

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

Regular Meeting – March 7, 2017
5:30 P.M.
CITY COUNCIL CHAMBERS

Mayor Pendergrass opened the meeting at 5:31 p.m.

The invocation was led by Reverend Yarborough.

The Pledge of Allegiance was led by Commander Vito Graziano.

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

Staff: Todd Bodem, City Administrator
Jim Heisinger, City Attorney
Leon Gomez, City Engineer
Vito Graziano, Police Commander
Connie Horca, Deputy City Clerk
Charles Pooler, City Planner

AGENDA ITEM 4, COMMUNICATIONS

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

5:32 P.M. Floor opened for Public Comment.

There was no comment from the Public.

5:32 P.M. Floor closed to Public Comment.

The Mayor thanked the City Administrator for his well-written report.

AGENDA ITEM 5, CONSENT CALENDAR

- A. There was no discussion of the February 21, 2017 Sand City Council Meeting Minutes.

- B. There was no discussion of the City **Resolutions** honoring the Monterey Peninsula Chamber of Commerce's 2016 Award Recipients
- 1) Citizen of the Year – John V. Narigi
 - 2) Ruth Vreeland Memorial Public Official of the Year – David J. Stoldt
 - 3) Robert C. Littlefield Award for Lifetime Achievement – Tom Rowley
 - 4) Volunteer of the Year – Kyle Soliven
 - 5) Business of the Year – CONFIDENTIAL (Monterey Signs)
- C. There was no discussion of the City/Successor Agency Monthly Financial Report, December 2016.
- D. There was no discussion of the City Donation/Contribution to StartUp Challenge for \$1,500 and Monterey County Commission on the Status of Women for \$250.

Motion to approve the Consent Calendar items was made by Council Member Kruper, seconded by Council Member Blackwelder. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, 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, PUBLIC HEARING

{Council Member Hubler stepped down from the dais due to a possible conflict by residing within 500' of the subject property}

- A. **Consideration of City RESOLUTION approving Conditional Use Permit 610 for Ashleigh Hutchison authorizing Limited Scale Office Activity at 613-B Ortiz Avenue**

City Planner Charles Pooler presented an application submitted by Ashleigh Hutchinson for approval to use a 100 square foot portion of a 2,000 square foot commercial unit as office space for her alcohol media and marketing business at 613-B Ortiz Avenue. The facility currently holds a photography studio that will remain, and the Applicant will only be using a small area within for office activities. There will be no on-site alcohol retail sales, inventory storage, or product distribution at the site. There will be no shipments or deliveries of inventory to/from the subject property. The total frontage can provide 12 parking spaces, with four spaces for the unit. The parking requirement is sufficient for the proposed use. The Applicant did not specify any specific hours of operation. This will be a part-time and irregular use of the site on an 'as needed' basis. Staff is not recommending any limitation upon the Applicant's office activities as it would have negligible impact. This use is not anticipated to pose a

nuisance. The permit, if approved, should limit the Applicant's use of the site as "Office Only". Staff recommends approval of the conditional use permit authorizing office use at the subject property.

5:36 P.M. Floor opened for Public Comment.

The applicant Ashleigh Hutchison commented that she has been in wholesale wine sales for over a decade and has started her own virtual online sales company. The California ABC licensing requires that she have her own space to hang her ABC wholesale license. The current owner has agreed to sub-lease the space to hang the license. All operations are currently located in San Jose, California, so there will be no sales activities at the location.

In response to Vice Mayor Carbone's question regarding hours of operation and whether the permit's unspecified hours should set a precedence with other businesses, City Planner Pooler responded that the applicant will only be using the office to store files, and do minor paperwork, with no deliveries, and there should be no foreseeable impacts to surrounding businesses and resident's.

The Mayor asked if Ms. Hutchison was in agreement with the conditions of the use permit. Ms. Hutchison responded that she was in agreement with permit conditions.

5:36 P.M. Floor closed to Public Comment.

Consideration of City **Resolution** approving Conditional Use Permit 610 for Ashleigh Hutchison authorizing limited scale office activity at 613-B Ortiz Avenue was made by Council Member Kruper, seconded by Council Member Carbone. AYES: Council Members Blackwelder, Carbone, Kruper, Pendergrass. NOES: None. ABSTAIN: Council Member Hubler. ABSENT: None. Motion carried.

{Council Member Hubler returned to the dais}

B. FIRST READING: Ordinance of the City Council of the City of Sand City Authorizing Implementation of a Community Choice Aggregation Program

City Administrator Todd Bodem reported that the attached Ordinance is to introduce the Implementation of a Community Choice Aggregation Program and would become effective thirty (30) days following adoption of the second reading. The attached resolution authorizes the Mayor to enter into an agreement to join the Joint Powers Agreement (JPA) establishing the Monterey Bay Community Power (MBCP) Authority.

Gine Johnson of Supervisor Bruce McPherson's office commented that this became a regional project when Mr. McPherson took office in 2013.

She distributed information regarding the Community Choice Program and reported that the County of Monterey formally joined this afternoon. Six member agencies have joined the program to include Santa Cruz County, San Benito County, Hollister, Capitola, Soledad and Scotts Valley. Several other agencies have taken first and second readings, and other local jurisdictions with the exception of the City of Carmel are taking action.

5:42 P.M. Floor opened for Public Comment.

Dan Nelson of the Romero Institute distributed petitions signed by Sand City residents in support of the Monterey Bay Community Choice Program.

5:43 P.M. Floor closed to Public Comment.

In response to City Administrator Bodem's question on how PG&E ratepayers would be affected should 90% of the City's residence choose Community Choice program, Ms. Johnson responded that PG&E is in the business of procuring, delivery of services, and billing. They have not been involved in the generation of power for a long time and generate revenue through delivery of power. She continued to explain how the regional committee guided the technical study to assist in the formation of Joint Powers Agreement (JPA). Now that a Board has been formed, they will select a bank to help fund the program.

Mayor Pendergrass expressed his opinions regarding the Joint Powers Agreement (JPA), make-up of the Board, why some cities are partnered to have only one vote at the table, other agencies that contain 21 voting members, politics involved with voting members of JPA Boards, and the outcome of debt incurred by cities to fund JPA's.

Ms. Johnson further explained the logical reasons why the JPA Board contains shared seats. Those cities with 50,000 or more in population have a voting seat, while the regional local agencies are grouped together so that the JPA Board would be more flexible and fluid in its decision making. Once the JPA starts to collect funds from ratepayers, the credit guarantee would be paid back as well as startup loans. Additional revenues would be reinvested back into the community.

Mayor Pendergrass commented that a great deal of money would be required to build a renewable power source and expressed his concerns on the cost of indebtedness, why each participating jurisdiction does not have their own voting seat, and who would pay for the costs of constructing local projects. Ms. Johnson added that when startup fees have been paid, it would be up to the JPA to decide on the construction of local projects.

Motion to approve the First Reading: **Ordinance** of the City Council of the City of Sand City Authorizing Implementation of a Community Choice Aggregation Program was made by Council Member Blackwelder, seconded by Council Member Kruper. Roll call vote AYES: Council Members Blackwelder, Carbone, Hubler, Kruper. NOES: Council Member Pendergrass. ABSENT: None. ABSTAIN: None. Motion carried.

1) Consideration of City RESOLUTION Approving the Joint Powers Agreement Establishing the Monterey Bay Community Power (MBCP) Authority, Authorizing the Mayor to Execute the Agreement on Behalf of the City of Sand City and Adopting California Environmental Quality Act (CEQA) Exemption Findings

City Attorney Jim Hesinger commented that the attached staff report covers both the Ordinance and Resolution. The ordinance exercises the right of cities to implement a Community Choice Aggregation Program. The Ordinance also indicates the participation of the Joint Powers Authority (JPA). The Resolution is to enter into a JPA, and indicates the voting powers of the JPA as well as the decision making. It is a high level governance agreement, and there is nothing within the JPA that will set the rates in parity with P.G. & E. or lower. It does allow for the creation of a Board of Directors. Subsidized power, with respect to P.G. & E.'s rates will be set by this Board. The ratepayers would have the choice on whom they would like to buy their power from.

In response to City Administrator Bodem's question regarding the collection of 1% of the franchise fees, Ms. Johnson clarified that it will remain the same.

Motion to approve the City **Resolution by title**, approving the Joint Powers Agreement Establishing the Monterey Bay Community Power (MBCP) Authority, Authorizing the Mayor to Execute the Agreement on Behalf of the City of Sand City and Adopting California Environmental Quality Act (CEQA) Exemption Findings was made by Council Member Kruper, seconded by Council Member Blackwelder. AYES: Council Members Blackwelder, Carbone, Hubler, Kruper. NOES: Council Member Pendergrass. ABSENT: None. ABSTAIN: None. Motion carried.

AGENDA ITEM 8, 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 26 acre-feet for the month of February. The storms have assisted the intake wells of the plant to produce water. The Coastal Commission has approved the coastal development permit for the new wells. Staff held a telephone conference call with Cal-Am to discuss next steps and the

development of a scope of work to include construction documents and technical assistance for the new wells.

The City was granted a Proposition 1 Technical Assistance Grant, and a conference call was held with Ms. Darla Ingalls of the Central Coast Low Impact Development Initiative to discuss high priority storm water management projects that would qualify for grant funding. These projects include the disconnection of city storm drain infrastructure from the existing 90" inch outfall to Bay Street and mitigation of flooding in lower lever areas of the City as well as development of "LID" light projects.

Work has commenced for the Porsche Site Improvements project. The City has executed a contract with Mark Nicholson Inc. to perform utility locating (potholing) services within the project area. In order to reduce costs, the City Engineer and Public Works Staff performed delineation of the work area. The developer of the Bungalows at East Dunes Phase 2 obtained building permits for lots 4, 5, 6, 7, 8, 9, 10. On March 3rd, Staff met with Ed Ghandour, developer of the Monterey Bay Shores Eco-resort, along with his project engineer, representatives from Cal-Am, and Caltrans District 5 to discuss improvements and permit requirements for California Avenue.

City Planner Charles Pooler reported that he received plans for Lot 5. Lots 4 and 7 have been in plan check and permits should be forthcoming. Lots 8, 9 & 10 are in their first round of plan checks. Benchmark Communities is progressively moving forward in getting their building permits issued for the Bungalows project. Staff has received plans for 2 new homes for the small 75x75 area within that block. EMC is currently working on the environmental study for mixed-use zoning on heights (for a possible Phase 2 at the Independent) and for 25x25 foot lots that should be combined. Staff is hopeful to have the environmental study for a 21 day public review by the end of March.

Mayor Pendergrass requested that Staff contact the developer of the Bungalows project to ensure that the streets are kept clean and swept regularly.

There was discussion regarding the Cal-Am lease agreement and the possibility of amending the lease to amortize the cost of the possibility of the City undertaking the construction of new wells.

AGENDA ITEM 9, NEW BUSINESS

A. Comments by Council Members on Meetings and Items of interest to Sand City

Council Member Hubler reported that he has been recruiting members for the Arts Committee and that there may be two prospective people that

have been contacted. Jean Luc and Lori Saunders have expressed their interest in the Arts Committee.

The Mayor requested the City Administrator to check whether or not Council Members are required to take the sexual harassment course, as it was his understanding that it was only required of organizations that have 50 or more people.

Vice Mayor Carbone reported that this Friday, Community Human Services will be having a Women's Fundraiser Ball at the Elks Lodge and that she will be attending the Monterey County Outstanding Women's Award on March 19th.

B. Upcoming Meetings/Events

There were no RSVP's for upcoming events.

AGENDA ITEM 10, 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, March 21, 2017 at 5:30 p.m. There was consensus of the Council to adjourn the meeting at 6:55 p.m.



Connie Horca, Deputy City Clerk