

**MINUTES**  
**JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY**  
**City Council Chambers**  
**Regular Meeting - May 4, 2004**  
**7:00 PM**

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

There was no invocation.

Police Sergeant Graziano 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  
Vito Graziano, Police Sergeant  
Jim Heisinger, City Attorney  
Mike Bittner, Acting City Engineer  
Debra Taylor, City Clerk

**AGENDA ITEM 4, COMMUNICATIONS:**

- A. Additional written communications distributed to the City Council this evening included a staff report on the McDonald coastal site update (item 7-A); staff report on South of Tioga project update (item 9-A); BBQ update/task list and Monterey Chamber calendar for the month of May (item 10-A); and update from attorney Tom Roth on the snowy plover legal action (item 11-A-3).
- B. The floor was opened at 7:03 p.m., but there were no oral communications from the public.

**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 #72, Sealife Supply (Raising Marine Fish), 740 Tioga Avenue
  - (2) CUP #248, John's Auto Repair (Auto Repair), 1857 East Avenue
  - (3) CUP #364, Neff Mill & Cabinet (Woodshop), 527 Redwood Avenue
  - (4) CUP #418, Jaroslov Stepanek (Cabinet Shop), 341-A Orange Avenue
  - (5) CUP #430, Susan Collins (Live/Work), 751 Dias Avenue
  - (6) CDP #93-05, Monterey Cabinet & Woodworking (Carpenter Shop), 409 Ortiz Avenue
  - (7) CDP #94-02, American Movers Inc. (Moving Company), 783 Redwood Avenue
  - (8) CDP #96-02, Roy Meadows (Mobile Home), 658 Ortiz Avenue
  - (9) CDP #96-03, Mark's Barn (Auto Repair), 654 Ortiz Avenue
  - (10) CDP #00-03, Jack Lee (Metal Workshop), 531-B Orange Avenue
- B. There was no discussion of the April 20<sup>th</sup> Minutes.
- C. There was no discussion of the Monthly Fort Ord Reuse Authority (FORA) Report, April.
- D. There was no discussion of the City **RESOLUTION Calling for November 2, 2004 General Municipal Election**. The positions up for re-election are for Mayor Pendergrass, Councilmembers Kline-Carbone and Kruper.
- E. There was no discussion of the Monthly City/Redevelopment Agency Financial Report, March.
- F. There was no discussion of the City **RESOLUTION Declaring May 3-9, 2004 as Mosquito and Vector Control and West Nile Virus Awareness Week**.
- G. Redevelopment Agency RESOLUTION Approving a Contract with Melanie Freitas to Determine Appropriate Agency Financial Assistance for Design Center (Robinette Site) Inclusionary Housing Requirement was pulled for discussion under item 6.

- H. There was no discussion of the City **RESOLUTION Authorizing Award of a Three-Year Master Contract for Maintenance Including Removal and Replacement of Absorption Pillows in Interceptor Tanks 1, 2, 3 and 4 to Storm Water Inspection & Maintenance Services.**
- I. Redevelopment Agency RESOLUTION Authorizing a Contract With Zander Associates Related to Biological Assessment Services for the McDonald Coastal Site and the Sand City Water Supply Project was discussed under agenda item 6.

Motion to approve Consent Calendar items A,B,C,D,E,F,H 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:**

- G. Redevelopment Agency **RESOLUTION Approving a Contract with Melanie Freitas to Determine Appropriate Agency Financial Assistance for Design Center (Robinette Site) Inclusionary Housing Requirement** was pulled by Agency member Carbone to give this contract resolution special emphasis.

Motion to approve Consent Calendar item 5-G was made by Agency member Kruper, seconded by Agency member Hubler. AYES: All members. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

- I. Redevelopment Agency **RESOLUTION Authorizing a Contract With Zander Associates Related to Biological Assessment Services for the McDonald Coastal Site and the Sand City Water Supply Project** was pulled for discussion. The staff report was amended to show that \$4,500 will be allocated to the Sand City desal project (to be billed separately).

Motion to approve Consent Calendar item 5-I was made by Agency member Hubler, seconded by Agency member Blackwelder. AYES: All members. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

#### **AGENDA ITEM 7, PRESENTATION(S):**

- A. Presentation by Dave Watson of King Ventures and consideration of update on the McDonald coastal site project (011-012-001 & 002). Mr. Watson explained proposed changes to the conceptual project design to include the new 50-year erosion setback, and comments made by the City Council and staff. They now have a more condensed, elongated project design referred to as a "collection" to accommodate visitor-serving and business uses,

including conferencing facilities. This design includes sixty-eight 2-bedroom vacation club rooms (3-stories); small swimming pool; lobby, restaurant/lounge and conferencing center (2-story, 7,000 sq ft, 200-300 seats); main hotel village with eighty 1-bedroom units; a main restaurant (6,000-7,000 sq ft); spa/culinary center (2-story); and a public parking area. This design will require them to relocate the bicycle trail closer to the beach. They would like to have jacuzzi's on the vacation club decks; a lot of parking will be beneath the buildings; and they will have to reconsider the design and scale of the spa building. When they receive conceptual acceptance from the City Council they will meet with local agencies and start the environmental review process which may effect their design. In response to a question by Council, Mr. Watson said this process will take the better part of this year to receive comments and refine their design. They estimate this project will require 21 acre feet per year, plus the restaurant needs.

City Council consensus to have staff arrange a future meeting on this project with Coastal Commissioner Dave Potter.

#### **AGENDA ITEM 8, PUBLIC HEARING(S):**

*[These public hearing items were considered concurrently.]*

- A. Coastal Development Permit by Phillip Nicholson of NPM Inc., to construct a fenced storage yard within the railroad right-of-way behind the applicant's business located at 1637-B Del Monte Blvd, Seaside. The project is located within a non-appealable Coastal Manufacturing (CZ-M) zoning district, and the project qualifies as a categorical exemption under State CEQA Guidelines, Section 15301. *[continued from April 20<sup>th</sup> meeting]*
  
- B. Coastal Development Permit #03-03 amendment by Cardinale Automotive Group to expand their fenced storage yard into the railroad right-of-way behind the applicant's business located at 167 Del Monte Blvd, Seaside. The project is located within a non-appealable Coastal Manufacturing (CZ-M) zoning district, and the project qualifies as a categorical exemption under State CEQA Guidelines, Section 15301. *[continued from April 20<sup>th</sup> meeting]*

Community Development Director Matarazzo reported TAMC has not finalized the leases with these two applicants, therefore staff recommended these two public hearing items be continued.

7:38 P.M. Floor Opened to Public Comment

No comments.

7:39 P.M. Floor Closed to Public Comment

Motion to continue both public hearing items to the June 1<sup>st</sup> meeting (which is after the next TAMC Board meeting) was made by Councilmember Carbone, seconded by Councilmember Blackwelder. AYES: All members. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

#### **AGENDA ITEM 9, OLD BUSINESS:**

- A. Executive Director Morgan presented a South of Tioga redevelopment project status report, generally located between Tioga and East Avenues, and between California Avenue and Merle Street. Mr. Morgan gave a historical and chronological report on this project (staff report distributed this evening).

DON OROSCO (DBO, Developer): This has been a very challenging project. On this project, Mr. Orosco has been performing as a real estate broker, not as a developer. Property costs are escalating at a very rapid rate. He has been straightforward with all the Home Depot representatives, and he is at a loss as to why they are not responding to the City's letter. Mr. Orosco feels Home Depot is responsible to their shareholders and the land costs may be a factor in their hesitation regarding this project. It is critical DBO close escrow with the Monterey Fish Company (\$3.6 million), but a developer cannot afford to land-bank expensive properties for very long. DBO has already purchased property for the relocation of Ross Roofing to Marina. Mr. Orosco assured the Redevelopment Agency Board that he will present a cohesive, unified project alternative by the June 15<sup>th</sup> meeting to ensure an extension of his Exclusive Negotiating Agreement with Sand City. He did acknowledge that the citizens and businesses in Sand City need answers, and he hopes his "Plan B" or "Plan C" will get this project back online.

- 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 on the poor job performance by subcontractors on the civic center wall design. He met with the contractor and subcontractors last Friday and there are still concerns by City staff and the architect. City Administrator Morgan said the subcontractor pleaded for a chance to repair his errors. This item will be agendaized for the May 18<sup>th</sup> meeting to report to the City Council and decide if the work should be accepted or rejected. Mr. Bittner feels Sand City can join the City of Monterey to get a better bid for the slurry coat on Contra Costa and other City streets. It's vital to get this slurry coat added to combat further deterioration to the street surfaces. The engineer's estimate for this work on several streets is \$60,000. Councilmember Blackwelder asked if a filler or alternate materials can be used on the cracks? Mr. Bittner will research if any funds for a "green project" are available. Mr. Bittner also reported that the Park Avenue street work warranty has expired. He will also meet Mayor Pendergrass to determine the areas of concern on Park Avenue.

Mayor Pendergrass expressed his apprehension on the amount of staging by Granite Rock trucks while their building project progresses. The amount of trucks are intensifying and asked staff to look into this before it becomes a problem for residents/businesses. Councilmember Blackwelder asked if there is a way to get Granite Rock to pay for re-paving and cleaning up that area of California Avenue? Mr. Matarazzo will ask Granite Rock for a project update and report back to City Council.

**AGENDA ITEM 10, NEW BUSINESS:**

- A. Upcoming Events/Meetings. The City Clerk distributed a staff report and task list on the progress of the May 15<sup>th</sup> annual barbecue.

**AGENDA ITEM 11, CLOSED SESSION:**

- A. City Council to adjourn to Closed Session to confer with legal counsel regarding existing litigation pursuant to §54956.9(a) of the Ralph M. Brown Act (4 cases) -
  - (1) Cal-Am Water v. Seaside, Sand City et al
  - (2) Security National Guaranty, Inc. (Case No. 03-55847-NM)
  - (3) Coos County v. Department of the Interior (U.S.D.C. Case No. CV 6128 HO)
  - (4) City of Cerritos, et al v. State Board of Equalization et al (Case No. RG04144275)
- B. Redevelopment Agency to adjourn 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)
- C. Readjoined 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) - The City Attorney has signed the latest stipulated judgement, but expects revisions.*

*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) - update only.*

*A (4): City of Cerritos Lawsuit (plover) - not discussed.*

*B (1): Wilson Property - not discussed.*

*B (2): Ream Properties - not discussed.*

**AGENDA ITEM 12, ADJOURNMENT:**

- A. Motion to adjourn was made by Councilmember Blackwelder, seconded by Councilmember Kruper, to the next regularly scheduled City Council meeting on May 18, 2004, 7:00 p.m. There was unanimous consensus of the Council to adjourn at 8:54 p.m.



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Debra Taylor, City Clerk