

MINUTES
JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY
City Council Chambers
Regular Meeting -April 6, 2004
7:00 PM

Mayor Pendergrass opened the meeting at 7:02 p.m.

Reverend Kast led the invocation.

Police Chief Klein led the Pledge of Allegiance.

Present: Councilmember Jerry Blackwelder
 Vice-Mayor Mary Ann Carbone
 Councilmember Craig Hubler
 Councilmember Todd Kruper
 Mayor David Pendergrass

Staff: Kelly Morgan, City Administrator
 Steve Matarazzo, Community Development Director
 J.Michael Klein, Police Chief
 Jim Heisinger, City Attorney
 Mike Bittner, Acting City Engineer
 Debra Taylor, City Clerk
 Charles Pooler, Associate Planner

AGENDA ITEM 4, COMMUNICATIONS:

- A. Additional written communications distributed to the City Council this evening included an April 6th letter from Home Depot regarding the project status with DBO Development (item 8-A); update from City Attorney on CalAm v. Seaside et al (item 10-A-1); update from attorney Tom Roth on Coos County lawsuit (item 10-A-3); and upper John Street information included updated Offer to Purchase and City Attorney memorandum on disposition process (item 10-B-4).

- B. The floor was opened at 7:06 p.m., but there were no oral communications from the public. Mayor Pendergrass introduced the new art display by photographer Kurt Jensen and announced the artist reception for Friday, April 16th, 6:00-8:00 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. 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 #67, Roy Hubbard (Mobile Home), 636 Dias Avenue
 - (2) CUP #188, Performance Automotive (Auto Body Shop), 531 Elder Avenue
 - (3) CUP #214, Nadar Agha (Apartment Building), 679 Redwood Avenue
 - (4) CUP #216, Monterey Auto Supply Inc. (Machine Shop), 371 Orange Avenue
 - (5) CUP #217, Ross Roofing (Open Storage), 1795 California Avenue
 - (6) CUP #246, Inter-City Manufacturing Inc. (Manufacturing), 501 Redwood Avenue
 - (7) CUP #253, Barry Hartzell Automotive (Auto Repair), 510 & 520 California Avenue
 - (8) CUP #405, Frances & Albert Paley (Art Studio), 1788 Holly Street
 - (9) CUP #416, Gus & Millie Randazzo (Floor Contractor), 443 Orange Avenue
 - (10) CUP #417, John Avery dba A-1 Tile (Tile Shop), 801-A Scott Street
 - (11) Variance #169, Monterey Fish Company (Encroachment), 841 Fir Avenue
 - (12) CDP #98-02, Freelance Gilding (Manufacturing), 1815-A Contra Costa Street
 - (13) CDP #99-02, Robert & Andrea Williams (Woodshop), 1 John Street
 - (14) CDP #03-01, Fastenal Company Services (Distributor), 2-A John Street

- B. There was no discussion of the City **RESOLUTION Granting a 90-day Time Extension of Conditional Use Permit 429 for Dio K. Roberts Regarding His Auto Storage Use at 842 Fir Avenue.**
- C. There was no discussion of the March 16th Minutes.
- D. There was no discussion of the monthly City/Redevelopment Agency Financial Report, February.
- E. There was no discussion of the monthly Fort Ord Reuse Authority (FORA) Report, March
- F. There was no discussion of the January 22, 2004 Arts Committee Minutes.
- G. There was no discussion of the City **RESOLUTION Authorizing a Contribution to the City of Cerritos for the Pending Lawsuit Against State of California** in the amount of \$2000.
- H. There was no discussion of the City **RESOLUTION Authorizing a Contract with Tom Roth for Work on Snowy Plover Amicus Brief** for an amount not to exceed \$6,800, plus estimated costs of \$2,000.

Motion to approve Consent Calendar was made by Councilmember Carbone, seconded by Councilmember Blackwelder. AYES: All Councilmembers. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

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

No items.

AGENDA ITEM 7, PUBLIC HEARING(S):

- A. Associate Planner Pooler presented the City **RESOLUTION to grant a time extension of CDP 02-03 for Roy Meadows and Gary Haedrich** for two years, until April 2006, for this temporary storage yard. The CDP was issued in April 2002 to allow an open storage yard within the railroad right-of-way behind their business at 650 Ortiz Avenue, and is due to expire. The original permit was for a 34' encroachment, but currently encroaches 50' into the railroad right-of-way which is allowed by TAMC.

7:10 P.M. Floor Open for Public Comment

Both applicants were present, but declined comment.

7:11 P.M. Floor Closed to Public Comment

Motion to approve Resolution, by title only, was made by Councilmember Hubler, seconded by Councilmember Carbone. AYES: All members. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

- B. Public testimony and review of suggested modification by the California Coastal Commission regarding the City's proposed Local Coastal Program (LCP) amendment [*intended for adoption by the City Council on May 18, 2004*] was led by Community Development Director Matarazzo. On March 18th the Coastal Commission unanimously approved the Sand City General Plan as it relates to the coastal zone. There were several suggested modifications which the City must act upon within the next six months in order for the approval to be certified by the Commission. Mr. Matarazzo described the ten LCPA proposed amendments/suggested modifications.

7:20 P.M. Floor Open to Public Comment

GERALD LIPORI (Commercial Property Owner): How do these changes effect renting to industrial tenants in the future? What is mixed use?

DEIRDRE BASCOU (Resident/Property Owner): Please be more partial to local businesses, not just chains or big boxes. She wants Sand City to retain it's reputation of being an "original city" without too many big box stores.

CHRIS MANN (Graniterock): They need to keep their M-manufacturing zoning designation. They oppose the Coastal Commission amendments unless it supports their zoning designation.

ROY MEADOWS (Resident/Property Owner): It seems they are down-zoning from CZ-M to CZ-MU and it could impact existing businesses. Sand City business owners have not received notices on these issues, just property owners. There should be a special meeting for local business owners to explain this rezoning.

JUDITH CRISTIANSON (daughter of property owner Keith Hall): Her father has had property in Sand City at Olympia, Orange and Catalina since 1972. Will there be a grandfather clause for existing businesses? Any information would be helpful.

RICHARD ROSS (Commercial Property Owner): He has the same concerns, especially with the Home Depot project. He has concerns on how this effects the value of his property, especially where his business is located. He also has concerns for his tenants regarding the Home Depot plans. This has posed a negative financial impact on him and he is unable to lease his properties because of the unknown factor with the Home Depot project - nobody wants a short-term lease.

7:30 P.M. Floor Closed to Public Comment

Community Development Director Matarazzo responded to each speaker, as follows: Mr. Ross will still have the same zoning designation he has now until the home improvement center project proceeds; Christianson and Meadows - there is a grandfather clause in the new mixed zoning areas for existing businesses and they can always sell to a similar type of business. He does not agree that this is a "down-zoning" and read a list of permitted uses that are more compatible to residential uses. Property owners were notified, but staff will defer to Council's decision if businesses should be notified as well. Mann - Graniterock retains it's zoning even though there may be regional commercial nearby. There was considerable discussion about this issue two years ago and the mixed use was not approved for the Graniterock property. Bascou - even some big cities (like San Francisco) are struggling with this issue because there are small boutique businesses that the City wants to keep and are considered part of the city's charm. Lipori - existing uses are legal and a similar business could replace an existing one, but a Conditional Use Permit would be required for different tenants to determine if the use would be compatible to residential use. This rezoning actually favors the property owner regarding property values because it allows alot more residential development than does prior zoning.

Mayor Pendergrass said Home Depot will be the last big box type of store for Sand City. More detailed information on business relocation issues is available from City staff. He directed staff to notify businesses of the new mixed use zoning (not just property owners) and have a staff level meeting prior to the May 18th potential action.

- C. Community Development Director Matarazzo led a workshop on the proposed West End Urban Design Plan. Improvement plans are being developed to add more parking within the West End district and beautify the streetscape. The first workshop on this design plan was held in March 2003 and a second workshop was held in October, 2003. A large portion of this project was made possible by a Planning and Technical Assistance grant from the state Housing & Community Development Department. The optimal proposal would include eight new parking lots, a parking structure at the Robinette site, and "single-loaded" perpendicular parking along the railroad right-of-way. A source of financing for this additional parking has not been determined. The City cannot perform parking administration and may require a contract with the city of Monterey. Reciprocal easement agreements between property owners and the City may be required in many instances for the new perpendicular parking and additional landscaping to be implemented. The beautification plan can proceed on a street-by-street basis. Staff is recommending the City Council accept this Design Plan in this form and when there is more funding available to proceed with design development and contract drawings should property owner cooperation be

achieved. Mayor Pendergrass said he would like to underground utilities and standardize street light fixtures in the future also.

7:50 P.M. Floor Open for Public Comment

No comments.

7:51 P.M. Floor Closed to Public Comment

Staff will present a Resolution to the City Council at the May 4th meeting to possibly accept this West End Urban Design Plan.

AGENDA ITEM 8, OLD BUSINESS:

- A. Executive Director Morgan led the discussion on the status of the South of Tioga project and Exclusive Negotiating Agreement (ENA) with DBO Development. The April 6th response letter from Home Depot was distributed this evening. The City/Agency has concerns about the delay in the project which may effect the status of the ENA. The City/Agency is also concerned about the letters received from Mediterraneo and Party Store property owners outlining problems related to these delays. City Council/Agency consensus to continue this item to the April 20th meeting.

MICHAEL KOKKINOS (Owner, Mediterraneo): This whole process is taking too long and they cannot put their life on hold while DBO and Home Depot decide. It has been a large hardship for over a year. They have been at this Tioga location for eight years and in the past twelve months are losing more and more customers because the Home Depot store has been announced for their location on Tioga. He wants to talk to a redevelopment person to get some advice.

DEIRDRE BASCOU (Resident/Property Owner): What happens if DBO and Home Depot don't come to an agreement? Does the process start from scratch again, or would there be more mixed uses?

MRS. KOKKINOS (Owner, Mediterraneo): She did not realize the ENA had a June due date. She also thought it was a foregone conclusion that DBO was going to be the developer. It is this very uncertainty that is killing them. They cannot sell their business or property with these issues hanging over their head.

RICHARD ROSS (Owner, Ross Roofing): He expressed his concerns earlier this evening, but still has issues regarding relocations. He does not want to pay for relocating his tenants. He has a contract from DBO that states the City MAY relocate businesses - will this include his tenants? What are the alternatives?

Mayor Pendergrass replied that the City has been bringing pressure to bear on the two parties and should have answers shortly. The ENA expires on June 15th and any more delays are unacceptable (he explained the ENA and process to the public). City staff are available to talk to the public about the potential project and relocation issues.

- B. Progress report on Public Works projects, City water project, and other Sand City community programs by City Engineer/Community Development Director/City Administrator. Acting City Engineer Bittner reported that the civic center wall has been poured and is curing; the forms should be removed soon and then landscaping will commence. The lighting contractor for City Hall still needs to complete the outstanding tasks.

Community Development Director Matarazzo reported that the desal Environmental Impact Report (EIR) may be ready for release in two weeks. Sand City's EIR meets criteria proposed by the Coastal Commission.

AGENDA ITEM 9, NEW BUSINESS:

- A. Upcoming events/meetings included the arts reception for exhibiting artist Kurt Jensen on Friday, April 16th, 6:00 - 8:00 p.m.

8:10 PM Recess
8:25 PM Reconvene

AGENDA ITEM 10, CLOSED SESSION:

- A. 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 (3 cases) -
 - (1) CalAm Water v. Seaside, Sand City et al (Monterey County Superior Court Case No. M66343)
 - (2) Security National Guaranty, Inc. (Case No. 03-55847-NM)
 - (3) Coos County v. Department of the Interior (U.S.D.C. Case No. 02 CV 6128 HO)

- B. Redevelopment Agency adjourned to Closed Session to confer with real property negotiator, pursuant to §54956.8 of the Ralph M. Brown Act:
 - (1) George Wilson properties at the ends of Shasta and Elder Avenues (APN 011-236-011, 012, 013, 020, 022, & 025)
 - (2) Terry Ream properties between Ortiz and Elder Avenues (APN 011-232-021, 022, 027)
 - (3) Redevelopment Agency - King Ventures agreement on McDonald coastal property (APN 011-012-011 & 002)
 - (4) Sand City properties at upper John Street (APN 011-177-009) and request to abandon John Street right-of-way

- C. Readjourned 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.

A (1): CalAm Water v. Seaside, Sand City et al (Monterey County Superior Court Case No. M66343) - City Attorney summarized the changes to the stipulated judgement. Consensus to direct Mayor Pendergrass to sign the final document.

A (2): Security National Guaranty, Inc. (Case No. 03-55847-NM) - not discussed.

A (3): Coos County v. Department of the Interior (U.S.D.C. Case No. 02 CV 6128 HO) - information only, no action taken. A contract with Tom Roth to write the amicus brief was approved this evening (item 5-H).

B (1): Wilson Property - not discussed.

B (2): Ream Properties - not discussed.

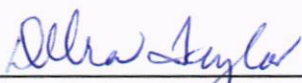
B (3): McDonald Coastal Property/King Ventures - update by City/Agency Attorney. Redevelopment Agency gave direction to staff.

[Due to a possible conflict of interest by residing within 500' of the project area, Agency members Blackwelder and Hubler abstained and left the dais.]

B (4): John Street Properties - discussed the new Offer to Purchase by Roy Woods and gave direction to staff.

AGENDA ITEM 11, ADJOURNMENT:

- A. Motion to adjourn was made by Councilmember Kruper, seconded by Councilmember Carbone, to the next regularly scheduled City Council meeting on April 20, 2004, 7:00 p.m. There was unanimous consensus of the Council to adjourn at 9:23 p.m.



Debra Taylor, City Clerk