

MINUTES

JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY

REGULAR MEETING October 2, 2007
CITY COUNCIL CHAMBERS
7:00 P.M.

Mayor Pendergrass opened the meeting at 7:02 p.m.

Invocation was led by Reverend Pena

The Pledge of Allegiance was led by Chief Klein

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

Staff: Kelly Morgan, City Administrator
Jim Heisinger, City Attorney
Steve Matarazzo, Community Development Director
Richard Simonitch, City Engineer
Michael Klein, Police Chief
Connie Horca, Deputy City Clerk

AGENDA ITEM 4, COMMUNICATIONS

- A. Written communications distributed to the Council were an Email regarding the Cal-Am negotiations, a letter to Ms. Jan Davidson regarding her property located at 857 Fir Avenue (agenda item 8B), a quitclaim deed for the Design Center Project releasing Option Agreement obligations, and an email from CDM regarding their bid for the Desalination Project.

- B. 7:04 P.M. Floor Opened for Public Comment

David Warden, Sand City resident addressed the Council in regard to some plants being stolen after the concerts at the Ol' Factory Café. He suggested that the City provide some kind of police presence after these concerts to ensure that the public has left, and no unnecessary loitering is taking place. Mr. Warden also contacted the management company of his residence due to the music from an adjoining tenants residence, keeping him up until 2:00 a.m. He has not heard back from the management company on how they plan to resolve this issue.

Mayor Pendergrass commented that Mr. Warden can leave his information with the Police Department or the Planning Department, and the appropriate City Staff should be able to assist him.

7:10 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 the Fort Ord Reuse Authority, FORA Report, September 2007
- B. There was no discussion of City/Redevelopment Financial Report for July, 2007
- C. There was no discussion of the City **RESOLUTION** adopting the County of Monterey Multi-Jurisdictional Hazard Mitigation Plan as required by the Federal Emergency Management Agency (FEMA)
- D. There was City Council discussion authorizing an agreement for Professional Services pertaining to the Memorandum of Understanding Collaborative Local and State Cable/Video Franchise Processes. The cost associated with doing the study will be proportionately allocated by the cable franchise users. Since Sand City has a small resident population, the cable franchise cost is considerably lower than the other cities.
- E. There was no discussion of an Enhanced Absentee Voting Service for a Ballot Box Drop Off location within Sand City, City Hall
- F. There was no discussion of the City **RESOLUTION** approving a 90-Day time extension of Conditional Use Permit 432 for Advanced Towing authorizing continued storage of automobiles as an interim use within an existing building at 841 Fir Avenue
- G. There was no discussion of the City **RESOLUTION** approving a 90-Day time extension of Conditional Use Permit 426 for Brad Harber authorizing continued operation of a concrete business as an interim use within an existing storage yard at the end of Fir Avenue (APN 011-123-003 & 017)
- H. There was no discussion of the City **RESOLUTION** approving a 90-Day time extension of Conditional Use Permit 434 for Gordon Rudy authorizing continued storage and operation of a truck rental business as an interim use at the former Waste Management Transfer Facility at 840 Tioga Avenue
- I. There was no discussion of the City **RESOLUTION** approving a 90-Day time extension of Conditional Use Permit 450 for Glass Mosaic Tile & Marble as a continuing interim use within an existing building at 1855-B East Avenue

- J. There was no discussion of the City **RESOLUTION** approving a 90-Day Time Extension of Conditional Use Permit 455 for Glass Mosaic Tile & Marble as a continuing interim use within an existing building at 840 Fir Avenue
- K. There was no discussion of the City **RESOLUTION** approving a 90-Day time extension of Conditional Use Permit 464 allowing storage of windows, doors and lumber for J.K. Scanlon Inc. as an interim use at 842 Fir Avenue
- L. There was no discussion of the City **RESOLUTION** Authorizing a Lease Agreement for Two Police Vehicles (2008 Ford Crown Victoria Police Interceptors)

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: None. ABSENT: None. ABSTAIN: None. Motion carried unanimously.

AGENDA ITEM 6, CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR

There were no items pulled.

AGENDA ITEM 7, OLD BUSINESS

- A. City Engineer Richard Simonitch reported Staff has already submitted a request for proposal for the desalination disposal wells. The contract from Granite Construction is still pending for the Redwood/Tioga/Playa pavement project. Last week, Staff received six bids for the desalination pipelines and wells. The award of the contract will be brought before the Council in the near future. Staff will consider all options for the basic performance specifications in relation to the design/build of the wells. All contractor submittals will be carefully reviewed by Staff per the coastal permit conditions.

City Administrator Kelly Morgan reported that in his negotiations with Cal-Am, Mr. Kent Turner had to clarify with the corporate offices how Sand City's Plant would affect Cal-Am's initial public offering (IPO) on the Stock Market. Presently, the desalination plant project cost is projected to increase to 10 million with the attached email outlining this figure. City Attorney Jim Heisinger added that Staff has revised the first draft of the lease with Cal-Am last week, spending several hours with the proposed changes to the lease agreement, and may take several more days to finalize. There is no specified date for completion, however Staff is working diligently to have a revised final agreement by the October 9, 2007 Special Council Meeting.

Community Development Director Steve Matarazzo reported that the Coastal Commission District Manager, Steve Monowitz has left the Commission's Staff. The Coastal Development Permit for Sand City may need to be amended to recognize the arrangement with Cal-Am. The amendment could be heard in

November at the earliest, with the unfortunate potential to delay the commencement of the desalination plant construction.

- B. The consideration of City **RESOLUTION** authorizing the City Administrator to enter into a lease agreement for a Term of 15 Years with California-American Water (CAW) to operate and maintain the Sand City Water Supply Project Desalination Facility and Related Infrastructure has been continued to the October 9, 2007 Special Council Meeting.
- C. The consideration of City **RESOLUTION** awarding the Design/Build Contract for Desalination Plant Facilities in Sand City, California to CDM Constructors, Inc. has been continued to the October 9, 2007 Special Council Meeting.

7:47 P.M. Floor opened for Public Comment

There was no comment from the Public

7:48 P.M. Floor closed to Public Comment.

Motion to approve the continuance of the two agenda items in regard to the Sand City Water Supply Project Desalination Facility to the October 9, 2007 Special Council Meeting was made by Council Member Blackwelder, seconded by Council Member Hubler. AYES: Council Members Blackwelder, Carbone, Hubler, Morris, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried unanimously.

AGENDA ITEM 8, NEW BUSINESS

- A. City Engineer Richard Simonitch presented the City **RESOLUTION** authorizing adoption of the Sand City Storm Water Management BMP Guidance Series for Storm Water Control in Sand City, California. As part of Sand City's participation in the Monterey Regional Storm Water management Program (MRSWMP), the City is compelled by the Storm Water Management Ordinance to adopt a series of BMP's that are pertinent to the communities needs regarding the management and control of polluted runoff into the City's storm drain system. Staff has selected a series of BMP's from the MRSWMP manual that provides an outline of procedures and Design Standards to follow when considering new development projects. The BMP's chosen have been selected to comply with the inspection of new construction sited for conformance with the City's Storm Water General Permit.

The Guidance Series will consist of recommendations and procedures for 1) constructions sites such as site planning BMP's erosion and sediment control, general site and materials management; 2) new development and redevelopment which would include post construction BMP's for projects requiring discretionary and ministerial approvals, and proof of on-going BMP maintenance; 3) mandatory design standards which include standards applicable to all project categories, provisions applicable to individual priority, project categories, waiver, limitation on use of infiltration BMP's and an alternative certification for Storm Water Treatment mitigation. Staff

recommends the approval of the attached resolution adopting Sand City's initial series. The initial series can be reviewed yearly for changes and/or revisions.

Mayor Pendergrass commented that it is the duty of citizens to report any illegal dumping or water runoff for the health of the environment, since pollution affects every individual.

City Engineer Richard Simonitch added that it is a responsibility to design structures and parking lots, etc. that are friendly to the environment.

Mayor Pendergrass opened the floor for public comment regarding this item.

There was no comment from the Public.

Motion to approve City **RESOLUTION authorizing adoption of the Sand City Storm Water Management BMP Guidance Series for Storm Water Control in Sand City, California** was made by Council Member Blackwelder, seconded by Council Member Carbone. AYES: Council Members Blackwelder, Carbone, Hubler, Morris, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion Carried.

- B. Community Development Director Steve Matarazzo presented the consideration of Redevelopment Agency **RESOLUTION** authorizing a \$5,400 Service Agreement with Hansen & Company to complete an MAI Appraisal on the commercial property know as "The Davidson Property", located at 857 Fir Avenue, Sand City. At a meeting in August with Mr. Don Orosco, the Staff was informed that most of the land for the proposed South of Tioga redevelopment project area was either acquired or under contract to purchase at the August meeting. Mr. Orosco stated that he was at an impasse in trying to negotiate an acceptable purchase price for the "Davidson Property" on Fir Avenue. At that time, Mr. Orosco requested the assistance of the Redevelopment Agency. Based on the appraisal performed by Mr. John Hanna in January 2007, a fair market value of \$980,000 was derived. The current asking price for the property is reportedly \$1.5 million. Due to the fluctuating market conditions, and prior to agency negotiations with property owners, it is advisable to contract for another appraisal at this time. Community Redevelopment Law requires that the property owner be notified of the Agency's interest in the property. The property owner, Mrs. Jan Davidson, has been notified of the Agency's intent in a letter dated September 11, 2007, and has been informed that the Agency or (Mr. Orosco) is interested in purchasing the property. Staff recommends the approval of the attached resolution regarding a contract with Hansen and Company, MAI Appraisers for a fee not to exceed \$5,400.

City Administrator Kelly Morgan commented that the City wants to keep this independent and non-biased, and it would be best to have the Redevelopment Agency cover the cost for the appraisal.

Motion to approve **Redevelopment Agency RESOLUTION authorizing a \$5,400 Service Agreement with Hansen & Company to complete an MAI Appraisal on the commercial property know as "The Davidson**

Property”, located at 857 Fir Avenue, Sand City was made by Agency Member Hubler, seconded by Agency Member Carbone. AYES: Agency Members Blackwelder, Carbone, Hubler, Morris, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion Carried.

{Agency Members Blackwelder and Hubler stepped down from the dais due to a possible conflict by residing/working within 500’ of the project area}

- C. Community Development Director Steve Matarazzo reported on the Redevelopment Agency’s consideration to waive “Option to Purchase” and direction to record quit claim deed regarding the Design Center project (Design Center LLC owners), Ortiz Avenue, Sand City. The Design Center owners are requesting that the Redevelopment Agency Board instruct the escrow officer to record a quit claim deed with the intent to release the “option agreement” requirements of the Design Center mixed use project on Ortiz Avenue. The intent of option agreement was to give the Agency the ability to purchase the project if adequate progress was not made toward the project’s completion. The owners are requesting an early release of obligation under the option agreement for refinancing purposes. After review of the project, staff recommends waiving the purchase option, since the project has made sufficient progress and is an excellent asset to the West End. Staff recommends the approval of the resolution waiving the option agreement and directing the escrow officer to record a quit claim deed with the county recorder as it pertains to this matter.

City Attorney Jim Heisinger commented that Mr. Matarazzo’s report has covered the specific details in regard to this project and at this point in time there is a very slight risk that this project would not be completed. The Agency is giving up its right of the property for what it sold for, by agreeing with this option.

Motion to approve **Redevelopment Agency Resolution instructing the escrow officer for the Design Center Project to record a quit claim deed releasing option agreement obligations** was made by Agency Member Morris, seconded by Agency Member Carbone. AYES: Agency Members Carbone, Morris, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: Agency Members Blackwelder and Hubler.

{Agency Members Blackwelder and Hubler returned to the dais}

- D. Mayor Pendergrass announced the October 3rd Mixer Event and the Deputy City Clerk brought to the Council’s attention the upcoming events and meetings.

AGENDA ITEM 9, ADJOURNMENT

Motion to adjourn the meeting was made by Council Member Blackwelder, seconded by Council Member Hubler to the Special Council Meeting on October 9, 2007. There was unanimous consensus of the City Council to adjourn the meeting

at 7:55 p.m.



Connie P. Horca, Deputy City Clerk