

MINUTES
JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY
City Council Chambers
Regular Meeting-September 21, 2004
7:00 PM

Mayor Pendergrass opened the meeting at 7:01 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-arrived at 7:45 p.m.
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, Director of Administrative Services
Charles Pooler, Associate Planner
Connie Horca, Administrative Assistant

AGENDA ITEM 4, COMMUNICATIONS

- A. Additional written communications distributed to the City Council this evening included a Beach Clean Up memo from Chief Klein (item 4-A); Status Report from DBO on the South of Tioga project, Memo from Coats Consulting on South of Tioga, Letter from Roy Gunter III, (Kokkinos attorney); Email from City Attorney on ENA changes for South of Tioga, Revised Resolution and changes to the Amended ENA with DBO, and a Staff Memo from the Community Development Director addressing some of the issues brought up in the legal document (item 8-A)

 - B. The floor was opened at 7:06 p.m. but there were no oral communications from the public.
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AGENDA ITEM 5, CONSENT CALENDAR

- A. There was no discussion on the September 7th Minutes.
- B. There was no discussion on the City/Redevelopment Agency Financial Report, July
- C. There was no discussion on the Monthly Police Department Activity Report, August
- D. There was no discussion on the Fort Ord Reuse Authority (FORA) Report, September
- E. There was no discussion on the City **RESOLUTION Honoring 25 Years of Public Service at the Monterey Regional Waste Management District by David Myers**
- F. There was no discussion on the **City RESOLUTION Authorizing a contract with Griffin's Maintenance Service for Street Sweeping of the Bicycle Recreation Trail** for Fiscal Year 2004-2005, at a flat rate of \$414.62 per month.
- G. There was no discussion on the City **RESOLUTION Authorizing Acceptance of Allocation from the Supplemental Law Enforcement Service Fund (SLESF)**, \$100,000 towards Police Salaries

Motion to approve Consent Calendar was made by Councilmember Kruper, seconded by Councilmember Hubler. AYES: All members. NOES: None. ABSENT: Councilmember Carbone. ABSTAIN: None. Motion Carried.

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

No items

AGENDA ITEM 7, PUBLIC HEARING

- A. Associate Planner Pooler presented the Coastal Development Permit application submitted by Thomas Maher, of MY Porsche to establish a fenced storage yard within the railroad right-of-way, behind the applicant's property located at 1781 Del Monte Boulevard. Staff is concerned with the fencing material and the proposed access onto Tioga Avenue. Staff had previously commented to the Seaside Planning Department regarding the concerns with the building elevations, with no response from Seaside, so these concerns are incorporated in condition # 12. Staff pointed out condition # 3 regarding the future widening of Tioga Avenue, and as with the other permits for encroachments into the
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railway right-of-way, staff is recommending a 2 year time limit. Staff recommended approval with conditions.

The floor was opened for public comments at 7:18 p.m.

Thomas Maher, the applicant stated that the area would be used for new car storage, and that he was in agreement with the conditions.

The floor was closed to public comment at 7:20 p.m.

The Mayor expressed concerns about taking any action on this item until the widening of Tioga is worked out with Seaside. There was Council discussion regarding findings for denial.

Thomas Maher stated from the audience that he withdrew his application leaving no action necessary.

AGENDA ITEM 8, OLD BUSINESS

- A. The City Administrator presented the **Agency RESOLUTION Authorizing a Sixth Amendment to the Exclusive Negotiating Agreement with DBO Development for Redevelopment of the area known as "South of Tioga"** and General Progress Report. He reported that this amendment would extend the exclusive negotiating agreement for a further period of time. Section 7 A, was proposed to authorize assistance or to help subsidize this project based on the possibility of a moratorium in the Monterey Peninsula area, but may no longer be necessary.

The Community Development Director addressed some of the concerns the Kokkinos attorney brought up in his letter. The Kokkinos along with all the other property owners within the 11 acre area were given the opportunity to participate when the request for statements of interest were sent out. The Kokkinos did not submit a statement of interest by the July 10, 2001 deadline to develop the entire site.

The City Administrator added that staff had learned last week that the Kokkinos had accepted an offer and entered into escrow with a buyer other than DBO Development.

7:35 P.M. Floor was opened for Public Comment

Don Orosco (Proposed Developer): The current status report is in the packet. DBO is now invested in the project with today's wiring of the funds to close Monterey Fish Company over 5 million in cash. The combination of retail and residential will increase and diversify the revenue to the City/Agency.

7:45 P.M. Vice-Mayor Carbone arrived

In response to the letter from Attorney Gunter, Mr. Orosco responded that the Kokkinos through a series of meetings were always informed of the impediments in creating a written offer on the property. He said they were never encouraged to close their business, on the contrary he preferred it stay open because of the income stream associated with it. They were never encouraged or told to close the business. This is still a commercial/regional project, to include such stores as Beverages and More; Bed, Bath and Beyond; Pier One Imports; Best Buy, etc.. Within two days of the announcement of the moratorium being lifted we committed to the Kokkinos that they we would have the offer to them in writing. We were told, by the Kokkinos, " don't bother we've sold the property to someone else". Don Orosco stated they are going forward with the project, they have submitted the written offer to Kokkinos, they are working with Andrew Ausonio to help with the design of the Ross property in Marina. We own Waste Management and we hope within six months we will have reached successful negotiating with the property owners in the affected area.

After discussion it was determined that the last whereas in the resolution referencing the \$200,000 was no longer needed. The DDA could be completed soon, possibly within a month.

Roy Gunter (attorney): I represent the Kokkinos. They are extremely frustrated. They have been in hiatus for three years. The Kokkinos have an offer on the property, escrow has opened, and the buyer wants assurance from somebody that the buyer will have a reasonable opportunity to continue his business or a business in the project area. Neither the Kokkinos nor the new buyer have been given an opportunity to become a tenant or even talk about it. The Agency's regulations require that the businesses have a reasonable opportunity to relocate within the project area. This is all the Kokkinos or the new buyer want to do. I question if a time extension is that urgent.

Linda Greer (Property Manager): I have a real concern with another time extension for DBO and Don Orosco. We have had three escrows that have fallen through. Redevelopment is dragging its feet. I am here to ask that you do not extend the ENA for DBO or Don Orosco.

Alice Kokkinos (Owner-Mediterraneo Imports) A mixed use is a new proposed use as of June, and I don't think that it was presented to the public. The use that was approved before by the City Council was to put a large home improvement store there, and then it was switched with no public discussion. A mixed use is something every property owner around

there can do for themselves. We have asked three times to be released from the Redevelopment Plan because we would like to realize the best potential out of our own land and to build our own mixed use project on our own land.

8:10 P.M. Floor closed to the public.

City Attorney Heisinger- responded to the letter that was submitted, no amendments to the Redevelopment Plan are necessary to proceed with the mixed use project. No public hearing is required to take any action with regard to the ENA. Owners rights have to be weighed against decisions which this Agency Board considered back in 2001, how best to get this area redeveloped. With regard to relocating existing business within the project area, the entire City is the project area. It may be possible that Mediterraneo can be incorporated into this mixed use project.

Motion to approve Resolution by title only, as amended, was made by motion by Councilmember Pendergrass, seconded by Councilmember Blackwelder. AYES: All Councilmembers. NOES: None. ABSENT: None. Motion carried.

AGENDA ITEM 9, NEW BUSINESS

(Due to residing within 500' of the project area, Councilmember Hubler abstained and left the dias, due to the location of his place of work)

- A. Greg Hawthorne made a presentation on a potential live/work development on the corner of Hickory/Dias. The development would consist of affordable housing for local artists, combining work studio's and housing. This would be a fun, positive project for the Peninsula. Water usage is expected to be around an acre foot.

Councilmember Kruper brought up the question as to who would be eligible for this housing and who would decide that. Credit reports would be one criteria, and how or could it be restricted to artists.

People would have to fall under the State Housing and Community Development (HCD) figures for affordable housing. The Community Development Director explained that this is an Agency Board item and went over his recommendations. The Agency needs to send out Request for Proposals (RFP) for live/work affordable housing. Staff was directed to do what is necessary to get the process going for the RFP.

- B. The City Administrator reviewed the Sand City Transactions and Use tax measure L. He encouraged the Council to think about how they were going to promote this measure, and to put some thought into some catchy
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slogans. Councilmember Kruper suggested, "Vote for Measure L for long and lasting local funding, LLL".

- C. There was no discussion on the Upcoming Events/Meetings

AGENDA ITEM 10, CLOSED SESSION

Closed Session was not held.

AGENDA ITEM 11, ADJOURNMENT:

- A. Motion to adjourn was made by Councilmember Pendergrass and seconded by Councilmember Kruper, to the next regularly scheduled City Council meeting on October 5, 2004, 7:00 p.m. There was unanimous consensus of the Council to adjourn at 8:40 p.m.
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