

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

Regular Meeting – May 21, 2013
7:00 P.M.
CITY COUNCIL CHAMBERS

Mayor Pendergrass opened the meeting at 7:01 p.m.

There was no invocation.

Mayor Pendergrass requested a moment of silence in remembrance of Council Member Craig Hubler's father who passed away, and for the families affected by the hurricane in Oklahoma.

The Pledge of Allegiance was led by Boy Scout Troop 187.

Present: Council Member Blackwelder
Council Member Carbone
Council Member Hubler (excused absence)
Council Member Kruper
Mayor Pendergrass

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

AGENDA ITEM 4, COMMUNICATIONS

- A. Written communication distributed to the Council were a list of no conflicts, and an article on the Biology & Behavior of Skunks (item 5G).
- B. Oral

7:05 P.M. Floor opened to Public Comment.

There were no comments from the Public.

7:05 P.M. Floor closed to Public Comment.

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.

Mayor Pendergrass commented that Agenda Item 5G will be pulled from the Consent Calendar for further discussion by the Council.

- A. There was no discussion of the May 7, 2013 Council Meeting Minutes.
- B. There was no discussion of the Public Works Monthly Report, April 2013.
- C. There was no discussion of the Police Department Monthly Report, April 2013.
- D. There was no discussion of the Designation of Voting Delegate and Alternate for the 2013 League of California Cities Annual Conference.
- E. There was no discussion of the City **Resolution** approving a Contract with Pacific Municipal Consultants for Planning Review, and Grant Procurement-Administration Services for Fiscal Year 2013-14 at a cost not to exceed \$50,000.
- F. There was no discussion of the City **Resolution** authorizing Renewal of Financial Consulting Agreement with Annette Yee and Company.
- G. Approval of City **Resolution** allocating an amount not to exceed \$10,000 to Fund Additional Animal Control Services within Sand City for Fiscal Year 2013-14 was pulled from the Consent Calendar for further consideration.
- H. There was no discussion of the City **Resolution** authorizing a Service Agreement for Auditor Services by Hayashi & Wayland for Fiscal Year 2012-13.

Motion to approve the Consent Calendar items A-F & H was made by Council Member Carbone, seconded by Council Member Kruper. AYES: Council Members Blackwelder, Carbone, Kruper, Pendergrass. NOES: None. ABSENT: Council Member Hubler. ABSTAIN: None. Motion carried.

AGENDA ITEM 6, CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR

- G. Approval of City Resolution allocating an amount not to exceed \$10,000 to Fund Additional Animal Control Services within Sand City for Fiscal Year 2013-14**

Council Member Todd Kruper expressed his appreciation to Staff for providing information to the Council so that they can make more informed decisions.

City Administrator Steve Matarazzo added that the contract is based on a cost not to exceed \$10,000 annually, and that the City is billed for the number of animals the contractor captures approved by the Chief of Police/Public Works Manager.

Contractor Ronald Brown distributed general information regarding the nature of skunks. He informed the Council on where they live, and how the public can avoid these animals from making homes on people's property. At present, they are having babies and as many as 18 per litter. Sixty-five percent of skunks have rabies, and when they die underneath a home, it takes 1-2 years before the smell can be removed. The skunk population is presently under control within the City, and it is hopeful that they will not reproduce beyond control. He suggested that the residents be notified not to place food outside of their homes, since this attracts skunks and possums. Many of these animals live on the dunes behind the Salvation Army, feasting on food left behind by homeless people. They also frequent the dumpsters at the Independent, and anywhere food sources can be found.

Mayor Pendergrass suggested that Mr. Brown draft a letter to educate the public and residents of Sand City regarding skunks and other animals. The Mayor commended Mr. Brown on doing a good job in keeping the animal pest population under control.

Council Member Kruper requested information be placed on the City's website regarding skunks.

7:21 P.M. Floor opened for Public Comment.

There was no comment from the Public.

7:21 P.M. Floor closed to Public Comment.

Motion to approve Consent Calendar Item 5G, City **Resolution** allocating an amount not to exceed \$10,000 to Fund Additional Animal Control Services within Sand City for Fiscal Year 2013-14 was made by Council Member Carbone, seconded by Council Member Blackwelder. AYES: Council Members Blackwelder, Carbone, Kruper, Pendergrass. NOES: None. ABSENT: Council Member Hubler. ABSTAIN: None. Motion carried.

AGENDA ITEM 7, PUBLIC HEARINGS

A. Consideration of City Resolution approving Conditional Use Permit 551 authorizing a Mobile Outcall Auto-Repair Service Operating out of 337-B Olympia Avenue

Associate Planner Charles Pooler presented an application for a conditional use permit submitted by Manuel Soliz Fajardo for authorization to utilize a 1,375 square foot segment of a commercial building at 337

Olympia Avenue Unit B for storage related to his mobile outcall auto repair service. Automotive repair will not be performed on-site. The applicant has a mini-van and pickup truck, as well as an assortment of tools, equipment, and auto parts that will be stored at the location. The City's Zoning Ordinances lists "service commercial" as an allowable use provided that the applicant does not conduct auto-repair activity or customer vehicle storage on-site. On-call service hours will be 8:00 a.m. to 8:00 p.m. daily. Staff recommends the property owner repaint the building to a lighter color, subject to Planning Department review, and that items stored along the westerly side of the driveway be removed. Staff recommends approval of the conditional use permit with the conditions/terms that the permit prohibit on-site auto service activity, including work on the applicant's personal, family or friend's vehicles with no exception, the approved scale of operation be limited to storage and dispatch to job sites, that parking/storage of client vehicles and non-operational vehicles not be allowed anywhere on the property, and that tow truck deliveries of vehicles to this location be prohibited.

There was discussion regarding the 'unknowns' of surrounding properties and businesses. The 'unknowns' are property owners and/or tenants who have not responded to letters mailed by the planning department, and may be operating without a business license or use permit.

7:30 P.M. The floor was opened for Public Comment.

The applicant Manuel Fajardo, commented that he was unaware that he needed a use permit, and he would like to continue to do business within Sand City. He is in agreement with the conditions of the permit.

Property Owner Jerry Lipori added that Manuel is rarely on-site. He is a hard worker, quiet and does not leave a mess outside.

Mayor Pendergrass requested that Staff investigate the unknown occupancies to determine only zoning violations.

7:35 P.M. The floor was closed to Public Comment.

Motion to approve the City **Resolution** by title, approving Conditional Use Permit 551 authorizing a Mobile Outcall Auto-Repair Service operating out of 337-B Olympia Avenue was made by Council Member Blackwelder, seconded by Council Member Kruper. AYES: Council Members Blackwelder, Carbone, Kruper, Pendergrass. NOES: None. ABSENT: Council Member Hubler. ABSTAIN: None. Motion carried.

B. Consideration of City Resolution approving Conditional Use Permit 562 for Frank Lloyd Jenkins construction on that property at the Northwest Corner of the California Avenue and Fir Avenue Intersection (APN 011-136-012 & portion of 011-136-023)

Associate Planner Charles Pooler presented an application submitted by Frank Lloyd Jenkins Construction for authorization to utilize a 7,500 square foot fenced property at the northwest corner of Fir and California Avenue for the storage of vehicles, tools and equipment. Vehicles to be stored are 3 bobcat mini-excavators and 3 pick-up trucks. The applicant would also like to store his 12-foot long motor boat, storage containers, construction equipment and materials, and an office trailer that business will not be conducted from. The proposed use would generate minimal traffic as the items stored on site will be picked up only when needed at job locations. The applicant proposes to landscape along the California and Fir Avenue frontages that would require excavation and soil amendments. The permit should specify that all landscaping be subject to City review and approval. The property is within the "South of Tioga" planning district intended for future development. Staff recommends approval of the use permit with an approximate one year time limit, to expire on July 31, 2014 with the possibility of 90-day time extensions thereafter.

Council Member Blackwelder presented his concerns regarding equipment and vehicles to be stored, and whether they would be under the fence line.

7:44 P.M. Floor opened for Public Comment.

The applicant Frank Jenkins, commented that he would like to place a sign on the exterior of the fence and wants to keep things clean and tidy as a positive reflection of his company. He cannot guarantee that stored equipment and materials will be below the 6' foot fence line. In regard to the landscaping, he would like to add boulders and plants. He is in agreement with the conditions of the permit.

Property Owner Don Orosco commented that he is appreciative of the Council to consider these interim uses, and hopes that the economy will continue to improve. As a developer, he hopes that future projects will come to fruition quickly. Panera Bakery has submitted interest in the remaining unit of the former Borders' building.

7:50 P.M. Floor closed to Public Comment.

Motion to approve the City **Resolution** by title, approving Conditional Use Permit 562 for Frank Lloyd Jenkins construction on that property at the Northwest Corner of the California Avenue and Fir Avenue Intersection (APN 011-136-012 & portion of 011-136-023) was made by Council Member Carbone, seconded by Council Member Kruper. AYES: Council Members Blackwelder, Carbone, Kruper, Pendergrass. NOES: None. ABSENT: Council Member Hubler. ABSTAIN: None. Motion carried.

AGENDA ITEM 8, OLD BUSINESS

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

Interim City Engineer Leon Gomez reported that Staff responded to the Cal-Am Water Shed Survey. Corollo Engineers have requested materials regarding storm drain mapping of the City's infrastructure so they can proceed with their survey of the area in question. Continued coordination with the Regional Storm Water Program Group should result in some final conclusion on what the new Phase II Water Permit contains. A letter is being submitted by the nine municipalities that form the regional group and the Santa Cruz Water network, requesting time extensions for some of the more intricate requirements of the new permit. A report will be provided to Council at a future meeting of what these requirements will include.

City Administrator Steve Matarazzo reported that at previous Oversight Board meetings, the Local Educational Agencies (LEAs) stated that they are willing to settle pass-through payments due to them. This item is under closed session for further Council discussion. Staff recently received a formal letter from the Department of Finance, confirming the phone conference that the \$130,000 payment due to the LEA's cannot be placed on the ROPS as a 'contingent liability'.

AGENDA ITEM 9, NEW BUSINESS

A. Status Report and Update on 2013 West End Celebration (10 minutes)

West End Event Coordinator Steve Vagnini, reported that the Herald announced a major Rock & Roll Festival at the fairgrounds during the weekend of the West End Celebration (WEC). He is optimistic that the Rock & Roll Festival should not affect the WEC due to the festival's cost of \$150 per ticket. The WEC is ninety days away and to date, more food vendors and exhibitors have submitted interest in participating. Several Sand City businesses have expressed interest in being involved, including the Monterey Sculpture Center, Cristofolo Design, Espinoza Graphics, and Earthbound Tattoo. This year's bands will headline Moon Alice, Tommy Castro, and Red Beans and Rice. Friday night's kick-off concert will help fund the non-profit organization Guitars not Guns. On Saturday an after party will be at My Backyard Superstore for the volunteers of the WEC, and will feature a Hawaiian Band and dancers. This Sunday, KPIG Radio will begin internet streaming and broadcasting of their show "Please Stand By" in Sand City. The Guitars not Guns kids will be featured on the radio show, and will also kick-off Sunday's performance on the main stage. Sponsorships for this year have included donations from P.G. & E., Rabobank, Cal-Am Water, and Victory Toyota. Riddell & Riddell Advertising has been involved in marketing the event, and Carmel

Magazine will be featuring a story on the West End Celebration. Each year, there has been an increase in exhibitors from outside the community, proving that the public is aware of Sand City's event. He believes that this should be the best West End Celebration to date.

The Mayor thanked Mr. Vagnini for the update.

B. Consideration of Memorandum of Understanding (MOU) with Costco to Facilitate Development of a Costco Gas Station at the Southwest Corner of Tioga Avenue and California Avenue (a Public-Private Partnership)

City Administrator Steve Matarazzo presented the background on the Memorandum of Understanding (MOU) with Costco to facilitate development of a Costco Gas Station at the southwest corner of Tioga and California Avenue (a Public-Private Partnership). DBO Development of Monterey (property owner) and Costco have agreed in concept to construct a Gas Station at that location. The terms of the Letter of Intent are that Costco will pay the sum of \$2.4 million to DBO as the purchase price for the property, and the City will pay to DBO the sum of \$1.4 million. The \$1.4 million represents the difference (considered gap financing) between DBO's purchase price and what Costco is willing to pay for the land. The \$1.4 million would be payable by the City to DBO at the time DBO conveys title to the property to Costco. Costco has agreed to loan the money to Sand City at an interest rate of 7% payable over 15 years. This would be considered a sales tax reimbursement agreement as part of the enclosed resolution and MOU. Costco estimates sales from the gas station at approximately \$24 million per year, generating tax revenue of \$360,000 per year with 50% being returned to Costco to repay the loan.

Property Owner Don Orosco commented that the total cost of investment in the project is over \$5 million. He explained the average cost of property values and how it affects the surrounding properties around Costco.

In response to Council Member Kruper's question as to whether the gas station would house a structure or would it just be pumps, Mr. Orosco responded that the conceptual design of the gas station would look at Sand City's industrial past and would consider those architectural cues. A canopy would be the primary structure involved.

There was further discussion regarding the traffic study, site plans and traffic impacts at the proposed location for the gas station.

Motion to approve the City **Resolution** by title, approving a Memorandum of Understanding (MOU) with Costco Wholesale Corporation was made by Mayor Pendergrass, seconded by Council Member Carbone. AYES: Council Members Blackwelder, Carbone, Kruper, Pendergrass. NOES: None. ABSENT: Council Member Hubler. ABSTAIN: None. Motion carried.

C. Upcoming Meetings/Events

There were no RSVP's.

AGENDA ITEM 10, CLOSED SESSION

8:20 P.M.

A. City Council /Agency Board to adjourn to Closed Session:

1) To confer with Legal Counsel regarding pending litigation in accordance with Government Code Section 54956.9(d)(1):

- a) *Monterey Peninsula Water Management v. State Water Resources Control Board (No. M102101), and related cases*
- b) *Cal-Am Application to CPUC No. 10-04-019 for Order Authorizing Recovery of Costs for Lease and Operation of the Sand City Desalination Facility*
- c) *Seaside v. Sand City (No. M120996) and related cross action*
- d) *Local Educational Agencies' (LEAs) monetary claim to recover pass-through payments from the Sand City Successor Agency to the Redevelopment Agency*

2) Conference with Legal Counsel in accordance with Section 54956.9 of the Ralph M. Brown Act, regarding Claim against Monterey County Reimbursement of Property Tax Administration Fee

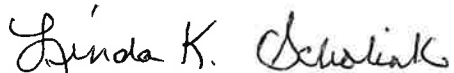
9:08 P.M.

B. Re-adjourn 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 Attorney gave advice on items 10A-1(b & d). No report for item 10A1-a. Direction given to City Administrator on items 10A1-c, and 10A-2.

AGENDA ITEM 11, 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, June 4, 2013 at 7:00 p.m. There was unanimous consensus of the Council to adjourn the meeting at 9:09 p.m.



Linda K. Scholink, City Clerk