

MINUTES
JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY
City Council Chambers
Regular Meeting - March 6, 2001
7:00 PM

Mayor Pendergrass opened the meeting at 7:02 p.m.

Pastor Leon Trembley led the invocation.

Girls Scouts of Monterey Bay, Troop 2001, with Troop Leader Tracey Bos, made a flag presentation and led the Pledge of Allegiance.

Present: Councilmember Blackwelder
Vice-Mayor Kline
Councilmember Hubler (arrived 7:20 p.m.)
Councilmember Kruper
Mayor Pendergrass

Staff: Kelly Morgan, City Administrator
Steve Matarazzo, Community Development Director
Jim Heisinger, City Attorney
Mike Bittner, Acting City Engineer
Debra Taylor, City Clerk

7:14 PM Recess (to allow the vast audience and Girl Scouts to exit)
7:16 PM Reconvene

AGENDA ITEM 4, COMMUNICATIONS:

- A. No additional written communications were distributed to City Council this evening.
- B. The floor was opened at 7:17 p.m., but there were no oral communications by the public. City Administrator Morgan made date corrections to a resolution included in the packet; Wellington Homes will not be able to make their presentation this evening (item 7-B) and asked for a continuance to the March 20th Council/Agency meeting; and item 9-B would be taken out of sequence.

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 #194, Curtis Morrow (Mobile Home), 445 Orange Avenue
 - (2) CUP #195, Alfa Etc. Inc/Thomas Gunter (Auto Repair), 543 Elder Avenue
 - (3) CUP #295, David Wilson (Open Storage), Park & Fell Streets
 - (4) CUP #342, Chris Dinner (Sheetmetal Shop & Electrical Contracting), 720 Dias Avenue
 - (5) CUP #389, Loren Speck/Loren Speck Framing & Gilding Studio (Framing), 591 Ortiz Avenue
 - (6) CUP #390, Brad Klemek/GFI Pest Control (Office/Storage), 605 Redwood Avenue
 - (7) CDP #93-04, Steve Tilford/Small Planet Studios (Art Studios), 1 John Street
 - (8) CDP #97-02, Sal Lucido & David Hernandez/D&S Painting (Contractor Warehouse and 2 Apartment Units), 460 Orange Avenue
- B. There was no discussion of the February 20, 2001 Minutes.
- C. There was no discussion of the City **RESOLUTION Expressing Deep Appreciation to W. David Martin, AIA, for Seventeen Years of Dedicated Service to the Sand City Design Review Committee.** A date correction was made to the resolution, and this will be presented April 3rd.
- D. There was no discussion of the 2001 Grand Jury response.
- E. There was no discussion of the City **RESOLUTION Authorizing Extension of Service Agreement and Scope of Work with Martin Feeny to Provide Additional Technical Services Related to the Sand City Water Project.** There is still approximately \$32,000 remaining in the authorized funding for the first Feeny service agreement and this new agreement will extend and expand his scope of services to June 30, 2001 and is not to exceed \$32,000.

- F. There was no discussion of the City **RESOLUTION Approving the Request from the City of Monterey to Fund a Cooperative Agreement with the City of Monterey, City of Seaside, and the State of California Department of Parks & Recreation to Provide Seasonal Lifeguard Coverage in the Sand City/Seaside Beach Area.** The shared annual cost for this seasonal expenditure is \$1,600.

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

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

No items.

AGENDA ITEM 7, PRESENTATION(S):

- A. Mayor Pendergrass presented Sand City Resolution SC 01-19 to the Monterey Bay Chapter of the Girl Scouts, Troop Leader Tracey Bos prior to the Consent Calendar.
- B. As discussed under Oral Communications, the conceptual review of Wellington Homes residential development proposal for the East Dunes area of Sand City is continued to the March 20th meeting.

AGENDA ITEM 8, PUBLIC HEARING:

- A. SECOND READING: Ordinance **Amending the Sand City Redevelopment Plan** was presented by City Attorney Jim Heisinger.

7:20 P.M. Floor Open to Public Comments

No comments.

7:21 P.M. Floor Closed to Public Comments

There was no further discussion by the City Council on this item.

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

AGENDA ITEM 9, OLD BUSINESS:

[Due to a possible conflict of interest by residing within 300' of the subject property, Agency member Kruper stepped down from the dais and joined the audience.]

- A. Agency Planner Matarazzo presented the staff report regarding reconsideration of the Ben Compagno water reservation, Orange Avenue, APN 011-253-07, 08 & 17 and Agency **RESOLUTION Authorizing an Adjustment of Water Reservation as Outlined in Resolution RA 01-02 for Ben Compagno to Incorporate an Additional 0.175 acre-feet of Water Credit Towards Mr. Compagno's Project Reservation.** There was a miscalculation of the water reservation needed for this development based on information submitted by the applicant. Staff is recommending an additional allocation of 0.175 acre feet for a total of 0.686 acre feet (includes the original 0.511 acre feet allocation) to allow a reasonable project.

STEVE MICKEL (Architect): Their letter of intent was confusing and Agency staff did not double their request for water to cover the intended development. He worked with Associate Planner Pooler to determine a way to meet their water needs. In response to a question by Agency member Kline, he replied it was just a misunderstanding and their plans only showed one design plan that was meant for three sites. Regarding the statement of waiting for the desal, he replied to Ms. Kline that in working with the Water District they can use low-flow fixtures and appliances to have just enough water for a revised project. They are waiting for the Water District to confirm their existing credits from when the site was TC Truss. If they get the desired credits, they can use regular fixtures and appliances, otherwise the low-flow will work. In response to a question by Agency member Hubler, he said that the same plans will be used on all three sites, but they will change the facade on the third site.

Motion to approve Resolution, by title only, was made by Agency member Blackwelder, seconded by Agency member Hubler. AYES: Agency members Blackwelder, Kline, Hubler, Pendergrass. NOES: None. ABSTAIN: Agency member Kruper. Motion carried.

[Agency member Kruper returned to the dais.]

[This agenda item was taken out of sequence.]

- B. Agency Attorney Heisinger presented the Redevelopment Agency **RESOLUTION Extending the Exclusive Negotiating Agreement With King Ventures for the McDonald Coastal Site.** This would be the sixth agreement with King Ventures. Mr. Heisinger distributed a memo this evening outlining the history of the property/project and the Memorandum of Understanding. (There were no representatives here from King Ventures.)

There was considerable discussion on the project possibilities which included an outright sale of the property to King Ventures or a public/private joint partnership. The permitting process is key and King Ventures is not interested in outlaying these large funds for the entire project until he has his permits which is why he continues to pay for this privilege via the ENA. Mr. Heisinger outlined some of the risks to the Agency in a partnership agreement. The Agency does not have sufficient information at this time on the development (site, design, rating, market) to make any real determinations. What is the project and when will it happen, are the central questions.

Agency Chair Pendergrass said the Coastal Committee (Pendergrass and Blackwelder) are meeting on Thursday with staff and Mr. King to discuss the disposition of the project. Executive Director Morgan gave an update of recent conversations with John King which included union issues, Coastal Commission concerns, and the risk/reward for this type project. Staff is recommending hiring an independent consultant (Kosmont Corporation) to look at this project and determine the appropriate business arrangement. Mr. Morgan distributed some material on this corporation that he recently received at a redevelopment conference. The Redevelopment Agency could authorize \$5,000-\$10,000 for this contractual expense as long as the work started immediately. To further discussions with Mr. King, the ENA is being amended to reflect a two week extension to allow for meetings with staff and the Coastal Committee. This ENA will expire on March 20, 2001 and there will be more to report at the March 20th City Council/Redevelopment Agency meeting.

Motion to approve Resolution by title only, as amended, was made by Agency member Hubler, seconded by Agency member Kline. AYES: All Agency members. NOES: None. Motion carried.

There was Redevelopment Agency consensus to consider a public/private partnership approach with King Ventures and consensus to hire Kosmont Corporation for an estimated cost of \$5,000-\$10,000, but only if the work can commence soon.

- C. There was no discussion of Sand City pending development projects.
- D. Progress report on Public Works projects, City water project, and other Sand City community programs by City Engineer/Community Development Director/City Administrator. Acting City Engineer Bittner is getting the cost estimates to underground utilities on Fell/Park Streets and will report at the March 20th meeting. Estimates will also be available for the Phase I bicycle trailing lighting. Parking space striping on California Avenue was completed last week. Community Development Director Matarazzo reported that Housing & Community Development (HCD) staff is recommending approval of a second grant in the amount of \$35,000 for the desal project.

AGENDA ITEM 10, NEW BUSINESS:

[Because no action was being taken on this agenda item, the possible conflict of interest by living within 300' of the subject area was not an issue. Councilmembers Blackwelder and Hubler remained at the dais.]

- A. City Administrator Morgan presented the request by Greg Hawthorne (Hawthorne Gallery) to underground utilities on Ortiz Avenue.

GREG HAWTHORNE: He distributed a proposal of his property design which included visuals with and without the utility poles/wires. In helping to pay for the costs of undergrounding utilities and not disturb the new sidewalks, he could get a bid from the contractor to dig the ditch, add the conduit, and then call PG&E. He feels a bond financing program may be applied in this "test" area and would be a big boon for the City. He showed photos of his gallery in Big Sur where he paid for the undergrounding at that site. By having independent contractors do the conduit work, they saved a lot of money. He would like to do all of this work during the construction stage of his project. He will be pleased with any approaches that the City may have to help cover costs, and he will help as much as possible.

Mayor Pendergrass pointed out that PG&E did have undergrounding funds, but due to their present crisis, all funds have been frozen. The City has recently spent \$700,000 on street work and it is a matter of available funds and priorities between the desal facility and development of the west side. It may be possible to create an assessment district. City Administrator Morgan confirmed that no funds are available for this undergrounding work. If a small assessment district could be formed, then it would be added on to their property taxes. Staff will look at different financing options and present this to the appropriate property owners at a future time. Councilmember Blackwelder said that the upstairs living units would look straight out onto the power lines and he feels undergrounding is a good idea.

- B. Acting City Engineer Bittner presented the City **RESOLUTION Adopting the City's Disadvantaged Business Enterprise Program in Accordance with Regulations of the U.S. Department of Transportation (DOT) 49 CFR Part 26** for Council consideration. This is a standard administrative item and will aid in receiving federal funds in the future if there is a necessity or opportunity to hire disadvantaged businesses for public works projects or in an emergency situation. City Administrator Morgan said that the City would have to develop the ability to comply with the extensive federal requirements if we ever wanted to use this program. TAMC has requested that all jurisdictions adopt this resolution, and some larger agencies may be able to benefit from this program.

Motion to approve Resolution, by title only, was made by Councilmember Kline, seconded by Councilmember Blackwelder. AYES: All Councilmembers. NOES: None. Motion carried.

- C. Community Development Director Matarazzo presented the City **RESOLUTION Authorizing Service Agreement for Desalination Plant Engineering Feasibility Study by Separation Processes, Inc.** Richard Sudak is the owner and desal expert (Marina also used him). He is not attached to any vendor and recommends providers of state-of-the-art equipment. Work will not be initiated until grant funds are received. The contract total is \$52,270 and the grant is \$35,000.

Motion to approve Resolution, by title only, was made by Mayor Pendergrass, seconded by Councilmember Hubler. AYES: All Councilmembers. NOES: None. Motion carried.

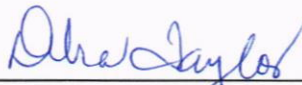
8:50 PM Recess
8:57 PM Reconvene

AGENDA ITEM 11, CLOSED SESSION:

- A. City Council and staff (City Administrator and City Planner) adjourned to Closed Session to confer with real property negotiator(s) (City Attorney and City Administrator) to discuss possible purchase of property to enlarge civic center, APN 011-187-004, in accordance with the §54956.8 of the Ralph M. Brown Act.
- B. Readjourned to Open Session to report any action taken at the conclusion of Closed Session in accordance with §54957.1(a)(1)(B) of the Ralph M. Brown Act. Council consensus gave direction to staff to pursue other property options to enlarge the civic center.

AGENDA ITEM 12, ADJOURNMENT:

- A. Motion to adjourn was made by Councilmember Kruper, seconded by Councilmember Kline, to the next regularly scheduled City Council meeting on March 20, 2001, 7:00 p.m. There was unanimous Council consensus to adjourn at 9:22 p.m.



Debra Taylor, City Clerk