Council Member Blackwelder  
Council Member Carbone  
Council Member Hubler  
Council Member Morris  
Mayor Pendergrass

Staff: Kelly Morgan, City Administrator  
Jim Heisinger, City Attorney  
Michael Klein, Police Chief  
Steve Matarazzo, Community Development Director  
Richard Simonitch, City Engineer  
Charles Pooler, Associate Planner  
Linda Scholink, City Clerk

**AGENDA ITEM 4, COMMUNICATIONS**

A. Written Communications distributed to the Council from the Community Development Director included a new resolution approving an agreement with Ecoshore International along with Exhibit A, (Agenda item 9B); two letters from Zander Associates, dated April 12<sup>th</sup>, and 17<sup>th</sup> along with Exhibit A, (Agenda item 9C).

B. Oral

7:06 P.M. Floor Opened for Public Comment

There were no comments

7:06 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. 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 #188, Performance Automotive (Auto Body Shop), 531 Elder Avenue
  - (2) CUP #214, Dan Cort (Apartment), 679 Redwood Avenue
  - (3) CUP #216, Integrity Automotive Machine (Machine Shop), 371 Orange Avenue
  - (4) CUP #217, Ross Roofing (Open Storage), 1795 California Avenue
  - (5) CUP #246, Inter-City Manufacturing Inc. (Manufacturing), 501 Redwood Avenue
  - (6) CUP #253, Barry Hartzell Automotive (Auto Repair), 510 & 520 California Avenue
  - (7) CUP #405, Frances & Albert Paley (Art Studio), 1788 Holly Street
  - (8) CUP #416, Gus & Millie Randazzo (Floor Contractor), 443 Orange Avenue
  - (9) CUP #451, Pacific Grove Millworks & Glass (manufacturing). 637 Ortiz Avenue
  - (10) CUP #457, Artisan's Gallery (Manufacturing), 370-A Shasta Avenue
  - (11) CUP #472, Morgan's Café (coffee shop), 1725 Contra Costa Street.
  - (12) CDP #99-02, Robert & Andrea Williams (Woodshop), 1 John Street
  - (13) CDP #03-01, Fastenal Company Services (Distributor), 2-A John St
  - (14) CDP#06-05, Randal Swanson (Gallery), 1-B John Street
- B. There was no discussion of the April 3, 2007 Minutes
- C. There was no discussion of the Police Department Monthly Report, March 2007
- D. There was no discussion of the Monthly Public Works Department Report, March 2007
- E. There was no discussion of the JPA Allocation for FY 2007/2008 and Request for 5% Increase from Community Human Services
- F. There was no discussion of the City RESOLUTIONS Honoring the Monterey Peninsula Chamber of Commerce Award Recipients

- (1) Robert C. Littlefield Award – Pam Dozier
- (2) Citizen of the Year Award – Dan Albert
- (3) Ruth Vreeland Memorial Public Official of the Year – Clyde Roberson
- (4) Volunteer of the Year – Vicki Lynch
- (5) Business of the Year – Pacific Tweed

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

## **AGENDA ITEM 6, CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR**

There were no items considered

## **AGENDA ITEM 7, PUBLIC HEARINGS**

*{Due to a possible conflict of interest by residing within 500' of the proposed project area, Council Members Blackwelder and Hubler abstained and left the dais}*

- A. Associate Planner Pooler presented an application for a coastal development permit submitted by John Chudacoff, of "The Ultimate Auto Connection" to use an office unit at 1815 Contra Costa Street for his automobile broker business. The subject property consists of one building of approximately 7,500 square feet of commercial area on the lower level, and two separate offices on the upper level. Perpendicular parking is provided and striped along the building frontage, and up towards the north end of the building shared amongst various tenants. There is adequate on-site parking for the proposed office use. The applicant is a long time Peninsula resident who wants to establish an office in the area as a convenience. There will be no major shipments or deliveries with the exception of standard mail. There will be no inventory storage in Sand City associated with this business. Vehicles are stored at the Company's Los Angeles location. As this is a small office use, with no storage or manufacturing, staff does not anticipate this to pose negative impacts to the community. The existing on-site water credit is adequate. Staff recommends approval of the application.

7:10 P.M. Floor Opened for Public Comment

**John Chudacoff** (applicant): The applicant responded to a question from Council Member Morris regarding onsite sales. The applicant stated that all the sales would be considered to come out of this Sand City location because it is the corporate office, and listed on the contracts as such. Therefore sales tax would belong to the City. Applicant responded to the Mayor that he agreed with all the conditions of the contract.

7:15 P.M. Floor Closed to Public Comment

Motion to approve City **RESOLUTION Approving a Combined Development Permit (Coastal Development Permit 07-02 and Conditional Use Permit 484) Authorizing an office use for a vehicle broker at 1815-E Contra Costa Street**, was made by Council Member Carbone, seconded by Council Member Morris. AYES: Council Members Carbone, Morris and Pendergrass. NOES: None. Absent: None. ABSTAINED: Council Members Blackwelder and Hubler. Motion Carried.

***{Council Members Blackwelder and Hubler returned to the dais}***

D. This item was taken out of order, due to its relation with agenda item 7B.

FIRST READING of an Ordinance of the City of Sand City, adopting Section 18.64.050(G) to the Sand City Municipal Code amending the parking standard for multi-family residential development was presented by Community Development Director Matarazzo. During staff review of the proposed amendment to the Design Center project, it was determined that there were inconsistencies with the Sand City Parking Code. City staff, the design review committee, and the city council review each multi-family development to determine the proposed level of architectural quality meets community-wide standards. In the case of the Design Center, it was determined that the parking layout and type was acceptable given the generally high architectural quality of the entire project. He recommended that the ordinance amendment be adopted by the City Council. The proposed ordinance amendment requires a minimum of one of the required parking spaces per unit of multi-family housing be covered.

In order to make covered parking requirements for all types of residential use more consistent, and also to allow the Design Center to proceed without alteration to its site plan and parking layout, it is recommended that the attached ordinance amendment be adopted by the City Council

7:30 P.M. Floor Opened for Public Comment

Al Saroyan, (Property Owner): The proposed change will make the Sand City Ordinance consistent with other cities in California, and will help reduce the mass and bulk of this project.

7:31 P.M. Floor Closed to Public Comment

Council Member Hubler asked the applicant how many covered spaces were in the development. The applicant answered there is a total of 187, with 32 of those being covered spaces for the dwelling units.

Motion to approve the **FIRST READING of Ordinance of the City of Sand City adopting Section 18.64.050(G) of the Sand City Municipal Code adopting an amended parking standard for multi-family residential development** was made by Council Member Carbone, seconded by Council Member Morris. Roll Call Vote Taken. AYES: Council Members Blackwelder, Carbone, Hubler, Morris and Pendergrass. NOES: None. ABSENT: None. ABSTAINED: None. Motion Carried

*{Due to a possible conflict of interest by residing within 500' of the proposed area, Council Members Blackwelder and Hubler abstained and left the dais}*

## **AGENDA ITEM 7, PUBLIC HEARINGS**

The Community Development Director asked the Public Hearing be opened for the next three agenda items, because they are related. He presented the background on the consideration of the amendment to the combined development permit for Design Center mixed use project and related application for tentative subdivision map approval. The project was originally approved for 30 residential units, and now the developer/owner would like to amend the permits to allow 31 residential units. As a separate agenda item, the developer has applied for a tentative condominium subdivision to divide the building into 20 commercial airspace condominiums and 31 airspace condominiums. Ten of the residential units are required to be below market rentals by the approved Disposition and Development agreement (DDA) for this project. He recommended that the City Council adopt the addendum to the original Mitigated Negative Declaration approved for the project.

The City Attorney added language to the resolution regarding that any fees payable to the California Department of Fish and Game at the time of filing a "Notice of Determination" for this action shall be payable by the applicant.

7:35 P.M. Floor Opened for Public Comment

**Al Saroyan**, (Property Owner): in regards to the 31 units, the agreement included affordable housing, and once we met that requirement we had one additional unit of floor space available. In Phase II we will lose one of the larger units, and then the unit count will drop to 29.

The Community Development Director stated that he had some concerns with tracking the affordable housing units, if they were subdivided to separate ownerships and the extent of the easement agreement for the structured parking. There are extensive requirements on the property owners for the affordable housing. Staff doesn't want to be tracking ten different property owners for compliance with the affordable housing requirements. Staff suggests that the affordable units be owned by one property owner. The parking easement language also needs to be amended.

The City Attorney explained staff's concern regarding the covered parking and parking easement and the affordable units. He believed these issues could be worked out with the developer by the next Council meeting.

**Al Saroyan**, (Property Owner): He feels that they can make provisions for the necessary parking structure columns to minimize impact to the individual garage units and make the parking structure satisfy the City Council's concerns.

7:50 P.M. The floor was closed to Public Comment

Motion to approve the **Resolution of the Sand City Council adopting an addendum to the Mitigated Negative Declaration (MND) Initial Study regarding the Design Center mixed commercial/residential use project located at 600 Ortiz Avenue, Sand City** by Council Member Carbone, seconded by Council Member Morris. AYES: Council Members Carbone, Morris and Pendergrass. NOES: None. ABSENT: None. Council Members Blackwelder and Hubler: None.

1) Motion to approve City **RESOLUTION of the City Council of Sand City approving an amendment to the Combined Development Permit (Use Permit, Coastal Development Permit, and Site Plan) for the Design Center Mixed Use Project to allow 31 residential units instead of the previously approved 30 units** was made by Council Member Morris, seconded by Council Member Carbone. AYES: Council Members Carbone, Morris and Pendergrass. NOES: None. ABSENT: None. ABSTAINED: Council Members Blackwelder and Hubler. Motion Carried.

2) Consideration of City **RESOLUTION** Approving the Tentative Subdivision Map for the Design Center Project located at 600 Ortiz Avenue. There was Council consensus to continue this item to the next regularly scheduled meeting on May 1<sup>st</sup>.

***{Council Members Blackwelder and Hubler returned to the dais}***

C.

The Associate Planner presented an application submitted by Rick Cartell, representing Peter Blackstock, for authorization to utilize an existing warehouse at 783 Redwood Avenue, an adjacent 10,000 square foot segment of the railroad right-of-way, and approximate 1,750 square foot segment of the Redwood Avenue right-of-way for inventory storage of new and resale vehicles as an accessory use to the Lexus dealership in Seaside. This would be an expansion of vehicle storage within the railroad right-of-way approved by the City in July of 2005 as a temporary use. The project site would be asphalt-paved. The project will establish a total of 156 parking spaces. The applicant requests the permit remain in effect until May 31, 2011, during which time the facilities with the City of Seaside will expand with new parking decks. The permit should allow the City to terminate the permit if the applicant's deck project at the dealership is completed prior to the May 31<sup>st</sup> date. Staff recommends that the permit prohibit any repair or maintenance activities. An encroachment permit from the City is required for the use of Redwood Avenue. No allocation of water is necessary. Staff recommends approval of the Resolution/Permit as conditioned with a time limit and other restrictions.

Council Member Hubler asked the Police Chief how he felt about the proposal due to access concerns. The Chief responded that he could not endorse the project as presented. There was discussion about condition no. 13, regarding municipal access for emergency response vehicles and utility service vehicles/crews.

Council Member Morris stated that it looked as though the dealership was doubling in size.

8:10 P.M. Floor Opened for Public Comment

**Rick Cartell**, (Representative for Peter Blackstock): Commended the Community Development Director and the Planning staff for their work on the project. The storage of vehicles is the main use for the proposed project area, and it is for a temporary amount of time, while the remodeling of the auto center is taking place. This is an interim use, up to 4 years, while they are rebuilding the facilities. We want to clean the area up. We don't have to have screening on the gates if this would assist police surveillance. I am sure that we can work through the security issues that the Chief is concerned with.

Council Member Morris said that this additional space is going to increase sales, and that the City of Seaside should be sharing those sales tax dollars with the City of Sand City.

Council Member Hubler stated that he didn't see what benefit the project had for Sand City.

**Pete Erickson**, (Commercial Real Estate Broker): He has been associated with this property for 25 years. This building lease is concurrent with the TAMC lease for the Rail ROW. The property can accommodate storage, and is not really practical for much else.

8:27 P.M. Floor Closed to Public Comment

Mayor Pendergrass previously spoke with Mr. Blackstock, and Mr. Cartell, about the Seaside agreement; and his concern for the Sand City boundaries. The City of Sand City gives the City of Seaside over a half million dollars a year in sales tax revenue sharing. The Mayor never agreed to outside storage of vehicles across the Rail ROW because this ignored City boundaries.

Council Member Hubler said that he didn't have a problem with the storage in the building, but is concerned with the City of Sand City providing all the services of police, fire, etc. and not receiving any revenue for those services.

The City Administrator reported to the Council that most of the businesses along the ROW are not paying a business license fee, although they have all been requested to do so.

Council Member Carbone said that she didn't feel good about the application. Council Member Blackwelder said that he was ok with it as long as the public safety issues were addressed.

Council Member Morris suggested that the Council continue this item with direction that the applicants should seek a revenue-sharing agreement from Seaside that would benefit Sand City and the proposed project. However this proposed motion did not get a second.

Mr. Cartell said that he would speak with Mr. Blackstock regarding the fees that haven't been paid.

There was Council consensus to return to the next meeting with findings for denial of the permit application.

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

***{Due to a possible conflict of interest by residing within 500' of the proposed area, Council Member Morris abstained and left the dais}***

- A. The Community Development Director gave a progress report on the Proposed "Collections" Coastal Resort Application by King Ventures. The project site is located within the municipal boundary of the City of Sand City, and includes three properties: the "Sterling/Calabrese" property, the "McDonald" property, and the "Granite Construction", property. The site was historically used for sand mining operations and a concrete batch plant that are no longer active. The City Redevelopment Agency has entered into a Disposition and Development Agreement with King Ventures to develop the "McDonald Coastal Site" which is currently owned by the RDA. Concurrent with the permit application, the City contracted with David Powers and Associates to prepare an environmental impact report (EIR) on the project.

It appears that the draft EIR will be ready for public review some time this fall. A copy of the draft project description is in the agenda packet for your review. Mayor Pendergrass noted that King Ventures now owns the former Sterling site.

***{Council Member Morris returned to the dais}***

- B. The City Engineer reported that the Council lighting is moving along, they should be wrapped up in a week or so. Staff is continuing to work on the design of the offsite facilities related to the desalination plant, and developing construction documents. May 15<sup>th</sup> is the bid due date for the desalination plant.

The Community Development Director said that he had run into Dave Potter from the Coastal Commission while he was on vacation in Santa Barbara. Mr. Potter believes there would be no problem extending the permit for the desalination plant scheduled for the May Coastal Commission meeting in Los Angeles.

Chief Klein said that his officers have been monitoring the 90" storm drain. There was some minimal flooding with the last rains. They have been in constant contact with the City of Seaside. He did not believe the "Flapper Valve" was working. The annual BBQ is now in the planning stages, and he is working with Steve Vagnini on the entertainment. There is the possibility of "Red, Beans and Rice", as the musical entertainment. The date of the BBQ is May 19<sup>th</sup>, and the Belleci's will be catering.

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

***{Due to a possible conflict of interest by residing within 500' of the proposed area, Council Members Blackwelder and Hubler abstained and left the dais}***



- A. The City Engineer reported on the Design Center and the underground cost-share for the utilities. As part of the City's long-term objective to underground the overhead utilities throughout the City, a line item was included in the FY 2006/2007 budget in the amount of \$50,000, allocated specifically for the undergrounding of utilities on Ortiz Avenue along the Design Center frontage. The City Engineer has received a request from Saroyan Masterbuilder to reimburse them for the extra costs associated with the extra length and the other utilities with under grounding the electrical, phone, and cable services that are currently installed on overhead lines along the Design Center frontage within Ortiz Avenue. Total reimbursable costs are estimated to be approximately \$ 59,200.00

Staff is recommending that once the project is completed to the satisfaction of the City Engineer, the City should provide reimbursement in an amount not to exceed \$50,000.

Motion to approve the **City RESOLUTION Authorizing Cost Reimbursement for Latent Costs associated with Underground Installation of Existing Overhead Utilities on Ortiz Avenue (Design Center Project Area) in Sand City, California** was made by Council Member Morris, seconded by Council Member Carbone. AYES: Council Members Carbone, Morris and Pendergrass. NOES: None. ABSENT: None. ABSTAINED: Council Members Blackwelder and Hubler. Motion Carried.

***{Council Members Blackwelder and Hubler returned to the dais}***

- B. The Community Development Director passed out additional information, and presented for the Council's consideration the Proposed Contract with Ecoshore International (ESI) to provide an Erosion Control Demonstration Project in a portion of southern Monterey Bay. The President of Ecoshore stated to representatives of the Marine Sanctuary beach erosion task force that his product should effectively stop erosion and has proved significant beach accretion. He also states that this area of Monterey Bay has the necessary marine and groundwater conditions to insure success. He said that the Council could continue this for another two weeks, wait and see if they receive their permits, or they could approve this small amount and approve the resolution.

Council member Morris asked if they had done any similar work on the west coast and the Pacific Ocean. The Community Development Director responded that they had done some work in Sweden and off the coast of Florida.

The City Administrator stated that Professor Ed Thornton, of the Navy Post Graduate School, said that he was not sure this proposal would work, but it was worth a try because of the low cost.

There was Council consensus to continue this item to the May 1<sup>st</sup> Council meeting for staff to research the likelihood of future funding for the

desalination project.

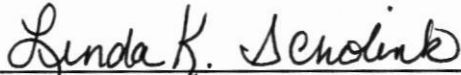
- C. The Community Development Director presented the **City RESOLUTION Approving a Service Agreement with Zander Associates to Prepare Biological Surveys and Associated Work as Required by the Coastal Development Permit for the Sand City Water Supply Project.** In May 2005 the City of Sand City received Coastal Commission approval for a coastal development permit to allow a 300 acre foot desalination facility and associated structures. In May 2007, at the Coastal Commission meeting in L.A., the coastal development permit is scheduled for a one year time extension. As part of the environmental mitigation, various biological surveys and associated work are required to be completed prior to construction. The spring season is the best time to perform the biological work, in anticipation of a construction start time some time after September 30, 2007. The estimated cost of the work is not to exceed a total budget of \$22,500. There are two components to this service agreement (which was modified as follows); a: as described in the April 12, 2007 Zander letter for pre-construction surveys- \$ 7,500; b: as outlined in the April 17, 2007 Zander letter for Snowy Plover surveys - \$ 15,000.

Motion to approve the Resolution was made by Council Member Blackwelder, seconded by Council Member Carbone. AYES: Council Members Blackwelder, Carbone, Hubler, Morris and Pendergrass. NOES: None. ABSENT: None. ABSTAINED: None. Motion Carried.

- D. The City Clerk reviewed the upcoming events and meetings.

#### **AGENDA ITEM 10, ADJOURNMENT**

Motion to adjourn the meeting was made by Council Member Blackwelder, seconded by Council Member Hubler to the next regularly scheduled meeting on May 1, 2007. There was unanimous consensus of the City Council to adjourn at 10:10 p.m.

  
\_\_\_\_\_  
Linda K. Scholink, City Clerk