

**MINUTES
JOINT SAND CITY COUNCIL AND SUCCESSOR AGENCY
OF THE REDEVELOPMENT AGENCY**

Regular Meeting – January 7, 2014
7:00 P.M.
CITY COUNCIL CHAMBERS

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

The Pledge of Allegiance was led by Police Chief Michael Klein.

Present: Council Member Blackwelder
Council Member Carbone
Council Member Hubler
Council Member Kruper
Mayor Pendergrass

Staff: Steve Matarazzo, City Administrator/Community Development Director
Jim Heisinger, City Attorney
Leon Gomez, City Engineer
Michael Klein, Police Chief
Linda Scholink, Administratives Service Director
Charles Pooler, Associate Planner

AGENDA ITEM 4, COMMUNICATIONS

- A. There was no written communication distributed to the Council.
- B. Oral

7:01 P.M. Floor opened to Public Comment.

There were no comments from the public.

7:01 P.M. Floor closed to Public Comment.

Mayor Pendergrass acknowledged and commended Officer Veronica Harlan's efforts in the organization of the Christmas Toy Drive to Sand City residents, and thanked Vice Mayor Carbone and Council Member Kruper for their involvement.

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 Council member may request that any item be placed on the Regular Agenda for

separate consideration.

- A. There was no discussion on the City **Resolution** Making Re-appointments to the Sand City Design Review Committee until January of 2016 (Davis, Kruper & Lindberg).
- B. There was no discussion on the City **Resolution** approving the Agreement for the Evaluation and Analysis of Solid Waste within Monterey County and authorizing the City Administrator to Sign the Agreement following its approval by the Board of the Monterey Regional Waste Management District (MRWMD).
- C. There was no discussion of the City **Resolution** authorizing Renewal of the Street Sweeping Agreement with the City of Monterey (Monterey City Disposal Services).
- D. There was no discussion of the City **Resolution** to Contract with John Hanna, MAI for Appraisal of the California Avenue Extension within the TAMC Rail Right-of-Way.
- E. There was no discussion of the City/Successor Agency Monthly Financial Report, November 2013.
- F. There was no discussion on the donation to The Literacy Campaign for Monterey County for \$250.

Motion to approve the consent calendar items was made by Council Member Kruper, seconded by Council Member Hubler. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

AGENDA ITEM 6, CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR

There were no items pulled from the Consent Calendar.

AGENDA ITEM 7, PRESENTATIONS

- A. **Presentation on and Consideration of the Audited Financial Statements for the Year Ended June 30, 2013 and Independent Auditor's Report by Mike Nolan of Hayashi & Wayland**
 - 1) **Approval of City Resolution accepting the Audited Financial Statements for the Year Ended June 30, 2013 and Independent Auditors' Report**

City Administrator Steve Matarazzo reported that the Budget Committee met on December 10, 2013 to review and approve the draft audit which presented a "clean" opinion of the City's financial position.

Mike Nolan, from Hayashi & Wayland presented the Fiscal Year 2012-2013 Audit

to the City Council. He reported that significant changes can be found in the enclosed notes under discussion of management analysis. Additional details are provided in the back of the audit that will help to understand the underlining numbers in the financial statements. There were no new or unusual significant transactions during the fiscal year. A few adjustments were made and the audit process went very smoothly. Every year testing and re-evaluation of the internal controls are conducted as part of the audit procedures. If results were found during the audit process involving internal control deficiencies, the firm would be required to report it to the Council in writing. This year, no report was necessary.

The Mayor asked the Council if there were any questions to Mr. Nolan. There were no further questions. Vice mayor Carbone commented that the Audit was well done and the Mayor was in agreement.

7:08 P.M. The floor was opened for Public Comments.

There was no comment from the Public.

7:08 P.M. The floor was closed to Public Comments.

Motion to approve the City **Resolution** accepting the Audited Financial Statements for the Year Ended June 30, 2013 and Independent Auditors' Report was made by Council Member Blackwelder, seconded by Council Member Carbone. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

AGENDA ITEM 8, PUBLIC HEARINGS

A. Consideration of City Resolution approving Site Plan Permit 14-01 for Site Modifications to Establish an Outdoor Eating Plaza and an Automated Teller Machine within an Existing Landscape Planting area at 2080 California Avenue in the Edgewater Center

Associate Planner Pooler presented an application submitted by the Orosco Group for site plan approval to modify pavement and landscaping to create an outdoor eating patio, and to establish a Bank of America automatic teller machine at 2080 California Avenue in the Edgewater Shopping Center. The site modifications will remove 386 square feet of existing landscaping, and relocate the existing street curb further into the drive aisle. New landscaping will be installed. The concrete walkway abutting the building will remain unchanged. Three new trees are proposed as part of the landscape plans. It is recommended that one additional tree be planted between the handicap ramp and the new parking stall. The patio seating area will facilitate 28 seats and 10 tables to be installed by Panera Bread. The project proposes two new light poles. Staff recommends that the northeasterly pole be moved further into the landscaping to provide clearance from the parking stall. The existing trash enclosures will be modified by an additional eight feet. Staff recommends approval of the site plan permit with the design modifications suggested by Staff.

7:15 P.M. The floor was opened to public comments.

On behalf of the Orosco Group, Matt Knorr commented that the business location is the last of three remaining vacant suites to be occupied. The tenant will be Panera Bread, and a small ATM will be provided by Bank of America. Bank of America approached the Orosco Group as a location for their ATM machine, and thought that this would be a perfect fit. The improvements to landscaping, light fixtures, and driveways would create first class tenant improvements for Panera. Panera Bread projects a grand opening in July of this year.

7:25 P.M. The floor was closed to public comments.

The Council discussed various options to the landscaping, and the possibility of installing a vehicle charging station for electric vehicles. The Mayor commented that Panera Bread would be an excellent addition to the shopping center.

Motion to approve the City **Resolution** by title, approving Site Plan Permit 14-01 for Site Modifications to establish an Outdoor Eating Plaza and an Automated Teller Machine within an Existing Landscape Planting area at 2080 California Avenue in the Edgewater Center was made by Council Member Kruper, seconded by Council Member Hubler. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper and Pendergrass. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

B. Consideration of City Resolution approving Conditional Use Permit 576 and Coastal Development Permit 14-01 authorizing a Family Oriented Recreation Center at 880 Tioga Avenue as a Temporary Interim Use

Associate Planner Pooler presented an application submitted by Frank Pacheco for a coastal development and conditional use permit to establish a youth and family oriented recreation center within an existing 9,600 square foot commercial building at 880 Tioga Avenue in Sand City. The recreation center would provide various types of inflatable bounce houses, trampolines, and arcade games. No on-site food preparation is intended, but food may be brought in. A speaker system will be installed to play recorded music. The proposed use requires 21 on-site parking spaces. The property provides 27 parking spaces and adequately meets the parking requirements. Hours of operation will begin at 6:00 a.m. and close at midnight, Monday through Saturday, and from 6:00 a.m. to 10 p.m. on Sundays. The nature of the use is targeted towards children and family groups. The extended hours of operation could attract a different demographic clientele. Staff recommends that permit approval limit the hours of operation between 9:00 a.m. and 8:00 p.m. daily. Since the operation will cater to minors, Staff recommends requiring that an employed adult supervisor be present at all times when minors are on the premises. Detrimental impacts are not anticipated for a family oriented recreation center. The permit approved for this use should have the following requirements to mitigate concerns. These requirements would include hours of operation and public entry shall only be between 9:00 a.m. to 8:00 p.m., all recreational services shall be contained within the building at all

times, no minors shall be left unattended at any time, an officially employed adult supervisor be present at all times when minors are on the premises, repeated calls for Police response to this business may be considered sufficient grounds for permit termination, no storage of any material, equipment, or any other items outside of the building, and that the applicant shall ensure patrons do not loiter outside the premises prior to entry or after departure. The property is within the South of Tioga area, and uses within this area are issued a time limit of 1 year with discretionary 90-day time extensions thereafter. Staff recommends approval of the conditional use and coastal development permit with the same time limitations as other uses proposed in this area.

The Mayor received clarification regarding condition number 3, time limitation of the lease between the property owner and applicant, and on condition number 4 indicating the applicant is aware that the area is targeted for future development. Associate Planner Pooler recommended that condition 10 include additional language to address client occupancy that states: *"party sizes should not exceed the occupancy rating of the building as determined and established by the City's building and/or fire departments. Each party shall not exceed 30 kids with no more than two concurrent overlapping parties at any time"*.

7:36 P.M. The floor was opened to Public Comment.

The applicant, Frank Pacheco, commented that they are trying to bring a more family oriented business to the City. The business was formerly located at the old skating rink on Del Monte Avenue. He clarified that the request for the hours of operation would assist parents with small children to have a place to go while the other parent runs errands. It would be ideal to remain open past 9:00 p.m. on Fridays and Saturdays since most retail businesses close later in the evening. He explained that his primary goal is to have a family oriented business where parents with small children can take their kids.

The Mayor asked Mr. Pacheco if he was in agreement with the conditions of the use permit. Mr. Pacheco was in agreement; however, he requested that the hours of operation be extended on Friday and Saturday, since those days are when a majority of clients have their parties. In response to the Mayor's concern of unattended children and teenagers supervising kids, Mr. Pacheco confirmed that a liability waiver needs to be signed by the parent, and that children will not be left alone or allowed inside without written parental consent.

Council Member Hubler commented that he has witnessed firsthand Mr. Pacheco's business, and believes that it would be a good use for the location. He is in favor of having the business remain open past 9:00 p.m. on Fridays and Saturdays. Mr. Pacheco added that the business would not have any violent arcade games that would attract unattended teenagers. The Mayor suggested that Mr. Pacheco have effective communication with the police department at all times.

Mr. Pacheco explained his business operations during the course of a regular

business day, and the process of how parties are conducted. He confirmed that he does not operate a day care center and parents do not drop off their children to be cared for.

Vice Mayor Carbone commented that she had visited the previous facility. It was fairly loud and her daughter attended an event in which she was not asked to sign a waiver. An incident also occurred that required the Monterey Police Department to respond. Mr. Pacheco confirmed that he was not aware of past incidents that occurred at the previous location. He acquired the business on October 15, 2013, and as a business owner with small children, safety is a primary concern.

The Mayor commented that Sand City is new to this type of business, and requested that a 90 day review be conducted at the end of April.

Chief Klein addressed the issue regarding a large party of 400 high school students at the previous business location, and the need to have the Monterey Police Department respond to 46 calls for service. He requested clarification from Mr. Pacheco regarding the need for the extended hours. Mr. Pacheco confirmed that the liability waiver would indicate that no consumption of alcohol will be permitted on the premises is also grounds for immediate party termination.

8:07 P.M. The floor was closed to Public Comment.

Motion to approve the City **Resolution** as amended with the change to hours of operation, approving Conditional Use Permit 576 and Coastal Development Permit 14-01 authorizing a Family Oriented Recreation Center at 880 Tioga Avenue as a Temporary Interim Use was made by Council Member Hubler, seconded by Council Member Blackwelder. AYES: Council Members Blackwelder, Hubler, Kruper and Pendergrass. NOES: Council Member Carbone. ABSENT: None. ABSTAIN: None. Motion carried.

The Mayor wished Mr. Pacheco the best and to contact the planning department regarding required signatures for the permit.

AGENDA ITEM 9, OLD BUSINESS

A. Progress report on Public Works projects, South of Tioga Redevelopment project, Coastal projects, and other Sand City community programs by City Engineer/Community Development Director/City Administrator.

City Engineer Leon Gomez reported that the desalination plant produced 22.21 acre feet of water for the month of December. The installation of the new reverse osmosis membranes has increased the plant's water production. The plant experienced a period of inactivity due to high levels of salinity in the discharge wells. Mr. Gomez summarized to the City Council why the plant experiences periods of inactivity, and what causes the automatic shut-down. Cal-Am plans to conduct an investigation, and possible rehabilitation at Tioga well #5. The

investigation would include a video of the well. Rehabilitation would involve pulling the pump and checking the screens for clogging, and pump performance. This process would help Cal-Am determine whether Tioga well #5 can be rehabilitated for future use or if it must be abandoned. Cal-Am is also in the process of renewing their brine discharge permit and requesting an adjustment to the salinity requirements.

Mayor Pendergrass added that the higher salinity may be due to the lack of rainfall that does not allow for water runoff, and fresh water recharge of the aquifer.

Mr. Gomez also reported that the Regional Storm Water Management Group is continuing its efforts in developing municipal ordinances, codes, and plan review handouts for coastal requirements. They have utilized information from other cities to form a basis for requirements that may be applicable to the Peninsula.

City Administrator Steve Matarazzo reported that the Successor Agency received its Finding of Completion in August 2013, giving the Successor Agency six months to develop a long range property management plan. The property management plan would include recommendations on the McDonald site, sculpture and public plaza at the Independent, the Carroll property, pump station at Tioga Avenue, and the Community Garden site. Also, a presentation by Dr. Ed Ghandour is scheduled for February 4, 2013 regarding the Monterey Bay Shores Coastal Resort Project.

AGENDA ITEM 10, NEW BUSINESS

- A. The City Clerk received responses to the upcoming Monterey Peninsula Chamber of Commerce Annual Membership Luncheon.

AGENDA ITEM 11, CLOSED SESSION

8:25 P.M.

- A. The City Council /Agency Board to adjourned to Closed Session:
 - 1) To confer with Legal Counsel regarding pending litigation in accordance with Section 54956.9(c) of the Ralph M. Brown Act,
 - a) *Monterey Peninsula Water Management v. State Water Resources Control Board (No. M102101), and related cases*
 - b) *Seaside v. Sand City (No. M120996) and related cross action*
 - 1) Public Employee Performance Evaluation, pursuant to Section 54957 of the Ralph M. Brown Act, position: City Administrator

8:45 P.M.

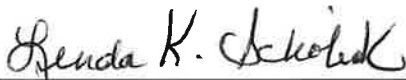
- B. The City Council/Agency Board Re-adjourned to Open Session to report any

action taken at the conclusion of Closed Session in accordance with 54957.1 of the Ralph M. Brown Act.

The City Council received an update on Items 8A1 (a & b).

AGENDA ITEM 12, ADJOURNMENT

Motion to adjourn the City Council meeting was made by Council Member Blackwelder, seconded by Council Member Carbone to the next regularly scheduled Council meeting on Tuesday, January 21st, 2014 at 7:00 p.m. There was unanimous consensus of the Council to adjourn the meeting at 8:47 p.m.



Linda K. Scholink, City Clerk