

MINUTES
JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY

Regular Meeting- November 20, 2007
CITY COUNCIL CHAMBERS
7:00 P.M.

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

Invocation was led by Reverend Roy Pina

The pledge of allegiance was led by Police Chief Michael 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
Charles Pooler, Associate Planner
Connie Horca, Deputy City Clerk

AGENDA ITEM 4, COMMUNICATIONS

- A. Written communications distributed this evening was an invitation by the LOCC Honoring Anna Caballero, a notice from US Bankruptcy Court regarding SNG Development reorganization, and a letter from the Department of Fish & Wildlife for the proposed Sand City Water Supply Project.

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

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 following conditional use permits:
 - (1) CUP #328, Granite Rock Company (Truck Repair Shop), California Avenue (1755 Del Monte Blvd., Seaside)
 - (2) CUP #440, Don Varner Design (Design Studio), 440-B Ortiz Avenue
 - (3) CUP #478, Signature Nails & Spa (Manicure/Pedicure Salon), 824 Playa Avenue

- B. There was no discussion of the November 6, 2007 Sand City Council Meeting Minutes

- C. There was no discussion of the Police Department Report for October 2007

- D. There was no discussion of the Public Works Department Report for October 2007

- E. There was no discussion of the Fort Ord Reuse Authority Report, FORA, November 2007

- F. There was no discussion of the Redevelopment Agency RESOLUTION Approving a Service Agreement with Hansen & Company to Perform an MAI-Appraisal on property owned by the City of Sand City at a cost not to exceed \$3,000

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

- A. Associate Planner Charles Pooler presented the City RESOLUTION approving a Coastal Development Permit and Conditional Use Permit to Wachovia Bank for establishing a Bank Branch and implementing architectural modifications at 2140 California Avenue in the Edgewater Shopping Center. The subject property is the former Boston Market site. The applicant is proposing to modify the exterior building façade and implement interior improvements to accommodate a Wachovia Bank. The exterior modifications will require permit approval. The 31 on-site parking spaces are adequate to satisfy Zoning

requirements, and the bank complements other uses in the center. The proposed exterior changes will include the removal of the corrugated siding and replacing it with a red brick veneer along the base and yellow/brown plaster finish on all elevations. Staff recommends the permit require the applicant to rehabilitate on-site landscaping. A landscape plan, outlining existing and replacement specimens, should be provided to City Staff for review and approval. The architectural changes will be discussed and acted upon by the Design Review Committee in their upcoming public hearing on Thursday, November 29, 2007 meeting. Staff recommends approval of Coastal Development Permit 07-05 and Conditional Use Permit 489 to Wachovia Bank.

Community Development Director Steve Matarazzo added that Sand City is working on a City water supply project, and condition I-1 may be irrelevant in the near future once the desal plant is up.

7:17 p.m. Mr. Davis, representing the applicant Paul Laverrini, expressed his thanks to the Staff for putting the application together. After review of the conditional use permit, the owner was not in agreement with condition I-1, and would like the water condition revised as suggested by Mr. Matarazzo. After contacting the Water District Staff, a change of use is not an abandonment of the property. A transfer of water would reduce potential income and the lease ability of the property. According to the use permit condition, the property owners would need to gain approval for transferring water. The applicant is in agreement with the conditional use permit with the exception of condition I-1.

7:13 p.m. Floor closed to Public Comment

The Council was in consensus to delete all but the first two sentences of condition I-1 from the conditional use permit.

Motion to approve City **Resolution** approving a Coastal Development Permit and Conditional Use Permit to Wachovia Bank for establishing a Bank Branch and implementing architectural modifications at 2140 California Avenue in the Edgewater Shopping Center by title, 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 a City ORDINANCE containing a description of the Redevelopment Agency of Sand City's program to acquire real property by eminent domain in the Redevelopment Project Area. Senate Bill 53, requires that an ordinance be adopted by the legislative body, and Senate Bill 1809 also requires that a notice be recorded describing the Agency's policies and plans for using eminent domain. The proposed ordinance is intended to carry out the mandate of both Senate Bills. In the adoption of Sand City's 1987 Redevelopment Plan, Sand City recorded a notice describing the Redevelopment Project Area. SB 1809 imposes new requirements for the notice. The new notice to be recorded includes the word "Revised" in its title, since the proposed ordinance and notice

is not establishing new policies, it does not constitute a "project" that is subject to the California Environmental Quality Act (CEQA). Staff recommends adoption of the attached ordinance, and directing the City Clerk to file the attached Revised Notice of Adoption of the Redevelopment Plan.

7:34 p.m. Floor Opened for Public Comment

There was no comment from the Public

7:35 p.m. Floor Closed to Public Comment

Motion to approve City **Ordinance** as the First Reading was made by Council Member Blackwelder, seconded by Council Member Hubler. Roll Call Vote. AYES: Agency Members Blackwelder, Carbone, Hubler, Morris, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion Carried.

- B. Community Development Director Steve Matarazzo presented the progress report and consideration of the Redevelopment Agency RESOLUTION accepting the Mid-Term Review of the 2005-2009 Implementation Plan. California Redevelopment Law requires a public hearing during the Implementation Plan's effectiveness to hear testimony from all interested parties for the purpose of reviewing the redevelopment plan and implementation. The major projects and programs scheduled for the 2005-2009 time frame are summarized and described in the implementation plan. This would include the Redwood Avenue street improvement project, and many of the streets within the West End District with the completion of Playa and Tioga Avenue street work scheduled for completion this fall. Due to the water shortage on the Monterey Peninsula, and the lack of a permanent water source, the cypress tree planting along Highway One did not occur. The California Avenue Extension has not occurred since the South of Tioga Project has not yet commenced. The Redevelopment Agency is in the process of appraising one of the last properties needed for the South of Tioga project. A development application is anticipated some time in early 2008. There has been no progress in developing the specific plan for the East Dunes Housing, as required by the General Plan. However, once water becomes available, the City should initiate the process of hiring a consultant to complete the project. The Dr. Kay Property within the West End has changed ownership. The new owners have stated that they are willing to work with the Redevelopment Agency to redevelop this area once the new water supply is implemented. The developer for the McDonald-Sterling Site has applied for a coastal development permit for a 342-room coastal resort and should be ready for public review in late 2007 or early 2008. During the implementation phase of the Redevelopment Plan, a parking lot has been constructed behind City Hall, and future improvements would include expansion of a public Plaza onto Sylvan Park Street. The City's housing element has been extended by special legislation, and remains effective through June 2009. Provided that the City's water supply is activated by then, there will be opportunity for significant

housing development. A majority of the physical and development goals of the Redevelopment Plan is contingent on having an adequate supply of water. The implementation of the Sand City Water Supply Project has been the top priority of the Redevelopment Agency Board and Staff during this 5-year implementation cycle. In June of 2005, the California Coastal Commission unanimously approved a coastal development permit for the Sand City Water Supply project, and extended this permit for another year in June 2007. The City has successfully competed for and received a \$2.9 million grant for construction of the desalination facility from Proposition 50 monies administered by the State Department of Water Resources (DWR). In October 2007, the Monterey Peninsula Water Management District (MPWMD) approved water distribution permits for the Sand City and California American Water (CAW) as one of the final steps toward water supply implementation. Water from the new desalination facility is scheduled to be on-line by 2009. Staff recommends the Redevelopment Agency Board approve the resolution accepting the mid-term report.

7:49 p.m. Floor opened for Public Comment

There was no comment from the Public

7:50 p.m. Floor Closed to Public Comment

Motion to approve Redevelopment Agency **Resolution** accepting the Mid-Term Review of the 2005-2009 Implementation Plan was made by Agency Member Blackwelder, seconded by Agency Member Morris. AYES: Agency Members Blackwelder, Carbone, Hubler, Morris, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion Carried.

AGENDA ITEM 8, OLD BUSINESS

A. City Engineer Richard Simonitch presented the follow-up report on the Sand City Desal Water Project.

1) Consideration of the City RESOLUTION Authorizing Award of the Sand City Water Supply Project Wells and Pipelines Project in Sand City, California to MGE Underground, Inc. In the interim, without a Coastal Commission Permit, the bid for the project will be continued until the Coastal Commission Hearing scheduled for the second week of December. The positive news from Sand City's consultant was that per the Commission's approval, Sand City may begin construction during the Snowy Plover nesting season with a biologist available at the time of construction to supervise the activities of the Snowy Plover. Staff recommends this item be continued until the Coastal Commission permit amendment is approved.

2) Staff met with CDM Constructors for the Design/Build of the Sand City

water plant. The design of the building was very utilitarian and Sand City's consultant, David Martin presented a more favorable architectural facade for the exterior design of the building. The Design Review Committee (DRC) will review the conceptual design at their next scheduled DRC meeting on November 29, 2007. Payment procedures, invoicing and prevailing wage agreements are still undergoing further review. Soil investigation should commence some time in January or February of 2008.

Mayor Pendergrass commented that it would be feasible for Sand City to hold a "ground breaking" once the schedule for the beginning of construction is determined. This event would include an invitation to the press and other dignitaries. Staff will work on the specific details of the event once a date has been determined by the Engineering Staff.

- B. City Administrator Kelly Morgan reported that at the meeting of the Water District, certain issues had been addressed, and two letters were received objecting to Sand City's water project. After much debate, the proposed ordinance was approved for a first reading by a 6-1 vote of approval by the Water District Board. City Attorney Jim Heisinger added that the Water District Counsel responded well on the issues with regard to the letters in objection to Sand City's Water Project. The Water District did rule to not include the SNG site, and should be reviewed by the Water District at a future meeting.

City Engineer Richard Simonitch reported that the "Request for Bids" for the injection wells for the Sand City Water Project did not receive any bids. The best explanation for the lack of bids could be the uncertainty of the proposed location of these wells which would be approximately 60 feet underground and would run horizontally. Another option may be to have Sand City design the wells and rebid the build portion of the project.

Community Development Director Steve Matarazzo reported that after a conversation with Mr. Watson of the Coastal Commission, the estimated changes to Sand City's Coastal Development Permit is a minor permit amendment report with a positive indication that it would not go before a formal hearing before the Commission.

AGENDA ITEM 9, NEW BUSINESS

- A. Steering Committee Chair Todd Kruper reported on the follow up meeting for the West End Event. At the Steering Committee meeting, it was discussed how the City can improve the West End Event based on past events; which brings the Committee back to a new planning stage. Mr. Kruper volunteered to facilitate the 2008 West End Event, and would like to move forward with setting a date.

Council Member Hubler commented that due to the tremendous amount of work and hours involved in coordinating this event, it would seem feasible that this be a paid position, since it would be different than someone who is merely volunteering.

Council Member Morris added that coordinating the West End Event in the past normally left the volunteer's "Burned Out" from shouldering the responsibility without compensation. The City should consider reimbursing Mr. Kruper, and recommended that a cost and an adequate budget be established for the event, which would include an administrative cost that the City Council may formally approve at a future meeting.

The Council was in consensus to set the 2008 West End Event for August 22 and 23, 2008 and directed Staff to work on a Resolution of contract for formal action to include Mr. Kruper's administrative cost as part of the West End Event Budget. It was also suggested that a West End Committee be formed to help Mr. Kruper facilitate the planning and venue for the West End Event.

- B. Associate Planner Pooler presented the progress report and update on the Sand City Web Site. After a meeting with Caria Martins, one of Sand City's website consultants, the website was in need of revision and re-organization, and a new site outline was prepared. The enclosed staff report and outline depicts the requested changes to the website that includes the navigation buttons and rearrangement of page links. Additional text, once completed for these pages, will be implemented into the website.

Council Member Blackwelder commented that the website needs to contain information in relation to its usefulness to the public as a City Government site.

Mayor Pendergrass suggested that Mr. Pooler be the point of contact for Sand City regarding any changes that need to be implemented on the website, and that Council Member Jerry Blackwelder and Debra Blackwelder serve as the Website Sub-Committee to review changes and modifications to the website.

- C. City Administrator Kelly Morgan presented the consideration of the Volunteer Financial Assessment Proration Proposal for the Seaside Ground Water Basin Water Master Program. The Watermaster Program has been discussing the administrative cost of the Watermaster Program by appealing to each party affected by the judgment, to voluntarily pay a calculated assessment based on the number of votes for each party. The Watermaster proposed budget for 2008 is \$87,000. Sand City has one vote (out of 13 total on the Board), and would be responsible for 1/13th of this cost that equals \$6,692. This is an effort to spread the Watermaster's administrative cost among the board members, because in the adjudication court decision the administrative costs were assigned only to three (3) of the board

members who are California America Water, City of Seaside, and City of Sand City. Staff recommends the Annual contribution of \$6,692 for the 2008 Annual Watermaster Administrative costs.

There was Council consensus for the participation of the Volunteer Financial Assessment Contribution of \$6,692 for Sand City's prorated share of the Administrative Budget. Staff is directed to bring a Resolution of approval before the City Council at the next meeting.

- D. The Deputy City Clerk brought to the Council's attention the upcoming meetings and events, and requested RSVP's for the League of California Cities Luncheon in Honor of Anna Caballero.

AGENDA ITEM 10, CLOSED SESSION

- A. The City Council adjourned to Closed Session to confer with legal counsel regarding anticipated litigation pursuant to §54956.9(b) of the Ralph M. Brown Act
- B. The City Council readjourned to Open Session to report any action taken at the conclusion of the Closed Session in accordance with §54957.1 of the Ralph M. Brown Act.

Direction was given to the City Attorney.

AGENDA ITEM 11, ADJOURNMENT

Motion to adjourn the meeting was made by Council Member Morris, seconded by Council Member Blackwelder to the next regularly scheduled City Council meeting on December 4, 2007, 7:00 p.m. There was unanimous consensus of the Council to adjourn at 10:16 p.m.



Connie Horca, Deputy City Clerk