

**MINUTES**  
**JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY**  
**City Council Chambers**  
**REGULAR MEETING-DECEMBER 6, 2005**  
**7:00 P.M.**

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

Reverend Synder led the 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  
Linda Scholink, City Clerk  
Charles Pooler, Associate Planner

**AGENDA ITEM 4, COMMUNICATIONS:**

- A. No additional written communication was distributed to the Council.
- B. The floor was opened to Public comment at 7:01 p.m.

Jim Vossen, (Program Director, KNRV): Distributed a Historic "News Talk" AM 1240 KNRV letter to the Council, thanking them for the current contract. He stated that he would like to come back to the Council with a formal proposal to bring back the "Why Shop Anywhere Else" campaign. The Council advised him to submit his proposal to the Budget/Personnel Committee.

The Mayor reported about the new art exhibit, "Shattered Ice" and expressed his appreciation to the Arts Committee, Deidre Bascou, Johnny Apodaca, and Chief Klein.

The floor was closed to Public comment at 7:10 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. There was no discussion of November 15, 2005 Council Meeting Minutes.
- B. There was no discussion of City/Redevelopment Agency Financial Report, October 2005.
- C. There was no discussion on the Approval of a \$4,000 Budget Adjustment for Increased Education Revenue Augmentation Fund (ERAF) Payment (Increase from \$90,000 to \$93,595.06 for FY 2005-2006).
- D. There was no discussion of City RESOLUTION Authorizing the Purchase of a Copy Machine from IKON Office, Inc.
- E. There was no discussion of the Approval of City and Redevelopment Agency Treasury Report, September 2005.
- F. There was no discussion regarding the Approval of Volunteer Reserve Officer Chaplin for the City of Sand City Police Department.

Motion to approve Consent Calendar was made by Council member Carbone, seconded by Council member Hubler. 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, PRESENTATIONS**

- A. Cecil Robbins, representative of Hayashi & Wayland presented the Audited Financial Statements for the Year Ended June 30, 2005 and the Independent Auditors Report for the City of Sand City and the Redevelopment Agency. Mr. Robbins reported that he and Therese Courtney had met with the Budget/Personnel committee for several hours and reviewed the audit report in detail. They rendered a "Clean Opinion" on the audit, and reported that the City is in good financial shape. The assets for the City exceeded its liabilities at the close of the fiscal year ending June 30, 2005. The Summary of the Net Assets shows an increase of over \$2 million in cash and over \$1.3 million in housing set aside, with a decrease of over \$1.1 million in capital assets. Most of these changes were due to the sale of the Robinette property. He reviewed the Economic External Factors that have impacted the City's economy and finances, and added City staff was very cooperative.

The Mayor extended his appreciation to the auditors.

- (1) A motion to approve **Resolution of the City Council of the City of Sand City Accepting the Audited Financial Statements for the Year Ending June 30, 2005 and Independent Auditor's Report** was made by Council member Morris, seconded by Council member Blackwelder. AYES: Council members Blackwelder, Carbone, Pendergrass, Hubler and Morris. NOES: None. ABSENT: None. ABSTAINED: None. Motion carried.
- (2) A motion to approve **Resolution of the Sand City Redevelopment Agency Accepting the Audited Financial Statements for the Year Ended June 30, 2005 and Independent Auditor's Report** was made by Agency member Blackwelder, seconded by Agency Morris. AYES: Agency members Blackwelder, Carbone, Pendergrass, Hubler and Morris. NOES: None. ABSENT: None. ABSTAINED: None. Motion Carried.

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

- A. Associate Planner, Charles Pooler presented **City RESOLUTION Approving Conditional Use Permit 469 and Site Permit 05-06 Authorizing General Site Plan Design and Mixed Use of Property at 448 Orange Avenue**. An application was submitted by Daniel Clark to develop a new mixed-use building with a retail use at 448 Orange Avenue. The project will demolish an existing residence in preparation of a new 3-story mixed-use building. The applicant also proposes to locate his business, Surfwarez.com, into the commercial segment of the building upon completion. The project requires architectural approval and site plan review by the Design Review Committee (DRC) and the City Council to endorse the use proposed and the general configuration of the site plan. The site plan permit is to authorize the general overall design of the site. Staff recommends approval of the Condition Use Permit and Site Plan Permit to Daniel Clark authorizing 1) the development's site plan for the proposed mixed-use project, as conditioned, and 2) operation within the commercial unit at the subject property upon construction completion.

7:46 P.M. Floor opened to Public Comment

Daniel Clark, (applicant): Addressed concerns that the business could overflow into the residential garage, and take parking away from the tenant. There was discussion between Council, staff and Mr. Clark regarding the garage and parking issues.

7:53. P.M. Floor closed to Public Comment

The Community Development Director, Steve Matarazzo suggested some revisions to the use permit related to prohibiting commercial expansion. Mr. Clark agreed with all of the conditions in the permit as revised. The Mayor said that it looked to be one of the nicest buildings brought before the Council. Motion was made by Council member Blackwelder to approve the Resolution as Amended, seconded by Council member Hubler. AYES: Council members Blackwelder, Carbone, Pendergrass, Hubler and Morris. NOES: None. ABSENT: None. ABSTAINED: None. Motion Carried.

**AGENDA ITEM 9, OLD BUSINESS:**

- A. The Community Development Director reported on the November 22, 2005 meeting with Business and Property Owners. He stated that about 400 letters were mailed and about fifteen people attended the meeting. The key points discussed were the trash dumpsters and lack of parking. Olympia Street and Style Automotive present problems. It was suggested that an employee from Monterey who deals with parking in Monterey might come to Sand City and meet with the Council. Parking enforcement could be a full time job for one officer. Planning staff will check with the city attorney to determine if added regulation is needed. It was agreed that planning staff needs to do a better job during the annual use permit reviews to check on the outside appearance of the businesses to insure that use permit conditions relating to outside storage and trash are being satisfied. There was general discussion about placing a zoning enforcement/clean-up status report as a regular monthly City Council agenda item. It was also suggested the City develop a public relations newsletter, notifying all business owners of the City's goals and the need to be tidy. This newsletter could be mailed out with the business license renewals.

Council member Morris, who attended the meeting, felt it was a very productive meeting and the City should schedule and continue the process with additional meetings.

**AGENDA ITEM 10, NEW BUSINESS:**

*{Due to a possible conflict of interest by residing within 500' of the project area, Agency members Blackwelder and Hubler stepped down from the dais}*

- A. The Community Development Director asked the Council to Consider the Proposed Amendment to the Disposition and Development Agreement (DDA) requesting a 45-Day Time Extension for the Design Center Project at 625 Elder Ave. It was recommended that Section 7.4 of the DDA be revised to read, Construction. Design Center, at its sole cost and expense, shall begin construction of the Development by February 15, 2006 and complete construction within eighteen months after it is commenced.

8:16 P.M. Floor Opened to Public Comment.

Al Saroyan, (Developer/Property Owner): Explained to the Council that the building plans are close to completion and they will be submitting plans for the foundation permit soon. He said that he is truly amazed by the interest shown from the different companies that want to come into Sand City. The Design Center is looking for companies that offer everything that Home Depot does not. He already has a waiting list of people that want to live in the mixed-use building. They are hoping the ground breaking will take place in January 2006.

The Design Center may sell some of the condominiums, which will have great ocean views from the top two floors. He requested the Council to approve the 45-day extension.

Motion to approve **Resolution of the Sand City Redevelopment Agency Amending the Design Center, LLC Disposition and Development Agreement (DDA) to Allow Up to 45 Additional Days to Start Construction** was made by Agency member Carbone, seconded by Agency member Morris. AYES: Council members Carbone, Pendergrass and Morris. NOES: None. ABSENT: None. ABSTAINED: Council members Blackwelder and Hubler. Motion Carried.

*{Agency Members Blackwelder and Hubler returned to the dais}*

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

- B. The Community Development Director explained that King Ventures has filed a coastal development permit application with the City of Sand City to develop the McDonald/Sterling building envelope along Sand City's coastline. This project will require the preparation of an environmental impact report (EIR). The City is recommending entering into a contract with David Powers and Associates to prepare the EIR, and will be reimbursed by the project applicant King Ventures. The City/Agency is awaiting a payment from King Ventures that was originally due back in March 2005 for the last bond payment. Therefore, this item will be continued to the meeting in January 2006.

*{Council Member Morris returned to the dais}*

- C. The City Engineer reported that they are proceeding with the parking lot behind City Hall, and are anticipating completion by mid January. The City Administrator reported on the meeting held with the State Water Resource

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Control Board in Sacramento. Jim Heisinger said that is was a very important, positive and productive meeting. Cal-Am will be meeting with City Staff on December 19, 2005 to begin design of the desalination plant.

- D. The Council decided to cancel the January 3<sup>rd</sup> meeting due to the Holidays and scheduling. The next Council meeting will be held January 17, 2006.
- E. The City Attorney told the Council that the Cal-Am trial starts on Tuesday. They have been receiving about 300 pages of trial paper daily. Council was reminded of the Sand City Awards Banquet to be held on December 9, 2005.

**AGENDA ITEM 11, 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 CalAm Water v. Seaside, Sand City et al.
- B. Closed session was not held.

**AGENDA ITEM 12, ADJOURNMENT**

Motion to adjourn was made by Councilmember Morris, seconded by Councilmember Hubler, to the next scheduled City Council meeting on January 17, 2006, 7:00 p.m. Both the December 20<sup>th</sup> and January 3<sup>rd</sup> Council meetings were cancelled due to the Holidays and scheduling. There was unanimous consensus of the Council to adjourn at 8:46 p.m.



Linda Scholink, City Clerk