

MINUTES
JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY

City Council Meeting
Regular Meeting-March 1, 2005
7:00 pm

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

Reverend Snyder led the invocation.

Police Chief Klein led the Pledge of Allegiance

Present: Council Member, Jerry Blackwelder
Vice Mayor, Mary Ann Carbone
Council Member, Craig Hubler
Council Member, Michael Morris
Mayor Pendergrass

Staff: Kelly Morgan, City Administrator
Michael Klein, Police Chief
Steve Matarazzo, Community Development Director
Jim Heisinger, City Attorney
Stan Kulakow, City Engineer
Linda Scholink, Interim City Clerk

AGENDA ITEM 4, COMMUNICATIONS:

- A. Additional written communications distributed to the City Council this evening included a staff memo from Chief Michael Klein on item 5-I (Response to 2004 Monterey Grand Jury); Herald article on Desal-Water-Housing and Assemblyman Lairds' proposed Bill No. 1421; and a Salinas Californian article on Developer Gerry Kehoe.
- B. The floor was opened at 7:03 p.m. but there were no oral communications from the public. The Mayor commended Vice Mayor Carbone for her quick action and response to a Granite Rock truck overturning. She was instrumental with getting the driver out of the truck safely and helping administer first aid. The Mayor also pointed out the ad that Sand City had placed in the "Film Commission Night" agenda for the Academy Awards was with Clint Eastwood and Million Dollar Baby, that happened to win Best Picture of the Year.

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 Councilmember 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 compliance 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 #194, Mrs. Morrow (Mobile Home), 445 Orange Avenue
 - (2) CUP #195, Alfa Etc. Inc/Thomas Gunter (Auto Repair), 543 Elder Avenue
 - (3) CUP #295, David Wilson (Open Storage), Park & Fell Streets
 - (4) CUP #342, Chris Dinner/Dwayne Arnold (Sheetmetal Shop & Electrical Contracting) 720 Dias Avenue
 - (5) CUP #389, Loren Speck/Loren Speck Framing & Gilding Studio (Framing), 591 Ortiz Avenue
 - (6) CUP #390, Brad Klemek/GFI Pest Control (Office/Storage), 605 Redwood Avenue
 - (7) CUP #410, Sand City Public Works (mobile office trailer), Sylvan Park
 - (8) CUP #415, Jose Rosa (Radio Station), 495 Elder Avenue
 - (9) CUP #427, Knox Roofing (Office/Showroom/Storage), 414 Orange Avenue
 - (10) CDP #97-02, Sal Lucido & David Hernandez/D&S Painting (Contractor Warehouse and 2 Apartment Units), 460 Orange Avenue
- B. There was no discussion of the November 16, 2004 Minutes.
- C. There was no discussion of the Monthly Fort Ord Reuse Authority (FORA) Report, February 2005.
- D. There was no discussion of **City RESOLUTION Granting a 90-Day Time Extension of Conditional Use Permit #450 for Glass Mosaic Tile & Marble, at 1855-B East Avenue.**
- E. There was no discussion of **City RESOLUTION Honoring Frank Geisler as the Monterey Peninsula Chamber of Commerce (MPCC) 2004 Robert C. Littlefield Award Recipient.**
- F. There was no discussion of **City RESOLUTION Honoring Theresa Canepa as the MPCC Public Official of the Year 2004 Recipient.**
- G. There was no discussion of **City RESOLUTION Honoring Clay C. Larson as the MPCC 2004 Citizen of the Year Award Recipient.**

- H. There was no discussion of **City RESOLUTION Honoring the Monterey Bay Aquarium as the MPCC 2004 Business of the Year Award Recipient.**
- I. There was no discussion on Sand City's Responses to the Final Report of the 2004 Monterey County Grand Jury.

Motion to approve Consent Calendar was made by Council member Carbone, seconded by Council member Hubler. AYES: All Council members. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried unanimous.

AGENDA ITEM 6, CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR

There were no items pulled from the consent calendar.

AGENDA ITEM 7, OLD BUSINESS:

- A. The Mayor led the discussion of the FORA Draft Highway 1 Corridor Design Guidelines. The first vote for the Draft Highway 1 Corridor Design Guidelines has already taken place, and the second vote is scheduled for March 11th. The Mayor asked that the City Engineer work on signage for the City of Sand City, to include a California Avenue exit sign on the freeway.
- B. The Community Development Director gave an Update of the Coastal Commission Appeal of the Sand City Desalination Project. He reported that the City Engineer and he had met with Diane Landry the district manager at the regional office of the Coastal Commission in Santa Cruz about two weeks ago. They went over minor issues and guidelines for desalination plants. He felt that they support our plant. He reported that Sand City followed their guidelines to a "T".
The EIR for the water project is now non-challengeable, we have gone through the 30 day statute of limitations, and our certified EIR is good.
- C. The City Engineer reported on that bike trail lighting project started this week. The electrical conduit is being installed underground by Directional Drilling. He said the contractor was not moving as fast as the contractor had thought they would. He is expecting completion by early April. He also reported on the Holly/ California intersection. It deteriorated primarily because of excessive water run-off. It would cost approximately \$80,000, to repair the street, extend the storm drain and repair the intersection with curb and gutter. The City could chose to do a quick fix now, remove around 900 square feet of pavement and re-pave the area.

He gave three proposals, costing between \$4,200 and \$5,400. The City Engineer recommended the middle proposal which cost \$4,900 and he said it could be completed in about two weeks. The Council gave consensus to go ahead with the quick fix that cost \$4,900.

The City Administrator reported that he and the Community Development Director had met with Frank Lathanski from MST, and Frank apologized for the letter he had sent to the City. They discussed a \$25,000 annual contribution with a 3% increase each year, and to split the cost of refurbishing the shelters and MST would take over the ownership of the shelters. After further discussion with the Council it was decided to offer \$10,000 annually with a 3% annual increase given the fact it was coming from our general fund and given our past excessive financial support. The City would pay for 1/2 the cost to refurbish the bus shelters and after that the bus shelters belong to MST.

AGENDA ITEM 8 , NEW BUSINESS

- A.** The Community Development Director presented the resolution that includes the current remaining unencumbered water supply reserve of 1.516 acre feet per year shall be reserved by the Agency for purposes of advancing the goals and objectives of the Redevelopment Plan. To that end, it is recognized that the retention and expansion of the Sand Dollar and Edgewater shopping center retail businesses are of top priority and warrant first call on this unencumbered water reserve. Motion to approve **RESOLUTION Adopting Policy on Future Water Allocations to be Reserved by the Redevelopment Agency** by title only was made by Council member Blackwelder, seconded by Council member Carbone. AYES: Council member Pendergrass, Blackwelder, Carbone, Hubler, Morris. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried unanimous.

B.

(Due to the 500 foot rule, Council Member Morris stepped down)

Community Development Director presented the **Redevelopment Agency RESOLUTION Reserving a 0.246 Acre-Foot Water Credit to Costco Wholesale For An Expansion of Their Facility at 801 Tioga Avenue in Sand City.** Motion to approve was made by Council member Hubler, seconded by Council member Carbone. AYES: Council member Pendergrass, Blackwelder, Hubler, Carbone. NOES: None. ABSENT: None. ABSTAIN: Council member Morris.

(Council member Morris returned to the dais)

- C.** City Administrator presented the **RESOLUTION Supporting Legislation Amending the Americans with Disabilities Act to Require Notice**

to Filing a Lawsuit. Motion to approve by title was made by Council member Blackwelder, seconded by Council member Morris. AYES: Council members Pendergrass, Blackwelder, Carbone, Hubler, Morris. NOES: None. ABSENT: None ABSTAIN: None. Motion passed unanimously.

- D. The City Administrator reported to the Council that the service agreement with Susan McCabe is for \$25,000. That should cover about three months of her services. She will provide assistance with the coastal appeal of our water project. Staff was instructed to request that she submit with her billings the hours and detail of the work performed. In response to Council Member Morris this item would be incorporated into the budget during the budget review process. A motion to approve **RESOLUTION of the Sand City Council Approving a Service Agreement with McCabe & Company Related to Coastal Commission Appeal of the Sand City Water Supply Project** was made by Council member Blackwelder, seconded by Council member Hubler. AYES : Council members Pendergrass, Blackwelder, Carbone, Hubler, Morris. NOES: None. ABSENT: None. AYES: None. Motion carried unanimous.

E.

(Agency Board Members Blackwelder and Hubler stepped down due to the 500 foot rule)

The Community Development Director reported to the Agency Board that staff has been working on the DDA for the last 18 months with Al Saroyan and Pat Corrigan, Design Center LLC. Mr Corrigan is here tonight to discuss some of the terms of the DDA. The drawings presented are preliminary, and the Design Review Committee has to go through their process still. The developer will pay the Redevelopment Agency \$1,885,000. for approximately 2.6 acres on the old Robinette site at the end of Hickory. This proposal is for a 4 story building with the first two stories commercial, retail on the bottom, probably offices on the second, and then the two floors above would be for residential use. The developer is to provide 10 housing units at low to moderate income rents for a period of at least 55 years. A small easement area shall be reserved to the City for a potential parking structure on adjacent, vacant lots. A public easement shall be granted to the City in the plaza area for public purposes. The City will reserve 5.199 acre feet of water for the building to be constructed. The Agency shall provide a subsidy of \$202,110, which can be taken off the purchase price for 5 of the affordable residential units. Project construction is to begin no later than December of this year. Staff is concerned with a recent email from their attorney, that suggested the subsidy was low and staff is concerned with this kind of comment coming in so late in the negotiations. Staff suggested, if needed, the City could have the property reappraised and see what the true subsidy of the sale is.

Mr. Corrigan addressed the Council, stating he wanted to bring the Council up to date. He said the working drawings are getting closer and they hope to be breaking ground this year. Regarding the subsidy, they wanted to look at it three years from now, or five years from now and see what market rents are three to five years from now. He said he would agree with the DDA as it is now, as long as they could look at the rents again in 3-5 years. If rents have gone up in that period of time, then he thinks they would need to be compensated for that. The Community Development Director responded by telling him that rents they charge can be reviewed and adjusted each year. The Monterey County Housing Authority (or similar agency) will send a report, which will show the maximum amount chargeable for rent each year. The City Attorney reported that if the project is not started by the end of the year, then the City can buy it back. He also told Mr. Corrigan that he had 30 days to work any issues out in regards to the project, before it comes back to the Council on April 5th, 2005.

(Agency Members Blackwelder and Hubler returned to the dais)

- F. Mayor Pendergrass reported that the Monterey Chamber of Commerce Awards Ceremony was going to take place next Saturday.

AGENDA ITEM 9, 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 (1 case) - CalAm Water v. Seaside, Sand City et al.
- B. Closed Session was not held.

AGENDA ITEM 10, ADJOURNMENT:

- A. Motion to adjourn was made by Council member Morris, seconded by Council member Blackwelder, to the next regularly scheduled City Council meeting on March 15, 2005, 7:00 p.m. There was unanimous consensus of the Council to adjourn at 8:30 p.m.



Linda Scholink, Interim City Clerk