

**MINUTES**  
**JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY**  
**City Council Chambers**  
**Regular Meeting - April 1, 2003**  
**7:00 PM**

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Mayor Pendergrass opened the meeting at 7:00 p.m.

Reverend Ted Britain led the invocation.

Police Chief Klein led the Pledge of Allegiance.

Present: Councilmember Jerry Blackwelder  
Vice-Mayor Mary Ann Kline  
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. The additional written communications distributed to the City Council this evening included revised minutes of the special joint meeting of the City Council and Marina Coast Water District (item 5-G); announcement from Regional Analysis & Planning Services (RAPS)/AMBAG broadband one-day forum for April 25<sup>th</sup>, and invitation for AMBAG annual dinner for April 11<sup>th</sup> (item 10-F); and numerous documents for Closed Session (item 11-A).
- B. The floor was opened at 7:03 p.m. for oral communications, but there were no comments 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 #67, Roy Hubbard (Mobile Home), 636 Dias Avenue
  - (2) CUP #188, Performance Automotive (Auto Body Shop), 531 Elder Avenue
  - (3) CUP #214, Tempo/Dunwoody (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 (Mixed-Use Project), 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
- B. There was no discussion of the March 18, 2003 Minutes.
- C. There was no discussion of the monthly Fort Ord Reuse Authority Report (FORA), March.

- D. There was no discussion of the January 16 and February 13, 2002 Arts Committee Minutes.
- E. There was no discussion of the City **RESOLUTION Authorizing an Extension of the Banking Services Agreement with Community Bank**. The contract extension will expire March 2006.
- F. There was no discussion of advertising for bids on the California Avenue street Public Works project. The Engineer's estimate of the project's construction cost is \$97,000, and the City's budgeted allocation is \$90,000. The bids will be opened April 24<sup>th</sup> and awarded at the May 6<sup>th</sup> City Council meeting.
- G. There was no discussion of the Minutes for March 20, 2003 special joint meeting - Marina Coast Water District and Sand City Council/Redevelopment Agency. The minutes were amended to reflect the correct titles of the District Board members, and distributed this evening.
- H. There was no discussion of the Redevelopment Agency **RESOLUTION Authorizing Extension of an Ongoing Service Agreement with Scott Hospitality Consultants**. This is an ongoing agreement for coastal resort hotel development consulting, with an extended budget of \$15,000.

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

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

No items.

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

- A. The presentation by David Fowler, Admissions Counselor, on the San Jose Job Corps Center was cancelled at the request of Mr. Fowler.

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

- A. Community Development Director Matarazzo presented the final draft of the Housing Element 2000-2007 and City **RESOLUTION Approving the Housing Element Update 2000-2007 of the General Plan**. (See agenda item 8-B for presentation notes.)

- B. The Housing Element Negative Declaration and City **RESOLUTION Adopting a Negative Declaration Related to the Housing Element of the General Plan: 2000-2007** was presented by Mr. Matarazzo in tandem with agenda item 8-A. A public hearing on the draft Housing Element was held in December 2002. Following that public hearing, the draft Housing Element was sent to the California Department of Housing & Community Development (HCD) for their 60-day review. HCD review concluded with recommended minor changes to the draft document, pertaining primarily to the City illustrating the potential marketability of mixed use housing in the West End area. If approved by the City Council, the final will be sent to HCD; and the City may be the first jurisdiction from Santa Cruz to Monterey County to have a certified Housing Element.

7:07 P.M. Floor Opened to Public Comment for both items (8-A and 8-B)

There were no comments from the public.

7:08 P.M. Floor Closed to Public Comment

City Administrator Morgan mentioned there are quite a few concerns by cities being able to meet the mandated housing allocations. Mr. Matarazzo said that unless a water source is made available, the City's allocation cannot be met. However, we have enough land at appropriate zoning densities to meet the regional housing allocation.

Motion to approve 8-A Resolution, by title only, was made by Councilmember Hubler, seconded by Councilmember Blackwelder. AYES: All Councilmembers. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

Motion to approve 8-B Resolution, by title only, was made by Councilmember Kline, seconded by Councilmember Kruper. AYES: All Councilmembers. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

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

- A. Progress report on Public Works projects, City water project, Project Study Report (PSR), redevelopment projects, and other Sand City community programs by City Engineer/Community Development Director/City Administrator. City Engineer Kulakow mentioned the Consent Calendar item that approved the bid process for the California Avenue project. Staff will have the contract on the May 6<sup>th</sup> agenda. Fifty-percent of this project will be funded by a CalTrans grant. The crosswalks will have a similar design to that used in other "enhanced" locations, but will use a stamped asphalt process. Examples of this technique from other cities helped in the decision process.

Color will be added to match the existing crosswalks and will have a protecting sealer. Suzanne St John sent a letter regarding her participation in the Park Avenue improvements, and will be reviewed by staff. The consultant for the City of Seaside 90" storm drain retrofit expects to start the process very soon. Seaside envisions a 50% cost sharing with Sand City, so this item will need to be discussed at our April 15<sup>th</sup> Council meeting.

#### **AGENDA ITEM 10, NEW BUSINESS:**

- A. City Administrator/Executive Director Morgan presented the mid-year Budget review for Fiscal Year 2002-2003. The regular revenues have remained consistent with the approved Budget while significant portions of the special revenues have not occurred due to delays in certain development projects. The City had to make the \$249,900 COP bond payment in March because King Ventures has not yet made their payment to the City. However, staff is still anticipating payment before the end of this fiscal year. If King Ventures does not pay by the end of June, it will have to come out of the reserve funds. Some contingency funds have been reduced this fiscal year, and there is an \$82,600 positive balance in this Amended Budget. The City will still have to be cautious because the State has to make up severe budget deficits and may be taking funds away from cities and/or redevelopment agencies. Nearly all funds are being spent during the fiscal year and the future will require some creative financing in light of the state budget crisis.

Motion to approve City **RESOLUTION Adopting Amendment #1 to the Combined City and Redevelopment Agency Budget for Fiscal Year 2002-2003** was made by Councilmember Kruper, seconded by Councilmember Kline. AYES: All members. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

Motion to approve Redevelopment Agency **RESOLUTION Adopting Amendment #1 to the Combined City and Redevelopment Agency Budget for Fiscal Year 2002-2003** was made by Agency member Kline, seconded by Agency member Blackwelder. AYES: All members. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

- B. City Engineer Kulakow presented the City **RESOLUTION Authorizing the Acceptance of Contract Change Order No. 1 to Superior Electric and Electronics Co. for the Calabrese Park Lighting Contract**. This work will be done in conjunction with the Calabrese Park contract to underground the PG&E lines on California Avenue. The Change Order is for an amount not to exceed \$16,990. In response to a question from Councilmember Kruper, Mr. Kulakow said that this is all a part of the civic center improvements and the unit will allow for future expansion.

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

- C. Mayor Pendergrass led the discussion of the Sand City desalination project subcommittee to work with the Marina Coast Water District (MCWD). This is a follow up to the March 20<sup>th</sup> joint meeting with MCWD. There was Council consensus to appoint Mayor Pendergrass and Councilmember Hubler to this subcommittee.
- D. There was an oral progress report on the Disposition & Development Agreement (DDA) with John King. Agency Chair Pendergrass directed staff and the Coastal Committee (Pendergrass and Blackwelder) to meet with King Ventures to discuss the DDA - not just payments, but the project. Executive Director Morgan sent a payment reminder letter on February 27<sup>th</sup>, called March 19<sup>th</sup> and did not receive a response from John King. A telephone call was received March 24<sup>th</sup> as another letter was being faxed, and Mr. King stated he would not be able to make the \$250,000 payment for several weeks. He has been late with several payments. If this project or the DDA fails, the Agency is required to repay all principal payments. With the current economic situation, it would be very difficult to find an alternate developer who would be able or willing to make an immediate payment of \$1 million. Mr. Morgan referred to a chart in the agenda packet that also illustrated the payment schedule on the COP bonds (used to buy the property), and the interest earned would make the final payment on April 1, 2005. There was Agency consensus to meet with John King in the near future.
- E. Police Chief Klein presented the staff report to finalize the date for the 43<sup>rd</sup> birthday barbecue event. There was City Council concurrence to hold the event on May 17, 2003, 12:00-2:00 p.m. The budget is to remain the same (\$15,000) and Councilmember Kline will work closely with Chief Kline in organizing the event and budget. Councilmember Hubler and wife Catherine volunteered to distribute the t-shirts and will work with Chief Klein.
- F. City Administrator Morgan announced that "Notice of Upcoming Meetings" will be a recurring item on the agenda in the future. Some handouts were distributed this evening. There are a number of important events coming up in May that Council and staff members should try to attend. Please give all RSVPs to the City Clerk.

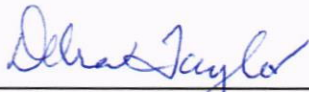
7:45 p.m. Recess  
7:50 p.m. Reconvene

**AGENDA ITEM 11, CLOSED SESSION:**

- A. The City Council adjourned to Closed Session to confer with legal counsel regarding pending litigation pursuant to §54956.9(a) of the Ralph M. Brown Act (3 cases) - (1) *Amicus Brief SNG v. California Coastal Commission*, (2) *Coos Bay v. U.S. Fish & Wildlife*, (3) *Seaside et al v. Monterey Peninsula Water Management District*
- B. To confer with legal counsel regarding anticipated litigation pursuant to §54956.9(b) of the Ralph M. Brown Act (1 case)
- 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) *SNG v. California Coastal Commission*: no action
  - (A-2) *Coos Bay v. U.S. Fish & Wildlife et al*: no action
  - (A-3) *Seaside et al v. Monterey Peninsula Water Management District*: no action
  - (B) *Water issues - anticipated litigation*: no discussion.

**AGENDA ITEM 12, ADJOURNMENT**

- A. Motion to adjourn was made by Councilmember Kline, seconded by Councilmember Hubler, to the next regularly scheduled City Council meeting on April 15, 2003, 7:00 p.m. There was unanimous consensus of the Council to adjourn at 8:20 p.m.



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Debra Taylor, City Clerk