

MINUTES
JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY
City Council Chambers
Regular Meeting - June 3, 2003
7:00 PM

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

The invocation was led by Reverend Ted Britain.

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 this evening included some news articles on the snowy plover (item 8-A); a memo from the City Engineer regarding water supply and development options on the Robinette site, and an update from Saroyan Masterbuilder on the "Design Center" proposal for the Robinette site (item 8-B); and a draft letter to Senator McPherson with recommended changes to SB149 from the Seaside Basin cities (item 8-C).
- B. The floor was opened at 7:05 p.m. for oral communications, but there were no comments from the public. Mayor Pendergrass called attention to the new Arts Committee exhibit of photographic works by Heinz Hubler.

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 #377, Hartzel Automotive (Auto Training Center/Offices), 560 California Avenue
 - (2) CUP #399, Edgewater Center (Regional Commercial Center), Playa & California Avenues
 - (3) CUP #419, Carmel Tile & Marble Company (Wholesale), 1725 Contra Costa
 - (4) CDP #97-05, Monterey Bay Restaurant Equipment (Wholesale), 325 Elder Avenue
- B. There was no discussion of the May 20, 2003 Minutes.
- C. There was no discussion of the Monthly City/Redevelopment Agency Finance Report, April.
- D. There was no discussion of the City **RESOLUTION Authorizing Service Agreement Renewal with Centration, Inc. to Prepare Sand City Reimbursement Claims for SB90 Mandated Costs.**
- E. There was no discussion of the City **RESOLUTION Authorizing Renewal of a Maintenance Services Agreement with HOPE Rehabilitation Services.** This item was continued from the last meeting because HOPE was requesting a 7% increase, and the City would only consider 5%.
- F. There was no discussion of the City **RESOLUTION Authorizing Salary Plan Adjustment for Community Development Director.** The new salary range for the Community Development Director is adjusted from Range 69 to Range 71, a 5% increase, to be effective starting June 1, 2003.

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

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

No items.

AGENDA ITEM 7, PUBLIC HEARING(S):

- A. **FIRST READING:** Ordinance Approving the Addition of Chapter 18.59 "Density Bonuses/Incentives" and Chapter 18.63 "Accessory Dwelling Units" to the Sand City Municipal Code was presented by Community Development Director Matarazzo. These new chapters are intended to implement provisions of AB 1866 (2002). This legislation is to encourage the provision of second units on parcels with existing single-family residences and to provide density bonuses to developers that build affordable housing. Second units do not address low income housing, but can give the ability for lower rent units. For Sand City, this ordinance helps to implement the housing element and will not be viable until the City has more water to allocate.

7:20 PM Floor Open for Public Comment

No comments.

7:20 PM Floor Closed to Public Comment

There was some discussion which led to minor corrections/additions to the ordinance. In response to a comment by Councilmember Kline, it was agreed that this ordinance would not apply to 25' lots due to Floor Area Ratio (FAR) and inadequate parking.

Motion to approve first reading of Ordinance by title only, as amended, was made by Councilmember Blackwelder, seconded by Councilmember Kruper. Roll call vote - AYES: Councilmembers Blackwelder, Kline, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

AGENDA ITEM 8, OLD BUSINESS:

- A. Executive Director Morgan led the progress report on the McDonald coastal site Disposition and Development Agreement (DDA) with King Ventures. Some news articles related to the snowy plover were distributed this evening. Hotel consultant Jay Scott has raised the following issues about the proposed project: 1) Can a quality operator for this development be found that would run a 3-cluster operation (hotel, restaurants, convention center)? 2) Can the project be financed? 3) Take into account that there is a large turnover in the restaurant business, so there could be possible interim closures. 4) What happens if the project review is made - can changes be made (with a finalized EIR) and still get financing? Staff will create a letter to King Ventures to address some of these issues. The outstanding payment from King Ventures is due on June 10th, and the deadline for the cure date under the DDA is June 24th.

Agency Attorney Heisinger said that this project is different because under the DDA the permit process and EIR is handled by the Redevelopment Agency, whereas the review process will be a City expense. More caution by the Redevelopment Agency Board is valid due to these costs that will be shouldered by the City. Agency Planner Matarazzo stated that a contract for the EIR consultant will not be considered until King Ventures meets their financial obligation under the DDA.

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

- B. City Administrator Morgan gave an oral progress report on the May 23rd meeting with Monterey Peninsula Water Management District staff on water issues for the Robinette property. There was some discussion of the possible options listed in the meeting outline, as proposed by the City. A memo from the City Engineer regarding water supply and development options, plus an update from Saroyan Masterbuilders on the "Design Center" proposal was distributed this evening. Their project has been downsized and will have to be phased. They would require 12.54 acre-feet of domestic potable water and irrigation water for their full project. It should be possible to develop 2/3's of the proposed project with the 4.2 acre feet of existing water credits plus one more acre foot of allocated water, plus the well water for landscaping. At a future meeting, the Redevelopment Agency could consider approving an additional 1 acre-foot of water for the project. Mr. Kulakow reported that the nitrates in the irrigation water are a concern, but just within state standards for non-potable purposes. City Attorney Heisinger said that the well water could only be used for irrigation without getting into serious complications. Potable uses of this water is a much more complicated issue, including possible impacts to the Seaside Water Basin and objections by CalAm Water.

[Councilmember Blackwelder returned to the dais.]

- C. City Administrator Morgan led the discussion on SB 149 legislation and possible amendments concerning the Monterey Peninsula Water Management District Act. A proposed joint letter from the Seaside Basin cities was distributed this evening with recommended changes to SB 149. There was some discussion of modification to weighted voting, and a minor adjustment was made to the proposed letter.

Council consensus to make the minor addition to the letter and forward to the City of Seaside tomorrow morning.

- D. 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. Councilmember/Arts

Committee Chair Kruper distributed information on the Cultural Council for Monterey County. The Board of Supervisors is considering major cuts to the budget and Mr. Kruper is seeking a letter of support from the City Council requesting the funding to the Cultural Council remain intact. City Council consensus to delegate Mr. Kruper to speak to the Board of Supervisors and to send a letter of support for a positive Cultural Council budget. In response to a question by Councilmember Kruper, Mr. Morgan said the percentage for the arts issue will be referred for consideration by the City Council in July. Mr. Kruper announced that the next West End Event will be based at the Saroyan building on Redwood Avenue, and there will be different events throughout the West End on August 9th.

City Engineer Kulakow reported the new lights were installed at Calabrese Park today, and costs were offset by a \$31,000 state grant. The Park Avenue lights will be installed later and are funded by this Park Avenue improvement program. The work along California Avenue should be finished within two weeks. He will be seeking Council approval to advertise for bids on the City Hall lighting and front landscaping in July.

Community Development Director Matarazzo announced that further review of the West End Urban Design Study will take place at the July 15th meeting. Alternate choices for parking design, financing and building are to be determined.

AGENDA ITEM 9, NEW BUSINESS:

- A. Community Development Director Matarazzo presented the Fort Ord Reuse Authority (FORA) Affordable/Workforce Housing Study, as analyzed by City staff. FORA will consider this study on July 11th. Water and infrastructure are the biggest expense/add-ons to land costs. The state now has definitions of housing affordability to which cities and counties must adhere. It is easier for a city to require a certain percentage of the housing of new development to be affordable to lower and moderate income families than to provide that housing as a city project.
- B. Upcoming meeting notices were distributed, but not discussed.

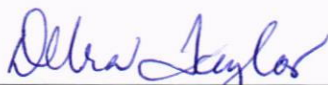
AGENDA ITEM 10, CLOSED SESSION:

- A. The City Council adjourned to Closed Session at 8:30 p.m. 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. 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) *Anticipated litigation*: no action.

AGENDA ITEM 11, ADJOURNMENT

- A. Motion to adjourn was made by Councilmember Kruper, seconded by Councilmember Blackwelder, to the next regularly scheduled City Council meeting on June 17, 2003, 7:00 p.m. There was unanimous consensus of the Council to adjourn at 8:35 p.m.



Debra Taylor, City Clerk