

MINUTES
JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY
City Council Chambers
Regular Meeting - June 20, 2000
7:00 PM

Mayor Pendergrass opened the meeting at 7:04 p.m.

Pastor Dave Martin led the invocation.

Police Chief Klein led the Pledge of Allegiance.

Present: Councilmember Blackwelder
Vice Mayor Kline
Councilmember Hubler (arrived 7:08 p.m.)
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

AGENDA ITEM 4, COMMUNICATIONS:

- A. The additional written communications distributed to the City Council this evening included a staff report from Police Chief Klein on the patrol assignments for July 4th (item 4-A); letter of intent from Chris Dinner Heating & Sheetmetal to continue their lease on the Robinette property with the Redevelopment Agency (item 8-A(2)); staff report and signed Memorandum of Understanding with the Sand City Police Officers Association (item 10-A&B); new agenda item material - consideration of supplemental working agreement with Gateway Industries for work on the bicycle trail, corresponding staff report, resolution, agreement, and information on the Brown Act allowing this urgent and time sensitive agenda item (if approved it will be added to agenda item 10-E); and June 8th letter to the City Attorney from Lou Haddad for Closed Session (item 11).
- B. The floor was opened at 7:10 p.m., but there were no public oral communications.

Motion to add the recommended urgent item to the agenda, under New Business (item 10-E), in accordance with §54054.2(b)(2) of the Brown Act, was made by Councilmember Kline, seconded by Councilmember Wishon. AYES: All members. NOES: None. Motion carried.

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 June 6, 2000 Minutes.
- B. There was no discussion of the Police Department activity report, May.
- C. There was no discussion of the City/Redevelopment Agency financial reports, May.
- D. There was no discussion of the City **RESOLUTION Approving an Annual Expenditure of up to \$86,244 to be Paid to Monterey-Salinas Transit (MST) for Bus Service Within Sand City.** This is a 5% increase over last year's rate and scheduled in the FY 2000-01 Budget.
- E. There was no discussion of the Fort Ord Reuse (FORA) monthly report, June.

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

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

No issues.

AGENDA ITEM 7, PRESENTATION(S):

- A. Presentation by the new Sand City Arts Committee and their proposed budget. Brian Gingerich (business owner/musician) introduced the following committee members: Tim Robinson (artist/Salinas teacher), Robert Nave (artist), Kevin Murphy (artist/musician), Peter Nyberg (artist/painter), Todd Kruper (sculptor/CSUMB staff), and Craig Riddall (ad agency owner/Monterey Peninsula community volunteer).

CRAIG RIDDALL: Sand City has a wonderful opportunity to highlight the diverse artistic community that has a bounty of artists and crafts people. He feels it is advantageous to have a partnership between the City, businesses, residents, and artists. Funding from corporations and other businesses will act as seed money to initiate this program in Sand City. [An updated grant request/budget was distributed this evening.]

Mayor Pendergrass agreed on the diversity of talent in Sand City and that this could ultimately increase the City's sale taxes as well as promote a positive aspect of the City. The Mayor commended Heinz Hubler for pulling

this effort together forming this new committee. [Mr. Hubler was out of town this evening.] The City has many artists but there is no vehicle in place for promotion. He would like to see this opportunity grow.

Mr. Riddall said the proposed event planning will encompass ~~Old Town~~ Sand City. The kickoff barbecue being proposed will inform the community as well as promote the assistance of new volunteers. Sub-committees are already working on the event which would include a silent auction kicking off a possible 2-day event for the City. There are a wide diversity of items that people can get here that they can't buy anywhere else, so this will promote other businesses that the public may not be aware of. Think of these funds as a foundation, so we can build something beautiful. The grant request shows that the City is providing less than 50% of the proposed fiscal year budget. They foresee the Arts Committee will be self-supporting in the future. He gave background information and comparisons to Pacific Grove and Carmel events. There would be one central location with food booths, kid/interactive art, and involved businesses. They need something graphic to tie the event together including signage. He would expect the media to support this positive event. At the suggestion of Councilmember Kline, this committee can rekindle the Christmas shopping event, including maps of the City and participating businesses. Councilmember Wishon said this also ties in Old Town and is in the direction of having a community area, especially for a Christmas tree lighting or an area for artists to perform.

TODD KRUPER: It has become the trend that art is a social activity that brings people together.

City Administrator Morgan said there are fiscal controls that would be exercised over these funds which would be spent via contracts or purchase orders. If an expense was within the parameters being proposed, he would approve the purchase order and stay within the approved budget.

Council consensus to leave this item in the FY 2000-01 budget for a total of \$12,000.

AGENDA ITEM 8, PUBLIC HEARING(S) :

- A. Agency Planner Matarazzo presented the proposed lease extensions on the former Robinette property located at 625 Elder Avenue. These lease extensions would continue for 2-3 years as interim uses only. This will re-establish the water use on the property and provide some modest income to amortize the loan on the property. This item was advertised twice in the Herald and a report was made ready in accordance with redevelopment law. Agency Attorney Heisinger added percentages to the lease

agreement showing the prospective concrete discount to the City and Agency.

7:50 P.M. Floor Open for Public Comment

DAVE GRIMSLEY (Lessee): Discount for the Agency is 10% equal to \$72 per yard average price (\$80 - 10% = \$72). The discount for the Robinette on-site work will be 15%.

7:52 P.M. Floor Closed to Public Comment

Agency Attorney Heisinger modified the language of the lease agreement to reflect the discount.

Motion to approve Redevelopment Agency Resolution as amended, by title only, **RESOLUTION Approving a Lease Agreement with David Grimsley on a Portion of Redevelopment Agency Property Located at 625 Elder Avenue** was made by Agency member Hubler, seconded by Agency member Blackwelder. AYES: All members. NOES: None. Motion carried.

A letter of intent from Chris Dinner to continue renting a portion of the Robinette site was distributed this evening. Monthly rent to the Redevelopment Agency will be \$231 per month. [Mr. Dinner was not present.]

7:55 P.M. Floor Opened to Public Comment

No comments.

7:55 P.M. Floor Closed to Public Comment

Motion to approve Redevelopment Agency **RESOLUTION Approving a Lease Agreement with Chris Dinner on a Portion of Redevelopment Agency Property Located at 625 Elder Avenue** was made by Agency member Kline, seconded by Agency member Wishon. AYES: All members. NOES: None. Motion carried.

AGENDA ITEM 9, OLD BUSINESS:

[Due to a possible conflict of interest by living within 300' of the project area, Councilmembers Blackwelder and Hubler stepped down from the dais, and City Administrator Morgan declined participation. All joined the audience.]

- A. City Engineer Kulakow presented the City **RESOLUTION Authorizing the Acceptance of Contract Change Order No. 1 to the Don Chapin Company for Street Improvements for Ortiz & Redwood Avenues and Hickory & Holly Streets, Contract No. 00-01.** This project was previously approved by Resolution SC 00-30 and is divided into three parts:

Schedule A - street improvement work; Schedule B - water system improvements; and Schedule C - curb, gutter and sidewalk installation on 700 Redwood Avenue (Al Saroyan property). Several additions and deletions were necessary initiating this change order which is comprised of three parts: (1) addition of decorative crosswalks at the intersections of Ortiz & Contra Costa, Ortiz & Hickory, and Holly & Redwood, tree planting, curbed islands and tree grates in the amount of \$85,303; (2) additional curb, driveway approach, and sidewalk work on Ortiz & Holly in the amount of \$13,051; and (3) deletion of curb, gutter and sidewalk installation on 700 Redwood (Schedule C) in the amount of \$22,961 to be paid for by Al Saroyan.

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

[Councilmembers Blackwelder and Hubler returned to the dais, and City Administrator Morgan returned to his seat.]

- B. City Engineer Kulakow presented the request for authorization for stripe modifications at Playa & Del Monte Avenues and approval of agreement to share said costs with the City of Seaside. In furtherance of discussions at prior Council meetings, this re-striping will improve the shopping center exit by making the through lane more independent to facilitate traffic flow. Total costs will be \$5,525 and the City of Seaside will pay their half of the costs by in-trade work from their Public Works Department.

City Administrator Morgan said the current striping poses a traffic problem and the City often receives complaints about this intersection. If the City does not step up and initiate this work it will not be a Seaside priority. This was part of the Sand Dollar Center development and needs to be addressed immediately. Edgewater Center traffic has made this intersection worse.

City Council concurred with staff recommendations.

- C. Update on coastal projects was presented by Community Development Director Matarazzo. He spoke with Coastal Commission staff today regarding the Monterey Bay Shores project. Final decision by the Commission was scheduled for June, but Mr. Ghandour got a delay. The earliest the Coastal Commission will consider this issue is December in San Francisco, otherwise it could be scheduled for March (in Carmel?). Mr. Ghandour spoke with US Fish & Wildlife regarding the Habitat Conservation Plan (HCP) approval. A letter is due from CalAm saying they will work with him in Seaside groundwater Basin management.

City Administrator Morgan said he has left many voice mail messages for Mr. Ghandour since the last Council meeting. He conveyed to Mr. Ghandour that the City Council wants settlement on his debt. Staff has no latitude to alter the Council's directives.

Mayor Pendergrass reported that he spoke to Mr. Ghandour and reaffirmed the Council's wishes. The Coastal Committee (Pendergrass and Blackwelder) will meet with Mr. Ghandour prior to the July 18th Council meeting. This is only to listen to what he has to say, not to alter the Council's directive. This item will be re-scheduled for Closed Session on July 18th.

- D. Progress report on Public Works projects, City water project, and other Sand City development projects by City Engineer/City Administrator Morgan. City Engineer Kulakow reported the Hickory/Holly work is in progress. Storm drains and water lines have been installed, and curb/gutter will be next. Martin Feeney has started groundwater testing at Bay Avenue where brackish water can be intercepted for desal purposes. The water transfer application from the old Slaughterback site to the proposed mini-storage and City allocation was considered last night by the Water District. The District had concerns because the City had not allocated the water yet, but we still needed approval before it could be reallocated. There are many restrictions and conditions, including monitoring for 5 years to ensure there is a water savings (even though it went from an industrial use to mini-storage). The City Planning Department imposed the water transfer to the public allocation as a condition before the project would be approved.

AGENDA ITEM 10, NEW BUSINESS:

- A. City Administrator/Executive Director Morgan presented the staff report and City **RESOLUTION Adopting the Preliminary Combined City & Redevelopment Agency Budget for Fiscal Year 2000-2001**. This new budget is an extension of the Amended Budget for the current fiscal year. The Budget Committee met twice to go over this new Preliminary Budget. Some of the items highlighted were as follows: the additional capital improvement projects, \$15,000 line item for street work (as approved under agenda item 9-B), a Memorandum of Understanding has been reached with the Sand City Police Officers Association (SCPOA) which will not go into effect until approved by Council. Due to modifications in the proposed new personnel manual, the SCPOA have agreed to a 5% pay adjustment above step increases and anniversary raises. There will be a 2½% pay adjustment (above step increases and anniversary raises) for all other employees.

Motion to approve Resolution by title only, and SCPOA MOU was made by Councilmember Blackwelder, seconded by Councilmember Wishon. AYES: All members. NOES: None. Motion carried.

- B. Executive Director Morgan presented the staff report (item 10-A) and Redevelopment Agency **RESOLUTION Adopting the Preliminary Combined City & Redevelopment Agency Budget for Fiscal Year 2000-2001.**

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

- C. City Administrator Morgan presented the City **RESOLUTION Establishing an Appropriations Limit for Fiscal Year 2000-2001 Pursuant to Article XIII B of the California Constitution.** Tax increments are exempt (\$820,000), major capital improvements with a minimum 10-year life (\$700,000), and debt payments (\$660,000) are also exempt from the Gann Limit. Staff will research if the Seaside payments are exempt of which \$460,000 is budgeted for the next fiscal year. The new Gann Limit is \$5,136,336 for FY 2000-01.

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

- D. Due to the July 4, 2000 holiday, it was Council consensus to cancel the regularly scheduled meeting set for that day. The next regular meeting will be July 18th.

- E. This urgent and time sensitive item was added to the agenda after it was published and posted, as approved by City Council under agenda item 4-B, in accordance with §54054.2(b)(2) of the Brown Act. City Administrator presented the City **RESOLUTION Authorizing Supplemental Working Agreement with Gateway Industries for Special Services Related to the Sand City/Seaside Bicycle Trail Project.** City Engineer Kulakow distributed a letter dated June 20th from staff to Ken McGuire of CalTrans. The City has until June 30, 2000 to spend the Prop 116 grant funds for the bicycle trail, or ask for an extension. Ken McGuire called today requesting grant status. Mr. Morgan suggests lighting on the bicycle trail, estimated at \$200,000. The letter was sent today by the City Engineer addressing this issue and was distributed to Council this evening. A supplemental working agreement with Gateway Industries would help with dune stabilization on the bicycle trail (estimated contract will be \$21,060). The last grant request was submitted in May and at that time there was almost \$300,000 remaining. It is possible CalTrans will deny the Gateway

contract. If so, staff will come back to City Council later in the year with a revised resolution that will use City funds for this contract.


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

AGENDA ITEM 11, CLOSED SESSION:

- A. Council/Redevelopment Agency convened to Closed Session at 8:57 p.m. to confer with legal counsel regarding the existing litigation by Lou & Martha Haddad v. California-American Water Company, Inc., State Water Resources Control Board, Case #M46808 in accordance with §54956.9 of the Brown Act. City Attorney Heisinger gave a progress report.
- B. Readjourn to Open Session to report any action taken at conclusion of Closed Session in accordance with §54957.1 of the Brown Act. Council consensus to authorize the City Attorney to help defray a portion of Pacific Grove's legal expenses on behalf of all of the cities involved in this issue.

AGENDA ITEM 12, ADJOURNMENT:

- A. Motion to adjourn was made by Councilmember Wishon, seconded by Councilmember Blackwelder, to the regular City Council meeting on July 18, 2000, 7:00 pm. There was unanimous Council consensus to adjourn at 9:04 p.m.



Debra Taylor City Clerk