

MINUTES
JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY
City Council Chambers
Regular Meeting - October 2, 2001
7:00 PM

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

Reverend Ted Britain led the invocation.

Police Chief Klein led the Pledge of Allegiance.

Present: Councilmember Jerry Blackwelder
Vice-Mayor Mary Ann Kline
Councilmember Craig Hubler
Councilmember Todd Kruper
Mayor David 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 September 26th letter to Police Chief Klein from the Monterey County Peace Officers Association announcing citizen awards for David Delgado & Inocente Hernandez for their civic bravery in Sand City (item 4-A); staff report, Redevelopment Agency Resolution, Exclusive Negotiating Agreement and maps on the DBO South of Tioga project (item 10-A); October 1st letter from George Robinette (item 10-B), and an October 1st letter from City Attorney Heisinger to the Water Management District regarding water credits on the Robinette site (item 10-B).
- B. The floor was opened at 7:05 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 #252, Hilo & Joan Campos/Campos Delivery (Open Storage), Elder & Shasta - west of Catalina
 - (2) CUP #280, Steve Baptista (Mixed Use: first story - commercial, second story - residential), 549 Elder Avenue
 - (3) CUP #359, George Wilson (Mixed Use: first story - commercial, second story - residential), Shasta Avenue
 - (4) CUP #361, Tom & Bobbie Deyerle/Central Coast Landscaping (Landscaping), 648 Dias Avenue
 - (5) CUP #379, Nielsen Ceramics (Ceramics Workshop), 591 Redwood Avenue
 - (6) CUP #407, Robert Benoist (Woodshop), 625-C California Avenue
 - (7) CDP #95-09, Slakey Brothers (Wholesale Distributor), 321 Orange Avenue
- B. There was no discussion of the September 18, 2001 Minutes.
- C. There was no discussion of the City/Redevelopment Agency financial reports, August.
- D. There was no discussion of the City **RESOLUTION Honoring Helen Rucker, Recipient of the National Association for the Advancement of Colored People (NAACP) Community Leader Award.** Mayor Pendergrass and Chief Klein will attend this morning event and make the presentation to Ms. Rucker.
- E. There was no discussion of the monthly Fort Ord Reuse Authority (FORA) report, September.

Motion to approve Consent Calendar was made by Councilmember Kline, seconded by Councilmember Blackwelder. 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. A CalTrans representative presented Awards of Excellence to Kelly Morgan, Steve Matarazzo, Stan Kulakow, and the Sand City Council for the Sand City/Seaside Bicycle Trail. Over 100 entries were submitted in 10 various categories. Sand City won out over 19 other projects. Sand City was the lead agency and managed to get the cooperation of over seven different state and regional agencies - a feat in itself. Only native plants were used for dune stabilization and enhancement.

AGENDA ITEM 8, PUBLIC HEARING(S):

[As established at the September 18th meeting, Councilmember Blackwelder may have a possible conflict of interest due to residing within 500' of the subject property. Councilmember Blackwelder abstained, left the dais and joined the audience while the agenda item was considered.]

- A. **SECOND 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 Community Development Director Matarazzo. The project qualifies as a categorical exemption under state CEQA Guidelines, Section 15303(b) & (c). The first reading of the Ordinance was approved at the September 18th meeting.

7:12 P.M. Floor Open to Public Comment

No comments.

7:13 P.M. Floor Closed to Public Comment

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

[Councilmember Blackwelder returned to the dais.]

AGENDA ITEM 9, OLD BUSINESS:

- A. 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. City Engineer Kulakow reported that staff sent a response letter to the Public Utilities Commission (PUC) regarding Plan B - the proposal to increase the water supply for the Water Management District. A report

incorporating studies on the Sand City desal project will be forthcoming and Community Development Director Matarazzo reported that a Scope of Work on the desal EIR should be ready for the November 6th Council meeting. Mr. Kulakow reported that the PG&E service is the last leg of the bicycle path lighting before completion. In reply to a question by Councilmember Kruper, Mr. Kulakow said that the lights can operate on timers and/or photo cells. There will be a call for bids at a future meeting for the street improvements and undergrounding utilities on Park Avenue.

AGENDA ITEM 10, NEW BUSINESS:

- A. Executive Director Morgan presented the Redevelopment Agency **RESOLUTION Entering into an Exclusive Negotiating Agreement with DBO Development for Redevelopment of the Area Known as "South of Tioga"**. The resolution and ENA was distributed this evening. The DBO Statement of Qualifications (SOQ) was accepted at a prior Redevelopment Agency meeting and this proposed ENA will achieve several functions/steps for this project. It will signify the start of this redevelopment project, designate DBO as the developer, strengthen DBO's status in their negotiations with property and business owners and residents; and enable work on plans and preliminary studies. Agency Planner Matarazzo summarized the ENA which will expire on March 31, 2002. Some of the preliminary studies will include traffic, relocation plans, preliminary site plans, budget, and public facilities studies. There was a \$20,000 deposit submitted with the SOQ for the staff review process, and the balance of this amount will be used for future staff costs for the review of the above work that will be provided by DBO. Agency Counsel Heisinger said that this ENA is similar in form to the King Ventures ENA with a few exceptions. The basic obligation of the Redevelopment Agency is the exclusive right to negotiate and granting the right of first refusal. Mr. Morgan said the \$20,000 negotiating fee is a very preliminary fee. The King Ventures fee required payments on the bond for the McDonald coastal property and is significantly higher. DBO will be required to provide or pay for the previously discussed studies.

DAVE MILLER (DBO representative): They are very happy with the structure and scope of the ENA, this will help them start up work for relocation negotiations. It cost DBO \$20,000 to determine that it will cost them \$300,000 to remediate the transfer station site. Traffic studies and CEQA requirements will be keeping them very busy. Estimation of acquisition and relocation costs will be contracted to another company, and impacts to the businesses will be addressed. This ENA acknowledges DBO's ability to negotiate with property owners, businesses and residents. A lot of work has already been done on the proforma. Relocation "options" for locals was discussed and it was recommended that land currently owned by the City and Redevelopment Agency be retained as vacant property for possible future relocations. Water credits and rights are imperative to an overall

successful project. Redevelopment is always a partnership, giving risk and reward to the developer and the Agency.

Mr. Morgan agrees with Mr. Miller's point to maintain as many relocation possibilities, including the Robinette site.

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

[Due to residing within 500' of the subject property, Agency member Blackwelder may have a conflict of interest. Agency member Blackwelder abstained, stepped down from the dais and joined the audience.]

- B. Redevelopment Agency Executive Director Morgan led the discussion on the Robinette property on water issues, possible future use, and the lease with Granite Construction. Mr. Morgan gave a history of the water credit discussions on the Robinette site. There is an active well on site, but no formal discussions have transpired with the Water District to date. Staff met with Granite Construction this week to discuss the status of their lease. They agreed to the terms to terminate the lease as outlined in the Redevelopment Agency letter of September 7, 2001. A disposition report would have to be prepared if the Agency wanted to sell the property. Possible alternatives for this site were discussed - either for relocations or as a catalyst site for Old Town. DBO has recommended redesigning the Contra Costa entrance to the City. This will require a traffic study and further work by the City Engineer. The Agency has spent \$800,000 to date on property acquisition, leaving \$140,000 set aside in the housing fund.

Agency Planner Matarazzo commented on the two handouts distributed this evening (Robinette and Hesinger letters). Granite Rock will make a presentation at the October 16th meeting on their proposed plant design. Agency Counsel Heisinger said that if a water credit is issued to the Robinette site the batch plant work will have to desist. The Agency will need a permit from the Water District if water credits are transferred to another site, less a 15% retention by the District. Chairman Pendergrass asked the Agency Engineer to check into exempting the well on the Robinette property via Water District Ordinance 96. The deadline for filing an exemption is October 15th. The City Attorney responded that the well was already exempted. Mr. Morgan said staff will look at the possibilities of reconfiguring/ relocating the Contra Costa entrance closer to the Robinette site. Staff will also research George Robinette's request to pay off the loan by the end of this calendar year. There was Redevelopment Agency consensus to leave the property options open at this time.

[Agency member Blackwelder returned to the dais.]

- C. The Council discussed the rescheduling of the League of California Cities annual conference for December 18-20, 2001. Due to the tragic events of September 11th, the League cancelled their annual conference in Sacramento and had to reschedule. The only change to the attendance will be the inclusion of Councilmember Hubler, and City Attorney Heisinger will not be able to attend due to his holiday schedule. All Councilmembers will be attending the conference, therefore the December 18th Council meeting will need to be cancelled due to a lack of quorum.

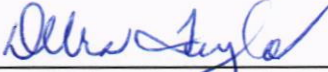
8:07 PM Recess
8:15 PM Reconvene

AGENDA ITEM 11, CLOSED SESSION:

- A. It was determined that the Redevelopment Agency did not need to adjourn to Closed Session 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, portion of APN 011-191-001 (Harper property). This item was not discussed.
- B. The City Council adjourned to Closed Session in accordance with the Ralph M. Brown Act, §54956.9(a) to confer with legal counsel regarding litigation entitled Burkleo Roofing, Inc. v. City of Seaside, City of Sand City et al. (Case No. M55861 Superior Court, Monterey).
- C. The City Council adjourned to Closed Session in accordance with the Ralph M. Brown Act, §54956.9 (b)(1) to confer with legal counsel regarding claims for flood damages
- D. The City Council/Redevelopment Agency readjoined to Open Session to report any action taken at the conclusion of Closed Session in accordance with §54957.1 of the Ralph M. Brown Act: Item 11-A was not discussed, and no action was taken on Items 11-B & C.

AGENDA ITEM 12, ADJOURNMENT:

- A. Motion to adjourn was made by Councilmember Blackwelder, seconded by Councilmember Kruper, to the next regularly scheduled City Council meeting on October 16, 2001, 7:00 p.m. There was unanimous Council consensus to adjourn at 8:23 p.m.



Debra Taylor, City Clerk