

MINUTES
JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY
CITY COUNCIL CHAMBERS
Regular Meeting-December 5, 2006
7:00 PM

Mayor Pendergrass opened the meeting at 7:00 p.m.

Police Chief Michael Klein led the Pledge of Allegiance

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

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

AGENDA ITEM 4, COMMUNICATIONS

- A. Written Communications: The City Administrator brought to the Council's attention the Coastal Commission agenda for the Bike Trail application, (Agenda item 9A), and a revised handout prepared by the City Administrator on the fiscal year 2005-2006 audit, (agenda item 7)
- B. Oral Communications

7:03 P.M. Floor Opened for Public Comment

Steve Wilson, (Property Owner): stated he continues to have issues and problems with the abandoned vehicles, and the junk yard look on Oceanview and Fell streets. The streets were recently paved, and if this continues the streets will be ruined before their time. The Mayor asked that staff look into this matter.

7:10 P.M. Floor Closed to Public Comment

The City Administrator reported to the Council that item B on the Consent Calendar is a recommendation extending the cable communications franchise for one year while staff continues to research all options. He explained that recent State legislation and other events are creating complications and major changes for the cable franchise process.

The Mayor explained to the audience that the Coastal Commission is recommending that the City take down the lights on the bike trail. The City has a petition if anyone would like to sign it. The Mayor also complimented the Public Works department on the great job they did decorating the Council chambers and the outside of City Hall. He said it looks better then ever.

The Mayor also told the audience that there would be a celebration after the Council meeting tonight for the newly elected officials.

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, November 2006
- B. There was no discussion of City **RESOLUTION** Granting an Extension of the Non-Exclusive Cable Television Franchise held by Comcast Communications, Inc.
- C. There was no discussion of City Contributions/Donations
 - 1. Monterey High School PTSA Track & Field Renovation - \$1,000
 - 2. Monterey Jazz Festival - \$500
 - 3. Arts Habitat - \$200

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. ABSTAINED: None. Motion Carried.

AGENDA ITME 6, CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR

There were no items.

AGENDA ITEM 7, PRESENTATIONS

- A. The City Administrator reviewed his cover memo recapping the

City/Redevelopment Agency Financial Statements for the Year Ended June 30, 2006. After a presentation by the auditors with follow up discussion, the Staff agreed to recommend to the full City Council/Redevelopment Agency Board that these Financial Statements be accepted as presenting an accurate and complete financial picture. The combined audit shows that Sand City had net assets at the end of the year of \$5,377,321 (as compared to \$3.9 million in the previous year which is an increase of almost \$1.5 million in net assets). The new Transaction/Use Tax has helped contribute to this increase. These financial statements indicate that Sand City's finances are in good shape as of June 30, 2006.

Cecil Robbins, (Hayashi & Wayland): Complimented the staff memo prepared by the City Administrator. He reported to the Council that the audit is a clean (unquestioned), audit. The City's financial statement is a very complex statement. Sand City's revenues increased \$ 941,347 or approximately 16 % compared to the prior year. The increase is mainly due to an increase in other taxes, attributable to an increase in transaction tax of approximately \$1 million, offset by the decrease in gain on sales of capital assets as no land was sold in the fiscal year ending June 30, 2006. He stated that the financial situation of the City is sound. The audit included four suggestions. He told the Council that the City currently has a very good system, and these are suggestions that could possibly make it better. He complemented staff on their work and the Council on their foresight.

The Mayor asked if there was any public comment, and no one came forward.

Council Member Morris stated that he had not had enough time to review the audit, and would like to continue this item to the next meeting.

Council Member Blackwelder and Mayor Pendergrass stated they were comfortable with the audit, and that the report from the auditors was very positive.

Motion to approve **City RESOLUTION Accepting the Audited Financial Statements for the Year Ended June 30, 2006 and Independent Auditor's Report** was made by Council Member Blackwelder, seconded by Council Member Carbone. AYES: Council Members Blackwelder, Carbone, Hubler and Pendergrass. NOES: None. ABSENT: None. ABSTAINED: Council Member Morris. Motion Carried.

Motion to approve **Redevelopment Agency RESOLUTION Accepting the Audited Financial Statements for the Year Ended June 30, 2006 and Independent Auditor's Report** was made by Agency Member Hubler, seconded by Agency Member Blackwelder. AYES: Agency Members Blackwelder, Carbone Hubler and Pendergrass. NOES: None. ABSENT: None. ABSTAINED: Agency Member Morris. Motion Carried.

AGENDA ITEM 8, PUBLIC HEARINGS

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

- A. Community Development Director, Matarazzo presented an application for an amendment of the use permit recognizing an expansion of Gianna's Bakery to include an additional 1,980 square feet of floor area already in use.

The Community Development Director explained that he had spoken with the City Attorney before the meeting and was recommending a continuance to the next Council meeting to allow time to gather additional information.

7:40 P.M. Floor Opened for Public Comment

Ms. Stephanie Uli, (Applicant): We are looking for a new place. Our production has not expanded, but the warehouse has grown. They want to leave the City on good terms. She said they will do their best to cooperate.

Pete Erickson, (Broker): Explained to the Council that he has found a new site for the Bakery. It is vacant land and they should know if they will be able to proceed forward within 30-45 days.

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

The Council agreed to continue the application to the next Council meeting.

{Council Member Hubler returned to the dais, and Council Member Blackwelder stepped down from the dais due to a possible conflict of interest by residing within 500 feet of the next project}

- B. Associate Planner Pooler presented an application for a conditional use permit submitted by Victoria Kennedy, representing Pacific Arts Corporation, for authorization to establish and operate a video/audio production studio within an existing 4,370 square foot 2-story commercial building located at 1793 Catalina Street, in Sand City. The types of videos produced will mostly consist of interviews. Production equipment will consist of three small video cameras on tripods and video computer equipment. There will be shipments daily, via UPS, Federal Express, and /or the US Postal Service. On-site parking is adequate to accommodate the proposed use. Staff does not anticipate this operation to pose a nuisance. The type of professional commercial activity is expected to be consistent and compatible with a mixed-use environment. Existing on-site water credit is adequate. Staff recommends approval of the Conditional Use Permit.

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

Ms. Kennedy (Applicant): Stated she was looking forward to doing business in the City and she accepted of all the conditions recommended by Staff.

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

Motion to adopt **City RESOLUTION Approving Conditional Use Permit 480 Allowing an Audio/Video Production Studio at 1793 Catalina Street** was made by Council Member Morris, seconded by Council Member Carbone. AYES: Council Members Carbone, Hubler, Morris and Pendergrass. NOES: None. ABSENT: None. ABSTAINED: Council Member Blackwelder. Motion Carried.

{Council Member Blackwelder returned to the dais, as Council Member Hubler stepped down due to a possible conflict of interest by residing within 500' of the next proposed project}

- C. Associate Planner Pooler presented an application submitted by Dustin Bell, for use permit authorization to expand the current PG Millworks carpentry shop and to sublease a section of that expansion for himself and his own carpentry shop within an existing building at 1729 Holly Street (APN 011-197-014) in Sand City. PG Millworks currently has a conditional use permit (CUP 451) to operate in the adjacent building at 637 Ortiz Avenue, but they have expanded into the Holly Street building without zoning approval.

The application is intended to:

1. Legalize the expansion of the P.G. Millworks shop currently operating at 1729 Holly Street, and
2. To allow a sublease of about a half of that building by Dustin Bell to operate his own carpentry shop.

The Ortiz Avenue frontage is capable of providing eleven (11) on-site perpendicular parking spaces. The Redwood Avenue frontage can provide five (5) additional on-site parallel parking spaces. Conditional Use permit 451, as approved by the Council in 2004 for PG Millworks at 637 Ortiz Avenue, required on (1) parking space shall be striped inside the building for parking of the applicant's company vehicle. By maintaining this requirement in the revised permit for PG Millworks, that would bring the total on-site parking to seventeen (17) parking spaces; therefore satisfying the zoning requirements. Dust will be mitigated with a dust collector system. Existing on-site water credit is adequate. Staff recommends approval of the amendment to Conditional Use Permit # 451.

7:56 P.M. Floor Opened for Public Comment

There was discussion about the sprinkler system and the owner got up and spoke.

Vernon Brischke, (Business Owner): They previously put in a sprinkler system. When asked by the Mayor if he agreed with the conditions, he answered yes.

Roy Meadows, (Property Owner): Stated that he owns property across the street and the applicant has always been a good neighbor.

7:59 P.M. Floor Closed to Public Comment

Motion to **approve City RESOLUTION Approving Amendment to Conditional Use Permit 451 Allowing the Expansion of Pacific Grove Millworks and a Sublease to Dustin Bell to Establish and Operate Carpentry Workshops at 1729 Holly Street** was made by Council Member Carbone, seconded by Council Member Blackwelder. AYES: Council Members Blackwelder, Carbone, Morris and Pendergrass. NOES: None. ABSENT: None. ABSTAINED: Council Member Hubler. Motion Carried.

{Council Member Hubler returned to the dais}

AGENDA ITEM 9, OLD BUSINESS

- A. The Mayor brought up the Coastal Commission hearing regarding the City's bike trail lights. The Community Development Director went over the schedule, the participants and the plans that are currently in place. He told the Council that Sand City is financially maintaining the bike trail and paying for the electricity for the lights. He said he feels as though the City is being penalized for doing a good deed. He said that Mr. Zander does not see a biological impact and he will be prepared to speak at the Coastal Commission hearing on December 13th. The City should have about 15 minutes, which will include a slide presentation. Staff will continue to work on the itinerary and the speeches.
- B. The City Engineer met with consultant Martin Feeny. Mr. Feeny will assist staff with the desalination project. The Community Development Director reported to the Council that he and the City Administrator teleconferenced with Ed Ghandour. Mr. Ghandour is thinking about re-submitting another application to the City for a scaled-down resort application. Mr. Ghandour plans to get out of bankruptcy, and negotiate with all of his creditors, including the City.

AGENDA ITEM 10, NEW BUSINESS

The City Council agreed to cancel the January 2, 2007 meeting due to the Holiday schedule.

- B. The City Clerk reminded the Council of the League sponsored celebration for newly elected and re-elected Mayors and Council Members at Seascap on December 11th; and the League sponsored 2007 Mayor and Council Member Academy Leadership Institute in January 2007.
 - C. The City Clerk presented the Canvassing of the Votes from the new Acting Registrar of Voters, Claudio Valenzuela that was received last Thursday.
1. Motion to approve **the City RESOLUTION Canvassing the November 7, 2006 General Election** was made by Council Member Blackwelder, seconded by Council Member Morris. AYES: All Council Members. NOES: None. ABSENT: None. ABSTAINED: None. Motion Carried.


2. Swearing-In Ceremony of New City Council:

The City Clerk performed the swearing-in ceremony of the elected officials as a result of the November 7, 2006 general election:

David K. Pendergrass, Mayor
Craig Hubler and Jerry Blackwelder, Council Members

AGENDA ITEM 10, ADJOURNMENT

Motion to adjourn the meeting was made by Council Member Blackwelder, seconded by Council Member Hubler to the next regularly scheduled Council meeting on December 19, 2006. There was unanimous consensus of the City Council to adjourn the meeting at 8:41 p.m. and proceed with the reception in honor of the newly elected City Council.



Linda K. Scholink, City Clerk