

MINUTES
JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY
City Council Chambers
Regular Meeting – February 7, 2006

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

Revered Snyder led the invocation.

Police Chief Klein led the pledge of allegiance

Present: Councilmember Jerry Blackwelder
Vice-Mayor Mary Ann Carbone
Councilmember Craig Hubler
Councilmember Michael Morris
Mayor David Pendergrass

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

AGENDA ITEM 4, COMMUNICATIONS:

- A. Additional written communications distributed to the City Council this evening included a draft request for qualifications for the Sand City Water Supply Project, (agenda item 8B-2), and a memo from Melissa Pedraza regarding the Sculpture Competition.
- B. The floor was opened at 7:05 p.m., but there were no oral communications from the public.

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 on the Monthly Police Department Activity Report, December 2005, Annual Report 2005, Five-Year Report 2001-2005.
- B. There was no discussion on the Monthly City/Redevelopment Agency Financial Report, December 2005.
- C. There was no discussion on the Monthly Fort Ord Reuse Authority (FORA) Report, January 2006

- D. There was no discussion of **City RESOLUTION Honoring Leticia Walker McSween as the 2006 Monterey Peninsula Branch-NAACP Presidents Award Recipient**
- E. There was no discussion of **City RESOLUTION Adopting the Amended Sand City Emergency Operations Plan and Amended Chapter 2.12 and Adopting the National Incident Management System**
- F. Approval of Draft "Copy" for Community Pride Newsletter was discussed under agenda item 6.
- G. There was no discussion of the contributions/donation to the Monterey High School "Sober Grad Night" for \$200.00
- H. There was no discussion of **City RESOLUTION Approving a Proposal to Continue the Cooperative Radio Advertising Program with AM 1240 KNRV Radio Station**

Motion to approve Consent Calendar items 5 A, B, C, D, E, G and H was made by Council member Carbone, seconded by Council member Blackwelder. AYES: All Council members. NOES: None. ABSENT: None. ABSTAINED: None. Motion Carried.

AGENDA ITEM 6, CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR

- G. There was discussion on the distribution of the Draft "Copy" for the Community Pride Newsletter, informing the public that Sand City was embarking on its clean-up program. The Community Development Director reported that the process is already in motion. Current violators are receiving notice of their violations through the mail as they occur, and the Planning Department is reviewing each violation on a case-by-case basis. Item # 5, regarding parking, had some language changes. Council member Morris requested that this item appear on the agenda monthly to keep the Council and the public informed on the program.

Motion to approve Consent Calendar item 5F was made by Council member Carbone, seconded by Council member Morris. AYES: All Council members. NOES: None. ABSENT: None. ABSTAIN: None.

AGENDA ITEM 7, PUBLIC HEARINGS (S):

- A. The City Attorney presented the FIRST READING of the **Ordinance of the City of Sand City Amending and Adding Certain Provisions to the Municipal Code Regarding Penalties for Violations of the Municipal Code**. He referred to the Memo dated February 1, 2006 regarding Municipal Code Enforcement. Under Section 3, item A, the authorized designated public officer was changed from the Police Chief to the City Administrator.

7:23 P.M. Floor Opened for Public Comment
No Public Comment and the Floor was Closed.

Motion to approve ORDINANCE, as amended, by title only, was made by Council member Blackwelder, seconded by Council member Carbone. Roll Call Vote: AYES: Council members Blackwelder, Carbone, Hubler, Morris and Pendergrass. NOES: None. ABSENT: None. ABSTAINED: None. Motion Carried.

- B. The Associate Planner presented the staff report on City **RESOLUTION Approving Conditional Use Permit 471 Allowing Peninsula Plumbing to Operate at 749 Dias Avenue.** Mr. Pooler reported that and application had been submitted by Peter Pinon of Peninsula Plumbing to operate within a mixed-use building located at 749 Dias Avenue. The applicant intends to lease one of the two units for office and storage. The other unit of the building is a live-work artist studio, owned and occupied by Susan Collins, who is also the property owner. Condition # 4 of the use permit is amended to require plumbers to arrive in a split shift to help mitigate parking. There is adequate on-site water credit. Staff recommends approval of the Resolution and Permit to allow the plumbing contractor, as conditioned.

7:23 P.M. Floor Open for Public Comment

Mr. Pinon, (Applicant): Stated that he agreed with all the conditions

7:24 P.M. Floor Closed to Public Comment

Motion to approve **City RESOLUTION Approving Conditional Use Permit 471 Allowing Peninsula Plumbing to Operate at 749 Dias Avenue,** was made by Council member Hubler, seconded by Council member Morris. AYES: All Council members. NOES: None. ABSENT: None. ABSTAIN: None.

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

- C. The Associate Planner presented the staff report and application for Conditional Use Permit that was submitted by Brett Nielsen for authorization to operate a furniture refurbishing shop at 542 Ortiz Avenue, Unit 2. The property accommodates a mixed-use building, with twelve studio apartments on the upper level, and six commercial units on the ground level. The applicant proposes to use this space for repairing and refurbishing furniture, with accessory office and storage. There will be no employees. This use began without permit approval in December. There have been complaints regarding strong fumes migrating through the building. Staff became aware of this use when a complaint was made regarding strong noxious fumes permeating residential units. A site

inspection was made in response to several other complaints. Staff noticed strong paint or thinner like odors emanating from the seal around the closed roll-up door at the applicant's units. On January 19, 2006, the Police and Fire Department responded to a complaint regarding paint fumes in the subject building. Staff has serious concerns with this type of use within a mixed-use building. Staff recommends denial of the conditional use permit, disallowing the proposed furniture refurbishment shop at the subject property.

7:41 P.M. Floor Open for Public Comment

Todd Kruper (Resident):Said he didn't feel that a Furniture Restoration business was the proper business to allow in a mixed use area, but maybe there was another area of the City that would be better suited for this business.

7:43 P.M. Floor Closed to Public Comment

Motion to approve City **RESOLUTION Denying a Conditional Use Permit to Brett Nielsen for a Furniture Refurbishing Shop at 542 Ortiz Avenue**, was made by Council member Carbone, seconded by Council member Pendergrass. AYES: Council members Carbone, Morris and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: Council members Blackwelder and Hubler. Motion Carried.

{Council members Blackwelder and Hubler returned to the dais}

AGENDA ITEM 8, OLD BUSINESS:

{Due to a possible conflict of interest by residing within 500" of the project area, Council/Agency member Morris abstained and left the dais}

- A. The Community Development Director presented the staff report and provided background on the King Ventures project that began in 2001. A lot of preliminary planning activity has occurred since then. In 2004, the project site plan was completely redesigned. King Ventures also actively pursued the acquisition of water credits from the Monterey Fish Company; an acquisition completed in 2005. The acquisition of the Sterling coastal site, was also consummated in late 2005. Both of these acquisitions were considered vital to receiving a reasonable chance of approval of the project from the Coastal Commission. In the summer of 2005, King Ventures applied for a coastal development permit from the City. King Ventures is ready to proceed with its obligations under the DDA. The EIR consultant, David Powers and Associates, is ready to proceed with preparation of the EIR, and City staff is ready to review the project in extensive detail with the assistance of our EIR consultant, King Ventures, and our contract planning firm- Pacific Municipal Consultants.

The Disposition and Development Agreement (DDA), with King Ventures was approved by the Redevelopment Agency in 2001 and amended in 2002. There are a number of DDA requirements that still need to be satisfied, which are listed in the staff report. The resolution language also addresses these deficiencies. One of the biggest issues is the "view over policy" of the LCP, but these are things that can be worked on with the developers.

8:09 P.M. Floor was Open for Public Comment

Dave Watson, (King Project Manager): Stated that he supported staff's recommendations. The purpose of moving forward on this is that it lays the groundwork to begin working, and ultimately revising, the project through the process. Acquiring the water and the property has been the focus of the last several months. They are in the process of bringing conceptual plans within the next 60 days to the Council. There have been two setback requirements since the beginning of the project. Over the next several months, they will be working with the City Council and staff to define the problems, and work through them. The tourist industry in Monterey County is expected to have higher numbers this year, which is good for the project. Now, they will refine the design to include the newly acquired Sterling Project.

John King, (Developer): He said that timing is critical. They want to get the EIR process started, and start defining and working out the issues that are, or could, become problems.

Steve Wilson, (Resident): It sounds like the project is relying on the desalination plant, is it big enough to serve this project and other uses in the City? The answer was that "yes", the desalination project was planned to serve water needs for the next 20 years.

Michael Morris, (Resident): He feels the City should make it clear that they are endorsing the conceptual project not the view corridors.

Ron Cheshire, (Carpenters Union # 605): Expressed concern that the agreements continue to protect the workers.

8:31 P.M. Floor Closed to Public Comment

- 1a. Motion to approve Redevelopment Agency **Resolution Conceptually Approving with Stipulations, Concept Plans and Related Information Regarding "The Collections at Monterey Bay" Coastal Resort Project** was made by Agency member Blackwelder, seconded by Agency member Carbone. AYES: Agency members Blackwelder, Carbone, Hubler and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: Council member Morris. Motion carried.

- 2a. Motion to approve City **Resolution Approving a Reimbursement Agreement with King Ventures to Pay Share Costs Related to Development Review of a Major Project Consistent with Existing Disposition and Development Agreement** was made by Council member Carbone, seconded by Council member Hubler. AYES: Council members Blackwelder, Carbone, Hubler and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: Council member Morris. Motion carried.
- 2b. Motion to approve Redevelopment Agency **RESOLUTION Approving a Reimbursement Agreement with King Ventures to Pay Share Costs Related to Development of a Major Project Consistent with Existing Disposition and Development Agreement** was made by Agency member Pendergrass, seconded by Agency member Blackwelder. AYES: Agency members Blackwelder, Carbone, Hubler and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: Agency member Morris. Motion carried.

{Council/Agency member Morris returned to the dais}

- B (1) Status Report on the Sand City Water Project was led by the City Administrator, who stated that Cal-Am felt they should not get involved in the "design build phase" of the water project and that the City should hire a project manager. The good news is that the City received a letter from the State Water Resources Control Board stating the desalination facility would be exempt from Order WR 95-10, and the City can proceed.
- (2) The City Engineer requested that Separation Process be added to the third whereas of the resolution, as one of the engineering firms to be considered. Council member Carbone made the motion to accept **Resolution of Sand City Council Authorizing a Request for Qualifications (RFQ) Process Precedent to Hiring a Project Management Firm for the Final Phase of the Sand City Water Supply Project**, as amended. Council member Morris seconded the motion. AYES: Council Members Blackwelder, Carbone, Hubler, Morris and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion Carried.

AGENDA ITEM 9, NEW BUSINESS:

- A. City Engineer Kulakow reported that the parking lot in the rear is nearing completion. There is a danger of someone falling because of the 1 ½' gap between the parking lot wall and the building; so he is working on a change order to put a grate there to correct that. He also updated the Council on the City of Seaside working on the 90' storm drain with Monterey Peninsula Engineering.
- B. Upcoming Events/Meetings

The City Administrator suggested that staff meet with representatives from the Art Committee and Mr. Saroyan to review the process of the Sculpture Competition. The City Clerk reminded Council of Oscar Night @ Quail Lodge, Sunday, on March 5th. The Clerk also informed the Council that the West End Event is scheduled for August 12th and the Awards Banquet is scheduled for December 15, 2006.

AGENDA ITEM 10, CLOSED SESSION:

9:10 P.M. The City Council adjourned to Closed Session to confer with legal counsel regarding existing litigation pursuant to §54956.9(a) of the Ralph M. Brown Act, CalAm Water v. Seaside, Sand City, et al

- (1) With legal counsel regarding existing litigation pursuant to § 54956.9 of the Ralph M. Brown Act, Cal Am Water v. Seaside, Sand City et al

{Due to a possible conflict of interest by residing within the 500' of the project area Council members Blackwelder and Hubler left Closed Session}

- (2) With real property negotiator in accordance with §54956.8 of the Ralph M. Brown Act to discuss property negotiations (price and terms) for APN 011-177-009 (Upper John Street)

9:22 P.M. Readjourned 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

- 10-1 Not discussed.
- 10-2 Council gave instructions to real property negotiator.

AGENDA ITEM 11, ADJOURNMENT:

Motion to adjourn was made by Council member Morris, seconded by Council member Carbone to the next regularly scheduled Council meeting on February 21, 2006. There was unanimous consensus of the City Council to adjourn at 9:23 p.m.



Linda Scholink, City Clerk