

MINUTES
JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY
City Council Chambers
Regular Meeting - May 6, 2003
7:00 PM

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
Councilmember Craig Hubler
Councilmember Todd Kruper
Mayor David Pendergrass

Absent: Vice-Mayor Mary Ann Kline

Staff: Kelly Morgan, City Administrator
Steve Matarazzo, Community Development Director
J.Michael Klein, Police Chief
Sidney Morris, Acting City Attorney
Stan Kulakow, City Engineer
Debra Taylor, City Clerk
Charles Pooler, Associate Planner

AGENDA ITEM 4, COMMUNICATIONS:

- A. The additional written communications distributed to the Redevelopment Agency this evening was a letter from King Ventures outlining their proposed project schedule on the McDonald coastal site (item 9-B).
- B. The floor was opened at 7:03 p.m. for oral communications from the public. PETE ERICKSEN (Realtor): He has received a lot of interest on doing work and/or upgrading buildings in the West End area, especially along Contra Costa Avenue. The City needs water and it will take water to meet people's redevelopment plans in the future.

City Administrator Morgan said that City Attorney Heisinger was unable to be here this evening because he is attending a court hearing in Oregon.

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) CDP #91-06, Party Wholesale (Retail Store), 880 Tioga 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 Monthly Fort Ord Reuse Authority Report (FORA), April.
- C. There was no discussion of the City **RESOLUTION Authorizing Agreement With Family Service Agency of The Central Coast Regarding Use of Funds by Family Service Agency of the Central Coast**. A \$500 contribution will be made for Fiscal Year 2003-2004.
- D. There was no discussion of the City **RESOLUTION of the City Council of the City of Sand City Authorizing Service Agreement for Auditor Services by Hayashi & Wayland for Fiscal Year 2002-2003**. The fee for their services will not exceed \$31,500.

- E. There was no discussion of the March 13, 2003 Arts Committee Minutes.
- F. There was no discussion of the \$500 donation to CONCEPTS Competition, AIA Monterey Bay as part of the 2003-2004 fiscal year budget.
- G. There was no discussion of the \$500 contribution to AMBAG for their lawsuit defense fund against Santa Cruz County and cities on the housing element allocations and will be taken from this fiscal year budget.
- H. There was no discussion of the April 15, 2003 Minutes.

Motion to approve Consent Calendar made by Councilmember Blackwelder, seconded by Councilmember Kruper. AYES: Councilmembers Blackwelder, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: Councilmember Kline. ABSTAINED: None. Motion carried.

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

No items.

AGENDA ITEM 7, PRESENTATION(S):

- A. Presentation by David Fowler, Admissions Counselor, on the San Jose Job Corps Center. There are a lot of state and local budget concerns and possible cuts to programs. The Job Corps is federally funded by the U.S. Department of Labor (since 1964) and is not experiencing the financial crisis of other agencies. Their target group is individuals between the ages of 16-24, of low income. There is a training program (up to 2 years), ability to get their GED, locals also have the opportunity to go to Utah for training, will be housed in dorms, a clothing allowance is available, and a \$1,200 graduation bonus may be available. There is vocational training in a number of fields including automotive, electronics, health, office, accounting, etc. with 90% job placement. In response to a question by Councilmember Kruper, Mr. Fowler said that students are supervised by adults, teachers, counselors and other students. Time and participation allows a seniority ranking among the students. The Job Corps offers orientation days in Greenfield and Salinas twice monthly.

AGENDA ITEM 8, PUBLIC HEARING(S):

- A. Associate Planner Pooler presented the Conditional Use Permit (CUP) application by Susan Collins to convert an existing commercial warehouse into a live/work studio, located at 751 Dias Avenue (APN 011-192-024), and

City **RESOLUTION Approving Conditional Use Permit 430 to Allow Conversion of an Existing Commercial Warehouse at 751 Dias Avenue into a Live-Work Studio for the Applicant as a Residence and Private Studio.** The project qualifies as a categorical exemption under State CEQA Guidelines, Section 15301, and is within a non-coastal Planned Mixed-Use zoning district. The single building has two commercial units, of which one is proposed for conversion at this time. The proposed live-work occupancy of a residential studio will require a minimum of two on-site parking spaces. There is adequate parking on the entire site to facilitate the proposed live-work studio and a variety of uses in the adjacent unit. There are specific Building and Fire Codes that must be satisfied regarding emergency egress/life-safety items and a redesign of the interior may be necessary. Some type of landscaping will be added and will require review by the Planning Department. According to the Water District, the conversion of the warehouse into a live-work arrangement is possible with the existing on-site water use. The applicant cannot take occupancy pending final compliance with applicable Building, Fire, Health, and other safety codes.

7:20 P.M. Floor Opened to Public Comment

SUSAN COLLINS (Applicant): She agrees with the conditions of this Use Permit. She is working with David Reade (Fire Dept) and Lisa (Building Dept) to iron out some issues.

7:21 P.M. Floor Closed to Public Comment

Motion to approve Resolution, by title only, was made by Councilmember Kruper, seconded by Councilmember Hubler. AYES: Councilmembers Blackwelder, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: Councilmember Kline. ABSTAIN: None. Motion carried.

AGENDA ITEM 9, OLD BUSINESS:

[Due to a possible conflict of interest by residing within 500' of the project area, Councilmembers Blackwelder, Hubler and Kruper had to draw straws. Due to the absence of Councilmember Kline, only one member may abstain in order to retain quorum. As a result of that drawing Councilmember Kruper left the dais.]

- A. City Engineer Kulakow presented the City **RESOLUTION Approving Bid Award for California Avenue Street Public Works Project to Earthworks Paving Contractors.** Staff received six bids for this project and Earthworks Paving Contractors (\$89,834) came in under the engineer's estimate of \$98,185. Earthworks will use a stamped asphalt process on the crosswalks. City staff have checked other job sites in Santa Cruz where this

process is used and it looks very good, Earthworks Paving are careful with detail. There is a \$50,000 STIP grant from CalTrans to help offset costs. In response to a question from Councilmember Huber, Mr. Kulakow said that only the crosswalk section of Contra Costa/California will be done - the street portion will be completed by the current developer Pedro Blas. Councilmember Blackwelder confirmed that the coloring process is only applied to the surface and is not integrated. The surface color should last a number of years and can be touched up.

Motion to approve Resolution, by title only, was made by Councilmember Hubler, seconded by Councilmember Blackwelder. AYES: Councilmembers Blackwelder, Hubler, Pendergrass. NOES: None. ABSENT: Councilmember Kline. ABSTAIN: Councilmember Kruper. Motion carried.

[Councilmember Kruper returned to the dais.]

- B. Executive Director Morgan gave an update on the McDonald coastal site Disposition and Development Agreement (DDA) with King Ventures. A faxed letter received today from King Ventures was distributed this evening. Staff and the Coastal Committee met with King Ventures last week. King Ventures is in default and have been given a notice to cure default by to June 24th. Recently, King Ventures has developed 1-2 shopping centers, acquired two hotels in San Luis Obispo, and two fairly large subdivisions. It has become evident that the McDonald coastal site has less priority for Mr. King. Staff and Committee members expressed their disappointment and concern that he has not met his obligations. The Redevelopment Agency has an on-going agreement with hotel consultant Jay Scott who has 4-5 possible hotel groups/developers that may be interested in the redevelopment site or a partnership with King Ventures.

Agency Planner Matarazzo discussed the preliminary schedule that was faxed and distributed today. Key points include the project introduction to the Coastal Commission staff. The 1989 Moffit-Nichol 50-year shore erosion report may need an update considering last winter's storms. If a Habitat Conservation Plan is attached to the proposal it will help expedite the approval process. Another reason for delay is working with adjoining property owners. Mr. Morgan pointed out that this letter from King Ventures does not include milestones to work with adjacent property owners or with other possible partners. (The Sterling and Calabrese site representative, David Wilson, was present this evening.) Chairman Pendergrass recommended Agency staff meet with David Wilson and attorney Mike Albov to discuss outstanding issues to move ahead with the McDonald site project. Mr. Morgan said staff will consider some penalty clause to be added to the

DDA as well as "soft costs" and EIR expenses should a partnership with another developer and King Ventures be formed.

- C. Progress report on Public Works projects, City Water Project, Redevelopment Projects, and other Sand City Community Programs by City Engineer/Community Development Director/City Administrator. City Engineer Kulakow reported that the Park Avenue work is on schedule. The transformer on California Avenue has been undergrounded and is ready for landscaping. In response to a question by Mayor Pendergrass, Mr. Kulakow said that the bike path lighting along Sand Dunes Drive should be completed later this year. In agreement with a comment by Councilmember Blackwelder, different lighting will be used on this portion of the bike trail in response to complaints of the existing system. Community Development Director Matarazzo said that staff met with Marina Coast Water District (MCWD) staff. MCWD are in favor of providing emergency water assistance and possibly the entire water supply. Action from LAFCO would be required in that event, and CalAm would have to be replaced as purveyor. Mayor Pendergrass stated that Ken Nishi and Ron Russo are the MCWD sub-committee members and will meet once both staff's have made further progress.

AGENDA ITEM 10, NEW BUSINESS:

- A. City Administrator Morgan presented the City **RESOLUTION Amending the Sand City Personnel Manual**. The following amendments and additions were made: replace the entire Section 5.01 "Attendance and Work Periods" by revising paragraphs A through D and adding paragraphs E, F, and G; substitute a new #1 and #2 for paragraph B on "Eligibility for Overtime in Section 5.02 "Overtime"; add a new Section 5.17 on "PERS Conversion" benefit; and add a second paragraph under Section 6.13 "Limitations (cap) on Accumulated Time Off."

Motion to approve Resolution, by title only, was made by Councilmember Kruper, seconded by Councilmember Hubler. AYES: Councilmembers Blackwelder, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: Councilmember Kline. ABSTAIN: None. Motion carried.

- B. There was no discussion of upcoming meetings that were listed in the staff report.

AGENDA ITEM 11, CLOSED SESSION:

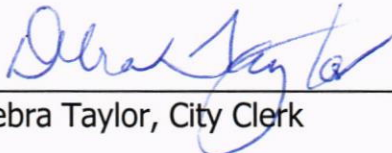
- A. The City Council adjourned to Closed Session to confer with legal counsel regarding pending litigation pursuant to §54956.9(a) of the Ralph M. Brown Act (3 cases) -

- (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. 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 taken, progress report only.
 - (A-2) *Coos Bay v. U.S. Fish & Wildlife et al*: no action taken, progress report only.
 - (A-3) *Seaside et al v. Monterey Peninsula Water Management District*: no action taken, progress report only.

AGENDA ITEM 12, ADJOURNMENT

- A. Motion to adjourn was made by Councilmember Kruper, seconded by Councilmember Hubler, to the next regularly scheduled City Council meeting on May 20, 2003, 7:00 p.m. There was unanimous consensus of the Council to adjourn at 8:14 p.m.



Debra Taylor, City Clerk