

MINUTES
JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY
City Council Chambers
Regular Meeting - April 3, 2001
7:00 PM

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

Pastor Dave Martin led the 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
Debra Taylor, City Clerk
Charles Pooler, Associate Planner

AGENDA ITEM 4, COMMUNICATIONS:

- A. There were no additional written communications distributed to City Council this evening.
- B. The floor was opened at 7:05 p.m., 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. 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 [transferred from Ben Cooper/The Machine Shop]
 - (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 20, 2001 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 SB 332 Funds on Behalf of the City of Sand City.**
- D. There was no discussion of the City **RESOLUTION Authorizing a Service Agreement with Diane Gladwell to Prepare a Records Retention Schedule,** and related expenditures. The contract is not to exceed \$4,000 for this City-wide records retention schedule. Approval also authorized up to \$2,000 expenditure to purchase three lateral files for the Planning Department.
- E. There was no discussion of the Arts Committee minutes/agendas for February 21st and March 15th.

- F. Concurrence to post warning signs and close Calabrese Park at night until lighting is installed, for safety reasons.

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

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

No issues.

AGENDA ITEM 7, PRESENTATION(S):

- A. Mayor Pendergrass was to make a presentation of the City Resolution and Key to the City honoring W. David Martin, AIA for seventeen years of dedicated service to the Sand City Design Review Committee (DRC), but Mr. Martin was not present. Staff will reschedule this for a future meeting.
- B. Police Chief Klein is Sand City's representative on the HIV/AIDS Advisory Board and introduced Ed Bradford, Vice-chair of the HIV/AIDS Advisory Board. Father Rick Parker was also available to answer any questions. Mr. Bradford gave a presentation on HIV-related community issues. In Monterey County, statistics are calculated by zip code (he distributed the latest stats to the City Council). Currently there are 427 diagnosed AIDS cases on the Monterey Peninsula (1 in Sand City) and 777 in Monterey County. There are an expected 5 HIV infected people for every reported AIDS case, projecting a much higher number overall. The medications to combat the disease are very expensive and many people cannot afford treatment. This Advisory Board's goal is to reduce the risk of infection, provide age-appropriate education, early intervention, housing/care. Needs are greater than the ability to meet them.

Mayor Pendergrass commented that there are now many sites available for information and the subject of HIV/AIDS is no longer taboo. On behalf of the City Council, he thanked them for the presentation.

AGENDA ITEM 8, PUBLIC HEARING(S):

- A. Community Development Director Matarazzo led the workshop on the updated Sand City General Plan (second public hearing is scheduled for April 17th). Prior to final adoption of the Plan, the Coastal Commission will need to certify that the document is consistent with the Coastal Act as the coastal zone circumscribes the entire City. The General Plan is a blueprint of the City's goals, policies, land use, and proposed development for the next 15 years. Mr. Matarazzo gave a summary of the draft General Plan. Significant

trends and events have occurred since the last comprehensive update of the General Plan in 1984, and included the following: the closing of Fort Ord in 1993, lack of a long-term water supply, skyrocketing housing prices, the 1996 Memorandum of Understanding (MOU) with the park agencies, establishment of Sand City as a regional commercial destination, completion of the regional Sand City bicycle path (1998), and a national trend of alternative community development. The draft General Plan has characterized the City into the following districts: South of Tioga Coastal District, North of Tioga Coastal District, Destination Commercial District, South of Tioga District, East Dunes District, and the Old Town District. Many of these suggested projects/project areas are dependent on an available water supply and the proposed City water department and desalination plant will facilitate growth. New 2000 census figures have just been released and Sand City's population is now a reported 261. Mr. Matarazzo gave a comprehensive slide presentation on the draft General Plan and announced the second public hearing/workshop will be held April 17th.

7:49 P.M. Floor Open for Public Comment

TOM HARPER (Resident): When will the turn-around area at Dias Avenue be finished, including sidewalks?

In response, City Administrator Morgan said that it would take about two years. A project is being considered at the corner of Dias and Hickory Avenue which would include the Dias Avenue turn-around area, and eventually the addition of sidewalks. These type of capital improvements are costly and will have to be budgeted for the future.

BRIAN FINNEGAN (Granite Rock): He thanked those City Council members who took the time to go on a field trip to the Sand City/Seaside site which should give them a better understanding of Granite's proposed improvements and hopes it meets everyone's expectations. This first draft mentions possible relocation of Granite Rock, which came as a bit of a shock. They employ 800 people, provide a critical product, contribute revenue to the City, they are a well-established business, and have well-paying, stable union jobs. They received the national Malcolm Baldrige Award that honors the best in a particular industry, and have been named as the best company to work for in the last two years. They want a state-of-the-art batch plant in Sand City supporting the language being proposed as policy 2.3.2, and request the deletion of policy 2.3.1 (regarding possible relocation). They also request the photograph be deleted because they plan to update the plant and site.

CLAUDIA VIGOR (Resident): Congratulations on the overall General Plan - it makes sense. As an East Dunes resident, there has been a recent addition of a business (Affordable Arborist) that is hard on the residential area with

the big crane, they block roadways and park anywhere. Also, the dumpster and tar trucks belonging to Quality Roofing smell just awful. If there must be blight, does it have to be in our back yard? The Planning Director responded that the staff will check on this.

AL SAROYAN (Residential/business owner, DRC member): He commends the recent capital improvements to the City which has significantly upgraded the area. He supports and encourages more of the mixed-use building that the draft Plan is calling for. He would like to see affordable housing needs addressed and hopes Sand City can be a leader in that area. Many businesses are supported by tourism and these employees cannot afford to live in the areas they work. Please add affordable housing to the General Plan and get the desal running so the City will be water supply independent.

Mayor Pendergrass commented that the Monterey Peninsula Mayors had three public forums to discuss affordable housing in the area - it was well attended by the public. We need improved infrastructure and water to make serious strides in Sand City.

8:10 P.M. Floor Closed to Public Comment

Councilmember Kline discussed three areas of concern: 1) parking issues with mixed-uses; 2) circulation and public facilities ("Rails-to-Trails") where abandoned rail tracks have been converted to bike/pedestrian trails and make inter-connections inside the City; and 3) conservation of energy including the use of skylights, solar power, and state incentive rebates.

Councilmember Kruper said that Old Town zoning is changing from heavy manufacturing to light manufacturing. What types of business would be considered light manufacturing? Mr. Matarazzo replied that Addendum B mentions good mixed-use models to base recommendations of compatibility. The Planning Director said that the General Plan update also includes a new zoning ordinance which would provide more specifics on the mixed uses and what would be allowed. Staff recommends doing each project as a Planned Unit Development (PUD) to begin with. For example, light manufacturing can include research facilities. The City does not consider big trucks in a mixed-use area as being compatible with residential.

Councilmember Kruper asked what an "artisans role" is and who are they? His concern is that artists and artisans have industrial-type devices that create noise and certain potential hazards. Mr. Matarazzo said that each use in a mixed-use area may need a Conditional Use Permit. Staff is looking toward minimizing conflicts in a mixed-use situation. For example, an automotive/residential mixed-use would not work due to factors of noise, car storage, and fumes. It would be ideal if an artist can live and work within one building. Mayor Pendergrass asked what is the latitude of mixed-use

and should it be addressed in the General Plan? Councilmember Hubler said his welding business was a prime example of noise and activity levels - it is not the quietest process.

Councilmember Kruper noted that section 4.2.B says that 350 new units were intended by June 2001 - where does this date come from? Mr. Matarazzo said it is based on the 1991 Housing Element. Non-traditional households (couples, singles, usually no children) are expected to live in these mixed-use projects and noise may be higher than that within exclusively residential environments.

8:30 P.M. Recess
8:51 P.M. Reconvene

- B. City Administrator Morgan introduced the proposed rate increase by Waste Management/Carmel Marina Disposal Company's request for a rate adjustment of 6.5%, to be effective May 1, 2001, and proposed amendments to the Sand City Franchise Agreement for Refuse and Recyclables Collection. There have been a number of meetings with staff and Waste Management representatives to discuss justification of the proposed rate increases for trash and recycling. Audited financial statements from Waste Management showed 14.14% profit in 1998 and 9.54% profit in 1999. Mr. Morgan pointed out that the current franchise agreement indicates that rate increases can be allowed by the City to ensure an 8% profit. He asked Mr. Arsenault to justify this request for a rate increase.

MARK ARSENAULT (District Manager, Waste Management Company): The last Sand City increase was in 1998, and Sand City has one of the lowest rates (\$7.75 per month). Increased rates are allowable based on a minimum rate of return (8%) confirmed by their audit. Waste Management's return is actually 5% for this district and costs incurred are not directly related to each jurisdiction. Recycling is another issue to be discussed further with City staff.

City Administrator Morgan stated the rate increase requested (6.5% or \$1.50 per quarter) is modest, but Sand City is also one of their easiest pickup routes. Councilmember Hubler wants to ensure a best-effort to notify residents of the proposed rate increases. City Attorney Heisinger said that what staff has learned in the past few weeks is that there is no real way to determine their profits specifically for Sand City. There have been considerable increases in fuel, wages, and energy and Sand City's rate is substantially lower than other jurisdictions. The current franchise expires in 2010.

9:10 P.M. Floor Open for Public Comment

No comment.

9:11 P.M. Floor Closed to Public Comment

Mr. Morgan replied that a public hearing notice of the rate increase was sent to residents and businesses. Possible amendments to the franchise agreement will be considered at a future Council meeting.

City Council consensus to prepare a resolution reflecting the 6.5% rate increase for residents and commercial businesses to be considered at a future Council meeting.

AGENDA ITEM 9, OLD BUSINESS:

- A. Executive Director Morgan presented the Redevelopment Agency **RESOLUTION Extending the Exclusive Negotiating Agreement (ENA) with King Ventures for the McDonald Coastal Site, Pending Approval of Development & Disposition Agreement (DDA), APN 011-012-001 & 002** (8th extension). No negotiating fee is required for this extension which expires May 15, 2001 in anticipation of the Disposition and Development Agreement (DDA) being finalized. City staff and the Council Coastal sub-committee have had extensive meetings with King Ventures to complete the DDA which will be discussed further tonight in Closed Session. Until a DDA can be negotiated and adopted, it is necessary to extend the ENA again.

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

- B. Progress report on Sand City parking issues was presented by City Administrator Morgan. The staff report highlighted some of the parking concerns in Sand City that are becoming an increasing problem. There have been many more complaints and staff needs to take a more pro-active approach. The City cannot be expected to solve all these parking issues. When critical mass occurs the City will step in to assist these businesses and property owners to improve the parking and congestion problems. Mr. Woods has stated to staff that he is willing to help solve the parking problems in his area of the City.

Councilmember Kline said that if Mr. Woods creates the parking area as he discussed, she feels Couroc or other business may solely rely on this proposed parking area. Mr. Morgan reported that if left to individual property owners, the entire footprint could change. However, it was explained that Mr. Woods is in significant negotiations with Couroc and adjacent business/property owners to address the problems on a long term basis, and will address possible future changes in the event Mr. Woods sells that property.

- 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. City Engineer Kulakow reported that consultant Martin Feeney has addressed the pump testing and salt concentrations. A report is expected in May. Mr. Feeney suggests keeping the pump in place to continue measurements and testing ratios. The Separation Processes contract has been signed and received and they are prepared to start when the grant has formally been approved. The City Engineer toured the Marina desal plant today with representatives of the Wellington Corporation (proposed East Dunes developers) and they were impressed with the facility and minimum size required for the equipment.

In December, CalTrans requested submittals for excellence for transportation projects and Sand City/Seaside did win recognition for the bicycle trail. The bicycle trail lighting contract (Playa Avenue north) is out to potential vendors and will be on a May agenda to award the bid. A bicycle trail/transportation grant notice via CalTrans may be able to provide more funding. LTA funds (\$4,500 to Sand City) have been awarded and will be used for the bicycle trail. City Attorney Heisinger asked who will be paying for the energy costs to light the bicycle trail, and the reply from Mr. Kulakow was the City pays and energy numbers will need to be updated. In response to a comment on LED bulbs for the bicycle trail lights by Councilmember Kline, Mr. Kulakow said he will research it further with electrical engineers and check on the costs. One last item of business to report was the official map of the City has been signed and recorded with the County.

Community Development Director Matarazzo reported that the Project Study Report (PSR) for Highway One is almost complete and that CalTrans last-minute requirements were incorporated creating an additional \$35,000 in costs (the City has already spent \$150,000). There is some question as to whether TAMC or another agency should pay some of the added expenses. City staff has not received any response from the City of Seaside regarding cost sharing for the PSR. CalTrans comments on Seaside's project is not to approve without a PSR, so City staff is unsure what Seaside's plans are to address these concerns. City Council consensus to direct staff to correspond with the City of Seaside on this issue and continue to move forward with the project. Mr. Kulakow added that the City has not received a response letter on the proposed relief valve to prevent future flooding. Mayor Pendergrass directed Mr. Kulakow to send another letter because flooding cannot be allowed to happen again.

City Administrator Morgan reported that there has not been much activity by Granite Construction on the Robinette site since April 2000 when the lease was transferred from Grimsley. Staff raised the issue with Granite Construc-

tion and recommended a call by them to developer Don Orosco. This site may be a good relocation area for the future.

AGENDA ITEM 10, NEW BUSINESS:

A. No items

9:40 P.M. Recess

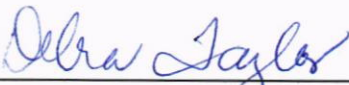
9:45 P.M. Reconvened

AGENDA ITEM 11, CLOSED SESSION:

- A. The City Council/Redevelopment Agency adjourned to Closed Session to confer with real property negotiator (City/Agency Attorney and City/Agency Administrator), in accordance with the §54956.8 of the Ralph M. Brown Act
- (1) To discuss possible purchase of property to enlarge civic center, APN 011-194-001, and 011-187-004
 - (2) To review proposed Disposition & Development Agreement (DDA) terms to King Ventures for McDonald coastal property (APN 011-012-001 & 002)
- 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) Council gave direction to real property negotiator.
 - (2) No action was taken on the DDA terms.

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 17, 2001, 7:00 p.m. There was unanimous Council consensus to adjourn at 10:27 p.m.



Debra Taylor, City Clerk