

MINUTES
JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY
City Council Chambers
Regular Meeting - September 18, 2001
7:00 PM

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

Reverend David Martin led the invocation.

Police Chief Klein led the Pledge of Allegiance.

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

Absent: Councilmember Hubler

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

AGENDA ITEM 4, COMMUNICATIONS:

- A. Written communications distributed to City Council this evening included a letter from the Community Development Director to the City of Seaside on their comments regarding the Initial Study for the King Ventures Tioga Inn project (item 7-A); revised Combined Development Permit for Terry Reams and Roy Meadows mixed-use development (7-B); revised attachment to Ordinance on the Reams/Meadows mixed-use development (7-C); and Redevelopment Agency resolution, email from Agency Counsel, updated Assignment of Purchase Agreement & Amendment to Purchase Agreement (with signatures) on the Orange Avenue property acquisition (8-B).
- B. The floor was opened at 7:06 p.m. for oral communications, but there were no comments by the public. Mayor Pendergrass announced that Sand City contributed \$5,000 to the local Red Cross representative towards the relief fund for the terrorist attack on New York and the Pentagon. There is an organization that is making matching funds available to enhance this

contribution. The League of California Cities had to cancel the annual conference (in Sacramento) due to flight restrictions caused by the terrorist bombing. Police Chief Klein distributed a memo on the success of the annual beach cleanup that is co-captained with the Regional Parks District. Over 500 volunteers showed up on Sand City beaches. Councilmember Kline (co-beach captain) reported that 90 Boys Scouts came to help out. She will be sending a letter of appreciation to the major groups that showed up. This was possibly the best beach cleanup to date, and everything went well thanks to Chief Klein and the Public Works crew.

AGENDA ITEM 5, CONSENT CALENDAR:

- A. There was no discussion of the September 4, 2001 Minutes.
- B. There was no discussion of the Monthly Police Department Activity report, August.
- C. There was no discussion of the City/Redevelopment Agency financial reports, July.
- D. There was no discussion of the City **RESOLUTION Declaring October 1-5, 2001 as Rideshare Week.**
- E. There was no discussion of the City **RESOLUTION Authorizing Amendment to the Service Agreement with Diane Gladwell (SC 01-28) to Gladwell Governmental Services, Inc.**

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

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

No items.

AGENDA ITEM 7, PUBLIC HEARING(S):

[This agenda item was taken out of sequence.]

- A. Community Development Director Matarazzo presented the Coastal Development Permit and Negative Declaration for a proposed coastal inn development by King Ventures on one 1.15 acre fenced vacant lot located at the intersection of Tioga Avenue and Highway One (APN 011-011-020); and

City **RESOLUTION Approving the Negative Declaration Prepared for the Development of a Coastal Inn on a Vacant Parcel (APN 011-011-020) Located East of Highway One Adjacent to Tioga Avenue.** For the record, Mr. Matarazzo read his reply (handout distributed this evening) to the comments made by the City of Seaside on the Negative Declaration because the review period ended September 12th and the letter was received September 17th. Seaside's concerns were level of service relating to traffic, foreseeable traffic impacts, and impacts to groundwater, which were addressed in the reply. The property water well is exempt from Water District Ordinance 96 and Water District staff is satisfied with the Coastal Development Permit conditions that are placed on the well. King Ventures has a 20 acre feet water credit through the Monterey Fish Company, so if the well becomes unusable they can hook-up to CalAm Water. An acoustical report will be required due to the project's vicinity to Highway One. King Ventures may reduce their planned capacity from 34 units to 30 and may include vacation club rentals.

7:40 P.M. Floor Open to Public Comment

DAVE WATSON (King Ventures staff): This site is approximately 1-acre and it is a difficult location. Design elements such as dormers, shingles, etc. will be emphasized for this project. It will be a linear design and the preliminary acoustic level report will guide the materials used. A series of berms to reduce noise, enclosed balconies, extra wall thickness, and possibly double-glazed windows will be used. Mr. Watson complimented the City and the Design Review Committee for recommendations that have been incorporated. There are three main points he wished to emphasize for the record - 1) they plan on using the well water which should not be a drain on the basin, and do periodic testing to be presented to Council; 2) right now they have a design for 34 units (17 distinct bungalows with upper/lower units); and 3) today's economic market demands they have a sound financial plan. The project size is small and this visitor-serving use may be changed to a vacation club. This is an improvement over time-share condos by buying into a system of resorts allowing users to visit properties all over California. They are considering this scenario to help establish other sources of financing to ensure economic feasibility.

In response to a question by Councilmember Kruper, Mr. Watson said there will be one on-site manager, 4-8 daily service personnel as needed, and grounds staff will be contracted. Councilmember Kruper expressed concern about limited parking. Mr. Watson said the DRC discussed this issue and they want 3-4 more parking spaces. Service personnel come in when a guest leaves and will use those existing spaces. Councilmember Kline asked if vacation club rentals impact potential Transient Occupancy Tax (TOT) to the City? In response Mr. Watson said it will not impact the City. An

appropriate level of fees in lieu of TOT can be approved. King Ventures will discuss this further with staff and Council before seeking approval for a vacation club. Councilmember Blackwelder said he wants the highest quality project and requests a meeting of the coastal sub-committee, union representatives and King Ventures to discuss this further. Mr. Watson said he will commit to meetings, and work with the City and the unions. They want to balance the reality of using local trades or union workers in regard to the overall cost of the project. Councilmember Kline asked if the well isn't sufficient, will using any of the 20 acre feet effect the west-side project? Mr. Watson said that it would. The other project would require more than the 20 acre foot water credit. Other alternate water sources will be discussed in the future. In response to a question by City Administrator Morgan, Mr. Watson said the well will meet the needs of the project according to tests that were conducted on the well. Three months ago they checked the quality and quantity of the well and it should be ample for the 3.4 acre feet required, and King Ventures believes it has a much higher capacity. A hydrologist will be checking the draw down, salt water intrusion, etc.

RON CHESHIRE (Laborers Union Representative): He is the building trades representative for the Monterey area. They support the project in Sand City and it can benefit local union members and the Peninsula overall. They extend a hand of cooperation and want to see King Ventures cooperate. They would like to participate in the recommended sub-committee meetings.

MICHAEL MORRIS (Adjacent resident): This project is much better than the previous project for mini-storage. It will finally allow Sand City to receive TOT. He has a minor concern asking if the driveway will allow adequate access. He thinks this is a great project for the City and congratulated the City Council for their efforts.

In response, Mr. Matarazzo said yes. CalTrans gave permission to encroach allowing for a 24' wide, two-way driveway approach.

PETE ERICKSEN (Realtor): This is a complicated site to develop and it's good to see a project come on line after 15 years. This is the nicest project he's seen and it will be good for Sand City and the Peninsula.

8:05 P.M. Floor Closed to Public Comment

Mayor Pendergrass announced that as a member of the sub-committee, he and Councilmember Blackwelder, staff and King Ventures should agree on a date to meet in the future to discuss this further. There was also some discussion of the Seaside revenue sharing agreement. Community Development Director Matarazzo made changes to the Negative Declaration to

address Environmental Quality Act updates and minor additions to the Resolution.

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

Motion to approve Coastal Development Permit as amended, was made by Councilmember Kline, seconded by Councilmember Blackwelder. AYES: Councilmembers Blackwelder, Kline, Kruper, Pendergrass. NOES: None. ABSENT: Councilmember Hubler. ABSTAIN: None. Motion carried.

8:15 P.M. Recess
8:30 P.M. Reconvene

[Due to residing within 500' of the subject property, Councilmember Blackwelder may have a possible conflict of interest. Councilmember Blackwelder abstained, left the dais and joined the audience while the next two agenda items were being considered.]

- B. Associate Planner Pooler presented the application by Roy Meadows & Terry Reams for permit approvals (Site Plan Permit and Coastal Development Permit) regarding the development of a mixed-use project located on property along the east side of Contra Costa, between Orange & Shasta Avenues (APN 011-236-015). The project qualifies as a categorical exemption under state CEQA Guidelines, Section 15303(b) & (c), and is located in a non-appealable Coastal-Manufacturing (CZ-M) zoning district. A revised Combined Development Permit was distributed this evening that outlined the proposed amendments. The following related agenda item 7-C was also discussed at this time. The applicant proposed to demolish existing old structures, remove the chain-link fence and develop a mixed-use building. This new two-story building will provide four large 1-bedroom/1-bath residential dwellings and the lower level proposes two retail/commercial areas and storage room. There will be a limit to the types of uses within these spaces through a re-zoning of the site to a Planned Unit Development (PUD) to minimize the commercial impacts to the residential units, thereby establishing reasonably compatible uses. This is an excellent use that will eliminate blighted conditions at the entrance to the City. Community Development Director Matarazzo feels this project exemplifies the objectives of the Redevelopment Agency water competition last year.
- C. **FIRST READING: Ordinance Amending Title 18 of the Municipal Code to Reclassify Certain Property (APN 011-236-015) from Coastal Zone-Manufacturing (CZ-M) to Coastal Zone Manufacturing Planned Unit Development (CZ-M-PUD)** was presented by Associate Planner

Pooler combined with agenda item 7-B. The project qualifies as a categorical exemption under state CEQA Guidelines, Section 15303(b) & (c). A revised exhibit to the ordinance was distributed this evening that included minor amendments.

[This agenda item was combined and discussed with agenda item 7-C. When the floor was opened, it was for discussion on both issues.]

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

DARREN DAVIS (Project Designer): Staff did a great job. They are going to build a real nice project with businesses and apartments right at the gateway to the City. They agree with all conditions and changes being recommended.

GERALD LIPORI (adjacent property owner): He owns property on the 300 block of Orange Avenue and he wants to know how this will effect this property, especially the re-zoning. In response to his questions, City Administrator Morgan said that the re-zoning will only take place on this particular property and will not effect any other properties.

7:25 P.M. Floor Closed to Public Comment

Mayor Pendergrass is pleased to see such a nice project in a central location of the City that will eliminate blight. It is more evident that the moving vans will have to be dealt with along the railway near the City entrance.

Motion to approve Site Plan Permit and Coastal Development Permit, as amended, was made by Councilmember Kline, seconded by Councilmember Kruper. AYES: Councilmembers Kline, Kruper, Pendergrass. NOES: None. ABSENT: Councilmember Hubler. ABSTAIN: Councilmember Blackwelder. Motion carried.

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

[Councilmember Blackwelder returned to the dais.]

- D. Consideration of rezoning to Planned Unit Development (PUD) for property located along the 300 block of both Shasta & Orange Avenues (APN 011-253-007, 008, 017, 018) to accommodate development applications submitted for three mixed-use buildings as requested by Ben Compagno *[to be continued to the October 16, 2001 meeting]*. This item was not discussed.

8:31 P.M. Floor Open to Public Comment

No comments.

8:31 P.M. Floor Closed to Public Comment

Council consensus to continue this item until the October 16, 2001 meeting.

AGENDA ITEM 8, OLD BUSINESS:

- A. There was no discussion of the progress report on the John Street vacation. Motion to continue this item to the October 16, 2001 meeting was made by Councilmember Kline, seconded by Councilmember Kruper. AYES: Councilmember Blackwelder, Kline, Kruper, Pendergrass. NOES: None. ABSENT: Councilmember Hubler. Motion carried.

[Due to residing within 500' of the subject properties causing a possible conflict of interest, Agency member Blackwelder abstained, left the dais and joined the audience.]

- B. Agency Counsel Heisinger presented the staff report on 443 Orange Avenue property acquisitions (Lots 16, 18, 20 & 22, Block 25, APN 011-238-016) and gave an overview of all properties involved in these transactions. An updated Assignment/Agreement was distributed to the Redevelopment Agency.
- (1) City RESOLUTION Authorizing Assignment of Purchase Agreement and Amendment to Purchase Agreement *[it was determined that this item was not necessary]*
 - (2) Redevelopment Agency **RESOLUTION Authorizing Assignment of Purchase Agreement and Amendment to Purchase Agreement for 443-455 Orange Avenue Property (APN 011-238-016).**

Two lots are being purchased by the Redevelopment Agency, and the other two lots are being bought by the City to exchange with the Randazzo's for the Sylvan Avenue property. A variety of issues have been addressed and escrow is being extended to November 9th. In the interim, the LeNeve Family Trust is trying to address the encroachment issue. If not, the Agency could waive or let the contract expire unless another agreement is reached prior to close of escrow. Don Orosco will not be part of the purchase thereby amending the Purchase Agreement with Orosco. The Redevelopment Agency agrees to pay Orosco \$3,000 that will be applied as a deposit on the purchase price. The Agency also picks up the cost for the Phase I Environmental Study (\$2,500) and survey (\$1,000) - payable to LeNeve when the deal closes. BT Commercial (Pete Eriksen) is reducing their commission payable by LeNeve. An updated Assignment/Agreement with signatures was distributed this evening.

PETE ERICKSEN (Realtor): The LeNeve family spoke with Mrs. Morrow's son on the encroachment situation. She was upset on having to move her mobile home, but her son will help her trim the awning and to reduce the laundry room. This should remove the encroachment. The LeNeve's fence will need to be relocated and closed off for their storage yard. Executive Director Morgan said staff will work with the LeNeve's to relocate the fence - either by the Public Works Department or a private company. It is a minor issue.

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

[Agency member Blackwelder returned to the dais.]

- C. Progress report on Public Works projects, City Water Project, Project Study Report, Pending Development Projects and other Sand City Community Programs by City Engineer/Community Development Director/City Administrator. Acting City Engineer Bittner reported that half of the lights for the bicycle trail have been installed between Playa and the north end of the City. Mayor Pendergrass reported that the Seaside Sanitation District installed a fence along the storm water outflow pipe along the beach. Staff reported that King Ventures still expects to have preliminary plans on the McDonald coastal project to the City by October 1st, as required in the Disposition & Development Agreement. There was some discussion on the status of the Sterling property. Mayor Pendergrass recommended that a meeting be set up between staff, Van Zandt, King Ventures and Muriel Calabrese.

AGENDA ITEM 9, NEW BUSINESS:

No items.

AGENDA ITEM 10, 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 11, ADJOURNMENT:

- A. Motion to adjourn was made by Councilmember Blackwelder, seconded by Councilmember Kruper, to the next regularly scheduled City Council meeting on October 2, 2001, 7:00 p.m. There was unanimous Council consensus to adjourn at 8:51 p.m.



Debra Taylor, City Clerk