

MINUTES
JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY
City Council Chambers
Regular Meeting - February 5, 2002
7:00 PM

Mayor Pendergrass opened the meeting at 7:01 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
 Charles Pooler, Associate Planner

AGENDA ITEM 4, COMMUNICATIONS:

- A. Additional written communications distributed to City Council this evening included two Monterey County Herald news articles on affordable housing (item 4-A); comment letter received today from the Sierra Club and City response, and a comment letter received today from LandWatch on the General Plan (item 8-A); letter from Walter Lynch, Vice President, Azurix North America Corp. (through American Water Services [AWS]) on the City water project (item 9-B); proposed funding distribution chart on Prop 40 (item 10-A); and confidential memorandum on the Campos property negotiations for Closed Session (item 11-A-3). A list of items delivered under separate cover on Monday was also mentioned.

- B. The floor was opened at 7:05 p.m. but there were no oral communications from the public. Mayor Pendergrass called attention to the new display of artwork in the Chambers by Catherine Kuhlmann, as organized by Arts Committee Chair Todd Kruper.

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 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 #192, Steve Wilson (Mobile Home), 7 Scott Street
 - (2) CUP #212, Nickolas Olivio (Music Recording Studio), 1745 Hickory Street
 - (3) CUP #241, Jerry Lyon (Automotive Specialist Service), 475-A Olympia Avenue
 - (4) CUP #383, Burkleo Roofing (Roofing Company), 431 Ortiz Avenue
 - (6) CDP #93-01, Max Wholesalers (Picture Frame Supply), 325 Elder Avenue
 - (7) CDP #98-01, James Davi (Paint Contractor), 1815-E Contra Costa Street
- B. There was no discussion of the January 15, 2002 Minutes.
- C. There was no discussion of the Annual Police Department Activity Report, 2001 and Five Year Overview.
- D. There was no discussion of the monthly Fort Ord Reuse Authority Report, January.
- E. There was no discussion of the City **RESOLUTION Paying Tribute and Expressing Appreciation to Ron Chessire for His Many Years of Community Service.**
- F. There was no discussion of the City **RESOLUTION Authorizing an Agreement for use of Kubota Tractor, Front Loader and Backhoe with the Monterey Peninsula Regional Park District.**
- G. There was no discussion regarding authorization to enter into an Amicus Brief to the U.S. Court of Appeals for the Ninth Circuit in 99 Cents Only Stores v.

Lancaster Redevelopment Agency (U.S. Dist. Ct., Central District of California, Case No. 00-075772 SVW).

- H. There was no discussion of the City **RESOLUTION Authorizing a Continuing Service Agreement with Foy Consulting Group to Provide Technical Services Related to the Sand City Water Project.** This resolution is an extension of time, not budget, as there is approximately \$33,000 remaining funds from the original contract. The contract period is extended to June 30, 2003.
- I. There was no discussion of the City **RESOLUTION Authorizing the Reallocation of Revenue Generated from the Roberti-Z'berg-Harris Block Grant Allocation Bond Act of 2000 to the City of Seaside.** The total of this grant allocation is \$582.
- J. There was no discussion of the monthly City/Redevelopment Agency Financial Reports, December.

Motion to approve Consent Calendar was made by Councilmember Kline, seconded by Councilmember Hubler. 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, PRESENTATION(S):

- A. On behalf of the City Council, Mayor Pendergrass presented the Resolution of Appreciation to Ron Chessire - a man for the working people. Mr. Chessire graciously received his plaque and said a few words to the City Council.

AGENDA ITEM 8, PUBLIC HEARING(S):

- A. Consideration of adopting the updated Sand City 2002 General Plan, and related documents [*continued from January 15, 2002*], was presented by Community Development Director Matarazzo. Additional comments were received today from the Sierra Club and LandWatch. Mr. Matarazzo read his response to the Sierra Club for the record and summarized their concerns (endangered species, cumulative traffic impacts, etc. since the 1984 General Plan, and water). Mr. Matarazzo went on to explain that the new General Plan addresses property east of Highway One. He discussed the four designated areas (Old Town, East Dunes, South of Tioga, and destination commercial), and separate environmental requirements for each area.

- (1) *[Note: This public hearing item was closed at the last meeting and continued for action to this meeting]* City **RESOLUTION Certifying the Mitigated Negative Declaration for the General Plan and Adopting a Mitigation Monitoring Program**

Motion to approve Resolution as amended, by title only, was made by Councilmember Hubler, seconded by Councilmember Blackwelder. AYES: All members. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

7:30 P.M. Floor Open for Public Comment

- (2) City **RESOLUTION Adopting the 2002 Sand City General Plan Update for All non-coastal Properties within the Planning Area and Deferring Adoption for Those Areas within the Coastal Zone**

JENNIFER BRAGER: She is working with businesses and residents who are opposed to zoning changes from Manufacturing to Destination Commercial in the South of Tioga area. They want an EIR first, especially to address traffic issues. She concurs with the comments raised by the Sierra Club and LandWatch.

FRANK D'ANGELO (325 Elder Avenue property owner representative): Seeks interpretation on 18.16.020 A&B (of proposed mixed-use zoning district) ("expansion and use", and "property value" v. "property improvements"). He would also like a definition on 18.16.040 item L - "service commercial." He pointed out an error on the diagram in Figure 3.1 (circulation) showing a 2-lane road going through his clients property.

DON HUBBARD (Attorney for 325 Elder Avenue property owner): He wants clarification of where the desal site will be located, since his client's property was the prime site for a Peninsula-wide plant that was proposed to the voters a few years ago. 18.60.020 - wants it tied to a physical expansion. He also suggested that a 50% increase in existing businesses be allowed before Conditional Use Permits are required in the mixed-use zoning district.

Community Development Director Matarazzo responded to comments by the public. The current occupants of 325 Elder Avenue have a Conditional Use Permit (CUP) and would require an amendment to that CUP for any significant expansion. Staff recommends a revision to 18.16.020 to determine expansion of use. The term "service commercial" will be defined as a separate zoning ordinance amendment. Regarding the desal site - the City has rejected 325 Elder Avenue as a desal location as there are other vacant sites available within the City that would not require business relocation. Regarding traffic impacts - the South of Tioga project will have

a separate EIR and public hearing and the EIR will be project specific, allowing the public to give their input.

Mayor Pendergrass commended staff for their hard work and responses to comments, even though some were received late. Our vision for the City is to move forward, and to have more mixed-uses. In response to a question from Councilmember Kline, Mr. Matarazzo said that street expansions may include Catalina into Canyon del Rey, but would not include a road as mentioned under public comment. That item was a graphical error and will be removed from the document. The East Dunes will require a specific plan to determine precise road locations. The resolution includes General Plan policies (item 1), Graniterock relocation (item 4), add reference to the colored map attachment (now item A-1), policy 5.4.6 addition on open space for Park Agency lands supporting biological conservation.

8:09 P.M. Floor Closed to Public Comment

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

(3) FIRST READING: Ordinance Amending Title 18, Various Sections, of the Sand City Municipal Code to Add the Planned Mixed-Use (MU-P) District Regulations and Remove the Heavy Commercial (C-2) and Heavy Commercial/Coastal Zone (CZ/C-2) District Regulations was presented by Community Development Director Matarazzo.

8:12 P.M. Floor Open to Public Comment

There were no additional comments made on the first reading of the Ordinance. Prior General Plan comments reflected the mixed-use zoning discussion.

8:13 P.M. Floor Closed to Public Comment

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

[Due to a possible conflict of interest by residing within 500' of the project area Councilmembers Blackwelder, Hubler and Kruper drew straws to determine participation. As a result of that drawing Councilmembers Hubler and Kruper abstained, left the dais, and joined the audience.]

- B. Associate Planner Pooler presented the Coastal Development Permit application by Nghia Van Nguyen of Digital Tech Display & Electronics to utilize portion of an existing building located at 1801 Catalina Street (APN 011-177-029) to facilitate a sales and distribution center with component assembly of flat screen monitors. The project qualifies as a categorical exemption under state CEQA Guidelines, Section 15301 and is located within a non-appealable Coastal Heavy Commercial (CZ-C2) zoning district. No hazardous materials will be stored on site. The site has 13 parking spaces, and the proposed use will require 7 - the remaining 6 parking spaces are sufficient to accommodate a second manufacturing use within the remaining floor area of the building. An amendment to Condition #11 was made regarding trash containment.

8:19 P.M. Floor Open for Public Comment

No comments made, and the applicant was present.

8:20 P.M. Floor Closed to Public Comment

PETE ERICKSEN (Realtor for Applicant): Objected to the staff's suggested modification to Condition 11 due to costs, but was agreeable to a restriction on dumpsters.

Motion to approve Coastal Development Permit (CDP #02-02), as amended, was made by Councilmember Blackwelder, seconded by Councilmember Kline. AYES: Councilmembers Blackwelder, Kline, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: Councilmembers Hubler, Kruper. Motion carried.

[Councilmembers Hubler and Kruper returned to the dais.]

AGENDA ITEM 9, OLD BUSINESS:

- A. Community Development Director Matarazzo presented the City **RESOLUTION Authorizing a Contract with David J. Powers & Associates to Complete an Environmental Impact Report (EIR) for Sand City Water Supply Project** *[continued from January 15, 2002]*. The cost of this contract is not to exceed \$124,500. This is the same consulting firm that did the primary work on the Marina desal EIR. Minor changes were made to the contract (Exhibit A) regarding responses to comments.

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

- B. Progress report on Public Works projects, City water project, Project Study Report, pending coastal development projects and other Sand City community programs by City Engineer/Community Development Director/City Administrator. A letter from Walter Lynch, Vice President, Azurix North America Corp. (through American Water Services [AWS]) on the City water project was distributed this evening. City Administrator Morgan announced that a meeting will be scheduled for later this month with AWS and City staff. Mr. Morgan mentioned the letter in the agenda packet from Michael Van Zandt (attorney for David Bell Trust) stating they are withdrawing from the Sterling project after 17 years. City staff hopes this will be a more feasible project area by working directly with the property owners/representatives on this valuable coastal site. City Engineer Kulakow reported that the bicycle path lights now have added brackets on top to help against vandalism; and staff should know by the end of the month if CalTrans is awarding the City funds to complete the bike trail lighting.

AGENDA ITEM 10, NEW BUSINESS:

- A. City Administrator Morgan led the discussion of Sand City's position on Proposition 40 (clean water, clean air, safe parks, coastal protection). If passed, Prop 40 would give each city a minimum of \$220,000 and counties a minimum \$1.2 million for parks and open space. Proposition 42 (gas taxes) would be designated for transportation programs, but will take money out of the State's general fund. After some discussion, the City Council gave consensus to take a neutral position on Proposition 40.

[Due to a possible conflict of interest by residing within 500' of the project area, Agency member Blackwelder was excused. He left the dais and joined the audience.]

- B. Executive Director Morgan presented the staff report on the disposition of 443 Orange Avenue property. There are currently no specific uses proposed for this property as a relocation site, which is tying up public funds. There has been some interest expressed by members of the "Sand City family" to purchase the property which prompted this issue to be placed on the agenda. Chairman Pendergrass stated that purchasing the property originally served a two-fold purpose - as a possible relocation site and to trade with the Randazzo family for the Sylvan Avenue lots behind City Hall. Agency Counsel Heisinger said the property consists of approximately two lots, the house is unoccupied and in very poor condition. The Redevelopment Agency has a number of options - sell, retain, or trade. Agency member Kruper said that the City has a lack of public facilities and questioned if the house could be rehabilitated to a community center that will include uses for the Arts Committee, even on an interim basis. Chairman Pendergrass said that investments need to be looked at, the cost of materials to repair and operating expenses to run a facility. Agency member Kline suggested the Robinette site for community uses. Executive Director Morgan feels it would

be a major cash and time investment to make the building habitable for the general public, and may conflict with funds needed for the desal site. DBO Development does not feel this property is necessary for South of Tioga project relocations. Redevelopment Agency consensus to direct the attorney to prepare and present a fair and proper procedure to sell this property.

[Agency member Blackwelder returned to the dais.]

[Due to a possible conflict of interest by residing within 500' of the project area Councilmembers Blackwelder, Hubler and Kruper drew straws to determine participation. As a result of that drawing Councilmembers Blackwelder and Kruper abstained, left the dais, and joined the audience.]

- C. Consideration of parking and traffic issues for Redwood & John Street, Contra Costa & California, and upper Contra Costa was presented by City Administrator Morgan and Public Works Director Kulakow. Staff has made recommendations to correct a number of parking problems in the areas mentioned above. 1) The perpendicular parking at the end of Redwood Street is recommended to be redesigned, remove the island strip, and provide curbside loading/unloading only (estimated cost \$3,000-\$5,000). Colton Heating will have to modify their current parking. 2) After discussion and a site survey, a stop sign was not recommended for the northbound lane, southeast corner of Contra Costa and California. 3) Angled parking is recommended for upper Contra Costa, with removal of the double-yellow center line, and addition of a 15 mph speed sign to help with parking congestion in that area. Mr. Roy Woods will cover these costs for this site-specific improvement. City Council gave consensus on staff's recommendations and directed the City Engineer to complete new parking layouts and provide a corresponding resolution for future City Council consideration on the Consent Calendar.

[Councilmembers Blackwelder and Kruper returned to the dais.]

AGENDA ITEM 11, CLOSED SESSION:

- A. The City Council/Redevelopment Agency adjourned to Closed Session to confer with real property negotiator, in accordance with §54956.8 of the Ralph M. Brown Act:
- (1) To discuss possible purchase of property for redevelopment purposes, portion of APN 011-191-001 (Harper property)

[Due to a possible conflict of interest by residing within 500' of the project area (agenda item 11-A-2), Council/Agency members Blackwelder, Hubler and Kruper drew straws at the 1/15/02 meeting to determine participation. As a result of that drawing Council/Agency members Hubler and Kruper abstained, and left the room.]

- (2) To discuss pending negotiations on the Roy Woods/Dr. Kay property (APN 011-177-012 & 028) and upper John Street lots (APN 011-177-009)

[Council/Agency members Hubler and Kruper returned to the dais.]

[Due to a possible conflict of interest by residing within 500' of the project area, Agency member Blackwelder was excused.]

- (3) To discuss possible purchase terms of property for redevelopment purposes, APN 011-243-002 & 006 (Campos property)

[Agency member Blackwelder returned to the dais.]

[Due to a possible conflict of interest by residing within 500' of the project area (agenda item 11-B-1 & 2), Council/ Agency members Blackwelder and Kruper were excused and left the meeting for the remainder of Closed Session. A drawing of straws on 1/15/02 determined who would abstain.]

- B. To confer with legal counsel regarding pending and existing litigation for flood damages in accordance with the Ralph M. Brown Act:
 - (1) Section 54956.9(a), lawsuits entitled Colton Heating & Sheet Metal, Inc. v. City of Sand City, City of Seaside, and Does 1-10. (Case No. M56419 Superior Court, Monterey)
 - (2) Burkleo Roofing, Inc. v. City of Seaside, City of Sand City, and Does 1-20 (Case No. M55861 Superior Court, Monterey); and in accordance with §54956.95 of the Ralph M. Brown Act regarding insurance liability
- C. The City Council/Redevelopment Agency 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, as follows:
 - A-1: No action taken on Harper property.
 - A-2: No action taken on the Woods property.
 - A-3: Gave direction to the real property negotiator on the Campos property.
 - B-1: No action taken on Colton Heating lawsuit.
 - B-2: No action taken on Burkleo Roofing lawsuit.

AGENDA ITEM 12, ADJOURNMENT:

- A. Motion to adjourn was made by Councilmember Hubler, seconded by Councilmember Kline, to the next regularly scheduled City Council meeting on February 19, 2002, 7:00 p.m. There was unanimous Council consensus of the remaining Council/Agency members to adjourn at 9:55 p.m.

Debra Taylor

Debra Taylor, City Clerk