

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

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

Reverend Kast 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 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  
Linda Scholink, Dir. of Adm. Services  
Charles Pooler, Associate Planner

**AGENDA ITEM 4, COMMUNICATIONS:**

- A. There were no written communications.
- B. The floor was opened at 7:06 p.m.

DEBRA TAYLOR: Stated it has been a pleasure and honor to serve the City Council these past twelve years. She considers herself lucky to have worked for a cohesive and fair Council. She also expressed her gratitude to the Council for their support over the years during times of personal loss.

**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 #310, Sal Balboa/Bay Door & Supply Company (Retail), 755 Redwood Avenue
  - (2) CUP #371, McDonald's Refrigeration (Refrigeration Service), 605 California Avenue
  - (3) CUP #385, Sally's Beauty Supply (Retail), 828 Playa Avenue
  - (4) CUP #397, Salvation Army Monterey Peninsula Corp. (Social Service), 800 Scott Street
  - (5) CDP #95-07, Giustiniani Masonry (Warehouse), 698 Ortiz Avenue
- B. There was no discussion of the August 17<sup>th</sup> Minutes.
- C. There was no discussion of the City/Redevelopment Agency Financial Report, June
- D. There was no discussion of the Monthly Fort Ord Reuse Authority (FORA) Report, August
- E. There was no discussion of the City **RESOLUTION Proclaiming October 1, 2004 as "California Arts Day" and October 2004 as "Arts and Humanities Month" in California** .
- F. There was no discussion of the City **RESOLUTION Proclaiming October 4-9, 2004 as "Lawsuit Abuse Awareness Week"**. A typographical error and correction was pointed out.
- G. There was no discussion of the City **RESOLUTION Authorizing Renewal of the Street Sweeping Agreement with the City of Monterey And Rescinding Former Sand City Resolution SC 04-48**.
- H. City **RESOLUTION Approving Amended and Restated Joint Powers Agreement and Updated Bylaws Relating to the Monterey Bay Area Self-Insurance Authority** was pulled for discussion under Agenda Item 6.

- I. There was no discussion regarding the Preliminary Acceptance of League of California Cities Annual Conference Resolutions and Support of Proposed Actions.

Motion to approve Consent Calendar items A,B,C,D,E,F,G,I was made by Council Member Carbone, seconded by Council Member Blackwelder, with a minor typographical correction to Item 5F. AYES: All members. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

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

- H. City **RESOLUTION Approving Amended and Restated Joint Powers Agreement and Updated Bylaws Relating to the Monterey Bay Area Self-Insurance Authority**. Administrative Services Director Linda Scholink provided financial details on this item. The MBASIA will be issuing bonds in the amount of approximately \$5,100,000. This will be increasing the designated cash reserves for the open claims worker compensation prior to June 30, 2003. This will be a general fund obligation for the City, and will not be listed as debt on future financial reports. City annual payment to the authority will be approximately \$20,000 per year. This will fluctuate based on our future status of the prior worker compensation claims through June 30, 2003.

The City Attorney pointed out a typographic error on page 79 of the Agreement. The fund has a shortfall in reserves against outstanding claims. This requires MBASIA to float a \$5.1 million bond to cover that shortfall. The attorney presented a modification to the resolution to address the typographical error.

Motion to approve Consent Calendar item 5-H, with modification, was made by Council Member Blackwelder, seconded by Council Member Kruper. AYES: All members. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

**AGENDA ITEM 7, PUBLIC HEARING(S):**

- A. Associate Planner Pooler presented the Site Plan and Conditional Use Permit application by Roy Hubbard for development of a mixed-use commercial/residential project located at 636 Dias Avenue (011-019-003) for a commercial unit below and two residential dwellings on the upper level. The project qualifies as a categorical exemption under State CEQA Guidelines, Section 15303(a) and (c) and 15332, and corresponding **City Resolution**. The project is within a non-coastal Planned Mixed-Use (MU-P)

zoning district. Staff elaborated on recommended modifications to the proposed project in regard to landscaping and paving. Staff also recommended adding a condition regarding street improvements that was discussed in the staff report, but erroneously omitted from the draft permit.

Council member Blackwelder commented on the bland appearance of the rear and side elevations on property line and asked if something could be done. He also inquired as to the City providing survey points to accommodate the future dead ending of Dias Avenue.

Mayor Pendergrass pointed out windows on property line and potential conflict with future development on adjacent property. He directed staff to forward all of Council's comments to the Design Review Committee.

7:34 P.M. Floor Open for Public Comment

ROY HUBBARD JR. (Property Owner Representative): He is available to answer questions as the property owner in hospital tonight. He is in agreement with the conditions. No questions from Council.

7:36 P.M. Floor Closed to Public Comment

Motion to approve Resolution by title only, as amended, was made by Council Member Kruper, seconded by Council Member Blackwelder. AYES: All Council Members. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

- B. **SECOND READING: Ordinance Adopting Amendments to Title 18 of the Sand City Municipal Code and Zoning Ordinance to Maintain Consistency with the General Plan and Local Coastal Program** was presented by Community Development Director Matarazzo. This ordinance was first presented to the City Council on August 17<sup>th</sup> for first reading. California Code states that a City's zoning ordinance is to be consistent with its General Plan and Local Coastal Plan. He pointed out that the East Dunes Area (EDA) zoning was intended to be a combining district with the CZ-R3 district, until a specific plan for the area was developed. The Coastal staff acknowledged their error, and a minor amendment could be presented to create development standards prior to adoption of a specific plan. This does effect some of the homes on Park Avenue. The EDA enables a PUD that allows Council to attached reasonable standards to future development. The special treatment area remains in the EDA zoning district. There were no questions of staff.

7:38 P.M. Floor Open for Public Comment

No public comment.

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

Motion to approve second reading of the Ordinance by title only was made by Council Member Blackwelder, seconded by Council Member Kruper. Roll call vote - AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

**AGENDA ITEM 8, OLD BUSINESS:**

- A. South of Tioga redevelopment project and Redevelopment Agency participation in the entitlement/documentation process. City Administrator Morgan addressed the Council/Agency regarding DBO's proposal letter. If the City/Agency is willing to assume some of the financial responsibility for planning expenses, such as the environmental impact report, traffic study, infrastructure study, etc., then DBO would keep the project moving forward prior to resolution of the potential regional water moratorium issue. Mr. Morgan supported this as a fair business proposition. If the Council Agency is willing to accept this type of arrangement, then a resolution will be brought back to the Council/Agency. Mr. Morgan said that we need to hear from the developer for his current activities and latest strategy for the project.

Mr. Orosco addressed the Council/Agency as to his plans. He stated that it is a difficult time to develop on the Peninsula due to so many uncertainties, particularly the potential Cal-Am water moratorium. His choices are to wait, or respect the urgency of the project and move forward. He elaborated on expected expenses for planning documents, and the risk involved in moving forward in such an uncertain environment. He elaborated on future property values, pending potential development in neighboring areas. He summarized potential tenants for the project. Highway visibility is crucial to tenants. He summarized recently completed and currently on-going relocation efforts. There is no guarantee that the Public Utility Commission (PUC) will accept a full moratorium. It will take an estimated 12 to 15 months to finish entitlements and appeal periods. No one knows what or when the PUC will take action on this. Phasing of the project would depend upon available water credits in the development area.

Mayor Pendergrass summarized the local area response to the proposed Cal-Am water moratorium, and stated that Cal-Am has been very evasive and is under intense public pressure.

Mrs. Kokkinos, a property owner within the redevelopment project area, addressed the Council/Agency as to information she obtained from Cal-Am regarding the potential water moratorium.

By consensus staff was directed to bring a resolution to the Redevelopment Agency at the September 21<sup>st</sup> meeting.

- B. Update on Civic Center Improvement Project. City Engineer Kulakow gave an update on the civic center improvement project. The new landscaping has been reviewed, and the City has received a bill from the contractor. The Engineer has spoken with the Miller Brothers, who recommends working with the existing wall. The Miller Brothers are very busy which will delay implementing corrections to the wall. The City does not want to finish the patio area until the wall issue has been rectified. In response to an inquiry by Council Member Kruper, City Engineer Kulakow informed Council that lights 1 and 2 in the plaza area are for future art work, and that light 3 was for the flag pole.
- C. 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 informed Council of a meeting with the Health Services Department, who is supportive of Sand City's desalination program, but concerned with the quality of water to be produced. The City is working on addressing those concerns.

City Administrator Morgan addressed the Council in regards to sales tax generation, and a comparative chart that shows Sand City's shopping Centers as the top third revenue generator in the region. This chart and information is an important development marketing tool, especially for the South of Tioga Project.

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

- A. Consideration of Requirements to Develop a Local Hazard Mitigation Plan (LHMP). Police Chief Klein addressed the Council regarding the need to adopt a Hazardous Mitigation Plan. He informed Council that the Federal government enacted the Hazardous Mitigation Act in 2000, which requires all municipalities, jurisdictions, and special districts to have an approved hazardous mitigation plan in place by November 2004, which was extended from 2003. This plan is to deal with those structures that do not meet

current seismic standards, by identifying those structures and establishing a mitigation plan in case of a major quake. If such a plan were not in place, the City would not be eligible for Federal funding. A presentation of this requirement was made to AMBAG. Staff met with a potential consultant to prepare such a plan, as this is not an easy job and the City does not have the in-house expertise. This consultant is also preparing a plan for the City of Seaside. Sand City's options are to prepare our own plan, wait for the County of Monterey to prepare a regional plan, or to piggy-back onto Seaside's plan as a joint endeavor. Working with Seaside has proven to be problematic. If City waits for Monterey County, the City will not comply with the deadline. The November 2004 deadline is not expected to be extended. According to FEMA, an adopted plan must be before the Federal and State governments to be eligible for funding in case of a disaster; however, if there is no plan, there is no possibility of Federal funding.

Mayor Pendergrass directed staff to evaluate options in preparing a plan for the City, including expenses, feasibility, and time frame, and to bring information back to the Council by October 5<sup>th</sup>.

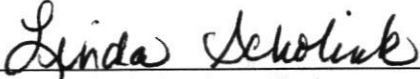
- B. Appointment of Interim City Clerk. Mayor Pendergrass referenced staff's memorandum regarding the City's need to designate an interim City Clerk. The Council was in consensus with the appointment of Linda Scholink to that position. The oath of office needs to be signed and submitted. Council member Kruper inquired as to the personnel committee's review of future applicants, and expressed an interest in participating and that responsibilities be clearly defined.
- C. Upcoming Events/Meetings was not discussed. The Council was reminded of the League conference the following week. Departure is on the 16<sup>th</sup> and return is on 20<sup>th</sup>.

**AGENDA ITEM 10, 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) - Cal-Am Water v. Seaside, Sand City et al. An update on this issue was distributed this evening.
- B. 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. No action was taken - information only.

**AGENDA ITEM 11, ADJOURNMENT:**

- A. Motion to adjourn was made by Council Member Blackwelder, seconded by Council Member Hubler, to the next regularly scheduled City Council meeting on September 21, 2004, 7:00 p.m. There was unanimous consensus of the Council to adjourn at 9:30 p.m.

  
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Linda Scholink, City Clerk