

MINUTES
JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY
City Council Chambers
Regular Meeting - September 4, 2001
7:00 PM

Mayor Pendergrass opened the meeting at 7:00 p.m.

Pastor Ted Britain 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

AGENDA ITEM 4, COMMUNICATIONS:

- A. Written communications distributed to City Council this evening included a replacement page for the resolution on the Orange Avenue property exchange (item 9-A).
- B. The floor was opened at 7:03 p.m. for oral communications, but there were no comments by the public.

AGENDA ITEM 5, CONSENT CALENDAR:

- 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 #310, Sal Balboa/Bay Door & Supply Company (Retail), 755 Redwood Avenue

- (2) CUP #371, McDonald's Refrigeration (Refrigeration Service), 605 California Avenue
 - (3) CUP #385, Sally's Beauty Supply (Retail), 828 Playa Avenue
 - (4) CUP #397, Salvation Army Monterey Peninsula Corp. (Social Service), 800 Scott Street
 - (5) CDP #95-07, Giustiniani Masonry (Warehouse), 698 Ortiz Avenue
- B. There was no discussion of the August 21, 2001 Minutes.
- C. There was no discussion of the City **RESOLUTION Honoring David Delgado and Inocente Hernandez for their Bravery and Civil Action**. These men arrived separately on the scene of an assault of a female juvenile at the Sand City transit center, assisted in detaining the suspect and called the police (see item 7-A).
- D. There was no discussion of the City **RESOLUTION Supporting California Coastal Cleanup Day, September 15, 2001**. Due to the League of California Cities annual conference, Vice-Mayor Kline will not be able to act as beach co-chair this year for the clean up. Police Chief Klein will represent the City and co-chair with the Regional Parks District.
- E. Approval of proposed resolutions for League of California Cities annual conference.

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

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

No items.

AGENDA ITEM 7, PRESENTATION(S):

- A. Police Chief Klein gave a summary of the incident that occurred at the Sand City transit center (see agenda item 5-C). Mayor Pendergrass made the presentation of the City Resolution to David Delgado for his act of bravery and civil action. Inocente Hernandez could not attend this evening.
- B. Presentation by Dan Cort, Sand City property owner and urban revitalization specialist. His father-in-law was the community development director for the City of Seaside and his grandfather-in-law was a general at Fort Ord. He is

originally from San Francisco and started his building restoration company in 1979. Their business now does urban redevelopment, and he discussed his project at Eden Square in Stockton which includes mixed-use buildings. Mr. Cort discussed his plans for the Couroc building that he purchased on Contra Costa and Ortiz. He would like a building envelope that anchors the neighborhood and could include cafes, produce, retail, and showrooms. He envisions starting small, but there are numerous possibilities, including a tunnel to the coast and possibly a pier. People are coming into Sand City (such as Greg Hawthorne), building live/work premises. He wants to help develop Old Town, but nothing will be successful without water and parking. It is important now to plan for the future. They want to work with the City to develop and redesign Old Town over the next 10 years and can help with creative financing. Overall this project will help small business owners - not the "big box" businesses. It will create an area where people will come and spend time and money and is good for the economic/social climate of an area, especially with more foot traffic. As more water and parking becomes available it will be the catalyst for public/private partnerships to move forward.

Councilmember Blackwelder commented that costs are so high that it would be impossible to find affordable housing and he is afraid that as the cost of living continues to increase, people will have to move out of the area. Mr. Cort said that if he is given water he can make it happen. There are billions of dollars out there to help under-served communities. His vision includes adding apartments on top of existing buildings to make it more affordable (such as Roy Woods building). Councilmember Blackwelder is also concerned about the retrofitting costs related to affordability. Mr. Cort gave examples of some of the retrofit work he has already done and reminded Council that there would be no land costs for add-ons. He stated that if water was currently available, he would have transformed the Couroc building into apartments and commercial use instead of just businesses. Sand City needs a balanced community with more live/work and less industrial.

AGENDA ITEM 8, PUBLIC HEARING(S):

- A. Community Development Director Matarazzo presented the recommended revision to the Sand City Housing Element and City **RESOLUTION Transmitting Proposed Amendment of the Certified 1991 Housing Element to State Housing & Community Development (HCD) to Include More Housing Opportunities And Remove a Contaminated Site from Potential Housing Sites**. In 1991 the housing element was certified by HCD. Since that time the transfer station has been abandoned and staff would like to delete this location as a potential housing site, and to increase the East Dunes housing potential. The state has 60 days to review this proposal before the City Council can take final action. This resolution

allows the transmittal to HCD. Staff feels the City should get approval because these changes actually add more housing.

City Administrator Morgan reported that DBO was able to arrange a meeting with HCD representative Jim Bishop while he was in Monterey County. Sand City will need funds for demolition, relocation, and infrastructure. It is possible that two \$500,000 CDBG grants may be available spread over a two-year period. Councilmember Kline asked if Wellington Homes was planning to add some retail space in the East Dunes area? Will that area need mixed-use zoning (for example, Morris property) or will it be strictly residential? In response, Mr. Matarazzo said that consolidating the properties will allow for the 170 units, but he has not heard from Wellington Homes since their presentation to the City Council. The housing element does not address rezoning. Staff will also need documentation from DBO Development for this resolution stating the transfer station site is contaminated.

7:58 P.M. Floor Open for Public Comment

No comments.

7:59 P.M. Floor Closed to Public Comment

Motion to approve Resolution, by title only, was made by Councilmember Kline, seconded by Councilmember Kruper. AYES: All members. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

AGENDA ITEM 9, OLD BUSINESS:

[Due to a possible conflict of interest by residing within 500' of both projects being considered, Councilmembers Blackwelder, Kline and Hubler drew straws to determine who would abstain. As a result of that drawing, Councilmembers Blackwelder and Kline abstained, stepped down from the dais and joined the audience.]

- A. This agenda item is combined with item 9-B. City Attorney presented the City **RESOLUTION Authorizing the City Administrator to Enter into a Real Property Exchange Agreement, to Complete Other Necessary Arrangements, and to Accept the Grant Deed Pursuant to the Exchange Agreement.** A revised version of the resolution was distributed this evening. City Attorney Heisinger gave a history and recent acquisition arrangements of the Sylvan and Orange Avenue properties. At the last meeting, the Redevelopment Agency authorized the purchase of the Orange Avenue property (lots 16 & 18) for \$110,000. The LeNeve Trust escrow cannot close on the Orange Avenue property as yet. Certain issues have come to light that need to be addressed prior to closing escrow: where the septic tank is located, and Mrs. Morrow's mobile home and fence encroaches onto the undeveloped lot #22 (by one foot) on Orange Avenue. LeNeve and

DBO have some issues to attend to prior to allowing the City Administrator to finalize the property exchange agreement.

PETE ERICKSEN (Realtor): Mrs. Morrow has lived adjacent to this site for over 20 years. The mobile home was originally placed without knowing the exact property boundaries. The fence is also encroaching. The old garage and shed will be demolished soon. The septic tank issue is still being resolved. Nearly every fence on each property boundary is incorrectly placed. There are also two large trees that could cause future site planning concerns. The house has been cleaned up with just a bit more work to do. The well is on the LeNeve property adjoining this property.

City Administrator Morgan said there are two water meters on these four lots, and this may prove helpful in the future. The toughest problems are the septic tank(s), mobile home placement, two trees with large crowns, and removal of the accessory buildings. There is a rumor that Mrs. Morrow may consider selling her property. Mayor Pendergrass said that he wants to make sure Mrs. Morrow's rights are not forgotten and that she is treated with courtesy. City Engineer Kulakow said that the well should be abandoned so it will not be a future contaminant to the desal facility/water. City Attorney Heisinger reported that it is likely that escrow will be extended another 30 days.

Motion to approve Resolution, by title only, was made by Councilmember Hubler, seconded by Councilmember Kruper. AYES: Councilmembers Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: Councilmembers Blackwelder, Kline. Motion carried.

- B. Status report on and consideration of acquisition and cleanup of Orange Avenue property. This update is a follow up to the August 21st Council/Agency meeting prior to escrow closing on September 7th. See the prior agenda item 9-A.
- C. 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. City Administrator Morgan reported that he spoke with King Ventures recently and Mr. Watson has had some health problems. Community Development Director Matarazzo said it may be difficult for King Ventures to meet the October deadline for the Monterey Sand Company coastal project. They are going forward on the coastal inn located on the Calabrese property east of the Highway. A COP payment is also due in October. U.S. Fish & Wildlife just delivered their draft Snowy Plover Recovery Plan and the City has a copy. Zander Associates suggested it would be an opportunity to mention the two proposed coastal developments and habitat management rangers proposed in the City's HCP. City Engineer Kulakow met with PG&E

regarding undergrounding utilities in Old Town. A plan will be available in about one month. There is a meeting scheduled for Monday with PG&E representatives on the Hawthorne property. Estimated costs to underground utilities on that project is \$40,000. Sand City has less than \$100,000 in the 20-A funds to underground utilities. Mr. Morgan suggested that funds could be made available for undergrounding utilities by the method used for street improvements. It was recommended that a meeting with property owners be scheduled so they are aware of the issues and costs. The light bollards on the bicycle trail are being installed.

AGENDA ITEM 10, NEW BUSINESS:

- A. Review and discussion on program and music for December 8th awards banquet. There was discussion of hiring the band that played at the annual barbecue and taking a credit memo on the \$125 deposit from Kool Inc. By consensus the Council agreed to hire the band for the awards banquet at a cost of \$500 and a complimentary dinner. The City Council also agreed to shorten the program so people can enjoy the band and to keep the ceremonies focused on employees and volunteers, such as the Design Review Committee.

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 Hubler, seconded by Councilmember Kruper, to the next regularly scheduled City Council meeting on September 18, 2001, 7:00 p.m. There was unanimous Council consensus to adjourn at 8:45 p.m.



Debra Taylor, City Clerk