

MINUTES
JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY
City Council Chambers
Regular Meeting - April 18, 2000
7:00 PM

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

There was no invocation.

Sergeant Crisan 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
Jim Heisinger, City Attorney
Stan Kulakow, City Engineer
Debra Taylor, City Clerk
Charles Pooler, Assistant Planner
Sergeant Crisan, Police Department

AGENDA ITEM 4, COMMUNICATIONS:

- A. The additional written communications distributed to the City Council included a revised staff report and resolution on the Mayors' Association budget item for FY 2000/01 (item 5-C); and staff report from City Attorney on the Water District's proposed ordinance No. 96 (item 7-B).
- 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. There was no discussion of the April 4, 2000 Minutes.
- B. There was no discussion of the monthly Police Department Activity Report, March.
- C. There was no discussion of the City **RESOLUTION Approval of Annual Expenditure for Mayors' Association Staff Support**. A revised staff report and resolution was distributed this evening to reflect that this will be budgeted for the next fiscal year and subsequent years.

The prorated share for Sand City will be \$1,000 per fiscal year.

- D. There was no discussion of the City **RESOLUTION Amending Service Agreement with Consultant Jeana M. Jett for Periodic and Ongoing Personnel Management Assistance**. The City entered into an agreement with Ms. Jett in 1998 and the hourly and annual amount has increased from \$70 per hour to \$80 per hour, and for an amount not to exceed \$20,000 per fiscal year.
- E. There was no discussion of the City **RESOLUTION Authorizing Service Agreement for Auditor Services by Hayashi & Wayland**. This new fiscal year 2000/01 service agreement is not to exceed \$29,000 which is the same fee charged for the last audit.
- F. There was no discussion of the City FY 2000/2001 Joint Powers Agency (JPA) allocation to Community Human Services (CHS). This fiscal year 2000/01 allocation is \$1,402 which is less than a 5% increase from last year.
- G. There was no discussion of the City/Redevelopment Agency Financial reports, March.

Motion to approve Consent Calendar, as amended, was made by Councilmember Kline, seconded by Councilmember Wishon. AYES: All members. NOES: None. Motion carried.

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

No items.

AGENDA ITEM 7, OLD BUSINESS:

- A. Executive Director Morgan presented the staff report on the proposed Grimsley lease extension on the former Robinette property. Mr. Grimsley has leased a little more than half of this property since June 1, 1994 to run a concrete batch plant. He had ceased operations until recently and requests renewing the lease for another 3 years to reopen his batch plant. Mr. Grimsley met with staff and agreed to 1) pay a higher rent; 2) maintain and/or improve the water usage history; 3) offer a 10-15% discount to the City/Agency on concrete purchases; 4) allow the unused portion of the property to be used for other Redevelopment Agency needs; and 5) agree to the interim nature of the business, pending redevelopment. Agency Planner Matarazzo said that Mr. Grimsley should be able to coordinate the scaling down of his site in coordination with the Redevelopment Agency during the leasing period.

DAVID GRIMSLEY (Business Owner/Renter): Distributed a proposed rental schedule to Council. He had a meeting with potential developer, Don Orosco, and he feels that

he can manage his business on 1.20 acres leaving 1.50 acres for redevelopment. In answer to a question by Agency Engineer Kulakow, Mr. Grimsley said he would work with staff to devise a way to offer the discount that applies to any bids the City/Agency receives from contractors; and the mix is to CalTrans specifications.

Mr. Morgan remarked that staff hopes to coordinate the redevelopment of the Robinette and South of Tioga sites, and that the 1.5 acre unused portion will be available at any time for relocations with the balance of the site becoming available according to the schedule to be included in the lease agreement. There was discussion by Council and staff regarding the proposed three year term of the lease. Agency Attorney Heisinger said that the three year lease could include a clause with a six month notice to vacate prior to the expiration of the lease, if necessary. In the interim, it will allow the property to be used in an economic way for the City/Agency by receiving rent. We have a 10-year deadline (by February 2007) to begin implementation of a project or to reimburse the low income housing fund. By allowing the batch plant to operate it also keeps the water use history active.

DON OROSCO (Developer): He and Mr. Grimsley have discussed these issues. Mr. Orosco does not have status as a master developer and is only acting in an advisory capacity. The merits of Mr. Grimsley's proposal are good, and he shows a willingness to work with the Agency/City. Mr. Orosco cannot pull any future building permits unless there is a demonstrated water source. He likes the discount also being offered for concrete. Mr. Orosco thought that some cost reimbursement of Mr. Grimsley's estimated \$25,000 reactivation expenses would be appropriate if the lease did not run the full three years.

DAVID GRIMSLEY: One year would not be enough time, but he would be agreeable to the six month notice clause after one year (giving a total of 18 months). He wants to work with staff and Mr. Orosco for a permanent site in another area.

Chairman Pendergrass pointed out that once the water use is established, Mr. Grimsley may have to reduce his water use, and/or replace it with the well water on site, so Mr. Orosco can start building on the property.

Agency consensus to have staff continue to work with Mr. Grimsley and Mr. Orosco and return with a proposed lease agreement and resolution at the May 16th City/Agency meeting.

- B. Mayor Pendergrass presented the staff report of Sand City's position on two proposed ordinances by the

Monterey Peninsula Water Management District (MPWMD): draft ordinance No. 95 - temporarily suspending receipt of applications for water credit transfers, and draft ordinance No. 96 - revising the definition and regulation of water distribution system. Elimination of water transfer credits has been defeated four times by the Water Board. This item will be considered again by the Board in one month, and the Board now meets twice a month.

A memorandum by the City Attorney on ordinance No. 96 was distributed to Council. In it he states: Ordinance 96 as presently drafted would expand the permit authority of the MPWMD to include systems which deliver water extracted from salt water. It would also expand the District's permit authority to delivery systems which service a single user of water. It is Mr. Heisinger's opinion that the District has no express authority under state law to regulate the creation of water from saltwater or distribution of water created from saltwater. There was discussion of their authority over groundwater, which translates as "non-saline water." City Administrator Morgan will include this memorandum (with modifications) with the proposed draft letter to the Board.

Motion to support recommendations (including the proposed letter to MPWMD) by staff, as modified, was made by Councilmember Kline, seconded by Councilmember Blackwelder. AYES: All members. NOES: None. Motion carried.

- C. City Engineer Kulakow presented an update on the Dias Avenue closure (November 2, 1999). To date, the solution to the traffic control problem has been successful. Striping has defined the intersection and crosswalk. A more permanent installation can be completed in the future when the undeveloped parcels adjacent to Dias & Hickory are developed. This could include some curb and gutter work, cul-de-sac turnaround area on Dias, landscaping and enhancement of the street crosswalks on California Avenue. City Administrator Morgan said that "traffic calming programs" are now being requested in many neighborhoods and communities with the use of speed bumps, stop signs, crosswalks, increased regulations, etc.

[Due to Councilmembers Blackwelder and Hubler residing within 300' of the project area, they were excused from participating in this agenda item. They left the dais and joined the audience.]

- D. City Engineer Kulakow presented the City **RESOLUTION Authorizing a Bid Award for Improvements on Ortiz & Redwood Avenues and Hickory & Holly Streets to the Don Chapin Company**. The project was advertised for bids in the Herald on March 15th and 22nd, and plans/specifications were distributed to 11 contractors and 4 builders

exchanges. The following bids were received on April 6th (Engineer's estimate was \$384,635): Don Chapin Company \$338,335; Monterey Peninsula Engineering \$350,474; Robert Enz Construction \$374,501; Santa Cruz Engineering \$406,347; and Pavex Construction \$417,693. Staff will request a change order in six weeks to extend the street tree planting and to make significant crosswalk improvements. Councilmember Wishon asked if the proposed discount for concrete from Grimsley will effect the bid price? Mr. Kulakow said he meets with Don Chapin Company next week, but he is unsure if Mr. Grimsley will be operational in time for this contract. Chapin has a batch plant but he is unsure if they will use their own supplies or Granite Rock for the concrete. Color will be added in the concrete for the crosswalks for better definition and as a design element (a contract amendment or change order will also be required).

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

[Councilmembers Blackwelder and Hubler returned to the dais.]

- E. Progress report on Public Works projects, City water project, and other Sand City development projects by City Engineer/Community Development Director. City Engineer Kulakow reported that there will be a change order for the above mentioned item (agenda item 7-D) to include planting and crosswalks. He just received a draft design from PG&E for undergrounding utilities and will work on costs. Ms. St John has also responded to a letter from staff on undergrounding utilities in her PUD. Costs to property owners will be determined in the near future.

Community Development Director Matarazzo related that staff should know by next week if the grant funds for the desal feasibility study have been approved. Staff investigated a possible site for the desal facility at the sewer pumping plant on Bay Avenue. They seemed to be accommodating, but the final decision will have to be approved by their Board. This coastal area is appropriately zoned for desal which will help with Coastal Commission concerns. There is also a cement vault that is 90% underground that could be the ideal housing. Mr. Kulakow said the vault was initially intended for use when the plant was modified to chlorinate the pipeline for odor control, which they never used. Minor modifications would be required for the desal facility in this vault area. There is another option to use a corner of the lot for the desal site. These two sites and other off-site property will be considered in the EIR.

- F. There were no updates on coastal projects and Habitat Conservation Plan (HCP).

AGENDA ITEM 8, NEW BUSINESS:

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

- A. Community Development Director Matarazzo presented the request of a City water allocation related to the St John subdivision and potential for further water conservation (credit). Mr. Matarazzo praised Assistant Planner Pooler who has been responsible for the last 4-5 years allocating water for the City, and he has done an excellent job. Ms. St John was allocated 1.89 acre feet for her Planned Unit Development (PUD), and to date she will have an estimated 0.143 acre feet remaining when completed. Mr. Pooler said that lots 7 & 8 do not have a defined floor plan at this time so staff is unable to determine actual water use. She can either maximize water fixtures in the units by using the remainder of the 1.89 acre feet PUD allocation which will increase property value, or minimize fixtures and potentially build another home in another location, if permitted by the City. Staff advised her that she could not reallocate the water to the Hyles property because it is not contiguous to her existing PUD. City Attorney Heisinger said the unused water is still part of the City allocation and could be allocated to any City property. Councilmember Wishon is concerned with equity for any person requesting water because of the policy to not have a waiting list. Wilson and Ericksen were denied water at the last Council meeting because of this policy and no water remains to be allocated at this time.

SUZANNE ST JOHN (Developer/Resident): By eliminating bathrooms and reducing fixtures she could possibly conserve enough water to develop another property. She has talked to the Water District and staff on a regular basis to confirm the possible transfer of water reserves. She agreed that her property would be more valuable by adding fixtures, but she wanted to make a decision now because it effects the plans for lots 7 & 8. The average water usage is 0.25 acre feet per unit. This 0.143 "unused" water reservation is not enough to build another house, so she would have to reduce fixtures from the other planned houses to make up the difference.

Mr. Heisinger said that this water is reserved out of the City's general allocation - it is not recognized by the District as belonging to a particular piece of property as yet. There is no reuse agreement in place. Mr. Matarazzo described two options in his staff report: 1) to reallocate any unused water from the PUD back to Ms. St

John for a period of no longer than two years and subject to an agreement drafted by the City Attorney; and 2) that the developer will build out the subdivision utilizing the existing water allocation. The Planning Director preferred the first option.


The Council discussed these options further with Ms. St John. Councilmember Wishon praised the overall development by Ms. St John. Motion to approve option #2 and recommend that Ms. St John use the water already allocated for this PUD was made by Councilmember Blackwelder, seconded by Councilmember Wishon. AYES: Councilmember Blackwelder, Wishon. NOES: Councilmember Hubler. ABSTAIN: Councilmembers Kline and Pendergrass. Motion carried.

[Councilmembers Kline and Pendergrass returned to the dais.]

- B. Video presentation by Community Development Director Matarazzo, entitled "The Mechanics of Making Great Places." Mr. Matarazzo would like to see "public" space (i.e. gathering places) added to the footprints of the two coastal development sites, as mentioned in the video. He will share this video with the Design Review Committee for their consideration. Sand City is small enough and unique enough to warrant the addition of special places for public gathering.

AGENDA ITEM 9, ADJOURNMENT:

- A. Motion to adjourn was made by Councilmember Kline, seconded by Councilmember Wishon, to the regular City Council meeting on May 2, 2000, 7:00 pm. There was unanimous Council consensus to adjourn at 8:55 p.m.



Debra Taylor, City Clerk