

MINUTES
JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY
City Council Chambers
Regular Meeting-APRIL 19, 2005
7:00 PM

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

There was no invocation.

The pledge of allegiance was led by Police Chief Klein.

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

Staff: Kelly Morgan, City Administrator
Michael Klein, Police Chief
Steve Matarazzo, Community Development Director
Jim Heisinger, City Attorney
Stan Kulakow, City Engineer
Charles Pooler, Associate Planner
Connie Horca, Deputy City Clerk

AGENDA ITEM 4, COMMUNICATIONS:

- A. Additional written communication distributed to the Council this evening included a memo on Salary Adjustments, (Item 9C), and a Regional Leadership Forum notice, (Item 9 D).
- B. The floor was opened at 7:05 p.m. There were no comments from the from public. Mayor David Pendergrass welcomed James Patty who had just been sworn in as Sand City's newest officer. Vice Mayor Carbone reported on a fund raiser sponsored by Community Human Services promoting kids staying in school and abstaining from drugs to be held on Wednesday April 27th at Everett High School in Salinas, tickets are available if anyone would like to attend. The floor was closed at 7:07 p.m.

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. There was no discussion of the April 5, 2005 Minutes.
- B. There was no discussion of the City/Redevelopment Agency Financial Report for January 2005.
- C. There was no discussion of the City/Redevelopment Agency Financial Report for February 2005.
- D. There was no discussion of City **RESOLUTION Declaring May 2005 as Clean Air Month in the Monterey Bay Region.**
- E. There was no discussion of City/Redevelopment Agency Quarterly Treasury Report for September 2004.
- F. There was no discussion of City/Redevelopment Agency Quarterly Treasury Report for December 2004.
- G. There was no discussion of the Monthly Fort Ord Reuse Authority (FORA) Report, April 2005.
- H. There was no discussion of Police Department Monthly Activity Report, March 2005.
- I. There was no discussion of City **RESOLUTION Granting a 90-Day Time Extension of Conditional Use Permit #426 for Brad Harbor of Harbor Concrete regarding his concrete business within an existing fenced yard at the end of Fir Avenue.**
- J. There was no discussion of City **RESOLUTION Granting a 90-Day Time Extension of Conditional Use Permit #432 for Andrew Perez D.B.A. Advanced Towing regarding storage use at 841 Fir Avenue.**
- K. There was no discussion of City **RESOLUTION Granting a 90-Day Time Extension of Conditional Use Permit #434 for Gordon Rudy, D.B.A. Budget Truck Rental, regarding storage use at 840 Tioga Avenue.**

Motion to approve Consent Calendar was made by Council member Carbone, seconded by Council member Blackwelder. AYES: Council members Blackwelder, Carbone, Pendergrass, Hubler, and Morris. NOES: None. ABSENT: None. ABSTAINED: 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:

{ Council Member Blackwelder and Hubler stepped down due to the 500 foot rule }

- A. Associate Planner, Charles Pooler presented the Resolution amending Conditional Use Permit 441 for Steve Avila regarding a mixed-use building at 549 Elder Avenue in Sand City. Mr. Avila discovered that there were framing and structural issues in complying with the 18-foot requirement. The building frame currently has a 17-foot wide opening between the masonry supports. Substantial financial costs would be required from the applicant in order to comply with the 18-foot requirement. The amendment is in regard to changing door width requirements from 18 feet to 17 feet.

7:12 Floor opened to public comment

The applicant, Steve Avila expressed his concurrence with the recommended amendment with exception to the requirement of two 8-ft doors instead of one 17-foot door, stating that it would be easier for tenants to come in and out of one large opening as opposed to two.

7:15 Floor closed to public comment

Community Development Director, Steve Matarazzo, commented that the building would be more attractive with two openings, but conceded to the vehicle back-out issue of one garage door opening. City Attorney, Jim Heisinger referred to condition 5 of the amendment, page 95 of the Council agenda packet, to strike out second full sentence.

Motion to approve **RESOLUTION of the City Council of Sand City Approving an Amendment of Conditional Use Permit 441 for Steve Avila regarding a Mixed Use Building at 549 Elder Avenue** as amended was made by Council member Morris, seconded by Council member Carbone. AYES: Council members Pendergrass, Morris, Carbone NOES: None ABSENT: None. ABSTAIN: Councilmembers Blackwelder and Hubler.

- B. The Community Development Director presented the redevelopment agency resolution to adopt a Mitigated Negative Declaration (MND) for the

Design Center Development and Disposition Agreement (DDA). The project is proposed for the Robinette Site on the southerly terminus of Hickory at Ortiz Avenue. It has been a major goal of the Redevelopment Plan and the 5-Year Implementation Plan to implement a mixed-use project on this site. Mr. Saroyan and his partner have proposed an attractive four story project. A staff update is included in the packet, which was reviewed by the Design Review Committee. A few local residents have commented on the project with generally favorable responses. The project would include 28,000 square feet of office and retail on the first two floors and 30 units of apartments on the third and fourth floors. Reference was made to the environmental initial study in regard to traffic generation of the project. Some elements of the DDA that were reported last month, are that the developer will pay a net 1.6 million dollars to the agency for the property. In exchange he will be required to build a project, to provide 10 of the 30 residential units at affordable rent, he is given until December 31, 2005 to begin construction, and the developer can not transfer the ownership of the Robinette Site before the project is completed without the approval of the agency. He is also required to reserve an easement over the plaza area for public use and easements for future parking. The agency has secured approximately 4.2 acre feet of historical water use for the site. Mr. Matarazzo read into the record several changes and/or clarifications of the initial study.

7:28 Floor opened to the public.

Al Saroyan (contractor/developer), presented the design which started in June of 2002. He has been working with city staff to design a project that was appropriate for the community. The site consist of one 4- story building with approximately 80,000 square feet of floor area. The top two floors are residential dwellings, with the bottom two floors serving as office & retail spaces. The upper apartments will consist of 1 & 2 bedroom units and studio units. The proposed building will have a central plaza with a large sculpture as a focal point and a gathering place for the community. The corner of the courtyard will have sitting areas and trees. There will be two interior atriums. The atrium will be lighted with skylights above. The site has an abundance of parking with 48 stalls located in the railroad right of way. The Design Review Committee suggested that the darker accent color scheme would accentuate a portion of the building and this new color scheme was shown. Mr. Saroyan explained the detailed architectural design of the exterior of the building.

There was no further comment from the Public.

8:12 Floor closed to Public Comment

Mayor Pendergrass asked Mr. Saroyan why the building is called the Design Center. Mr. Saroyan replied that the theme of the retail space is commercial and retail elements that would support the design and construction trade, for example: a high end hardware store, plumbing fixtures, lighting fixtures, possibly granite and/or marble showrooms which would be on the ground floor. The second floor would be space available for catalog showrooms, smaller 1-2 person operations that would need smaller/showroom offices that are design oriented, possibly a fabric store or carpet outlet that would be part of the design concept. In addition the second floor would be an ideal location for artists, architects and designers. Council member Morris commented that there are not very many high end commercial/retail businesses and that it would be an ideal location for this type of project. The Mayor stated that it would be nice to have some kind of memorial of the former Sand Plant to display.

The City Attorney, Jim Heisinger made changes to section 7.2 adding a last sentence. It was agreed that 15% of units should be affordable in the second phase. He also referenced the date of the beginning of construction that should be later in the year. The words, "best efforts" was replaced with what lawyers call major clause, the concept that if anything happens beyond the Design Center's control, commonly called Acts of God, Mr. Saroyan may be excused from the date that he must begin construction. Mr. Saroyan agreed to both these changes. Council member Morris pointed out that in paragraph 3 page 191 of Council agenda packet (Option Agreement) that the words "best efforts" needed to be changed as well. The subject of adequate parking was discussed and the space available projecting into the railroad right of way will need to be leased from TAMC. Council member Carbone referred to the design of the building and asked about where deliveries for merchandise going into the building will be located. Mr. Saroyan pointed out that most of the deliveries would be from the back of the building and would possibly include a loading dock into the design.

By consensus, a special meeting of the City Council will be held on **Tuesday, April 26, 2005 at 6:00 p.m.** to act on the Development and Disposition Agreement.

Motion to approve **RESOLUTION of the Sand City Redevelopment Agency Adopting a Mitigated Negative Declaration (MND) for the Design Center Development and Disposition Agreement (DDA)** with note that on page 104, the date will change to April 19, 2005 was made by Council member Morris, seconded by Council member Carbone. AYES: Council member Pendergrass, Morris and Carbone. NOES: None ABSENT: None ABSTAIN: Council member Blackwelder and Hubler.

{ Council members Blackwelder and Hubler returned to the dais }

AGENDA ITEM 8, OLD BUSINESS:

- A. Stan Kulakow, City Engineer reported that the Bike Trail Lighting is essentially finished with a few items remaining to be installed. The completion date should be within the week and a grant funding request will be submitted. Council member Morris commented that it was a great job and the contractors were really clean. Stan will look into the work on the tiles that was installed on East Avenue, where the run off meets the street gutter.

Community Development Director, Steve Matarazzo reported on the meeting he attended last Tuesday with the Department of Water Resources (DWR) to discuss our preliminary rating on the Prop 50 Grant in which we requested \$5 million dollars for the desal project. Sand City was ranked 4th out of 3 construction projects that received funding. We were the fourth in line, and our ranking was not high enough to receive funding. Steve made an appeal for re-consideration and after the meeting, the DWR representative mentioned that we did really well and that we look very good for the next funding cycle, some time next year which will be for \$ 21 million. A letter of appeal was sent in support of our project. Council member Morris asked how much did the other projects received by way of funding. The grants were for approximately \$7 million, half of what they requested.

In other business, Steve Matarazzo noted that Rick Himan, of the coastal staff, has been assigned to work on Sand City's desal project.

AGENDA ITEM 9, NEW BUSINESS

- A. The City Administrator made some introductory comments on the AMBAG Population Forecast calling attention to Table A on page 7 which showed the population of other cities and the forecast that several cities in the Monterey Peninsula will decrease in population. Cities like Soledad and Salinas, will have large increases in population within the next ten-thirty years. Sand City was ranked the lowest. Community Development Director, Steve Matarazzo, pointed out that these figures will be translated into housing numbers, and projected growth will be difficult without water. If Sand City receives water project approval, the figures should be revised to reflect a change in the population projection.

- B. Mayor Pendergrass suggested that Sand City hold a four hour workshop with Jeanna Jett, our Human Resources Consultant on, "Interest Based Problem Solving", which would include whichever topic the council would like to discuss. City Administrator, Kelly Morgan mentioned that we should include a topic involving policy components such as the agreement with the South of Tioga project or the Fire Services Agreement which will be up for renewal. This particular technique on problem solving is currently being utilized in the City of Marina which seems to be working. Council member Morris commented that a four hour workshop should be used for any unresolved issues. It was agreed that discussion on the workshop will be continued to the May 17th Council meeting. The City Administrator will contact Jeanna Jett, and request that she make a brief presentation at the May 17th Council meeting in regard to the "Interest Based Problem Solving" workshop.
- C. City Administrator, Kelly Morgan presented the resolution for salary adjustments for the Police Officers Association, Miscellaneous Non-Exempt City Employees and Exempt Management Employees, which included the various adjustments recommended by the Budget/Personnel Committee. Council member Morris expressed his concern in regard to the salary increases and wanted more specific numbers in relation to the PERS 3% at age 60 costs. The actual amount was not reflected in the report which should include the salary adjustment and the COLA increase as one figure, and the amount in which that figure would increase on a yearly basis. Kelly Morgan pointed out that the 16% salary adjustment for Exempt Management Staff will be spread out over a period of three years and not in one year. The 3% @ 60 was included in the approved budget referred to on page 227 of the Council agenda packet, and had previously been approved by the City Council. Jim Heisinger, suggested that the Police Officers Association needed to be based on a salary basis and not on a total compensation basis. Council member Morris would like to contact Robert Garret to re-do the salary survey and include the 3% @ 60 PERS as part of the total compensation package. There was no action taken and council will reconsider this agenda item at the May 17th Council meeting.
- D. The Deputy City Clerk, Connie Horca, brought to the attention of the Council the Eighth Annual Celebration of Community event to be held on Wednesday, April 27th at 7:00 p.m. Interested individuals wishing to attend should confirm by Friday April 22, 2005. Future events will be brought to the attention of the Council as the date approaches.

AGENDA ITEM 10, CLOSED SESSION

- A. It was determined 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 Pendergrass. Seconded by Council member Carbone to the special scheduled meeting on April 26, 2005, 6:00 p.m. There was unanimous consensus of the City Council to adjourn at 9:15 p.m.



Connie Horca, Deputy City Clerk