

MINUTES
JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY
City Council Chambers
Regular Meeting - June 15, 2004
7:00 PM

Mayor Pendergrass opened the meeting at 7:00 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
Stan Kulakow, City Engineer
Debra Taylor, City Clerk

AGENDA ITEM 4, COMMUNICATIONS:

- A. Additional written communications distributed to the City Council this evening included a Herald news article on "Understanding Your Water Bill" (item 4-A) and an urgency resolution (item 9-D).
- B. The floor was opened at 7:03 p.m., but there were no oral communications from the public. Mayor Pendergrass announced there is a memorial page for signatures honoring past President Ronald Reagan. This completed book will have a memorial page from each California city and will be housed at the Reagan Library.

Due to an issue that was raised after the agenda was finalized, and in accordance with §54954.2(b)(2) of the Brown Act, Mayor Pendergrass requested an urgency item be added to the agenda regarding a resolution in support of State Senator McPherson's SB 1529 related to the Monterey Peninsula.

Motion to add this urgency item to 9-D (New Business) was made by Mayor Pendergrass, seconded by Councilmember Carbone. AYES: All members. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

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 June 1st Minutes.
- B. There was no discussion of the City **RESOLUTION Adopting Updated Investment Policy for the City of Sand City and Sand City Redevelopment Agency.**
- C. There was no discussion of the Redevelopment Agency **RESOLUTION Adopting Updated Investment Policy for the City of Sand City and Sand City Redevelopment Agency**
- D. There was no discussion of the City **RESOLUTION Authorizing Renewal of the Building Inspection Services Agreement with the City of Monterey.** This contract is for FY 2004-05, with a per-hour price increase.
- E. There was no discussion of the Monthly Police Department Activity Report, May.

Motion to approve Consent Calendar was made by Council/Agency member Carbone, seconded by Council/Agency member Blackwelder. AYES: All members. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

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

No items.

AGENDA 7, PUBLIC HEARING(S):

- A. Community Development Director Matarazzo presented 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 20th meeting, June 1st]*. Mr. Cardinale still does not have a lease with TAMC and there was no representative at this meeting. Staff does not recommend approval and expects the Newton

Brothers (adjacent property owners) will apply for a Conditional Use Permit for this site in the near future.

7:10 P.M. Floor Open to Public Hearing

No comments.

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

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

AGENDA ITEM 8, OLD BUSINESS:

[The agenda was taken out of sequence to accommodate intended speakers.]

- A. Redevelopment Agency **RESOLUTION Authorizing Fifth Extension of the Exclusive Negotiating Agreement with DBO Development for Redevelopment of the Area Known as "South of Tioga"** to expire on December 7, 2004. DON OROSCO (DBO Development) gave a presentation to the Redevelopment Agency. He continues to refine outstanding issues, such as: he has reached an accord with the two residential renters and is helping with their relocation; working with Mediterraneo for acquiring their property with terms for relocating their business; working with Ross Roofing for their relocation and building issues; he is just starting negotiations with Andrew Ausonio including an appraisal for his property; the Monterey Fish Company has not resolved some title issues and DBO does not want any existing tenants, only unencumbered property; the site designs are still in a preliminary state; and DBO wants to take into account any issues that U.S. Fish & Wildlife may. Circuit City may relocate to a new building envelope, but it hinges on their visibility from Highway One. Mr. Orosco estimates there is enough water to complete the retail and 60 townhomes in Phase I. Mr. Orosco reported that he suspects that the Home Depot project fell through because they are making deals to purchase 24 Kmart stores for their own use.

LINDA GREER (880 Tioga Property Owner): She is very concerned about the slow pace of this project. The City originally wanted mixed use, and now the deal keeps flip-flopping. Based on current uncertainties, their building is not viable for them anymore. Party Wholesale left because of all this indecision, but are planning to return August through October. She cannot market the building to tenants or prospective buyers because of the pending redevelopment of the site and has recently lost out on a \$2million sale. Mr. Orosco only called last week to start negotiations. They have lost over \$80,000 in revenue to date and they want some kind of compensation. They are

opposed to yet another extension of the ENA and want \$86,000 compensation for their losses.

Motion to approve Resolution, by title only, was made by Agency member Blackwelder, seconded by Agency member Carbone. AYES: Agency members Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: Agency member Blackwelder. Motion carried.

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

- B. Agency Planner Matarazzo presented the Redevelopment Agency **RESOLUTION Authorizing the Agency to Enter into a Third Extension of the Exclusive Negotiating Agreement with Design Center LLC for Redevelopment of the Area Known as the Robinette Site**. This ENA extension will expire on December 7, 2004. No Design Center representatives were present this evening.

Motion to approve Resolution, by title only, was made by Agency member Carbone, seconded by Agency member Hubler. AYES: Agency members Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: Agency member Blackwelder. Motion carried.

[Agency member Blackwelder returned to the dais.]

- C. Consideration of construction work on the sign wall in front of City Hall. City Engineer Kulakow gave an introduction to this item. Then Jim Pulizzi (Earthworks - contractor) gave a history of the project to date and an outline of several meetings with City staff and consultants. He distributed photos of their work on the civic center wall, compared to other walls within the City that the Council has already accepted. He believes his work is on par. The micro-top product seems to have been an acceptable method, but architect David Martin still has objections. Mr. Pulizzi understands that more form release should have been used initially and feels the micro top finish should last as long as a concrete wall. He can contractually address a warranty for the micro-top finish. He does not consider the work that has been completed to date warrants demolition. Councilmember Blackwelder said the intent was for the wall to look like concrete, and the current application looks like stucco. Councilmember Kruper sees this civic center wall as an art piece and has concerns of using more fills to fix the problem. Optional fixes were discussed including adding six more inches to the outside of the original wall for a new concrete corrugated surface.

Earthworks just wants the ability to finish the job. Mayor Pendergrass expressed his concern about continued delays and lack of supervision to their subcontractor workers. There was Council consensus to have the contractor

work on a two-foot section of the wall and present what Earthworks feels could be the finished product. Councilmembers Blackwelder and Carbone will be on a subcommittee with staff and architect David Martin to determine acceptability, and then report back to the City Council. Councilmember Carbone requested specs on the micro-top product.

- D. Progress report on Public Works projects, City water project, and other Sand City community programs by City Engineer, Community Development Director, City Administrator. City Engineer Kulakow reported the lighting project for the bicycle recreation trail along Sand Dunes Drive is proceeding. He will bring light fixture samples to a future meeting. The grant for this project should be forthcoming and he expects to go out to bid in October. Community Development Director Matarazzo announced the draft EIR for the desal project will be available for distribution this week. Councilmember/Arts Chair Kruper gave an update on the August 7th West End Event, website, art work, food vendors, etc. There will be an informal reception on August 6th at Sanctuary Rock Gym for Sand City artists that will have open studios.

AGENDA ITEM 9, NEW BUSINESS:

- A. City Administrator Morgan referred to his staff report on the Sand City Combined City & Redevelopment Agency Budget for Fiscal Year 2004-2005. Meetings with the Budget Committee are needed prior to bringing the combined budget to the full Board for adoption.
- B. There was consensus to have a special City Council/Redevelopment Agency meeting on June 30th to finalize the next fiscal year combined budget.
- C. There was no discussion of upcoming events/meetings.
- D. In accordance with §54954.2(b)(2) of the Brown Act, this urgency item was added to the agenda. Mayor Pendergrass presented the City **RESOLUTION Supporting Senator Bruce McPherson's Senate Bill 1529 Relating to the Monterey Peninsula Water Management District**. This Bill will not get to the State finance committee because there are no fiscal impacts. SB 1529 proposed to dissolve the Water District.

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

AGENDA ITEM 10, 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. 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) - update only, no action taken.

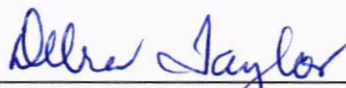
A (2): Security National Guaranty, Inc. (Case No. 03-55847-NM) - update only, no action taken.

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

AGENDA ITEM 11, ADJOURNMENT:

A. Motion to adjourn was made by Councilmember Kruper, seconded by Councilmember Hubler, to the next special scheduled City Council meeting on June 30, 2004, 7:00 p.m. There was unanimous consensus of the Council to adjourn at 8:37 p.m.



Debra Taylor, City Clerk