

MINUTES
JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY
City Council Chambers
Regular Meeting - March 19, 2002
7:00 PM

Mayor Pendergrass opened the meeting at 7:01 p.m.

Reverend Ted Britain led the invocation.

The Pledge of Allegiance was led by Girl Scouts of Monterey Bay, Troop 2035, with Troop Leader Denise Cooper.

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. Additional written communications distributed to City Council this evening and on Friday included an amended agenda adding item 10-D (Robinette site water credit); March 19, 2002 letter from Roy Woods' attorney regarding his commercial property on John Street/Contra Costa (items 8-A and 9-A); and March 18, 2002 Sand City letter to the Water District on the Robinette property (item 9-C).
- B. The floor was opened at 7:05 p.m. for oral communications from the public, but there were no comments. Mayor Pendergrass noted that the City participated in the Cannery Row Foundation celebrations for John Steinbeck and received a membership plaque of appreciation.

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. There was no discussion of the March 5, 2002 Minutes.
- B. There was no discussion of the Monthly Police Department Activity Report, February.
- C. There was no discussion of the monthly Fort Ord Reuse Authority (FORA) Report, March.
- D. There was no discussion of the monthly City/Redevelopment Agency Financial Reports, February.
- E. There was no discussion of the City **RESOLUTION Expressing Appreciation for Meritorious Renovation of Old Town Renovation Project** at Redwood Avenue.

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:

- A. Mayor Pendergrass made a presentation to Troop Leader Denise Cooper of the Sand City Resolution honoring Girl Scouts Week.
- B. Mayor Pendergrass made a presentation of the resolution plaque to Al Saroyan for his renovation project on Redwood Avenue in Old Town.

AGENDA ITEM 8, PUBLIC HEARING(S):

[Due to a possible conflict of interest by residing within 500' of the project area, a straw drawing was held on 8/21/01 with Councilmembers Blackwelder, Hubler and Kruper to determine who would abstain. As a result of that drawing, Councilmembers Blackwelder and Hubler did not participate, left the dais and joined the audience.]

- A. City Administrator Morgan gave a progress report on the John Street vacation/abandonment *[continued from December 4, 2001 meeting]*. This process was started several years ago, and staff is not in a position to make any final recommendations at this time. There is a public workshop scheduled for the April 2nd meeting on parking issues and this item may be dropped or continued at that time.

7:17 P.M. Floor Open to Public Comment

No comments.

7:17 P.M. Floor Closed to Public Comment

City Council consensus to continue this item to the April 2nd meeting.

[Councilmembers Blackwelder and Hubler returned to the dais.]

AGENDA ITEM 9, OLD BUSINESS:

[As determined by a straw drawing at the February 4, 2002 meeting, Councilmembers Kruper and Blackwelder have a possible conflict of interest by residing within 500' of the project area and will abstain from this agenda item. Both Councilmembers left the dais and joined the audience.]

- A. City Engineer Kulakow presented an oral progress report on proposed parking changes - upper Contra Costa parking layout and Redwood Avenue parking modifications. Mr. Kulakow distributed some preliminary maps outlining suggested parking layouts. The Monterey Mattress Company loading and unloading activities may interfere with some of the proposed parking designs on upper Contra Costa by not allowing enough space for through-traffic. Council and staff discussed some of the following: options for Redwood Avenue; received a letter tonight from Roy Woods' attorney; there was a suggestion to have some temporary parking on Dias Avenue; and the concrete island on Redwood Avenue would need to be removed. Notices are being sent to businesses, property owners and residents for the April 2nd public workshop regarding parking. This workshop will help prioritize needs, inform the public and receive comment.

ROY WOODS (Property owner): He estimates that three properties have the most impact to parking problems - Berg's property, Cort's property and Colton Heating. He has 10 vehicles and 3 garbage bins currently on his "Dr. Kay" property - which he does not mind *right now* - but things will change. He has concerns about the lack of cooperation from Colton Heating and Etter Plumbing and foresee's conflicts in the future. In effect, they have not shown an interest in paying Mr. Woods for parking privileges on his property. He is currently getting an appraisal on the John Street properties because he does not agree to the value in the Stephen Brown appraisal. He is willing to sit down with staff and work out a sale price that is reasonable.

Councilmember Hubler is also concerned about removing the island on Redwood Avenue before an alternate parking solution is found. Mr. Kulakow recommended staff have a meeting with Colton Heating and Etter Plumbing prior to the April 2nd workshop. Parking for free is no longer an option

anywhere, and having to pay \$20-30 per month is very reasonable. All issues will be open for discussion at the April 2nd workshop.

[Councilmembers Kruper and Blackwelder returned to the dais.]

- B. Executive Director Morgan presented the Redevelopment Agency **RESOLUTION Authorizing First Extension of Exclusive Negotiating Agreement with DBO Development for Redevelopment of the Area Known as "South of Tioga."** Mr. Morgan gave an update on this difficult project area, reminding the Agency Board that there is no definite project in mind at this time. A Council sub-committee met last week with staff and representatives of DBO to discuss the status of the project area, and the unique economic issues involved in redeveloping this site.

DON OROSCO (DBO Development): At this meeting with the sub-committee, there was a discussion of the challenges of this area that have extreme costs involved in remediation, removal, relocation and land costs. He has estimated his costs will be \$25 per sq ft in Sand City, compared to \$10 per sq ft in Watsonville. The option of mixed use is again a consideration and conceivably they could develop a Lowes or Home Depot with 44 residential units on the upper floors. As a developer it is nearly impossible to move forward when taking into account the uncertainties of water credits (due to Water District Board issues) which could involve a tremendous outlay of cash with no final disposition on water issues. DBO Development is still very interested in redeveloping this site and with consideration to the above mentioned issues, a one-year extension of the ENA is more realistic.

Motion to approve Resolution by title only, with a one-year extension on the ENA was made by Agency member Pendergrass, seconded by Agency member Blackwelder. AYES: All members. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

- C. 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. Community Development Director Matarazzo reported that there have been no legal challenges to the Mitigated Negative Declaration on the General Plan, therefore an Environmental Impact Report will not be necessary. City Engineer Kulakow said that the CalTrans fencing along the west side of Highway One is complete and the dune winds have already posed a challenge. There will be a meeting tomorrow at City Hall with City of Seaside representatives and TAMC staff to discuss having a bicycle trail in the railroad right-of-way parallel to Del Monte Avenue. City Administrator Morgan announced that agenda item 10-D (structure demolition on Robinette site) is not necessary due to a call from the Water District. The Sand City March 18th letter was distributed this evening and states that the water

meters were removed (not the structures) from the Robinette site so that the water credits process could be finalized. Because this property has a documented, established and approved water use, the meter was removed and will be reinstalled at another date. The Water District assures City staff that "the letter acknowledging 4.199 acre feet of water credit is in the mail" (4.93 acre feet less the 15% conservation set aside).

AGENDA ITEM 10, NEW BUSINESS:

- A. Community Development Director Matarazzo presented the staff report on "fair share" housing distribution for Sand City as part of the Housing Element update process. The City is required to have a certified 2000-2007 housing element by December 31, 2002, and a 90-day review period of the draft housing distribution for all AMBAG-related jurisdictions, ending on May 15, 2002 is underway. Sand City must "accommodate" (enough land appropriately zoned for housing, but not necessarily constructed) 232 housing units: 28 units of "very low income," 42 units of "low income," 63 units of "moderate income," and 99 units of "above moderate income." City Council gave consensus to accept this fair-share housing allocation for Sand City and to send confirming correspondence to AMBAG.
- B. The status report on the McDonald Site Disposition and Development Agreement (DDA) with King Ventures (APN 011-012-001 & 002) was discussed under Closed Session, item 11-A-3.
- C. It was determined that the annual City barbecue will be held May 18, 2002. Councilmember Kruper will try to make arrangements to book the same band as last year, Councilmember Hubler will distribute the t-shirts, Councilmember Blackwelder will be a greeter and help as needed, and Councilmember Kline will chair the BBQ committee. An improved sound system has been purchased by the City, and the raffle will be held in the Council Chambers around 1:00 p.m. The City Council gave consensus for the May 18th date and selection of band.
- D. The Redevelopment Agency RESOLUTION Authorizing Demolition of two old Structures Located on Redevelopment Agency Property at 625 Elder Avenue (former Robinette property) was added to the agenda on Friday, after the initial agenda packet was distributed. It was determined that a resolution is not required and this issue was covered under item 9-C.

AGENDA ITEM 11, CLOSED SESSION:

- A. Adjourned to Closed Session to confer with real property negotiator, in accordance with §54956.8 of the Ralph M. Brown Act:

- (1) There was no discussion of the 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, Agency member Blackwelder was excused from participating in this agenda item as determined at a prior Council/Agency meeting. This item was taken out of sequence.]

- (2) To discuss possible purchase terms of property for redevelopment purposes, APN 011-243-002 & 006 (Campos property)
 - (3) To discuss possible renegotiation of Disposition and Development Agreement (DDA) with King Ventures
- 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: There was no discussion of the Harper property.
- A-2: The Redevelopment Agency Executive Director gave a brief presentation/summary of the Phase I Environmental Study on the Campos property. No serious problems have been found by the consultant. Gave further direction to the real property negotiator and legal counsel for the Campos property adding a provision to clean up trucks, pallets, etc. before the close of escrow (Blackwelder abstained).
- A-3: The Redevelopment Agency gave direction to the Agency Attorney regarding the King Ventures DDA.
- B-1: There was no action on the Colton Heating lawsuit.
- B-2: There was no action on the Burkleo Roofing lawsuit.

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 2, 2002, 7:00 p.m. There was unanimous Council consensus of the Council/Agency members to adjourn at 9:03 p.m.



Debra Taylor, City Clerk