

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

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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 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  
J.Michael Klein, Police Chief  
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 #186, Gene's Import Auto Body (Auto Body), 581-A Shasta Avenue
  - (2) CUP #236, Gene's Import Auto Body (Auto Body), 534 Shasta Avenue
  - (3) CUP #286, Gene's Import Auto Body (Roof Sign), 531-A Shasta Avenue
  - (4) CUP #374, Worley Iron Works (Metal Art Fabrication), 337 Olympia Avenue
  - (5) CUP #394, D'Motorsports (Auto/Machine Manufacturing), 477 Redwood Avenue
- B. There was no discussion of the November 20, 2001 Minutes.
- C. There was no discussion of the City **RESOLUTION Authorizing an Extension of the Martin Feeny Contract for the Desal Project**. The contract does not have an expiration date, but the total budget including remaining funds and an additional \$15,000 is not to exceed \$30,309.05.
- D. Due to a possible conflict of interest, this resolution was considered under agenda item 6. There was no discussion of the City **RESOLUTION Amending Resolution SC 01-78 (LeNeve - Block 25, Lots 16, 18, 20, 22 and 24 on Orange Avenue)** which approves a Record of Survey instead of just a parcel map.
- E. There was no discussion of the City **RESOLUTION Authorizing an Agreement for Jail Services with the City of Monterey**. The contract will expire December 4, 2003.
- F. There was no discussion of the City **RESOLUTION Confirming Extension of the Monterey County Abandoned Vehicle Service Authority Vehicle Registration Fee Until April 2012**.

Motion to approve Consent Calendar items A,B,C,E,F was made by Councilmember Kruper, seconded by Councilmember Kline. AYES: All Councilmembers. NOES: None. ABSENT: None. ABSTAINED: None. Motion carried.

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

- D. Due to a possible conflict of interest by residing within 500' of the project area, Councilmember Blackwelder abstained. There was no discussion of the City **RESOLUTION Amending Resolution SC 01-78 (LeNeve - Block**

**25, Lots 16, 18, 20, 22 and 24 on Orange Avenue)** which approves a Record of Survey instead of just a parcel map.

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

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

- A. Presentation by Hayashi & Wayland auditor Theresa Courtney, of the Sand City Audited Financial Statements for Fiscal Year 2000-2001. Staff and Budget Committee members reviewed the audits and Sand City received a "clean opinion" from the auditors.

(1) City **RESOLUTION Accepting the Audited Financial Statements for the Year Ended June 30, 2001 and Independent Auditors Report.**

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

(2) Redevelopment Agency **RESOLUTION Accepting the Audited Financial Statements for the Year Ended June 30, 2001 and Independent Auditors Report**

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

- B. Presentation by David Norris (Creegan + D'Angelo) regarding engineering & economic feasibility of the Sand City water supply project. Mr. Norris gave a summary of the water supply project and handouts of the slide presentation were distributed this evening. The main points discussed were research, design details, siting alternatives, probable costs, work to follow, and water distribution. In response to a question by Councilmember Hubler, it is anticipated that the Water Management District and the Coastal Commission will be the public agencies with the most comments on the City's project. Community Development Director Matarazzo stated that this system will be small. The Marina desal facility was approved by the Coastal Commission, and if Sand City proves the desal is environmentally safe, staff hopes the Coastal Commission and Monterey Bay Marine Sanctuary will not object to the project. City Attorney Heisinger said that by having this system in place, it could (if economically feasible) free up (or reduce pumping of the Carmel River) by a minimum of 150 acre feet per year (afy) by no longer being a

part of the existing CalAm system. Councilmember Hubler asked if this has to be a local ballot issue to change the existing system? In response, Mr. Heisinger said the decision to construct a facility is a City/Redevelopment Agency decision. Depending on the financing, it may require a ballot measure, an assessment district, or bonding. It may not necessarily be a ballot measure unless it increases property taxes.

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

- A. SECOND READING: **Ordinance Repealing Title 18, Section 18.72.020 "Storage Use Permits," of the Sand City Municipal Code and Replacing it with Section 18.72.020, Entitled Outside Storage: Discretionary Permit Approval Required** was presented by Community Development Director Matarazzo. This change to the municipal code will require permits for open storage for improved and unimproved property.

8:08 P.M. Floor Open for Public Comment

No comments.

8:09 P.M. Floor Closed to Public Comment

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

- B. Associate Planner Pooler presented the Coastal Development Permit application by Vito Gustianni for the establishment of a fenced storage yard within the Union Pacific Railroad right-of-way at 698 Ortiz Avenue (APN 011-233-010). The project qualifies as a categorical exemption under state CEQA Guidelines, Section 15301, and within a non-appealable Coastal Manufacturing (CZ-M) zoning district. This permit will strictly limit the use of this yard for materials only, and prohibit the storage of equipment and vehicles. Staff is recommending dark colored plastic-clad fencing material, prohibits barbed wire, recommends some type of temporary permeable material to control dust, and use landscaping to visually screen the fencing. The permit is conditioned to expire within two years and will require new discretionary permit review and approval at that time. Two minor modifications were made to the permit on conditions #4 and #5.

Community Development Director Matarazzo said that Union Pacific limits their leases. Staff would like to further research the right of way, especially with parking and delivery issues for a better public use. There are concerns with TAMC in the future if they acquire the railroad. City Administrator Morgan said that TAMC has made no commitments regarding future uses of

the railroad right of way. It will be a new experience for TAMC for temporary and permanent uses for this 100' railroad right of way. Councilmember Kruper questioned Condition #4 where it allows 42 months for landscaping. Mr. Matarazzo answered that this is alluding to a cumulative long term use. The City prefers a fabric fencing material, not slats, to create a visual screen. The City maintains authority because all uses in the coastal right of way requires a use permit and all property bordering the railroad is in the coastal zone. In response to a question by Councilmember Kline, the City Engineer will be working with the applicant regarding dust issues.

8:21 P.M. Floor Open for Public Comment

Mr. Giustiniani's partner agreed with the conditions and the proposed amendments to #4 and #5. Everything will be within the yard.

8:24 P.M. Floor Closed to Public Comment

Motion to approve Coastal Development Permit (#01-05) as amended, was made by Councilmember Kline, seconded by Councilmember Kruper. AYES: All Councilmembers. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

- C. Associate Planner Pooler presented the Planned Unit Development amendments by Shurgard Storage to an approved self-storage development project at 715 California Avenue to accommodate design modifications of the office/manager's building and exterior material; the project qualifies as a categorical exemption under state CEQA Guidelines, Section 15301; and FIRST READING: **Ordinance Amending Planned Unit Development (PUD) Standards Established by Ordinance 98-07 Regarding Certain Property (APN 011-186-040) and Self-Storage Facility Project.** Mr. Pooler gave a history of this project and Ordinance 98-07 which approved a mini-storage facility. Shurgard Storage is requesting modifications for a change in building colors, metal cladding redesign and the incorporation of a lighthouse onto the detached office/ managers dwelling unit. The lighthouse is the corporate logo for Shurgard Storage. An amendment of the Combined Development Permit is scheduled for the Design Review committee on December 13<sup>th</sup>. Staff is recommending that a reversionary clause be included in this PUD amendment basically stating that if construction does not commence by April 21, 2002 the zoning will revert back to M (Manufacturing) designation or be re-zoned to mixed use. Overall the project will remain relatively the same as previously approved. The addition of the lighthouse increases the lot coverage by approximately fifty-five square feet. Staff requires that a non-intrusive 60-watt bulb be used and screening at the back of the light to protect residents in the East Dunes. A minor correction was made to Exhibit A.



8:30 P.M. Floor Open for Public Comment

PAUL DAVIS, JR. (Project Designer): On behalf of Shurgard Storage they accept the staff report and the conditions of the ordinance.

STEVE TANGNEY (Real Estate Representative): The display area is for retail goods (boxes, tape, bubble wrap, etc). They look forward to this project in Sand City especially with the addition of the corporate image of the lighthouse. All other design and landscaping will remain the same. They presently own 25 facilities in the Bay Area, 450 national facilities and are headquartered in Seattle.

8:33 P.M. Floor Closed to Public Comment

Motion to approve first reading of Ordinance as amended in Exhibit A, by title only, was made by Councilmember Kline, seconded by Councilmember Hubler. Roll call vote - AYES: Councilmembers Blackwelder, Kline, Hubler, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried. [Second reading will be January 15, 2002.]

- D. Community Development Director Matarazzo presented the City **RESOLUTION Adopting Amendment 1 to the Sand City Certified Housing Element Related to Transferring Housing Potential from the Transfer Station Site on Tioga Avenue to More Suitable Areas of the "East Dunes" District**. The state Department of Housing & Community Development (HCD) was sent a copy of the City's proposal for review prior to adoption. HCD found the City's proposed housing element to be consistent with the intent and purpose of the certified Housing Element.

8:36 P.M. Floor Open for Public Comment

No comments.

8:36 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 Councilmembers. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

*[Due to a possible conflict of interest by residing within 500' of the project area, Councilmembers Blackwelder & Hubler abstained. They both left the dais and joined the audience.]*

- E. City Administrator Morgan stated that staff is still involved in complicated negotiations, therefore it is recommended that this item giving a progress

report on the John Street vacation (abandonment) *[continued from October 16, 2001 meeting]* be continued until March 2002.

8:37 P.M. Floor Open for Public Comment

No comments.

8:37 P.M. Floor Closed to Public Comment

Council consensus to continue this item to March 2002.

*[Councilmembers Blackwelder & Hubler returned to the dais.]*

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

- A. 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 Engineer Kulakow reported that CalTrans replaced the fencing along Sand Dunes Drive/Highway One and will do the northbound fence in a few months; final inspection on the bicycle trails lights will be completed soon; King Ventures has started work on the Tioga Avenue driveway near the overpass by a permitted encroachment from CalTrans.

### **AGENDA ITEM 10, NEW BUSINESS:**

*[Due to a possible conflict of interest by residing within 500' of the project area, Agency members Blackwelder & Hubler abstained. They both left the dais and joined the audience.]*

- A. Agency Planner Matarazzo presented the request by Pedro Blas to extend the term of his water reservation for four proposed dwelling units on Dias Avenue. Mr. Blas has since reduced the footprint to three dwellings. His initial submittal was rudimentary, and no work has progressed since the water allocation other than a proposal for a 50/50 cost sharing for utilities. Half of his project is in the coastal zone which does not allow new homes and would require an LCP amendment.

NASHWAN HAMZA (Partner): He clarified some history of the project and his new partnership with Mr. Blas. They intend to build, and they do consider the water a "gift" from the Redevelopment Agency. Mr. Blas does not have a great deal of experience which slowed his progress, including a low loan-to-value ratio for the property. Even though there is no cost sharing for infrastructure, they still want to go ahead with the project. They have decreased the number of dwellings to allow a more feasible use of water. In response to a comment by Agency member Kruper, he said that the

pressure of time did not impress Mr. Blas; financing difficulties and a lack of experience in developing from scratch caused more delays. This will be a full time project if the extension is allowed. The three homes will have 3 bedrooms/2 baths, partial ocean views, and approximately 1600-1700 square feet each.

Mayor Pendergrass said he likes the renovation work done by Mr. Blas to date on his other properties. Mr. Hamza and Mr. Blas must work with staff on their plans and the LCP amendment immediately. To help accommodate this, the Agency is recommending a six-month extension instead of the February 20<sup>th</sup> deadline. Mr. Matarazzo said that with the LCPA it will require more time and recommends June or July - only if Mr. Blas is making serious progress. Executive Director Morgan pointed out many other fees will be required and wanted the developers to be fully aware of the expenses.

Motion to approve the continuance until July 22, 2002 was made by Chairman Pendergrass, seconded by Agency member Kline. AYES: Agency members Kline, Kruper, Pendergrass. NOES: None. ABSENT: None. ABSTAIN: Agency members Blackwelder & Hubler.

*[Agency members Blackwelder & Hubler returned to the dais.]*

- B. Request for authorization to join in the Public Information Program for Monterey Bay Division League of California Cities was presented by City Administrator Morgan. These funds will assist in a media campaign to protect local government revenues. Because this is a non-elective process, cities can make donations. If city revenues are reduced it can effect police/fire services, library hours, parks, etc. This media campaign will publicize the risks to city services if the state decides to balance it's budget by "borrowing" from local revenues. The cities of Greenfield and Gonzales have donated \$2,000 each, Watsonville \$4,000, and staff is recommending a minimum \$1,000 donation.

Motion to approve \$1,000 donation to this program was made by Mayor Pendergrass, seconded by Councilmember Kline. AYES: All members. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

- C. Authorization for Sand City's participation and support for the two local Chambers of Commerce (Seaside/Sand City and Monterey Peninsula) was presented by City Administrator Morgan. Staff is recommending \$6,000 support to the Seaside/Sand City Chamber and \$5,000 support to Monterey Chamber. The Sand City Budget Committee recommend approval. Discussion of attendance to the Saturday, January 26, 2002 Monterey Peninsula Chamber of Commerce Annual Inauguration/Awards Dinner. Sand City has a table of ten as part of the annual dues. Mayor Pendergrass +



Jeannette, Councilmember Kline + guest and Councilmember Kruper will be attending. The other Councilmembers have yet to RSVP.

Motion to ratify the support to both Chambers was made by Councilmember Hubler, seconded by Councilmember Kruper. AYES: All members. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

- D. Community Development Director Matarazzo presented the City **RESOLUTION Authorizing Contract Extension with Mark Thomas & Company to Provide Additional Technical Services Related to the Sand City Project Study Report (PSR) Based on Final Requirements of CalTrans**. Due to CalTrans additional comments on the draft PSR, this contract extension is required to finalize the PSR. This \$7,500 contract extension is no guarantee that CalTrans will sign off on the PSR. This is the second extension and the fourth CalTrans staff reviewer. Everyone wants this finished. It appears to be \$20,000 in work and costs for this latest revision, but the consultant has agreed to absorb most of the additional cost.

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

#### **AGENDA ITEM 11, CLOSED SESSION:**

- A. The City/Redevelopment Agency adjourned to Closed Session to confer with real property negotiator, in accordance with §54956.8 of the Ralph M. Brown Act:
- (1) It was not necessary to discuss the possible purchase of property to enlarge civic center or use for redevelopment purposes, portion of APN 011-191-001 (Harper property).
  - (2) To discuss pending negotiations on the Roy Woods/Dr. Kay property (APN 011-177-012 & 028) and upper John Street lots (APN 011-177-009). Due to a possible conflict of interest by residing within 500' of the project area, Councilmembers Blackwelder & Hubler were excused from the rest of the meeting.
- B. The City Council/Redevelopment Agency readjourned 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.
- (1) Harper property issue was not discussed.
  - (2) Directed property negotiators to continue negotiations with Roy Woods (Councilmembers Blackwelder & Hubler abstained and had left the meeting prior to this item).

**AGENDA ITEM 12, ADJOURNMENT:**

- A. Motion to adjourn was made by Councilmember Kruper, seconded by Councilmember Kline, to the next regularly scheduled City Council meeting on January 15, 2002, 7:00 p.m. There was unanimous Council consensus to adjourn at 9:18 p.m. (Due to a lack of quorum the December 18, 2001 meeting is cancelled; and due to the new year holiday, the January 1, 2002 meeting is cancelled.)



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Debra Taylor, City Clerk