

MINUTES
JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY
City Council Chambers
Regular Meeting - May 21, 2002
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
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 an after-action report from Police Chief Klein on the annual barbecue held last weekend and was a great success.
- B. The floor was opened at 7:03 p.m. for oral communications from the public, but there were no comments. Mayor Pendergrass thanked Arts Committee Chair Todd Kruper for the new photographic display by Monica Small that is in the Gallery/Chamber.

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 April 16th and May 7th Minutes.

- B. There was no discussion of the City **RESOLUTION Authorizing Service Agreement for Auditor Services by Hayashi Wayland**, for an amount not to exceed \$31,500. The contract will expire May 20, 2003.
- C. There was no discussion of the monthly City/Redevelopment Agency Financial Reports, March.
- D. There was no discussion of the monthly City/Redevelopment Agency Financial Reports, April.
- E. There was no discussion of the monthly Fort Ord Reuse Authority (FORA) Report, May.
- F. There was no discussion of the monthly Police Department Activity Report, April.
- G. Ratification of Commercial Lease Agreement, Sand City, California (former Campos vacant property, APN 011-243-002 & 006) was pulled from the Consent Calendar and considered under agenda item 6.
- H. There was no discussion of the City **RESOLUTION Authorizing Contract for Services Related to Quarterly Investment Reports with Centration Management Advisors & Consultants** for an amount not to exceed \$4,000 and includes all fees and expenses for travel. The contract will expire March 31, 2003.

Motion to approve Consent Calendar items A,B,C,D,E,F, and H was made by Councilmember Kline, seconded by Councilmember Blackwelder. AYES: All members. NOES: None. ABSENT: None. ABSTAINED: None. Motion carried.

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

[Due to a possible conflict of interest by residing within 500' of the project site, Agency member Blackwelder abstained. He stepped down from the dais and joined the audience.]

- G. Ratification of Commercial Lease Agreement, Sand City, California (former Campos vacant property, APN 011-243-002 & 006) was considered under agenda item 6. This lease will be for use of the property for the next four months. Executive Director Morgan reported that escrow was scheduled to close yesterday, but due to a minor accident, Mrs. Campos was not able to sign and staff expects closing escrow tomorrow.

Motion to ratify the commercial lease agreement was made by Agency member Hubler, seconded by Agency member Kline. AYES: Agency

members Kline, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: Agency member Blackwelder. Motion carried.

[Agency member Blackwelder returned to the dais.]

AGENDA ITEM 7, PRESENTATION(S):

[Because the MCCVB representatives were a little late in arriving, this item was taken later out of sequence.]

- A. Monterey County Convention & Visitors Bureau (MCCVB) President Burke Pease gave an update on tourism and marketing activities. Mr. Pease was introduced by Vice-Chair Melody Giddian. Sand City was the first city to join the consolidated bureau. Ken Caldwell is an excellent representative for Sand City and is very active on the Board. MCCVB's biggest campaign to date was a large mailing last winter/fall prior to the September 11th event. This mailing was designed to entice travellers from around the state to have Monterey County as their drive-to destination. There have been some effects to the industry due to September 11 and the recession. They expect a 2% recovery growth this year, 3% in 2003 and 3% in 2004. MCCVB looks forward to a hotel in Sand City. City Administrator Morgan asked if H.E.R.E. (hotel and restaurant employee union) was represented or a participant in the MCCVB and Mr. Pease said they were not and MCCVB avoids management-type issues and focuses on marketing. If they do their job well, it keeps those people employed. Mr. Pease distributed some copies of their current publication and budget to the City Council.

AGENDA ITEM 8, PUBLIC HEARING(S):

- A. **SECOND READING: Ordinance Rescinding Ordinance No. 02-02 and Amending Title 18, by Adding Chapter 18.13, of the Sand City Municipal Code, Planned Mixed Use District Regulations (MU-P); and Amending the Zoning Map to Change Zoning District Designations in the Old Town Neighborhood to Mixed-Use** was presented by Community Development Director Matarazzo. It was necessary to rescind the prior Ordinance because the new zoning map was not included for Council's consideration; however, it was mailed to the effected property owners.

7:06 PM Floor Open for Public Comment

No comments.

7:07 PM Floor Closed to Public Comment

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

- B. Associate Planner Pooler presented the Coastal Development Permit application by Al Saroyan for the establishment of a fenced storage yard within the Union Pacific Railroad right-of-way at 710-780 Redwood Avenue (APN 011-198-002 & 003). The project qualifies as a categorical exemption under State CEQA Guidelines, Section 15301, and is located within a non-appealable Coastal Manufacturing (CZ-M) zoning district. (The applicant arrived late.) The applicant currently has a 30' encroachment into the railroad right-of-way for a paved one-way drive aisle and parking. These proposed yards will be adjacent to this encroachment, extending deeper into the railroad right-of-way. Both yards will be 12' wide and 100' long. Staff is recommending the fence to be an 8' chain-link with mesh of architectural fabric matching the roof color, in place of vinyl slats, to screen the yard interior and contents. Staff recommends that the applicant utilize some type of temporary permeable material to control dust and drainage. Based on his lease with the railroad, staff has conditioned the permit to expire within two years, and continued use of the yard will require new discretionary review and approval at the time of expiration.

Councilmember Kruper reported that the materials not in use are currently getting pushed back behind the building and excess materials have been thrown across the railroad tracks. Mr. Pooler said that this is a code enforcement issue and will be looked into with Mr. Saroyan. City Engineer Kulakow asked if the City has received any copies of lease agreements with the railroad, especially since some have expanded what was approved. Mr. Pooler said the City only has a copy of Mr. Guistannini's lease agreement. City Attorney Heisinger said the City has jurisdiction over the property owner, so if the tenant is in violation of the permit, it can be revoked.

7:17 PM Floor Open for Public Comment

AL SAROYAN (Applicant): He will be cleaning up the site and all excess materials that are around the building will go into the fenced area. In response to a comment by Councilmember Hubler, he does understand that the lease is short-term and hopes that it will be renewable with the railroad and City. He agrees to the conditions of the permit, but would prefer to have colored slats instead of architectural mesh.

City Administrator Morgan said that TAMC may be purchasing the 100' right-of-way and will not have any immediate use for this property and may be willing to continue a more appropriate use for well maintained leased areas. At some point, the City will have to determine a more appropriate use for the

railroad right-of-way. The City of Seaside has applied for a grant to be used for developing a plan for a bicycle trail along the right-of-way. City Engineer Kulakow will work on the designs which will be presented to both City Councils. Some people have been making inquiries for leases along this right-of-way that do not have adjacent property or businesses and this possibility will have to be reviewed very carefully by the City.

7:22 PM Floor Closed to Public Comment

Motion to approve Coastal Development Permit #02-04 for Al Saroyan was made by Councilmember Hubler, seconded by Councilmember Kline. AYES: All members. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

- C. Community Development Director Matarazzo presented the FY 2002-03 Community Development Block Grant (CDBG) - Planning & Technical Assistance (P/TA) General Allocation Program for Urban Design Study/Parking P/TA Grant and Housing Element Update, and related City RESOLUTION Approving Two Applications for Funding and the Execution of Related Grant Agreements from the Planning/ Technical Assistance Allocation of the State CDBG Program. Staff is requesting this item be tabled because this grant requires a separate public hearing (now set for May 30th) to receive public input and alternative uses for these funds. This item will be re-noticed for June 18th.

7:25 PM Floor Open for Public Comment

No comments.

7:25 PM Floor Closed to Public Comment

Motion to table this item was made by Councilmember Kline, seconded by Councilmember Hubler. AYES: All members. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

AGENDA ITEM 9, OLD BUSINESS:

- A. 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. City Engineer Kulakow said it has been one year since the City applied to CalTrans for a grant on the bicycle trail which is still pending a decision. Another application is due in a month and he would like to re-apply the first grant request to fund additional lighting on the south Sand Dunes Drive bicycle trail. On a separate item, the City should receive a \$50,000 grant from CalTrans after July 1st to work on the California Avenue

overlay. In three years the City will get a \$150,000 allocation to continue this overlay work on California Avenue. On June 4th he will have a presentation on the EPA storm water Phase II program and a corresponding resolution approving the Memorandum of Understanding.

Community Development Director Matarazzo reported that the Highway One PSR is back with CalTrans in anticipation that this will be their final review. Last week Mr. Matarazzo met with King Ventures and Coastal Commission staff regarding the Sterling site. Water and habitat are (still) the Commission's main concerns. King Ventures does not currently have an agreement with Mrs. Calabrese for the Sterling property. The Coastal Commission will require a letter of concurrence from the City Council on any new design proposal for the Sterling site. City Attorney Heisinger responded that once an EIR is certified, the court's have favored continuing its legal adequacy.

AGENDA ITEM 10, NEW BUSINESS:

- A. City Administrator Morgan presented the staff report regarding supporting and/or participating in the AIA-Monterey Bay concepts competition for attainable housing in Monterey County. There are several ways the City could participate or support this proposal: 1) provide a letter of support or resolution; 2) provide financial assistance in the amount of \$3,000± and possibly using the Redevelopment Agency housing set aside funds; 3) provide a site/parcel to be used in this competition; and/or agree to include a possible mixed use project in the proposed competition or help involve a private project in Sand City be a part of the competition. There was some discussion by City Council of the options and financial contribution.

City Council gave consensus to include \$1,500 donation on the FY 2002-03 Budget for this project and to suggest the Dias Avenue property as a possible site.

[Due to a possible conflict of interest by residing within 500' of the project site, Council/Agency member Blackwelder abstained. He stepped down from the dais and joined the audience.]

- B. City/Agency Attorney Heisinger led the discussion regarding the interim lease at Campos and/or Robinette site for Cota truck parking. Cota's current lease expires at the end of May and they need to find a place to relocate their moving trucks. It is estimated it will be one to two years before the Campos property will be redeveloped and this could be a good interim use once the four-month lease between the Campos family and Sand City expires. On the Robinette site they would keep their trucks on the back half of the property using approximately 75'-100'. Mr. Morgan distributed preliminary revenue calculations. Mayor Pendergrass commented that Cota's business is "too successful" which is why they will ultimately be moving to Salinas. The City

does not want their trucks parked around the City and this temporary lease could be a win/win situation.

ALAN O'DEA (Cota Operations Manager): Mr. Cota could not be here this evening because he is currently in Romania doing charitable work. There was some discussion about erecting temporary fencing or placing concrete blocks around their leased perimeter as well as dust-control measures. Mr. Cota allowed temporary storage to John Lutz (Couroc) and these items will be gone within a month and is not a part of this deal with the City. This proposed lease site is for open land primarily which will be for truck parking and possible storage of packing materials in the Robinette shed building. They do not plan to do any (un)loading at that site. Cota has been in Sand City since 1980 and they feel they can work together with the City on this site lease. They have already moved some of their trailers and equipment to Salinas. Even though most of their business is on the Peninsula, they will ultimately be relocating to Salinas. The back section of this property is large enough for what they need. They will have to access from Ortiz Avenue because of the barriers currently in place. There was some discussion of the parking by over-night truckers. Unfortunately, they don't always know when these trucks are arriving. They will only be encouraging a.m. deliveries in the future. Cota is not blind to some of the City's concerns about parking, but they don't always have control over other truckers. Mr. Cota will be back in the office June 3rd to discuss arrangements with City staff.

City Council gave consensus to have this property lease on a future agenda.

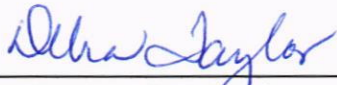
[Council/Agency member Blackwelder returned to the dais.]

- C. City Administrator/Executive Director Morgan led the review of the Amended Combined Budget for City of Sand City and Sand City Redevelopment Agency, Fiscal Year 2001-2002. Staff had anticipated a DDA on the Robinette site during this fiscal year which has been delayed by many months awaiting the water credit confirmation from the Water District. This item will be added to the next fiscal year budget. Total Revenues were projected at \$8,273,660 and have been amended to \$6,621,200. Special Revenues are difficult to predict. There have been delays on the McDonald coastal site and Robinette site that were not expected. Delays in Special Projects will probably continue through fiscal year 2004. There were two land purchases by the Redevelopment Agency for the Campos and Orange Avenue properties. Total Expenditures were projected at \$7,508,560 and have been amended to \$6,968,300. Staff feels the City/Agency is in good financial shape and is recommending borrowing from the contingency Reserve Funds in the first amendment of the FY 2001-2002 Budget to cover the large land purchases and extra ordinary expenses.

- (1) Motion to approve City **RESOLUTION Adopting Amendment #1 to the Combined City and Redevelopment Agency Budget for Fiscal Year 2001-2002**, by title only, was made by Councilmember Kruper, seconded by Councilmember Hubler. AYES: All members. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.
- (2) Motion to approve Redevelopment Agency **RESOLUTION Adopting Amendment #1 to the Combined City and Redevelopment Agency Budget for Fiscal Year 2001-2002**, by title only, was made by Agency member Blackwelder, seconded by Agency member Kline. AYES: All members. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

AGENDA ITEM 11, ADJOURNMENT:

- A. Motion to adjourn was made by Councilmember Hubler, seconded by Councilmember Blackwelder, to the next regularly scheduled City Council meeting on June 4, 2002, 7:00 p.m. There was unanimous consensus of the Council to adjourn at 8:29 p.m.



Debra Taylor, City Clerk