

**MINUTES**  
**JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY**  
**City Council Chambers**  
**Regular Meeting - April 2, 2002**  
**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  
Charles Pooler, Associate Planner

**AGENDA ITEM 4, COMMUNICATIONS:**

- A. Additional written communications distributed to City Council this evening was the Campos property appraisal received today from Stephen Brown Associates (item 7-E).
- B. The floor was opened at 7:04 p.m. for oral communications from the public, but there were no comments. City Administrator Morgan gave a public reminder that the Waste Management clean up day in Sand City will be on April 12<sup>th</sup>. City Council gave consensus to take the agenda out of sequence to accommodate the large public turnout here to participate in the parking workshop (item 8-A).

**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 #67, Doyle Potter (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 #333, Nuki's Automotive Specialists (Auto Repair), 414 Orange Avenue
  - (9) CUP #405, Frances & Albert Paley (Art Studio), 1788 Holly Street
  - (10) Variance #169, Monterey Fish Company (Encroachment), 841 Fir Avenue
  - (11) CDP #98-02, Freelance Gilding (Manufacturing), 1815-A Contra Costa Street
  - (12) CDP #99-02, Robert & Andrea Williams (Woodshop), 1 John Street
- B. There was no discussion of the March 19, 2002 Minutes.
- C. There was no discussion of the City **RESOLUTION Authorizing and Designating the Monterey Regional Waste Management District to File a Grant Application and to Receive and Expend Department of Conservation City/County Payment Program (SB332) Funds on Behalf of the City of Sand City**. This designation covers two fiscal years (until 2003) for a total of \$10,000 (\$5,000 per year).

- D. There was no discussion of the City **RESOLUTION Authorizing Award of Sand City Website Production to The Strategy Store** for an amount not to exceed \$5,380 including software.
- E. There was no discussion of the Arts Committee Minutes, February 21, 2002.

Motion to approve Consent Calendar was made by Councilmember Kline, seconded by Councilmember Blackwelder. 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. Associate Planner Pooler presented the Coastal Development Permit application by Roy Meadows and Gary Haedrich to establish a fenced storage yard within the Union Pacific Railroad right-of-way at the rear of 650 and 654 Ortiz Avenue (APN 011-233-012 & 003). The project qualifies as a categorical exemption under State CEQA Guidelines, Section 15301, and within a non-appealable Coastal Manufacturing (CZ-M) zoning district. The applicant wants to erect a 6' chain-link perimeter fence around 5,200 sq ft of the railroad right-of-way for additional parking of motor vehicles associated with their auto repair business. The area will not be paved, but staff is recommending some type of temporary permeable material to control dust and drainage. A green mesh architectural fabric should be used on the fence in combination with a dark colored plastic clad chain-link for screening purposes. A two-year time limit with possible extensions is recommended, subject to future public hearing and review by the Council. There was no discussion by the City Council.

8:35 PM Floor Open for Public Comment

ROY MEADOWS (Applicant): They concur with the conditions and plan on screening the additional space. Their agreement with the railroad is on a month to month basis.

8:37 PM Floor Closed to Public Comment

Motion to approve Coastal Development Permit #02-03 was made by Councilmember Kline, seconded by Councilmember Kruper. AYES: All members. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

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

- B. Associate Planner Pooler presented the Site Plan Permit and Conditional Use Permit application by Gus and Millie Randazzo for a mixed-use project and land use approval (two commercial units and two, 2-bedroom residential units) located on property fronting the 400 block of Orange Avenue (portion of APN 011-238-016). The project qualifies as a categorical exemption under State CEQA Guidelines, Section 15303(b) & (c), and Section 15332. The applicants participated in the water competition and were reserved water based upon a mixed use development. They are proposing a 2-story building with two apartments upstairs and two commercial units on the lower level. One of the commercial spaces will be for their hardwood floor business that consists of lumber storage, sanding and finishing equipment and supplies. Staff is recommending that due to the severely limited parking, high-parking demand uses such as retail should not be allowed on this site and only one commercial operation should utilize all the commercial space. The zoning ordinance requires that 1.5 covered parking spaces be provided for each residential dwelling unit, but staff feels an exception is justified in waiving the requirement that this parking be covered based on the applicant's cooperation in the property exchange with the Redevelopment Agency. There are 5 off-street parking spaces (3 residential/2 business) and 3 spaces for commercial use inside the building. There are two options for this project being considered this evening effecting the overall size of apartments and business(es).

8:46 PM Floor Open for Public Comment

DARREN DAVIS (Project Designer): Gus Randazzo has a hardwood floor business which does not entail any fabrication, dust, sanding, etc. - all of this is done at a job site. The applicants would like the ability to have two separate businesses within this building and do not want to be locked out of this option. There would be a separate application in the future for a second business for Council consideration. The Randazzo's would also prefer to have two 2-bedroom apartments (option #1) instead of two 1-bedroom apartments (option #2). The DRC approved the basic design and parking was discussed in detail. City staff have done a great job on this application.

GUS RANDAZZO (Applicant): His hardwood floor operation is a service business and is not like a cabinet shop. He wants to utilize the building as efficiently as possible and have two businesses. When the property exchange was made they went from a larger lot to a smaller lot and he has always asked about parking issues.

8:55 PM Floor Closed to Public Comment

Community Development Director reported that 2-bedroom apartments generate more traffic and parking needs. D&S Painting (across the street from this site) was approved by a split vote of the Council and allowed 2-bedroom apartments. He asked D&S why their limited parking works and they said that service vehicles are taken home each night, they use a property management service for the apartments, and they only allow one car per dwelling unit. Mr. Matarazzo made amendments to Condition #22 because he does not want enforcement issues in the future. City Administrator Morgan reiterated to the Randazzo's that part of the terms of sale/exchange agreement requires them to move water/sewer lines for the mobile home next door. There was some discussion by the City Council regarding Option #1 or Option #2.

Motion to approve Option #1 (two 2-bedroom apartments) and the revisions to Condition #22 requiring only one business on-site was made by Mayor Pendergrass, seconded by Councilmember Kruper. AYES: Councilmembers Kline, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAINED: Councilmember Blackwelder. Motion carried.

*[Due to a possible conflict of interest by residing within 500' of the project area, Agency member Blackwelder abstained and remained in the audience.]*

- C. Executive Director Morgan led the review of the disposition process and related Redevelopment Agency Disposition Report for 443 Orange Avenue Redevelopment Agency property (portion of APN 011-238-016, Block 25, Lots 16 & 18). The existing house is in substandard condition and should not be upgraded or remodeled - just demolished. There is .107 acre feet of water available, but would require an allocation by the Agency as follows: mixed-use (one 1-bedroom apartment) would require .155 acre feet of additional water; two 1-bedroom units would require .242 acre feet of new water; and a one-story Group One building (2,695 sq ft) would require a new allocation of 0.0817 acre feet of additional water. The Redevelopment Agency has a number of issues to consider this evening: 1) should there be an allocation of additional water?; 2) use an outside relator to establish the value of the property to potential buyers? 2-b) use relator Pete Ericksen? The Agency should take into account that \$116,000 has been expended and there will be the added expense of a development report and commission to the relator; 3) what is considered the best and highest use of this property? A number of people have expressed an interest in this property, especially as a single-family home. Staff is recommending a small water allocation from the reserves to allow a mixed-use project on this site. Agency Planner Matarazzo reported that as long as the Redevelopment Agency bought the property without a tenant being present, the law does not require an affordable replacement structure. The Slautterback water credit is still pending from the Water District and staff recommends a small water allocation to this site which would also increase the value of the property.

9:12 PM Floor Open to Public Comment

JOHN MORRIS (Relator): He is not in competition with Mr. Ericksen, but he would like to redevelop the property. He understands the costs have to be covered and has made a determination that a limited rehabilitation could be done for rental purposes while the water issue is being worked out. This property becomes less feasible as a mixed-use project with the continued increase in fees, and they would consider a mixed-use when water becomes available.

PETE DALLAS (Developer): They have built many homes on the Monterey Peninsula. He met with staff three weeks ago and is prepared to move forward immediately for a mixed-use project that will be compatible with the new General Plan and the neighborhood. He wants to be a part of Sand City, and is willing to offer first right of refusal to Sand City staff for renting one of the apartments. His reputation can be confirmed by calling the City of Carmel and checking his successful projects. He is willing to enter into an agreement tonight and avoid commissions, etc. to keep the costs down. He could have a design ready within two weeks and it would work to everyone's favor.

PETE ERICKSEN (Realtor): Value depends on what you can do with a piece of property and how income will be derived. Water is always an issue.

9:19 PM Floor Closed to Public Comment

Agency Attorney Heisinger said that the Redevelopment Agency has to decide how they want to see the property used in the future. This decision will effect water allocations and an allocation will significantly increase the property value. Staff is recommending the building be demolished. There was Board discussion on possible uses and whether a water allocation should be made.

Motion to accept the Redevelopment Agency Disposition Report and to conceptually approve a mixed-use project with two 1-bedroom units and to allocate the necessary water, was made by Chairman Pendergrass, seconded by Agency member Kline. AYES: Agency members Kline, Kruper, Pendergrass. NOES: Agency member Hubler. ABSENT: None. ABSTAINED: Agency member Blackwelder. Motion carried.

Motion to prepare a Disposition Development Agreement (DDA) for future consideration indicating best use (a mixed-use project) for the property to be available for a prospective purchaser was made by Agency member Kline, seconded by Agency member Pendergrass. AYES: Agency members Kline, Kruper, Pendergrass. NOES: Agency member Hubler. ABSENT: None. ABSTAINED: Agency member Blackwelder. Motion carried.

*[Agency member Blackwelder returned to the dais.]*

- D. FIRST READING: Ordinance Amending Title 18 of the Sand City Municipal Code to Add a Definition of "Service Commercial" to the List of Definitions in the Zoning Ordinance was presented by Community Development Director Matarazzo. The new language will be added to Section 18.04 of the Zoning Ordinance as follows: "Service Commercial" uses means those uses and businesses that are establishments primarily engaged in rendering services on a fee or contract basis for all phases of building construction and maintenance; or that render services to other businesses such as advertising, employment services, management and consulting services, and protective services."

9:38 PM Floor Open for Public Comment

No comments.

9:38 PM Floor Closed to Public Comment

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

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

- E. Executive Director Morgan presented the report on the Redevelopment Agency acquisition of undeveloped property located at the west end of the 300 block of Elder and Shasta Avenues for future redevelopment program purposes (APN 011-243-002 & 006 - Campos) and related resolutions. The appraisal by Stephen Brown Associates was just received today, and a summary of the appraisal was distributed this evening. The agreed upon price of \$450,000 was determined to be the fair market value of the property, the Phase I Environmental Report has already been accepted, and staff is ready to open escrow. No specific use of the property has been determined at this time.

9:48 PM Floor Open to Public Comment

No comments.

9:49 PM Floor Closed to Public Comment

Motion to approve City **RESOLUTION Approving the Negative Declaration Prepared for the Purchase of Property with an Existing Com-**

**mercial Storage Yard at the West End of the 300 Block of Elder Avenue and Shasta Avenue (APN 011-243-002 & 006)** was made by Councilmember Kline, seconded by Councilmember Hubler. AYES: Councilmembers Kline, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAINED: Councilmember Blackwelder. Motion carried.

Agency Attorney Heisinger discussed changes to "Conditions Precedent to Closing" section of the agreement (2-C). The Campos family is selling their business and wants to use the property rent free for four months after the close of escrow. Therefore, interest on the promissory note will not begin until they vacate the property. The interest on the note is 7% and the Campos family does not want the note paid off quickly in order to continue to collect interest. A pre-payment penalty clause will be added: \$10,000 for the first year, \$7,500 for the second year, and \$5,000 for the third year. Executive Director Morgan said staff does not anticipate an early payoff for the first or second year, but on the third year it may become necessary to pay early because an undertaking may demand a refinancing as part of an entire project. Mr. Morgan explained that he had given a thorough summary of the Phase I report at the last meeting.

Motion to approve Redevelopment Agency **RESOLUTION Approving a Real Property Purchase Agreement and Authorizing the Executive Director to Accept the Grant Deed for Undeveloped Property Located at the Est End of the 300 Block of Elder and Shasta Avenues (APN 011-243-002 & 006 - Campos)** by title only, as amended, was made by Agency member Hubler, seconded by Agency member Kruper. AYES: Agency members Kline, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAINED: Agency member Blackwelder. Motion carried.

*[Agency member Blackwelder returned to the dais.]*

- F. Motion to pull the John Street abandonment/vacation *[continued from March 19, 2002 meeting]* agenda item was made by Councilmember Kline, seconded by Mayor Pendergrass. AYES: Councilmembers Kline, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAINED: Councilmembers Blackwelder and Hubler (due to the 500' conflict rule). Motion carried.

#### **AGENDA ITEM 8, OLD BUSINESS:**

*[The agenda was taken out of sequence to hold the workshop as the first order of business.]*

- A. Community Development Director Matarazzo led the public workshop to review and discuss parking and traffic congestion problems and possible solutions within "Old Town." The City is encouraging mixed-use projects to coincide with the new General Plan and parking demands will increase



significantly. Parking issues are complicated as they include topics such as space, esthetics, elimination of blight, addition of street trees for beautification, truck deliveries, etc. Staff is recommending a parking study for the next fiscal year to include urban design for an estimated \$50,000 cost. Mr. Matarazzo provided a slide presentation with examples of the congestion, especially along the railroad right-of-way and Robinette site.

7:30 PM Floor Open to Public Comment

Some comments and questions were raised during the presentation regarding the loss of parking spaces by the addition of street trees.

VAL LIMA (American Movers): What does he do with his trucks on the east end of Redwood Avenue? He leases property from the railroad for his employees to park in the right-of-way. Will this be a problem in the future?

SAL BALBO (Bay Door & Supply): Regarding the Al Saroyan project on Redwood Avenue - the City gave 6' of the street to help Mr. Saroyan meet parking needs. There was discussion that a red zone was to be placed across the street because without the red curbing it restricts 2-way traffic, especially when the large trucks come through. He would like to see that area red-zoned.

GERALD LIPORI (Gerry's Machine Shop, 349 Olympia): We're crowded just like everyone else, but we get along with each other. He heard a rumor that Sand City wants to eliminate commercial businesses - is this true? Mr. Matarazzo replied that the new General Plan states that existing businesses with or without mixed-use can stay. The City wants to make sure that future uses are compatible with residential use.

JOSEPH COOK (Property owner, Orange Avenue): Parking doesn't work as well on Orange Avenue with the mixed-use. When everyone is there, parking is very tough and he has to rope off his property. He tried buying the property next door to him, but the City bought it. Due to the truck scales on Catalina, Orange Avenue is the through-street for those very large trucks so they get a lot of traffic. He doesn't get it that the City wants to take over peoples businesses and have more residents. Why more people? Why a cosmopolitan adventure? It's all about money and it's a sham. The General Plan is just window dressing unless there is better planning.

SYDNEY HARPER (Resident/property owner): She supports the City's new General Plan, especially with mixed-use. It makes for a good neighborhood and the two can co-exist well. "Service commercial" businesses take trucks out during the day, but the employee vehicles still remain. On her street she has 16 employee vehicles parked all day - all on a street without curbs or gutters. Can the City use a shuttle bus to drop people off from a centralized

parking area? She wants the community to work together with the City Council to develop a city that suits the needs of families. The City does need more parking.

PETE ERICKSEN (Relator): He has worked with/in Sand City for 23 years and likes the new growth plans, but mixing tricycles and trucks can be tough. There are still some existing businesses that work. If the City had a parking lot, it would help immensely. Parking is the biggest thing to drive the success of the General Plan. He feels that Greg Hawthorne's new project on Ortiz Avenue is a great solution by offering off-street parking, but not all businesses have that.

ROY WOODS (Property owner): This workshop is what he has been fussing about for two years. "Getting along" is not the only answer - something needs to be done.

DON DIFEDE (Dias Avenue resident): There is a new 2-story apartment behind his place. Where do they all plan to park? He owns three cars and wants to buy one more, so where's he going to park? He just loves giving the Police Department \$31 each week in parking tickets. Take those trees out and let people park. Give people a place to park or there won't be any room to park and have businesses. This will just end up like San Francisco.

CHARLES FERRARA (Redwood Avenue resident): He feels sorry for the moving companies and a lot of other guys - where else are they going to go? Is the City planning on regulating private property, off-street parking? Will there be future ordinances for off-street parking? From his polling the locals (renters and business owners), the general consensus is that there needs to be direction for private off-street parking on property. He doesn't have a lot of money, tries to keep his property clean, doesn't encroach - so if the City tries to tell him he couldn't use his space he can't understand and is concerned. Is the City discouraging people to rent or buy property for business purposes? Why restrict space on private property?

7:55 PM Floor Closed to Public Comment

Mr. Matarazzo presented concluding remarks. He agrees with some of what has been said tonight. The General Plan is window dressing unless it can be implemented well, that's why a parking study is proposed. The availability of water in the future will cause an explosion of growth. The City wants to make Old Town a more pedestrian- and residentially-friendly area. The City does not plan to regulate private parking, especially new construction. The availability of parking makes a property more valuable. The parking study will be excellent information for everyone, and will address the costs of a parking facility.

City Administrator Morgan said that many cities do not want to address parking, such as Carmel and Pacific Grove. One example is the Tin Cannery building which has only a small lot for a large retail facility. Monterey has built parking structures on Cannery Row and downtown, but they cost huge sums of money to building and maintain. Monterey makes more money just from their parking facilities than the entire budget of Sand City from all funding sources. Mayor Pendergrass said that traffic patterns should also be addressed.

Motion to approve a future parking study in the upcoming fiscal year budget was made by Mayor Pendergrass, seconded by Councilmember Blackwelder. AYES: All members. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

8:15 PM Recess  
8:32 PM Reconvene

- 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. Community Development Director Matarazzo reported that the final version of the Highway One PSR will be sent to CalTrans next week. A copy will be sent to TAMC in anticipation they will send a letter of support to CalTrans.

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

No items.

#### **AGENDA ITEM 10, CLOSED SESSION:**

City Council/Redevelopment Agency consensus that Closed Session was not required this evening.

- A. It was determined that a Closed Session to confer with real property negotiator, in accordance with §54956.8 of the Ralph M. Brown Act to discuss possible purchase terms of property for redevelopment purposes, APN 011-243-002 & 006 (Campos property) is not necessary.
- B. It was not necessary 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

**AGENDA ITEM 11, ADJOURNMENT:**

- A. Motion to adjourn was made by Councilmember Blackwelder, seconded by Councilmember Kruper, to the next regularly scheduled City Council meeting on April 16, 2002, 7:00 p.m. There was unanimous Council consensus of the Council/Agency members to adjourn at 10:02 p.m.



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Debra Taylor, City Clerk