

# MINUTES FOR THE JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY

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## CITY COUNCIL CHAMBERS REGULAR MEETING JUNE 20, 2006 7:00 p.m.

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Mayor Pendergrass opened the meeting at 7: 07 p.m.

Invocation was led by Reverend Snyder

Police Chief Klein led the Pledge of Allegiance

Present: Council Member Blackwelder  
Council Member Carbone (arrived at 7:09)  
Council Member Hubler  
Council Member Morris  
Mayor 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, Director of Administrative Services  
Charles Pooler, Associate Planner  
Richard Simonitch, Asst. City Engineer

### AGENDA ITEM 4, COMMUNICATIONS

A. Written Communications distributed to the Council included 1) Chamber Mixer reminder being held at "I Sold It" in Sand City on June 29<sup>th</sup> at 4:30 p.m., 2) Letter to the Herald Editor regarding Sculpture competition from Lori Allen, and 3) Two City Magazine articles on the "High Cost of Parking". In addition there were two handouts under agenda item 10A; a request from the City Attorney for a 9% increase in his retainer fee, and a Capital Improvement Program, 3-year Budget Planning preliminary outline by Staff.

B. Oral Communications

7:11 P.M. Floor opened for Public Comment

There were no public comments

7:12 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 #377, Hartzel Automotive (Auto Training Center/Offices), 560 California Avenue
  - (2) CUP #399, Edgewater Center (Regional Commercial Center), Playa & California Avenues
  - (3) CUP #419, Carmel Tile & Marble Company (Wholesale), 1725 Contra Costa
  - (4) CUP #460, Matt Lemarque (weight training), 625 California Ave.
  - (5) CDP #97-05, Monterey Bay Restaurant Equipment (Wholesale), 325 Elder Avenue
- B. There was no discussion of the May 16, 2006 Council meeting Minutes
- C. There was no discussion of the Monthly Police Department Report, May 2006
- D. There was no discussion of the Monthly Public Works Department Report, May 2006
- E. There was no discussion of the Monthly Fort Ord Reuse Authority (FORA) Report, June, 2006
- F. There was no discussion of the Designation of Voting Delegate and Alternate for 2006 League of California Cities Annual Conference-September 6-9, in San Diego
- G. There was no discussion of City **RESOLUTION** Authorizing an Addendum to the Contract for Services Relating to Quarterly Investment Reports with Clearvue, Inc.
- H. There was no discussion of City **RESOLUTION** Approving a Time Extension to June 30, 2008 of Coastal Development Permit (CDP) 03-03 for the Cardinale Automotive Group

- I. There was no discussion of City **RESOLUTION** Authorizing Renewal of the Agreement for Vehicle Maintenance and Fuel Services with the City of Monterey
- J. There was no discussion of City Donations/Contributions
  - 1. Seaside Raiders Youth Football - \$200.00

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. ABSTAIN: None. Motion Carried.

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

There were no items considered under agenda item 6.

### **AGENDA ITEM 7, PRESENTATIONS**

- A. Michele House, from the Tobacco Control Program, presented an overview of the problem with cigarette butts and filters on the beach. She said the cost of the signs for the beaches will come out of her budget, and she will forward several draft city ordinances to the City Attorney for review. The Chief of Police said that the ordinance would be handled on a complaint basis only, as the leash law is for dogs. There was Council consensus to consider a City Ordinance at a future meeting.
- B. Presentation by Greg Hawthorne (Art Committee) began announcing a change in dates for the West End Event. The West End Event will be held on August 18<sup>th</sup> and 19<sup>th</sup> this year. A new feature at the event will be wine tasting in tents located on Ortiz Avenue. The Art Committee will be selling buttons for \$10.00 each, which will cover the wine glass and the wine for Friday night and Saturday. The opening reception will be held on Friday night the 18<sup>th</sup> at the Sanctuary Rock Gym. A new proposal was to add an attraction in the City's streets, and Mr. Hawthorne passed out photo's of "Art Cars" that was being considered.

### **AGENDA ITEM 8, PUBLIC HEARINGS**

- A. Associate Planner Pooler presented an update to the Council regarding John Avery's temporary use permit. At the May 16, 2006 meeting, the Council requested Mr. Avery to submit a written time-line. Staff met with Allen Robinson, project architect on June 12, 2006 for the submission of an

application and plans for a demolition, grading and drainage permit. The project progress report was provided by the Architect. The Council has two options:

1. Take action to grant a time extension, resolution provided.
2. Take no action; whereby the permit will expire.

7:40 P.M. Floor was opened for Public Comment

**Allen Robinson**, (Architect): Stated that within 180 days, construction would be complete. Construction should begin in September 2006. Mr. Avery will be off the site by September 19, 2006.

The Mayor said the City has been very patient with the applicant. The problem is not with the proposed project. The problem is that Mr. Avery is staying on the site without a building or permanent use permit, and this has caused several complaints to the Police Department.

7:45 P.M. Floor Closed to Public Comment

The Council agreed that this would be the last extension granted to Mr. Avery. The Council amended condition # 2 to include language-addressing public nuisance.

Motion to approve **City RESOLUTION, as Amended, of Conditional Use Permit 458 and Coastal Development Permit 05-02 for John Avery to allow continued temporary use of property at 490 Orange Avenue for a period until September 19, 2006** was made by Council Member Hubler, seconded by Council Member Morris. AYES: Council Members Blackwelder, Carbone, Hubler, Morris and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion Carried.

## **AGENDA ITEM 9, OLD BUSINESS**

***{Agency Member Morris stepped down due to a possible conflict of interest due to living within 500' of the proposed project}***

- A. Community Development Director presented background on the possible extension of the Exclusive Negotiating Agreement (ENA) with DBO Development. The ENA has been extended numerous times, based in part on the changing real estate market conditions. Staff is recommending an extension to the July 18, 2006 Council meeting. He recommended that the Agency board take a tour of some of the projects the architect has done in the Bay area because the project will be very urban and requires excellent design.

7:55 P.M. The Floor was Open for Public Comment

**Don Orosco** (Developer) reported to the Council that his company has invested over \$10 million in site acquisitions. They recently closed escrow on Mediterraneo Imports. Currently, he is working with Dick Ross of Ross Roofing. They have begun negotiations on the old Salinas Tile and Marble site. He explained to the Council that 20 acre-feet of water could be available from his North of Playa well. The final phase of the project could be 4-5 years down the road. He would like to arrange a tour of the Bay area for Council to see the Urban Development being accomplished there. In the next 60 days they should initiate the project EIR. They are starting to identify some possible managers for the project; and within the next 6 months hope to bring that position onboard for the 4-5 years needed to complete the project. This will be a mixed-use development with approximately 20,000 feet of commercial development and potentially more than 300 dwelling units. They plan to do this project without the assistance of the Redevelopment Agency. He is very excited and committed to this project. He is hoping to submit an application within the next 60 days. The proposed project will have two floors of parking and up to four additional floors of commercial/residential.

8:30 P.M. The floor was opened for Public Comment

**Mike Albov** (Representing David Wilson): He thinks the City should request timelines and schedules for the project. He is concerned with the water issues, and if the desalination plant is needed to complete the project. He had heard that the desalination project was stalled. He feels the City should require benchmarks to keep the project moving.

Jim Hesinger responded that the Cal-Am negotiations have stalled, but the desalination project is still moving forward.

**Joyce Stockwell** (Peninsula Resident) expressed concern that environmental issues be addressed appropriately, such as conservation and sustainability of resources.

8:37 P.M. The floor was closed to Public Comment

The City Attorney advised the Council to extend the date of the ENA to September 19, 2006, which would also coincide with the Council meeting in September.

Motion to approve Redevelopment Agency RESOLUTION as Amended to

include expiration date of September 19, 2006, Authorizing an Eighth Amendment to the Exclusive Negotiating Agreement with DBO Development doing business as, "The Orosco Group" for Redevelopment of the area known as "South of Tioga" was made by Agency Member Blackwelder, seconded by Agency Member Hubler.

**AYES: Agency Members, Blackwelder, Carbone, Hubler and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: Agency Member Morris. Motion Carried.**

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

8:44 P.M. Mayor Pendergrass called for a brief recess

8: 59 P.M. Council Re-adjourned

- B. The City Administrator presented the PERS Resolution to the Council amending the contract to 3% @ 60 for miscellaneous employees. Approval of **RESOLUTION of Intention to Approve an Amendment to Contract between the Board of Administration California Public Employees' Retirement System and the City Council City of Sand City** was made by Council Member Pendergrass, seconded by Council Member Hubler. AYES: Council Members, Blackwelder, Carbone, Hubler and Pendergrass. NOES: Council Member Morris. ABSENT: None. ABSTAIN: None. Motion Carried.

## **AGENDA ITEM 10, NEW BUSINESS**

- A. The City Administrator presented the Preliminary Combined Budget for FY 2006-2007, and reviewed his staff report with the Council. The proposed combined revenues for operations in fiscal year 2006-2007 are \$7,530,000. The combined subtotal of operating expenses and obligations for fiscal year 2006-2007 is \$6,419,970. This leaves approximately \$1,110,000 remaining for capital projects and/or discretionary funding for the City. The Budget Committee will continue to meet and make a recommendation to the City Council at a later time regarding the \$1,100,000. reserve amount. Council Member Morris suggested the City spend an additional \$60,000 now for East Dunes streets, which had previously been suggested by the Mayor. Staff has received additional information, and would like to continue the Capital Improvement Budget, to allow more time to work with the Budget Committee.

Motion to Approve **City RESOLUTION Adopting the Preliminary**

**Combined City and Redevelopment Agency Budget for FY 2006-07**

was made by Council Member Blackwelder, seconded by Council Member Carbone. AYES: Agency Members Blackwelder, Carbone, Hubler, Morris and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion Carried.

Motion to approve **Redevelopment Agency RESOLUTION Adopting the Preliminary Combined City and Redevelopment Agency Budget for FY 2006-07**

was made by Agency Member Blackwelder, seconded by Agency Member Morris. AYES: Council Members Blackwelder, Carbone, Hubler, Morris and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion Carried.

Motion to approve **City Resolution Establishing an Appropriations Limit for Fiscal Year 2006-2007 Pursuant to Article XIII B of the California Constitution**

was made by Council Member Carbone, seconded by Council Member Hubler. AYES: Council Members Blackwelder, Carbone, Hubler, Morris and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion Carried.

- B. The City Engineer reviewed the Phase I Program for consideration of Cape Seal/Seal Coat for City Streets. The Council authorized the Phase I street improvements.
- C. The City Engineer reported that he is working on moving ahead with the desalination project remaining work items. The Community Development Director reported that Sand City is being recommended for the Prop 50 Grant for \$3,000,000. He is going to attend the meeting in Sacramento on the 23<sup>rd</sup> to secure the City's position. The City Administrator reported that he had met with the City of Seaside to see what their position was in regard to the water project in Sand City. He told the City Council that both the City of Seaside and Monterey were interested in using/buying water from the desalination plant.
- D. The City Clerk reviewed the upcoming Events and Meetings. The Council was in agreement to leave from the San Jose Airport to the League Conference being held in San Diego in September.

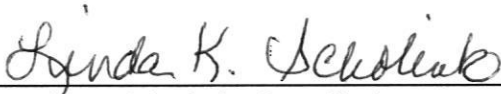
**AGENDA ITEM 11, CLOSED SESSION**

- A. It was determined that the City Council did not need to adjourn 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.

B. Closed Session was not held.

**AGENDA ITEM 12, ADJOURNMENT**

Motion to adjourn the meeting was made by Council Member Pendergrass, seconded by Council Member Hubler to the next regularly scheduled Council meeting on July 18, 2006. There was unanimous consensus of the City Council to adjourn the meeting at 9:50 p.m.



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Linda K. Scholink, City Clerk