

**MINUTES FOR  
JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY  
City Council Chambers  
Regular Meeting- AUGUST 2, 2005  
7:00 P.M.**

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Mayor Pendergrass opened the meeting at 7:03 p.m.

Reverend Steve 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  
J. Michael Klein, Police Chief  
Jim Heisinger, City Attorney  
Steve Matarazzo, Community Development Director  
Richard Simonitch, City Engineer  
Linda Scholink, City Clerk

**AGENDA ITEM 4, COMMUNICATIONS:**

A. The additional written communications distributed to the City Council this evening included a memo from the Mayor addressing the FORA Membership dues and a breakdown of dues and subscriptions by department.

B. The floor was opened to Public Comment at 7:05 p.m.

Burke Pease made a presentation to the Council on "Monterey on Ice" being proposed at the Monterey County Fairgrounds from Thanksgiving through New Year's Day 2006.

Nancy McClintock made a presentation to the Council regarding "Health Care for All".

The Mayor recognized and commended Jerry Lomax as being written up in the Architectural Digest Magazine.

The floor was closed at 7:22 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 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 #257, Precision Porsche (Auto Repair), 475-A Olympia Avenue
  - (2) CUP #317, Rick's Auto Upholstery (Auto Upholstery), 713 Dias Avenue
  - (3) CUP #334, Bob Hayes (Auto Repair), 336 Orange Avenue
  - (4) CUP #345, James Obara (Mobile Home), 770 Tioga Avenue
  - (5) CUP #370, Economy Cleaners (Dry Cleaners), 840 Playa Avenue
  - (6) CUP #378, Carmel Glass Company (Glass Contractor), 613-B Ortiz Avenue
  - (7) CUP #388, Sanctuary Rock Gym (Recreation), 1855-A East Avenue
  - (8) CUP #396, McDonald's Restaurant (Fast Food), 990 Playa Avenue
  - (9) CUP #0404, Jaguar/Landrover (Storage Yard). Railroad Right of Way
- B. This item was pulled to explain some minor corrections.
- C. The voting delegates for the 2005 League of California Cities Annual Conference will be Mayor Pendergrass and Vice-Mayor Carbone as the alternate.
- D. The claim filed by Peter Aliotti filed 7/18/2005, for \$423.41-\$888.90 was denied and referred to the City's Claim Adjuster. The claim is based on alleged damage to vehicle from a pot hole located at the corner of Holly and Dias in Sand City.

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

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

- B. The City Clerk noted corrections to the July 19<sup>th</sup> City Council minutes. Motion to approve the minutes was made by Council member Blackwelder, seconded by Council member Morris. AYES: All Council members. NOES: None. ABSENT: None. ABSTAINED: None. Motion Carried.

**AGENDA ITEM 7, OLD BUSINESS:**

***{Due to a possible conflict of interest by residing within 500' of the project area, Council Member Morris stepped down from the dais}***

Chris Orosco representing DBO Development made a presentation to the City Council on the South of Tioga Project. The real difficulty has become supply and demand issues for retail commercial in this area. It would take a lot of "gap" financing at this point to compete with the City of Marina for land costs. Bev & More has made some additional changes to their deal that has made it impossible to complete at this time. The current project is now projected as a smaller neighborhood type retail, more like Stone Creek in Del Rey Oaks, on a smaller basis. This would be combined with about 90 homes ranging from 2,000 - 2,400 square feet. There would be approximately 8 ½ homes on each acre. The houses would sell for approximately \$800,000. With this type of development they don't have to wait for the larger commercial commitments to get started. It will take approximately twelve months for the Environmental Impact Report, (EIR) to be completed. They hope to have the EIR before the Council this time next year. The increase in revenue to the Agency in tax increment should be about \$400,000 a year. The Sales tax should be an additional \$75,000 annually. The commercial component would be 12,000-15,000 square feet and 7-8 tenants, without a major anchor store. The water issues will limit the number and type of restaurants that will be included in the plan. They would like to start the EIR after they receive feedback from the Council and staff.

The Community Developer expressed his interest in seeing the Seaside Coastal architectural style used within the development.

***{Council member Morris returned to the dais}.***

- B. The City Administrator reported to the Council that staff had met with Cal-Am and this was about the tenth meeting that has taken place. The possibilities of working with Cal-Am could make the project much easier to complete. With the projected water supply from the desalination plant the City could give back up to 116 acres of Cal-Am water for the Carmel River. Sand City could be the first agency to put water back into the River. Cal-Am will be paying for all the water design, building, production and operations. It would produce 300 acre feet of water and Cal-Am would

pay Sand City enough to cover the debt incurred by the City. There would be no change in rates to Sand City customers to begin with. The engineering costs are 1/5 the cost in Spain as they are here. The City Administrator went over the financing options. It was reported that the City Council and City staff have been working on this project since 1998.

- C. The City Engineer reported to the Council that he is developing preliminary estimates and schedules for the Parking Lot behind City Hall and the Slurry Seal for selected streets. The Community Development Director reported on the bike trail lighting and the Coastal Commission letter that stated, "they find the lights are too high". He is hoping for a minor permit amendment. There is a meeting set up this week with U.S. Fish and Wildlife regarding the desalination plant, and he will ask them for their view on the bike trail lighting.

#### **AGENDA ITEM 8, NEW BUSINESS:**

- A. The Budget Committee Chairman, Council member Blackwelder, addressed the Council, and stated that there was consensus to approve the budget with some recommendations. Those recommendations were to insure that enough money is being budgeted for infrastructure and improvements. He requested that the Council and staff be provided schedules and updates of those projects.

Council member Morris added that he was still concerned with the PERS benefit and the possibility of putting a cap on the City's contribution. The City Attorney and the City Administrator responded that any increased PERS benefit would have to be approved by the Council in a Resolution before it could be implemented. Council member Morris added that he thinks the donations and contributions should be reviewed annually, and any additions should go before the Council on the consent calendar.

Motion to approve **City RESOLUTION Adopting the Preliminary Combined City and Redevelopment Agency Budget for Fiscal Year 2005-2006** was made by Council member Blackwelder, seconded by Council member Morris. AYES: All Council members. NOES: None. ABSENT: None. ABSTAINED: None. Motion Carried.

- B. Motion to approve **Redevelopment Agency RESOLUTION Adopting the Preliminary Combined City and Redevelopment Agency Budget for Fiscal Year 2005-2006** was made by Agency member Blackwelder, seconded by Agency member Hubler. AYES: All Agency members. NOES: None. ABSENT: None. ABSTAINED: None. Motion Carried.

- C. Motion to approve **City RESOLUTION Establishing an Appropriations Limit for Fiscal Year 2005-2006 Pursuant to Article XIII B of the California Constitution** was made by Council member Hubler, seconded

by Council member Blackwelder. AYES: All Council members. NOES: None. ABSENT: None. ABSTAINED: None. Motion carried.

- D. The City Clerk received responses for the Upcoming Meetings/Events

**AGENDA ITEM 9, CLOSED SESSION:**

- A. 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 (1 case) - CalAm Water v. Seaside, Sand City et al
- B. The City Council Re-adjourned 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. There was no action taken.

**AGENDA ITEM 10, ADJOURNMENT:**

- A. Motion to adjourn was made by Council member Blackwelder, seconded by Council member Morris, to the next regularly scheduled City Council meeting on August 16, 2005, 7:00 p.m. There was unanimous consensus of the City Council to adjourn at 8:55 p.m.

  
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Linda Scholink, City Clerk