

MINUTES
JOINT SAND CITY COUNCIL AND REDEVELOPMENT AGENCY
City Council Chambers
Regular Meeting - September 19, 2000
7:00 PM

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

There was no invocation.

Police 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
Jim Heisinger, City Attorney
Stan Kulakow, City Engineer
Debra Taylor, City Clerk

AGENDA ITEM 4, COMMUNICATIONS:

- A. Written material distributed to City Council this evening included a letter from Granite Construction and draft lease assignment from City Attorney (item 9-A); and material for Closed Session (10-A). Already included in the agenda packet was the courts dismissal with prejudice of the Haddad lawsuit against State Water Resources Control Board et al.
- B. The floor was opened for oral communications, but no audience members participated. Councilmember Wishon displayed books that are available at City Hall for Council's reference on such items as redevelopment law, housing, etc. They are an excellent research source and educational tool.

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 #310, Sal Balboa/Bay & Door Supply (Retail), 755 Redwood Avenue
 - (2) CUP #371, McDonald's Refrigeration (Refrigeration Service), 605 California Avenue
 - (3) CUP #385, Sally's Beauty Supply (Retail), 828 Playa Avenue
 - (4) CUP #397, Salvation Army Monterey Peninsula Corp. (Social Service), 800 Scott Street
 - (5) CDP #95-07, Giustiniani Masonry (Warehouse), 698 Ortiz Avenue
- B. There was no discussion of the August 15, 2000 Minutes.
- C. There was no discussion of the City/Redevelopment Agency financial statements for July.
- D. There was no discussion of the monthly Police Department Activity Report for August.
- E. There was no discussion of the City **RESOLUTION Declaring September 23-24, 2000 as Make-A-Wish "Share the Power of A Wish" Weekend.** Make-A-Wish Foundation is requesting that local businesses donate a portion of their weekend earnings to their organization. A letter and copy of the approved resolution will be mailed to Sand City businesses. The Council also approved a \$500 donation to this worthwhile cause.
- F. There was no discussion of the progress report on the Sand City Police Department's recruitment efforts for full time and reserve officers.
- G. There was no discussion of the City **RESOLUTION Rescinding Resolution SC 00-51 and Authorizing Service Agreement with the Monterey County Sheriff's Department for Police Backup Services.** Resolution SC 00-51 was the proposed agreement with the City of Seaside. This is now rescinded and the Sand City Police Department will have police backup services with the Monterey County Sheriff's Department. The term of this agreement ends February 9, 2001; costs are \$2,500 per month.
- H. There was no discussion of Sand City's membership in the reorganized Monterey County Convention & Visitors Bureau (MCCVB). The normal membership rate is calculated at 6.5% of the Transient Occupancy Taxes (TOT) received by small cities. Due to the current lack of hotels in Sand City, MCCVB management offered an annual membership rate of \$2,000 for Sand City until there are lodging facilities open and operating in Sand City.

- I. There was no discussion of the Sand City sponsorship of and participation in CalCoast's "Preserving Coastal Environments" conference on November 2-4, 2000 in Monterey. CalCoast is a new state-wide organization that is supporting beach restoration, sand replenishment, improved water quality and wetlands recovery programs. Staff recommended a \$500 sponsorship for this conference. City Administrator Morgan will be attending the conference.

Motion to approve Consent Calendar was made by Councilmember Blackwelder, 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, PUBLIC HEARING:

- A. Community Development Director Matarazzo presented the staff report on the establishment of a revised water allocation policy. Resolution SC 97-71 established a policy reserving the remaining City water allocation at that time to several development projects and further stating that any future water reserve would be allocated to projects as the City Council deemed appropriate. With the exception of projects proposed on the west side of the City, permit applications would not be accepted unless the project proponent could identify a viable water source. Due to water conservation measures taken by development applicants to insure that their projects had enough water, and in an effort to economize on water connection charges based on proposed water use, the City now has a revised estimate of water reserve of 4.340 acre feet. This water reservation figure does not include the water already allocated to King Ventures and Tringali/Monterey Fish Company via water credit transfers, nor water credits that will ultimately be used when the Fish Company consolidates its operations into Salinas. There are a number of options opened to City Council in establishing a current water policy: 1) first-come, first-served basis; 2) allocation by location; 3) reservation for public use only; 4) reservation of water for revenue-generating projects only; or 5) allocation to the Redevelopment Agency. Staff believes that this water should not be allocated on a first-come, first-served basis, but rather the water should be reserved to the Redevelopment Agency to be "awarded" to projects that will generate the most benefit to the Agency and City. This could also give the Agency approximately two years of projects to help meet obligations in the redevelopment plan while the City's desal plant is being planned.

Mayor Pendergrass, Councilmembers Wishon and Kline agreed that they prefer the idea of this water being allocated

to the Redevelopment Agency, not just to get rid of blight but to offer the possibility of home improvements. The Council suggested that up to 1 acre-foot per year be reserved for residential remodel/hardship cases.

7:25 PM Floor Open for Public Comment

No comments.

7:25 PM Floor Closed to Public Comment

Motion to have this item continued to the October 17th meeting, re-notice the public hearing to all Sand City property owners, and prepare a draft resolution was made by Mayor Pendergrass, seconded by Councilmember Hubler. AYES: All members. NOES: None. Motion carried.

AGENDA ITEM 8, OLD BUSINESS:

[Due to residing within 300' of the project area, Councilmember Wishon was excused from the dais and joined the audience.]

- A. Community Development Director Matarazzo presented the City **RESOLUTION Rescinding Resolution SC 00-18 and Amending Water Credit Transfer and Reservation Amounts Between Sand City and the Monterey Fish Company.** The previous resolution has to be amended because residential water cannot be transferred which adjusts the allocation by .107 acre feet, where appropriate.

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

[Councilmember Wishon returned to the dais.]

- B. Mayor Pendergrass gave an oral report on the annual League of California Cities conference that was held early September in Anaheim. It was a proud moment for him carrying the City flag in the procession for the first time. It was a good conference. The League was unanimous in their opposition to SB 402 regarding arbitration. The Bill is currently at the Governor's office and League funds have been set aside to fight this Bill. Councilmember Blackwelder reported that he and Mr. Morgan looked into urban sprawl and housing densities in the Newport Beach area. Mr. Matarazzo attended a seminar on the new digital economy. These days high tech companies are concerned about quality of life, not just location, making Sand City an ideal location for high tech workers able to telecommute. Mr. Morgan commented that the future of financial working relationships between cities and state representatives needs improve-

ment. It may require more lobbying by cities to state representatives in the future to bring interest to a local issue. Public funds cannot be used for lobbying and alternate methods may have to be employed to raise funds for lobbying.

- C. Community Development Director Matarazzo gave an update on coastal projects. Last night the Water Management District considered the Monterey Bay Shores (MBS) permit. Mr. Ghandour met the two conditions: (1) Title 22 (water quality) and (2) got CalAm to agree they would manage and monitor the groundwater to the best of their ability for this water source. The Board voted to continue this issue to next month. Some mitigation measures will need to be firmed up prior to the next Board meeting.

City Attorney Heisinger felt the meeting went fairly well. These mitigation measures may tie in well for Sand City. Right now, CalAm is "forced" by the State Water Resources Control Board (through Ordinance 95-10) to over-pump the Seaside Basin due to issues with the Carmel River. This does not give the Basin aquifer a chance to totally replenish. This may lead to the District requiring a desal plant for MBS. Because of Ordinance 95-10, certain options that could be used to work out a compromise between MBS and CalAm cannot be used at this time.

City Administrator Morgan reported that the City of Seaside strongly supported Sand City at that meeting. Other members of the public (from Seaside), H.E.R.E., and Ron Cheshire also spoke in favor of the project. It was quite an emotional meeting.

- D. Progress report on Public Works projects, City water project, and other Sand City development projects by City Engineer Kulakow. The City now has a well permit because consultant Martin Feeney discovered that the well on the end of Bay Street had collapsed and needed rehabilitation. Testing will commence at the end of the month. Staff is working with MRWPCA to supply electricity to the pump. The new crosswalks are 50% completed and detours are being changed around, so Contra Costa is reopened. The detours were left this long to allow the concrete to cure. Street planters have been installed, sidewalk planters will be next, and tree planting should commence mid-October. Striping will be the last item completed. The Playa/California/Del Monte restriping will be done in conjunction with the street work in approximately one month. The City of Seaside has yet to formally respond to the 50/50 cost sharing on this intersection work.

AGENDA ITEM 9, NEW BUSINESS:

- A. Redevelopment Agency Executive Director presented the request to authorize assignment of David Grimsley lease

on a portion of Redevelopment Agency property located at 625 Elder Avenue. (The Granite Construction letter and Agency Attorney's draft lease assignment was distributed this evening.) The lease extension regarding this property was approved by the Redevelopment Agency on June 20, 2000 (Resolution RA 00-05). To date, Mr. Grimsley has not resumed the concrete batch plant operations on this site, and in the interim has been approached by Granite Construction with a business proposal to take over this portion of the Robinette site on a temporary basis. Transfer of the lease with Granite may intensify use on that site. Rent will continue to be received and water credits reestablished. Staff met with Granite representatives on site to discuss concerns. In response, Mr. Mike Ray, Plants Manager, responded by letter on September 18th.

Agency Attorney Heisinger said that to ensure the new street work maintains integrity, a route has been agreed to using Elder Avenue, fencing will be added, dust will be kept to a minimum, buildings and outdoor equipment will be painted.

MIKE RAY (Plant Manager, Granite Construction): He thanked the Council for considering this issue. He got clarification on lease item 5-A; as an interim use they will seek approval for a slatted chainlink fence (5-B). They are commencing phase one to assess the site making sure it is clean and free of hydrocarbons. Waste water issues are already controlled by State standards. He was reassured that Granite Construction will be allowed access onto Elder Avenue. Their corporate lawyer has indemnification concerns and Agency Attorney replied that Mr. Grimsley is not released from liability and Granite Construction is equally responsible unless they enter into a separate agreement. In response to a question by Councilmember Hubler, at this point in time they are not sure if they will be wetting, surfacing or spraying the grounds to control dust. They also have to meet State and OSHA requirements on this issue. Councilmember Blackwelder asked what operation hours are planned. Mr. Ray said regular hours during the week (with a very early start time), with Saturday as a possibility and Sunday not being a probability. In answer to a question by Councilmember Kline, Mr. Ray said that when washing trucks they use a reclaiming system. There will be no underground fuel tanks. The proposed fencing and configuration of the site will allow access for Chris Dinner Heating & Sheetmetal and for the City bus.


Motion to authorize staff to sign the lease assignment with Granite Construction as part of the Grimsley lease was made by Councilmember Blackwelder, seconded by Councilmember Hubler. AYES: All members. NOES: None. Motion carried.

AGENDA ITEM 10, CLOSED SESSION: (remained in open session)

- A. The City Council/Redevelopment Agency conferred with legal counsel. The City/Redevelopment Agency received a payment from Mr. Ghandour. A draft of a new promissory note prepared by the City/Agency Attorney was distributed this evening. No action was required as Council direction on this item has been satisfied.

AGENDA ITEM 11, ADJOURNMENT:

- A. Motion to adjourn was made by Councilmember Kline, seconded by Councilmember Hubler, to the regular City Council meeting on October 3, 2000, 7:00 pm. There was unanimous Council consensus to adjourn at 8:28 p.m.



Debra Taylor, City Clerk