

MINUTES
JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY

REGULAR MEETING June 5, 2007
7:00 P.M. CITY COUNCIL CHAMBERS
Sand City Hall, One Sylvan Park, Sand City, CA 93955

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

Invocation was led by Reverend Snyder

The Pledge of Allegiance was led by Chief Michael Klein

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

Staff: Kelly Morgan, City Administrator
Sydney Morris, Associate City Attorney
Steve Matarazzo, Community Development Director
Richard Simonitch, City Engineer
Connie Horca, Deputy City Clerk
Michael Klein, Police Chief
Charles Pooler, Associate Planner

AGENDA ITEM 4, COMMUNICATIONS

- A. Written communications distributed to Council included a San Jose Mercury News article "Is Desalination Drought Answer?"; Monterey County Herald article, "Despite Costs, Desal Projects Across State Nearing Fruition," the Architectural Services Fee Schedule from David Martin, AIA & Associates (Agenda Item 5G), and a Staff outline budget proposal for the West End Event.

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

There was no comment from the Public

7:07 P.M. Floor Closed to Public Comment

City Administrator Kelly Morgan brought to the Council's attention that the sound system is still inoperable, and the electricians have been notified.

Mayor Pendergrass introduced Attorney Sydney Morris who will substitute in Jim Helsingr's absence.

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 May 1, 2007 Minutes
- B. There was no discussion of May 15, 2007 Minutes
- C. There was no discussion of the Monthly Fort Ord Reuse Authority (FORA) Report for May, 2007
- D. There was no discussion of the City/Redevelopment Agency Treasury Report for the period ending March 2007
- E. There was no discussion of the City/Redevelopment Agency Financial Report for April 2007
- F. There was no discussion of the City **RESOLUTION** Authorizing Renewal of a Maintenance Services Agreement with HOPE Rehabilitation Services
- G. There was no discussion of the City **RESOLUTION** Authorizing Fifth Extension of a Service Agreement for Civic Center Planning and Preliminary Design Studies with David Martin AIA
- H. There was no discussion of the City **RESOLUTION** Authorizing Renewal of the Street Sweeping Agreement with the City of Monterey
- I. There was no discussion of the City **RESOLUTION** Authorizing Renewal of the Agreement for Vehicle Maintenance and Fuel Services with the City of Monterey
- J. There was no discussion of annual Membership dues and Contributions
 - 1. Annual Membership
 - a) Monterey County Film Commission - \$2,500
 - 2. Contributions
 - a) SPCA of Monterey County- \$500
 - b) Hospice Foundation - \$500
 - c) CASA of Monterey County - \$500

Motion to approve the Consent Calendar was made by Council Member Blackwelder, seconded by Council Member Carbone. AYES: Council Members

Blackwelder, Carbone, Hubler, Morris, Pendergrass. NOES: one. ABSENT: None. ABSTAINED: None. Motion Carried.

AGENDA ITEM, 6 CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR

There were no items pulled.

AGENDA ITEM 7, PUBLIC HEARINGS

{Council Member Hubler stepped down from the dais due to possible conflict residing within 500' of project}

- A. Associate Planner Charles Pooler presented City **RESOLUTION** for a 2-Year Time Extensions to Coastal Development Permits (CDP 02-04, CDP 04-01, CDP 04-03, CDP 04-04, and CDP 05-03), allowing continuation of storage yards within the railroad right-of-way. There are eight Coastal Development Permits for businesses to utilize sections of the railroad right-of-way, and these permits were given 2-year time limits with the possibility of time extensions. Five of these permits, Al Saroyan (CDP 02-04), Phillip Nicholson (CDP 04-01), Newton Brothers (CDP 04-03, Jaguar/Landrover (CDP 04-04) are expired; and Peter Blackstock's (CDP 05-03) will expire in July 2007. In order for these businesses to legally continue, their permits need the time limit extended. At the April 17th Council meeting it was mentioned that businesses within the railroad right-of-way had not been paying their business licenses to the City. However, since that April meeting, all relevant businesses have paid their fees. Staff recommends approval of the resolution, granting a two year time extension through the end of June 2009 for Coastal Development Permits, (CDP) 02-04, 04-01, 04-03, 04-04, and 05-03.

Council Member Morris asked why these permits are being issued for a 2-year period and not a 1-year period.

Mr. Pooler replied that these permits were originally issued for 2-years, and since they are existing permits, the conditions were set for a 2 year time extension. There are clauses that allow for a termination, should TAMC begin some kind of mass transit on their property.

City Administrator Kelly Morgan commented that Staff was successful in collecting delinquent business license fees, especially in regard to those permits along the railroad right-of-way.

7:16 P.M. Floor Opened for Public Comment

There was no comment from the Public

7:17 P.M. Floor Closed to Public Comment

Motion to approve **City Resolution Approving 2-Year Time Extensions to Coastal Development Permits (CDP 02-04, CDP 04-01, CDP 04-03, CDP 04-04, and CDP 05-03), allowing continuation of storage yards within the railroad right-of-way** was made by Council Member Blackwelder, seconded by Council Member Carbone. AYES: Council Members Blackwelder, Carbone, Morris, Pendergrass. NOES: None. ABSENT: None. ABSTAINED: Council Member Hubler. Motion Carried.

{Council Member Hubler returned to the dais}

AGENDA ITEM 8, OLD BUSINESS

- A. Mr. Todd Kruper, Chair of the Arts Event, presented a status report on the Annual West End Event. Mr. Kruper distributed a poster and postcards created by Susan Collins and Caria Martins. The date set for the West End Event is August 10 & 11th, with a kick-off party on the night of Friday the tenth to be held at the Sanctuary Rock Gym. He has already received 30 responses from the public, especially those interested in exhibiting their art. However, there have not been many responses from food vendors. There are several bands lined up to perform on Saturday; and this year, the event is anticipated to have a more organic flair. The main stage will be closer to the Design Center Building with the main event itself along Ortiz and Contra Costa Avenue. More logistics will be finalized as the date for the event grows closer.

Mr. Kruper invited Council Member Carbone's contact to participate in the event. Council Member Carbone added that she may be able to contact some vendors who may be interested in participating.

Council Member Morris commented that banners should be displayed at Tioga Avenue so shoppers will know about the event.

Mayor Pendergrass added that in his weekly interview on KNRY radio, he always mentions Sand City's West End Event. He indicated that he would show the poster at the next interview. He also directed Staff to order more banners so the City will have an adequate amount for advertising.

Mr. Kruper thanked City Staff and the Council for their continued support.

{Council Member Hubler stepped down from the dais due to possible conflict from his business location within 500' of project}

- B. Community Development Director Steve Matarazzo presented the consideration of City **RESOLUTION** extending an amendment to Conditional Use Permit 358 issued to Gianna's Bakery on 613-C Ortiz Avenue. A letter dated May 29, 2007 was sent to Mr. Uli notifying him that his use permit extension is due to expire on June 19, 2007 and that a progress report on his relocation efforts was scheduled. This morning, the City received a letter from

Gianna's Bakery with news that they have signed a lease regarding a new location in Castroville, on Commercial Parkway. The new location is still occupied, and tenant improvements are pending permit approvals. The length of time for this process is still unknown, but the new landlord, the City of Castroville, the contractors and the architect are working diligently to have Gianna's, moved in by October. Gianna's is asking the Council for an extension of the permit.

There was Council consensus to schedule Gianna's Bakery Conditional Use Permit 358 extension request to the June 17, 2007 Council meeting for a public hearing.

{Council Member Hubler returned to the dais}

- C. City Engineer Richard Simonitch reported on the Redwood Avenue street improvement project regarding the street overlay. He has also contacted TAMC to review the pavement problem at the railroad right-of-way. TAMC would like to have the rails exposed and not overlaid. The design will include paving up to the rails to accommodate TAMC's request. There have been numerous discussions with the contractor as to the best alternative for this project. Bids are planned to go to out by the end of June.

Mr. Simonitch added that the meeting with CalAm on the desalination project was very positive. On Friday June 1st the City received three bids from prime contractors with a wide range of construction costs. They are all good companies with varying levels of experience. Oral interviews are scheduled for next week to discuss the "design/build" project with the company who came in with the bid closest to Sand City's engineer's estimate and funding allowance. The other two companies will also be interviewed with regard to the cost difference of their proposals. Staff is presently assembling a panel of appropriate representatives to review the documents.

Council Member Morris asked why these companies who submitted their bids have such a wide range in construction costs.

Mr. Simonitch replied that the issue will be asked directly during the oral interview. These companies will also be asked what exactly they are proposing in their line item costs associated with their bids.

City Administrator Kelly Morgan reported on the CalAm meeting that was very positive. Since CalAm will be a publicly traded company, they have restructured their accounting requirements to keep them in compliance with State and Federal standards. It was discussed at the meeting that if CalAm should buy all the water from the plant, ownership would be transferred to the company who is paying for it and we can not allow the plant ownership to be transferred. CalAm is eager to do business with Sand City, and they are very interested in finalizing an agreement.

Council Member Morris suggested an opt-out clause as part of the agreement.

Community Development Director Steve Matarazzo reported on the proposed time extension of Sand City's Coastal Development Permit. The Coastal Commission has this scheduled for their next meeting, and it looks positive that a time extension will be granted to the City. He emphasized the success of the CalAm meeting with Kent Turner.

Mayor Pendergrass added that the Monterey Peninsula Water District has never processed a permit like Sand City's, and encouraged Staff to present the permit to the Board as soon as possible.

AGENDA ITEM 9, NEW BUSINESS

- A. There was discussion of cancelling the July 3rd City Council Meeting due to the 4th of July holiday since some members will be out of town during the holiday.

There was unanimous consensus by the City Council to cancel the City Council Meeting Scheduled for July 3, 2007, to minimize conflicts with the Independence Day Holiday.

- B. Community Development Director Steve Matarazzo presented the consideration of a short-term water supply strategy for Sand City Development and Redevelopment activities. Sand City's current water allocation from the Monterey Peninsula Water Management District has either been expended or is reserved for major development projects like the coastal resort at the Sterling/McDonald Site. Until Sand City's water supply project comes on-line, there will be limited water supply to facilitate development within Sand City. Water rights under the Seaside groundwater basin judgment involved several Sand City property owners, some of whom do not need all of the water they were granted. On-site water credits that will be used for the proposed "South of Tioga" redevelopment are still available. The City was granted 3.9185 acre feet to 9 acre feet of water from the Seaside Groundwater basin judgment. If that water remains on-site at our existing wells, the City could use that water to facilitate the second phase of the Design Center project and a parking structure. A separate ordinance from the City may be necessary in order to implement "right of refusal" type of strategy. It would be a reasonable request to require all Sand City property owners with water rights granted through the adjudication process to report any "intent to sell" water outside of the City limits of Sand City, giving the City a type of "right of first refusal" to find other users within Sand City for that water.

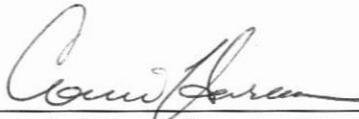
The Council gave direction to Staff to research the possibility of creating an ordinance as suggested by Staff.

- C. The Deputy City Clerk reviewed the upcoming events and meetings, and gave a brief status report on the website design progress. The website is 50%

completed, and Caria Martins (website consultant) will have a rough draft of the new website design documents along with an update of her progress some time next week.

AGENDA ITEM 10, ADJOURNMENT

Motion to adjourn the meeting was made by Council Member Blackwelder, seconded by Council Member Carbone to the next regularly scheduled meeting on June 19, 2007. There was unanimous consensus of the City Council to adjourn at 8:23 p.m.



Connie Horca, Deputy City Clerk