

**MINUTES**  
**JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY**  
**City Council Chambers**  
**Regular Meeting - March 20, 2001**  
**7:00 PM**

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

There was no invocation.

Police Chief Klein led the Pledge of Allegiance.

Present: Councilmember Blackwelder  
Vice-Mayor Kline  
Councilmember Hubler  
Councilmember Kruper  
Mayor Pendergrass

Staff: Kelly Morgan, City Administrator  
Steve Matarazzo, Community Development Director  
Jim Heisinger, City Attorney  
Stan Kulakow, City Engineer  
Charles Pooler, Associate Planner

**AGENDA ITEM 4, COMMUNICATIONS:**

- A. Written communications distributed to City Council this evening included two items for Closed Session.
- B. The floor was opened, but there were no oral communications.

**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 6, 2001 Minutes.
- B. There was no discussion of the monthly Fort Ord Reuse Authority (FORA) report for March. Due to a prior commitment, Mayor Pendergrass was unable to attend the meeting.
- C. There was no discussion of the monthly Police Department Activity Report, February.

- D. There was no discussion of the City/Redevelopment Agency Financial Reports, February.
- E. There was no discussion of the sales tax and property tax services provided by HdL Companies that included the review of sales tax information from current sales tax service agreement, and City **RESOLUTION Authorizing Service Agreement with HdL Coren & Cone, a California Corporation for Property Tax Information Services**. These services will be for an annual fee of \$5,040, invoiced quarterly, plus 25% of misallocated revenue identified in the audit. Other fees will be on an as-needed basis.

Motion to approve Consent Calendar items A-E was made by Councilmember Kline, seconded by Councilmember Hubler. AYES: All Councilmembers. NOES: None. Motion carried. Item 5-F was considered under agenda item 6 due to a possible conflict of interest by Councilmember Blackwelder.

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

*[Due to a possible conflict of interest, Councilmember Blackwelder abstained from participating in this agenda item.]*

- F. Denial of claims pertaining to January 11, 2001 flooding
  - (1) Jamie Gregory, filed 2/16/01, \$3,360
  - (2) Burkleo Roofing, Inc., filed 2/23/01, \$29,182.66
  - (3) Mark Regnier, filed 3/02/01, \$24,688.96

Motion to approve Consent Calendar item 5-F was made by Councilmember Kline, seconded by Councilmember Hubler. AYES: Councilmembers Kline, Hubler, Kruper, Pendergrass. NOES: None. ABSTAIN: Councilmember Blackwelder. Motion carried.

#### **AGENDA ITEM 7, PRESENTATION(S):**

- A. GLENN PACE (President, Wellington Corp): Presented a conceptual review of the Wellington Homes residential development proposal for the East Dunes. They have three objectives: 1) to provide a uniform design quality; 2) organize the infrastructure; and 3) restore the habitat area to obtain a 10-A Permit from US Fish & Wildlife. This could result in 150 dwelling units. They currently have almost 4 acre feet of water to start the project.

DIANE STERLING (Planner, RRM Design Group): They are seeking direction from the City Council and staff for this project. They envision a design similar to that in Seaside, Florida and Morro Bay, California, replicating the successful elements of these projects and applying them to the Sand City project. Overheads of the Morro Bay project were presented. The parties

hope to meet with Coastal Commission staff as soon as possible to discuss the project.

There was discussion by Mayor Pendergrass and Councilmember Hubler on the anticipated/projected costs for these homes because \$500,000 - \$600,000 is not "affordable." Councilmember Hubler did not want to see "cookie-cutter, pre-stamped" designs, and reminded them of the proximity to Highway One. There was also some discussion of granny units, the availability of water and the proposed desalination plant. Vice-Mayor Kline raised such issues as energy concerns, access to Tioga Avenue, pedestrian ramps, and a good community atmosphere. It was suggested by RRM Design Group that the City could enter into a Memorandum of Understanding (MOU) for this project.

CATHY FRANCINI (Property owner): In the future, she would appreciate a notice to property owners if development will be occurring. Mayor Pendergrass responded that this was merely a presentation to the City Council and no specific project is being proposed at this time (*the agenda is posted in three places in the City and is available at City Hall*).

- B. Presentation by representative's of Monterey County (John Nash) and the Redistricting Committee (Irene Barlich) on redistricting issues for Monterey County as a result of the Year 2000 census. Redistricting is the process that gives the public the right to equal representation. It is the re-drawing of district lines to create districts that are as nearly equal in population as may be possible, based on the census, which is conducted every 10 years. The law requires the Board of Supervisors to adopt a redistricting plan based on the federal census of 2000 no later than November 1, 2001. Due to population growth, it is highly likely that the present voting district boundaries will change. The basic principles of redistricting are as follows: 1) drawing districts that are relatively equal in population size, within a 10% variance; 2) narrowly tailoring the plan to avoid retrogression in the position of racial minorities and language minorities as defined in the Voting Rights Act; 3) drawing districts that are compact and contiguous; 4) where possible, maintaining communities of interest in a single district and avoiding splitting neighborhoods when drawing district boundaries; and 5) where possible, using easily identifiable geographic boundaries as district boundaries.

There were no comments made by City Council or the public. The Council thanked the representatives for a very comprehensive presentation.

8:07 P.M. Recess  
8:18 P.M. Reconvene

*[Old Business was taken out of sequence]*

## AGENDA ITEM 8, OLD BUSINESS:

- A. Consideration of Redevelopment Agency **RESOLUTION Extending the Exclusive Negotiating Agreement With King Ventures** for the McDonald coastal site, pending approval of the Development & Disposition Agreement (DDA), was presented by Executive Director Morgan. The last extension of the ENA (March 16<sup>th</sup>) was for two weeks in anticipation of the DDA general terms being finalized. Unfortunately, there are a few more details to complete and there are redevelopment law noticing requirements that have to be met when the Agency sells property. The Council's Coastal Committee met with staff and King Ventures to consider an outright sale of the property. Agency Planner Matarazzo advised Agency Attorney Heisinger to include in the DDA full participation in negotiations with the Coastal Commission on any significant changes to the project if it was appealed. Councilmember Blackwelder has concerns regarding the need to hire union labor (and referenced the Marina project by King Ventures) in order to ensure good quality construction.

DAVE WATSON (King Ventures): There has been significant staff energies towards a resolution of the DDA, and there are only two or three elements that reflect contrary positions between the parties. Mr. Watson also responded to labor concerns by Councilmember Blackwelder by giving a history of the Marina project. King Ventures primary concern is that should the Redevelopment Agency terminate the DDA for any reason, they want to be made "whole," i.e. reimbursement of all developer costs.

Executive Director Morgan wants there to be a cap on soft costs that may be reimbursable. Mr. Morgan summarized previous redevelopment experience in southern California where a construction manager was required as part of the redevelopment business deal. It was determined that due to the DDA's near completion, there would be no negotiating fee required for this ENA extension, thereby changing the resolution, and changing the extension date from August 7<sup>th</sup> to April 3<sup>rd</sup>.

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

- B. City Administrator Morgan presented a summary of the parking and congestion issues in the vicinity of Redwood Avenue and John Street. Mr. Roy Woods has purchased the key properties in this area of the City. Mr. Morgan encourages everyone to take a positive position towards finding a potential parking solution. He pointed out that only on-site parking counts towards zoning parking requirements. There are 30 designated spaces, with a potential of 50 spaces on the Dr. Kay property, 16 designated spaces at the top of John Street with potential parking at the end of Contra Costa.

KEN LARKIN (Property co-owner, 449 Redwood): He does have issues because this new plan would eliminate seven parking spaces in the Redwood right-of-way; the City will reduce public parking so only Mr. Woods will gain. Access and loading/unloading are a huge concern of his.

GREG HAWTHORNE (Property owner): Everyone should work together to solve the parking problems in this area. (*Later on in response*) suggested that Mr. Woods rent out the extra spaces.

ROY WOODS (Property owner): What is being done is illegal and the parking problems of others should not be his problem. He bought up these properties to solve the parking problem and would like Redwood Avenue cleaned up so he can proceed. He cannot tolerate the encroachment and will work to implement his plan. He would like the plan approved as submitted and wants his grading permit from the City.

MIKE ROBINSON (Property co-owner, 449 Redwood): He is concerned how they would get their deliveries. There has always been a parking problem in this area of the City.

DAN CORT (Adjacent property owner): He recently purchased the Couroc building (Contra Costa/Ortiz) and parking is also an issue there. He would like to work toward an area-wide solution.

PETE ERICKSEN (Realtor): Could an area be designated a loading zone for several businesses?

Mayor Pendergrass commented that City Engineer Kulakow and Police Chief Klein need to review this plan which will eventually be considered by the Public Safety Committee (Kline and Blackwelder). Community Development Director Matarazzo pointed out that there are 7 spaces in the right-of-way (ROW), and regardless of who owns the property, the ROW is public and at a minimum the parking would have to be adjusted so that access to the Dr. Kay property (now Woods) could be provided. The City Council directed staff to work with property owners to resolve this situation.

9:15 P.M. Recess  
9:26 P.M. Reconvene

- C. There was no update on 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. Approving a request by City Engineer Kulakow, the City Council gave consensus that bids for the bicycle trail lighting be issued with an April 24<sup>th</sup>, 2:00 p.m. deadline. Staff has looked into the costs

of undergrounding utilities on Ortiz Avenue and reported it is possible to form an assessment district, but funding sources look grim due to the present situation with PG&E. Costs are estimated at \$175,000 - \$200,000 for the one block on Ortiz Avenue. The City Engineer is working with Police Chief Klein and Public Works staff to replace some of the City trees, especially on Contra Costa. Community Development Director Matarazzo suggested that staff meet with Supervisor Dave Potter regarding the desal project. Mayor Pendergrass would like to participate in those discussions. The desal facility may have to be housed away from the coast due to the proximity of the flood zone.

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

- A. City Administrator Morgan gave a report on the new Local Agency Formation Commission (LAFCO) funding issues. In discussions at the City Managers' meetings, it was determined that cities are not satisfied with the default formula for operating expenses, in accordance with the provisions of the Cortese-Knox-Hertzberg Act of 2000. Sand City's FY 2001-02 estimated LAFCO budget cost is \$5,400. A response letter will be sent to LAFCO stating that this prorated share is acceptable for the first year, but must be addressed in the future.
- B. City Attorney Hesinger presented his report seeking approval to participate in the Amicus Curiae brief in support of Metropolitan Water District of Southern California in the case of *Cargill v. Metropolitan Water District of Southern California*, California Superior Court No. BC 191 881. This brief is regarding contract labor and potential employment benefits, and will be at no cost to the City to participate. The City Council gave consensus.
- C. Police Chief Klein led the discussion of 2001 annual Sand City barbecue, recommending an event date of Saturday, May 19<sup>th</sup>. Councilmember Kruper requested that the Arts Committee be involved in the event. The City Council gave consensus.

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

- A. City Council/Redevelopment Agency and staff (City Administrator/Executive Director and City/Agency Planner) adjourned to Closed Session to confer with real property negotiators (City/Agency Attorney and City Administrator/Executive Director) to discuss possible purchase of property in accordance with the §54956.8 of the Ralph M. Brown Act:
  - (1) To enlarge civic center, APN 011-194-001 and 011-186-004  
Only parcel APN 011-194-001 was discussed at this meeting. The APN number for the lots on Sylvan Avenue was listed incorrectly on the March 29<sup>th</sup> agenda. The correct APN is 011-187-004.

- (2) Discuss possible sale of McDonald coastal property, APN 011-012-01 and 011-012-02.  
This item was discussed in Open Session under agenda item 8-A and was not discussed in Closed Session.

- 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.
  - (1) There was Council/Agency consensus to give direction to the real property negotiator(s) on the lots at the corner of Dias and Redwood Avenues (APN 011-194-001).
  - (2) No action was taken in Closed Session.

**AGENDA ITEM 11, ADJOURNMENT:**

- A. Motion to adjourn was made by Councilmember Hubler, seconded by Councilmember Kruper, to the next regularly scheduled City Council meeting on April 3, 2001, 7:00 p.m. There was unanimous Council consensus to adjourn at 10:47 p.m.



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Debra Taylor, City Clerk