

**MINUTES**  
**JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY**  
**City Council Chambers**  
**Regular Meeting - August 21, 2001**  
**7:00 PM**

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Mayor Pendergrass opened the meeting at 7:01 p.m.

There was no invocation.

Police Chief Klein led the Pledge of Allegiance.

Present: Councilmember Blackwelder  
Vice-Mayor Kline (arrived 9:07 p.m.)  
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

**AGENDA ITEM 4, COMMUNICATIONS:**

- A. Written communications distributed to City Council this evening included a staff memorandum to the Monterey Regional Park District Board of Directors on the proposed lighting for the Monterey Bay Coastal Trail within Sand City; August 21<sup>st</sup> Herald news article on the proposed Stilwell Hall railroad station (item 7-B); and updated Redevelopment Agency Resolution, property certificate, and Real Property Purchase Agreement on the two Orange Avenue lots (item 10-A).
- B. The floor was opened at 7:04 p.m. for oral communications, but there were no comments by the public. Mayor Pendergrass displayed the Seaside Pony Baseball plaque for Sand City, and thanked Councilmember Kruper for the display of his artwork in the Council Chambers.

[The agenda was taken out of sequence.]

**AGENDA ITEM 5, CONSENT CALENDAR:**

- A. There was no discussion of the August 7, 2001 Minutes.

- B. There was no discussion of the monthly Fort Ord Reuse Authority (FORA) Report, August.
- C. There was no discussion of the monthly Police Department Activity Report, July.
- D. There was no discussion of the City/Redevelopment Agency financial reports, June.
- E. There was no discussion of the Arts Committee Minutes, June.
- F. Receipt of staff report on California Integrated Waste Management Board approval of new base year for Sand City. Associate Planner Pooler attended two CIWMB meetings (Long Beach and Sacramento) in an effort to increase Sand City's base year percentage. The Board unanimously approved a new base year for 1999 at 45%. The 2000 annual report will be released toward the end of this year which may increase slightly with adjustment factors.

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

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

No items.

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

*[Due to a possible conflict of interest by living within 500' of the project area, Councilmember Hubler was excused, stepped down from the dais and joined the audience. Councilmember Kline also has a conflict, but was not present at this time.]*

- A. Conceptual review of East Dunes community by Wellington Homes representatives. Community Development Director Matarazzo stated that Wellington Homes has enough water for 17 homes right now, plus the City is working towards a desal facility. Mayor Pendergrass gave an outline of availability of water on the Peninsula and efforts by Sand City to date. Mr. Matarazzo informed the Council and public that the Wellington Group is from Morgan Hill and tonight's presentation is conceptual only. They need four acres for habitat mitigation of the Smith's Blue Butterfly (1 year effort), 33 acre feet of water (2 year effort), and an Environmental Impact Report. These proposed homes will meet the City's housing goals and will make a more balanced community. The commercial uses in the East Dunes will also be eliminated.

GLEN PACE (President, Wellington Group): They have met with US Fish & Wildlife to define the habitat, and the location has yet to be determined. They have had meetings with Coastal Commission staff and a Smith's Blue Butterfly expert, as well as a discussion with DBO Development. They have met with staff to discuss many issues including a Habitat Conservation Plan (HCP), design approaches, habitat maintenance, and constraints.

BRIAN STICE (Wellington Group): They are excited about the potential residential community for Sand City. The project plan displayed this evening is strictly conceptual and will need refinement and improvement. They are open to incorporating Council and public comments. They recognize that most property is privately held and are currently having discussions with certain property owners; some property is in escrow right now. Without cooperation, there may be no project in the future. The habitat setback must be under one ownership. Additional properties are being considered to help meet certain goals. He gave a cursory overview of their project which included habitat, endangered species, a proposed boardwalk/path, recreational elements, and public workshops. They passed around a sign-up sheet for the public to discuss any elements of the project and for future workshops. They would like a good interface between their project boundaries and DBO's South of Tioga project.

City Administrator Morgan encouraged the Wellington Group to coordinate their boundaries between the residential and commercial projects, especially along the Merle Street area and East Avenue area to avoid competing or overlapping problems.

8:04 P.M. Floor Open to Public Comments

PATRICK OROSCO (DBO Development): They are excited to see some conceptual plans for these residential homes. DBO supports this effort and will work with the Wellington Group for cohesive design of their common borders.

STEVE WILSON (Resident): He has lived in the East Dunes area for 20 years, and just built a new home. He hopes the Wellington Group builds quality homes and will consider the valuable viewsheds. He prefers larger single-family homes as opposed to cottages. This is prime real estate with great views, and larger homes help maintain property values. Show us different designs without crows nests. Why the Seaside Florida design - this is not Florida. He is generally in favor of the development.

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

Mayor Pendergrass replied to Mr. Wilson that the City is seeking a nice, unique design of the homes. All plans and designs are conceptual at this

point. Mr. Matarazzo advised the Wellington Group that prior to an open house meeting, he recommends sending copies of their plans to each resident.

GLEN PACE: He appreciates comments made this evening. They have met with several brokers who have also suggested larger homes, less cottages. Neither the design or architecture is finalized, and the Florida design is just one example. They are committed to work with the City and residents.

*[Councilmember Hubler returned to the dais.]*

- B. Proposed rail program update by representatives of the Transportation Agency for Monterey County (TAMC). TAMC Rail Committee Chair Dave Potter gave the presentation. Also in attendance was Executive Director Lee Yarborough and Senior Planner Walt Allen. Mr. Potter gave the history and current status of the rail program. Monterey is the missing link for a state rail system. Governor Davis has budgeted for the Salinas/Gilroy branch, but the Monterey tracks need retrofitting. A new station is being proposed at Pajaro to redevelop the area to a "transit village" with a branch line to the Peninsula. An EIR is currently being prepared to address structural and environmental issues. Negotiations with Union Pacific have been difficult, but TAMC will not sign until they are sure it is environmentally sound. Stilwell Hall is currently being proposed as the rail station for the Peninsula, and he went on to give the history of Stilwell Hall. This is a rare opportunity to rehabilitate a building of this magnitude in a coastal zone for a new use. This is a less urbanized area, good location, with parking, and ties in to the Fort Ord Reuse project. It is anticipated that the rehabilitation and relocation costs will be \$24 million, with partial funds being made available from STIP, TEA, State Parks, Inter-city rail, and private contributions. Mr. Potter praised City Administrator Morgan's representation of Sand City as a member of the TAMC Rail Committee.

BOB SCHAEFFER (Stilwell Hall Preservation Society): There will be a presentation tomorrow night (7:00) by the relocation company on how the lighthouse and other large buildings have been moved, as well as specific information on how they intend to move Stilwell Hall.

8:15 PM      Recess  
8:40 PM      Reconvene

#### **AGENDA ITEM 8, PUBLIC HEARING(S):**

*[Due to a possible conflict of interest, Councilmember Blackwelder, Hubler and Kruper had drawn straws in a prior meeting to establish quorum. As a result of that drawing, Councilmember Hubler stepped down from the dais and joined the audience. According to recent advice from the Fair Political Practices Commission to the City Attorney,*

*Councilmember Kruper does not have a conflict because he does not own nor have a lease for property within the 500' radius.]*

- A. Proposed vacation of portion of John Street right-of-way was presented by Community Development Director Matarazzo. Staff had expected negotiations to be finalized with Mr. Woods for the property exchange, but full agreement has not been reached in time for this Council meeting. An update is needed for the appraisal on the City's lots which will take at least a month to complete. Staff is recommending continuing this item to the September 18<sup>th</sup> meeting.

8:41 P.M. Floor Open for Public Comment

ERIN REED (Applied Digital Solutions): She rents the space at 1-C John Street from Mr. Woods which is their primary staging warehouse for supplies and cabling. What does the proposed street vacation mean to her - will they still have access to their storage or will they have to move? Will they have access during construction? Their lease is up in one week and they cannot move forward until they have answers.

City Administrator Morgan replied that the City's use of the Dr. Kay property will have access via Redwood Avenue (not John Street), and the development of the John Street parking lot will be at a higher elevation which should not interfere with lower John Street. This is minor construction work and we expect it to take only a couple of weeks to grade both sites. The sand dunes at the end of her building will be graded level for a new parking area. He also discussed the possible parking and loading zones at the rear of her building. City Engineer Kulakow said that abandoning the street should not effect their use of the building. Mr. Matarazzo recommended that Ms. Reed take up any other concerns with Mr. Woods.

8:48 P.M. Floor Closed to Public Comment

Motion to close the public hearing and to continue this item to the September 18, 2001 meeting was made by Councilmember Kruper, seconded by Councilmember Blackwelder. AYES: Councilmembers Blackwelder, Kruper, Pendergrass. NOES: None. ABSENT: Councilmember Kline. ABSTAIN: Councilmember Hubler. Motion carried.

*[Councilmember Hubler returned to the dais.]*

- B. Conditional Use Permit application by Jon Fox for the establishment of a welding and fabrication workshop within an existing warehouse building, 1720-B Contra Costa (portion of APN 011-232-016) and City RESOLUTION Recommending Denial. Community Development Director Matarazzo announced that the applicant withdrew his permit application on August 17<sup>th</sup>.

This item was not considered and the floor was not opened for public comment.

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

*[Due to a possible conflict of interest by residing within 500' of the project area being considered, Agency member Blackwelder was excused from participating, stepped down from the dais and joined the audience.]*

- A. Agency Counsel Heisinger presented the Redevelopment Agency **RESOLUTION Authorizing an Adjustment of Water Reservation as Outlined in Exhibit B of Resolution RA 01-02 for Mr. Gus Randazzo**. This resolution will transfer a water reservation from the Sylvan Avenue lots to a portion of Orange Avenue that will be exchanged with the Randazzo family. The conditioned effective date of the resolution was added to the Resolve.

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

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

- B. Progress report on Public Works projects, City water project, Project Study Report (PSR), pending development projects and other Sand City Community Programs by City Engineer/ Community Development Director/City Administrator. The desal facility report was received from Separation Processes and staff will meet with Dick Sudak to discuss the report prior to a Council presentation. Financing is still being researched and a feasibility report will then be available. The latest version of the Highway One PSR work extension will be received soon, then reviewed by Seaside and Sand City before it can be re-submitted to CalTrans. There are a number of new improvements being considered in this version of the PSR. The City has received approval from CalTrans for an encroachment permit on the Tioga Avenue Calabrese property which will provide the necessary driveway apron width for future commercial development.

Community Development Director Matarazzo reported that Mark Thomas may have a solution in the PSR that will be accepted by Seaside for the Ord Avenue intersection. The PSR also shows no southbound access from Highway One to the Edgewater center placing a lot more traffic onto Playa and will require widening if the PSR is approved. This item will be on a future Council agenda.

9:02 PM      Recess

**AGENDA ITEM 10, NEW BUSINESS:**

*[Due to a possible conflict of interest by residing within 500' of the Orange Avenue property, it was determined at a prior Council meeting that Agency member Blackwelder abstains. According to recent advice from the Fair Political Practices Commission to the Agency Counsel, Agency member Kruper does not have a conflict because he does not own nor have a lease for property within the 500' radius. Agency member Blackwelder stepped down from the dais and joined the audience. Agency member Kline arrived at this time.]*

- A. Executive Director Morgan presented the Redevelopment Agency **RESOLUTION Authorizing the Executive Director to Enter into a Real Property Purchase Agreement, to Complete Other Necessary Arrangements, and to Accept the Grant Deed Pursuant to the Purchase Agreement for 443 Orange Avenue Property (Lots 16 & 18, Block 25, portion of APN 011-238-016)**. Updated materials for this agenda item was distributed this evening. Staff is recommending that the Agency acquire and hold the property for a limited time to determine if it will be needed for redevelopment purposes. It is necessary to step forward and acquire the property at this time.

Agency Counsel Heisinger gave the background on this exchange of property with the Randazzo family (lots 20 and 22). Tonight the Agency seeks to authorize a Real Property Purchase Agreement and to accept the grant deed for two lots (16 and 18) from Don Orosco. An appraisal has not been done, but in this case it will be to purchase the lots with improvements on them (a house) and he believes it is still at fair market value. Mr. Orosco could not extend closing of escrow and the Agency has not had time to perform the appraisal. Mr. Orosco has entered escrow to purchase all four lots for \$220,000 and the Agency cost for two of the lots is \$110,000. The purchase is conditioned on all waste and household hazardous waste being removed. DBO wants a date for removal and staff is recommending September 4<sup>th</sup> as escrow is scheduled to close by September 7<sup>th</sup>. The title insurance protects the Agency's investment as listed in condition #5. The recommended dates were added to the Agreement.

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


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

**AGENDA ITEM 11, CLOSED SESSION:**

- A. It was determined that City/Redevelopment Agency did not need to adjourn to Closed Session to discuss any of the items listed below:
- (1) to confer with real property negotiator, in accordance with §54956.8 of the Ralph M. Brown Act to discuss possible purchase of property to enlarge civic center or use for redevelopment purposes
    - a. APN 011-238-016 (Orange Avenue)
    - b. Portion of APN 011-191-001 (Harper property)
  - (2) To discuss possible purchase/exchange of properties for municipal or redevelopment purposes, APN 011-177-012 & 028 (Redwood Avenue & Highway One) and APN 011-177-009 (upper John Street)

**AGENDA ITEM 12, ADJOURNMENT:**

- A. Motion to adjourn was made by Councilmember Blackwelder, seconded by Councilmember Kline, to the next regularly scheduled City Council meeting on September 4, 2001, 7:00 p.m. There was unanimous Council consensus to adjourn at 9:20 p.m.

  
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Debra Taylor, City Clerk