

MINUTES
JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY
City Council Chambers
Regular Meeting - January 4, 2000
7:00 PM

Mayor Pendergrass opened the meeting at 7:03 p.m.

There was no invocation.

Chief Klein led the pledge of allegiance.

Present: Councilmember Blackwelder
Vice Mayor Kline
Councilmember Hubler
Councilmember Wishon
Mayor 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, Assistant Planner
Linda Scholink, Administrative Services Director

AGENDA ITEM 4, COMMUNICATIONS:

- A. The written communications distributed this evening included a letter from Sand City business Curley & Bootten, supporting the proposed desalination plant for Sand City as stated in the end of year City newsletter (item 9-A); and the Redevelopment Implementation Plan was distributed to Agency members and attorney.
- B. The floor was opened, but there were no oral communications from the audience.

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 #110, Standard Transmission Service (Auto Body), 531 Shasta Avenue

- (2) CUP #179, Roy & Jeanne Hubbard (2nd Floor Residential), 542 Ortiz Avenue
 - (3) CUP #191, Lifeline Food Company (Food Processing), 426 Orange Avenue
 - (4) CUP #238, Just Andy Auto Repair (Auto Repair), 465-A Olympia Avenue
 - (5) CUP #241, Monterey Fish Company (Open Storage), 841 Fir Avenue
 - (6) CUP #289, Luciano Antiques (Retail Sales), 679 Redwood Avenue
 - (7) CUP #344, Richard Yant (Woodwork Shop), 672-A Dias Avenue
 - (8) CUP #375, J&D Auto (Auto Repair), 1695 Contra Costa
 - (9) CUP #401, Kyle Racing Engines (Motorcycle Engine Assembly), 801-B California Avenue
- B. There was no discussion of the December 7, 1999 Minutes.
- C. There was no discussion of the December 1999 Fort Ord Reuse Authority (FORA) report.
- D. There was no discussion of the City/Redevelopment Agency Financial Reports for November 1999.
- E. There was no discussion of the monthly Police Department Activity Report for November 1999.
- F. There was no discussion of the City **RESOLUTION Honoring Caroline Page, Monterey Peninsula Chamber of Commerce Public Official of the Year Award Recipient.**
- G. There was no discussion of the City **RESOLUTION Honoring Wendy Brickman, Monterey Peninsula Chamber of Commerce Robert C. Littlefield Award Recipient.**
- H. There was no discussion of the City **RESOLUTION Honoring Carmel "Cappy" Martin, Monterey Peninsula Chamber of Commerce Citizen of the Year Award Recipient.**
- I. There was no discussion of the City **RESOLUTION Expressing Appreciation to Heinz Hubler for His Artistic Support to the City.**

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

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

No items.

AGENDA ITEM 7, PRESENTATION(S):

[This section of the agenda was taken out of sequence.]

- A. Mayor Pendergrass made the presentation of a resolution of appreciation (approved at a previous Council meeting) and key to the City to Tom Deyerle upon his resignation from the Sand City Design Review Committee (member since 1996).
- B. Mayor Pendergrass made the presentation of the resolution of appreciation (approved this evening) and key to the City to Heinz Hubler for his artistic support to Sand City.
- C. City Administrator Morgan introduced Cecil Robbins, auditor from Hayashi & Wayland, to present the 1998-1999 Audit. Also considered was the City **RESOLUTION Accepting the 1998-99 Audited Financial Statements and Independent Auditors' Report** and the Redevelopment Agency **RESOLUTION Accepting the 1998-99 Audited Financial Statements and Independent Auditors' Report**.

CECIL ROBBINS (Auditor): His staff has reviewed the audit in detail with the Budget Committee and City/Agency staff using generally accepted auditing standards. On page 38 of the report, there is "Year 2000 Supplementary Information" which is just to state that the City was in Y2K compliance. Their audit showed agreed upon procedures for establishing the appropriations limit. The internal control over financial reporting is a good system, staffed by qualified people. A few recommendations were made by Hayashi & Wayland which are already being implemented by City/Agency staff.

As noted in the City Administrator/Executive Director's staff report, \$3 million in bond proceeds for the Edgewater Center were received as revenues in FY 1996-97. Only \$982,486 of these bond funds were released to the developer (DBO) in that fiscal year. This left a "surplus" (Excess of Revenues Over Expenditures) of \$2,842,396 in the FY 1996-97 audit to cover the remaining balance due to DBO (\$2,017,514) in the following years. In FY 1998-99 the remaining \$428,969 was paid to DBO without the offsetting revenues in the same year, this contributed to the so-called "short fall" of \$768,839 shown on the Combined Statement for FY 1998-99. The "Other Financing Sources" adjusts the overall Combined Budget to reflect in the "Actual" column an "Excess Over Expenditures" of \$574,419.

Mr. Morgan stated that in conversations with the auditors on compensated absences, it has been recommended that a meeting with staff and the Budget/Personnel Committee be scheduled to consider some policy changes. The auditors noted that accumulated sick pay is paid up to a maximum of 100 days (800 hours) and there is no limit on the amount of hours that can be accumulated for vacation time or accrued comp time off. The current liabilities are \$127,759 for sick leave and \$98,720 for vacation that will continue to accrue.

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

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

AGENDA ITEM 8, PUBLIC HEARING(S) :

[Due to Mayor Pendergrass and Councilmember Kline residing within 300' of the project area, they were excused from participating in this agenda item, left the dais and joined the audience. Councilmember Hubler led the discussion.]

- A. **SECOND READING: Ordinance Amending Ordinance 95-02 Regarding the St John Residential Planned Unit Development** was presented by Community Development Director Matarazzo. This amendment will allow an accessory dwelling unit (less than 300 sq ft) to lot 8 of her residential subdivision. The first reading on this item was held December 7, 1999.

7:20 PM Floor Open to Public Comment

Councilmember Hubler announced that the applicant, Suzanne St John, was not present this evening due to illness with the flu. There was no further comment by the public or Council.

7:21 PM Floor Closed to Public Comment

Motion to approve Ordinance, by title only, was made by Councilmember Wishon, seconded by Councilmember Blackwelder. Roll call vote - AYES: Councilmembers Blackwelder, Wishon, Hubler. NOES: None. ABSTAINED: Councilmembers Kline, Pendergrass. Motion carried.

[Mayor Pendergrass and Councilmember Kline returned to the dais.]

- B. Assistant Planner Pooler presented the Coastal Development Permit (CDP) application by Monterey Mattress Company to establish a furniture showroom and manufactur-

ing operation at 1805 & 1807 Contra Costa (APN 011-177-002 & 026), located within the Coastal Heavy Commercial (CZ-C2) Zoning District. The project qualifies as a categorical exemption under State CEQA Guidelines, Section 15301. The Monterey Mattress Company assembles mattresses and sells them directly to the public as well as commercial accounts (hotels). They intend to relocate their Carmel showroom, and the manufacturing operation at 701 Redwood to the proposed Contra Costa Street location. The applicant intends to lease the property from Mr. Roy Woods, with an option to purchase the entire commercial facility. The applicants are required to maintain 15 parking spaces for their use which does not include the spaces available in the public right-of-way. Portions of Condition #9 addressing parking requirements were deleted. The lower level of the building (6000 sq ft) will be used for storage and warehousing only.

7:29 PM Floor Open to Public Comment

BRIAN GINGERICH (Applicant): Currently, they have a fenced area for their mattresses and delivery trucks. This will be a new manufacturing location and will allow them to consolidate their showroom in Carmel to this new site on Contra Costa. Fifty percent of their retail business is conducted in Sand City, but it is currently not considered a showroom. They do most of their own deliveries, and product loading/unloading will be at 1807 Contra Costa. In answer to a question by Councilmember Blackwelder, their largest delivery trucks have a 14' box on the back which is similar in size to a UPS truck; and are planning to buy a third truck of the same size. They also have a golf cart and a 3/4-ton truck. There are a total of 12 employees. They anticipate 2-3 customer vehicles at any given time, sometimes less. Their sales are high-ticket items, so customer traffic is not considered heavy.

7:35 PM Floor Closed to Public Comment

Motion to approve CDP #00-01, as amended, was made by Councilmember Kline, seconded by Councilmember Wishon. AYES: All members. NOES: None. Motion carried.

AGENDA ITEM 9, OLD BUSINESS:

- A. Community Development Director Matarazzo gave an update on coastal projects and the Habitat Conservation Plan (HCP). Due to a negative response letter from US Fish & Wildlife, Mr. Matarazzo has instructed the consultants to temporarily cease work on the HCP. This is a disappointment to City staff because it is creating quite a delay in certifying the HCP. He suspects that when a key staff member of Fish & Wildlife returns to work after an injury, that this item may be readdressed. Staff met today with John King and Dave Watson (King Ventures) on

the McDonald and Sterling properties. King Ventures is working towards a Development and Disposition Agreement (DDA) with the Redevelopment Agency. City Administrator Morgan reported that Mr. Ghandour (Monterey Bay Shores project) is trying to address issues raised by the Coastal Commission which include water, traffic and habitat. He still has not secured his Title 22 certificate regarding water quality.

- B. Progress report on Public Works projects, City water project, and other Sand City development projects by City Engineer/Community Development Director. City Engineer Kulakow received a proposal from Martin Feeney on the groundwater supply for the proposed desal project. The Curley & Bootten letter of support for desal was distributed this evening in reference to a brief article in the annual Sand City newsletter. There was also an article in the Carmel Pine Cone regarding the proposed desal for the Monterey Bay Aquarium and he quoted Walter Wong (MoCo Health Dept) urging his support for this water use for toilets. Mayor Pendergrass wants the Sand City desal to progress to the stage of circulating an EIR as soon as possible. He would like to schedule a meeting with staff, one other Councilmember and himself to discuss the status of this proposal. Community Development Director Matarazzo said that he reviewed Marina's desal EIR which received a fairly positive comment from the Sierra Club. The primary author of the EIR was contacted and she is interested in preparing one for the City. City Administrator Morgan said the cost to the Marina water district was \$100,000 for this EIR. So a good, solid base of information is needed to feed into the EIR preparation. The Marina system provides approximately 300 acre feet in production annually (about the same size as Sand City's proposed project).

Mr. Kulakow also reported that the sand fencing on the wind-ward side of the bike path will be installed soon, working with State Parks. He also heard from Union Pacific Railroad regarding Ord Avenue/Highway One. It has been suggested that they will abandon the rail line. They will no longer be demanding the safety improvements and modifications. If true, City staff will seek a refund of the \$27,000± spent by the City. This could also mean a savings of \$300,000 in costs for the modifications to the Ord Avenue intersection. The City received a letter from Seaside Councilmember Nancy Amos discussing the traffic problems at Playa & Del Monte Avenues. She is asking Sand City to take action to alleviate the traffic problem. Staff is drafting a letter of response. Mayor Pendergrass will speak with Mayor Smith (Seaside) and remind them that over \$1 million has been paid by Sand City to Seaside to help mitigate these very issues. Councilmember Wishon expressed her concerns of the traffic flow at this intersection. City Administrator Morgan stated that this

area needs to be redesigned and redeveloped, as well as some short-term solutions.

- C. Community Development Director Matarazzo gave an oral report on the General Plan update. Staff proposes to deliver a draft within the next month. He will speak with Coastal Commission staff to determine the most expeditious way to process the adoption of the Plan.

AGENDA ITEM 10, NEW BUSINESS:

No items

AGENDA ITEM 11, CLOSED SESSION:

- A. The City Council, City Administrator, and City Attorney adjourned to Closed Session to confer with legal counsel (Heisinger) regarding pending litigation (Cal. Gov. Code sec. 54956.9) entitled Department of Fair Employment and Housing v. Sand City (No. E199900G0622-00-e/0370A05136).
- B. Council readjourned to Open Session at 8:17 pm to report any action taken at conclusion of Closed Session in accordance with §54957.1 of the Brown Act. No action was taken.

AGENDA ITEM 12, ADJOURNMENT:

- A. Motion to adjourn was made by Councilmember Hubler, seconded by Councilmember Kline, until the regularly scheduled City Council meeting on January 18, 2000, 7:00 pm. There was unanimous Council consensus to adjourn at 8:20 p.m.



Debra Taylor, City Clerk