

MINUTES

REGULAR MEETING OF THE CITY COUNCIL/REDEVELOPMENT AGENCY TUESDAY, MARCH 9, 2010 COUNCIL CHAMBERS, 215 EAST BRANCH STREET ARROYO GRANDE, CALIFORNIA

1. CALL TO ORDER

Mayor/Chair Ferrara called the Regular City Council/Redevelopment Agency meeting to order at 7:02 p.m.

2. ROLL CALL

City Council/RDA: Council/Board Members Joe Costello, Ed Arnold, Chuck Fellows, Mayor Pro Tem/Vice Chair Jim Guthrie and Mayor/Chair Tony Ferrara were present.

City Staff Present: City Manager Steven Adams, City Attorney Tim Carmel, Director of Legislative and Information Services/City Clerk Kelly Wetmore, Director of Administrative Services Angela Kraetsch, Chief of Police Steve Annibali, Police Commander John Hough, Director of Community Development Teresa McClish, and Planning Manager Jim Bergman.

3. FLAG SALUTE

Members of Boy Scout Troop 234 and Cub Scouts Pack 13 Den 1 led the Flag Salute.

4. INVOCATION

Pastor Robert Banker, Open Door Church, delivered the invocation.

5. SPECIAL PRESENTATIONS

None.

6. AGENDA REVIEW

6.a. Ordinances Read in Title Only.

Council/Board Member Costello moved, Council/Board Member Arnold seconded, and the motion passed unanimously that all ordinances presented at the meeting shall be read in title only and all further readings be waived.

7. CITIZENS' INPUT, COMMENTS, AND SUGGESTIONS

Ira Hughes, Canyon Way, stated Council agreed to do research on space needs for City staff; requested a copy of the proposed Purchase and Sale Agreement; commented that the City had laid off employees; referred to other vacant commercial properties available in the City that are motivated to sell or lease; and requested the Council investigate these other building options.

Tim Moore, Fair Oaks Avenue, expressed concern about time limits for public comments; stated the Mayor should recuse himself from the Centennial Plaza project; agreed with Council Member Arnold that the City should buy the building at the new appraised value; agreed with Council Member Jim Guthrie that if the building is financed, it should not be done with sales tax funds; stated that the City Manager does not have the City's needs first; energy should be used towards paving roads and repairing sidewalks; and said if the City is laying off people, how can the City afford to buy a new building.

8. CONSENT AGENDA

Mayor/Chair Ferrara invited members of the public who wished to comment on any Consent Agenda Item to do so at this time. There were no public comments received.

Action: Council/Board Member Fellows moved, and Council/Board Member Arnold seconded the motion to approve Consent Agenda Items 8.a. through 8.l., with the recommended courses of action. The motion passed on the following roll-call vote:

AYES: Fellows, Arnold, Guthrie, Costello, Ferrara
NOES: None
ABSENT: None

8.a. Cash Disbursement Ratification

Action: Ratified the listing of cash disbursements for the period February 16, 2010 through February 28, 2010.

8.b. Consideration of Approval of Minutes

Action: Approved the minutes of the Regular City Council Meeting of February 9, 2010, as submitted.

8.c. Consideration of Approval of Service Agreement with Citizenseve

Action: Approved a Service Agreement with Online Solutions, LLC ("Citizenseve") for purchase and implementation of the Citizenseve e-government software service and authorize the City Manager to execute the Agreement.

8.d. Authorization to Reject Claim Filed Against the City – Claimant: K. Westfall

Action: Rejected the claim and authorize the City Clerk to send a standard rejection letter to the claimant as recommended by the City's Claims Administrator, Carl Warren & Company.

8.e. Consideration of Council Appointment to Parks and Recreation Commission

Action: Approved the recommendation of Council Member Joe Costello to appoint Shannon Kessler to the Parks and Recreation Commission.

8.f. Consideration of Council Appointment to the Brisco Road-Halcyon Road Interchange Subcommittee

Action: Approved the appointment of Council Member Costello to replace Council Member Arnold on the Brisco Road-Halcyon Road Interchange Subcommittee.

8.g. Consideration of Resolution in Support of Legislation to Enable the Redevelopment Agency to Utilize Affordable Housing Set-Aside Funds Outside the City Limits for Development of a Regional Homeless Housing and Shelter Project [COUNCIL/RDA]

Action: Adopted Resolution No. RDA 10-01 as follows: ***"A RESOLUTION OF THE ARROYO GRANDE REDEVELOPMENT AGENCY IN SUPPORT OF LEGISLATION TO ENABLE THE REDEVELOPMENT AGENCY TO UTILIZE AFFORDABLE HOUSING SET-ASIDE FUNDS OUTSIDE THE CITY LIMITS FOR DEVELOPMENT OF A REGIONAL HOMELESS HOUSING AND SHELTER PROJECT"***.

8.h. Consideration of an Agreement with Witmer-Tyson Imports, Inc. for the Purchase and Training of Police Canines

Action: Approved and authorized the Mayor to execute an Agreement with Witmer-Tyson Imports, Inc. for the purchase and training of police canines.

8.i. Consideration of Acceptance of the Fair Oaks Avenue/Halcyon Road Traffic Signal Upgrade Project, PW 2008-06

Action: 1) Accepted the project improvements as constructed by Woeste Electric Inc., in accordance with the plans and specifications for the Fair Oaks Avenue/Halcyon Road Traffic Signal Upgrade Project, PW 2008-06; 2) Approved an appropriation of \$20,000 from the Traffic Signalization fund; 3) Directed staff to file a Notice of Completion; and 4) Authorized release of the retention, thirty-five (35) days after the Notice of Completion has been recorded, if no liens have been filed.

8.j. Consideration to Approve Construction Plans and Specifications and Environmental Exemption for the Pearwood Avenue Rehabilitation Project, PW 2010-03

Action: 1) Approved the construction plans and specifications for the Pearwood Avenue Rehabilitation Project, PW 2010-03; 2) Found that the Pearwood Avenue Rehabilitation Project is categorically exempt from CEQA pursuant to Section 15301(c); and 3) Directed the City Clerk to file a Notice of Exemption.

8.k. Consideration of a Resolution Approving FY 2009/10 Memorandum of Understanding with the International Association of Fire Fighters Local 4403

Action: Adopted Resolution No. 4263 as follows: ***“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE ADOPTING A SALARY AND BENEFIT PROGRAM FOR EMPLOYEES REPRESENTED BY THE INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS LOCAL 4403 AND REPEALING THOSE SECTIONS OF RESOLUTION NO. 4043 ADOPTED ON NOVEMBER 13, 2007 IMPACTING SAID EMPLOYEES”.***

8.l. Approval of Minor Use Permit – Plot Plan Review and Consideration of a Request to Waive Fees Associated with the Relocation of the “Stilwell House” from 734 Myrtle Street to 122 Allen Street

Action: Adopted Resolution No. 4264 as follows: ***“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE APPROVING MINOR USE PERMIT – PLOT PLAN REVIEW 10-005 AND THE WAIVER OF FEES; LOCATED AT 122 ALLEN STREET; APPLIED FOR BY DUKE AND LORI STERLING”.***

9. PUBLIC HEARINGS

9.a. Consideration of a Proposed Ordinance Approving Development Agreement 09-002; Arroyo Grande Regional Recreation Center.

Planning Manager Bergman presented the staff report and recommended the Council introduce an Ordinance approving Development Agreement 09-002 to construct a multi-purpose recreation center on a property located at the corner of West Branch Street and Old Ranch Road.

Warren Hemrick, project architect, stated he and other members of the design team would be available to answer any questions.

Allan Buck, project coordinator, 5 Cities Community Services Foundation, stated that there has been a concerted effort to bring this project forward and that it could be self supporting and could be built for less than \$20 million dollars; stated a subcommittee has been formed, research has been done, and public meetings have been held; a new project design has been designed; stated there would be a fundraising plan; and the Foundation would address operational issues during the construction process. He then gave a presentation which included a Recreation Center Mission

Statement; an overview of goals and objectives for the Center; programs and classes for all ages; sports activities; possible City or other entity sponsored activities; marketing summary and business plan to operate the Center at a profit; and an overview of community benefits.

Craig Bouck, representing the 5 Cities Community Services Foundation, provided an overview of the project design, including a site rendering; first floor plan; second floor plan; existing topographic map; site photo; site plan; reviewed vehicular and pedestrian circulation patterns in and out of the site; site sections (grading and height); landscape plan; elevations; project rendering; a proposed windmill (as a symbol to represent the project); and review of sustainable features on the site and for the building.

Council questions and comments ensued regarding the fundraising and whether there would be corporate sponsorships; frequency of tournaments; if the upper parking lot would be restricted; whether there would be discretion on design and landscaping for the facility in the future; use of rainwater harvesting; concern about the soil as it relates to appropriate landscape materials for the site; use of sustainable materials; the proposed windmill; clarification regarding the term of agreement as it relates to start of construction; clarification regarding sign regulations and height; request to modify condition #40 to replace the reference to "Commissioner Barneich" with "Tree Guild"; and clarification concerning the project description as it relates to findings in the Initial Study/Mitigated Negative Declaration.

David Foote, landscape architect, responded to questions from Council Member Fellows regarding the soil conditions and the types and varieties of trees and plants that could be planted on the site. Mr. Foote described a variety of trees and plants that could be used and placed in favorable spots, and stated he would welcome additional input regarding the final landscape plan.

Further questions ensued concerning the proposed windmill, sign regulations and height limits. In response to questions regarding timelines for the project, City Attorney Carmel provided clarification regarding the term of commencement and completion of construction under the Development Agreement as it relates to the same provisions under the Lease Agreement. Mr. Buck requested that the lease agreement be amended to extend the time period for commencement of project improvements from three years to five years for the purposes of meeting fundraising goals.

Mayor Ferrara called for a break at 8:35 p.m. The Council reconvened at 8:45 p.m.

Mayor Ferrara opened the public hearing.

Ed Peltzman, Larchmont Drive, expressed concern about the size of the facility; the cost to build the facility; increases in construction costs over the next 5 years; the proposed management company to operate the facility; tournaments and drawing people from outside the area; coordination of parking between the Woman's Club and the Regional Center; and traffic impacts on Larchmont.

Jim DiCecco, Pismo Beach, former Vice President of Oceano Community Center, explained the funding issues that Oceano Community Center faced was due to project loans that could not be paid and the Center was subsequently sold to Lucia Mar School District; stated that its current

activity sustains the Center as there are no loans and no debt; and spoke in favor of the project noting that the sustainable features will reduce operating costs.

James Battersby, Shell Beach, stated he has worked 45 years in the Parks and Recreation field; wants a facility to provide amenities to maximize its services; ensured the neighboring communities that teams that come from out of town are well supervised by their coaches and are representing their own communities and will contribute to the community; that the project will economically enhance the community; that Special Olympics athletes will benefit; YMCA will utilize the facility and office space; and supported the project.

Vincent Bozanich, Old Ranch Road, referred to the traffic study and expressed concerns about reduced levels of service and stated that the Brisco improvements should be completed first.

Steve Ross, Garden Street, referred to the lack of recreation and gym facilities in the area; spoke about the condition of gym floors that are heavily used; stated that youth crimes go down when there is a recreational facility available; and spoke in favor of the project.

Janet George, Shell Beach, spoke in favor of the project, stating that it is a project similar to the Clark Center which is an asset to the community.

Dave Ekbon, Grover Beach, spoke in favor of the project; stated it will be privately funded and is a win-win situation.

Steve Loomis, Huasna Road, spoke in favor of the project; stated there is a need for the facility in this area; the overall concept involves multi-generational uses; and it is a good use of the property.

Upon hearing no further comments, Mayor Ferrara closed the public hearing.

Council comments ensued in support of the Development Agreement for the proposed project; that it is a positive project for everyone inside and outside of the City; clarification that the City would not be funding the project and it would be privately funded; that Larchmont should experience some traffic relief when W. Branch Street improvements are completed; that the quality of visiting sports teams is high and should not present any problems for the City; support for the proposed design; clarification that the proposed sign or other identifying element for the recreation center would require a conditional use permit; support for the name of the center as Arroyo Grande Regional Recreation Center; that any proposed sign would be reviewed at a later date and should not be too tall or contain any imitation materials; that there is a potential for providing parking permits if necessary; and suggestions for the sidewalk design along W. Branch Street.

Further comments were provided regarding the Foundation's selection of a management company to operate the center; that most likely there would not be a need to hold tournaments every weekend; that there should be no egress from the project onto Rodeo Drive; that the Council is sensitive to the needs of the neighbors; acknowledgement of the Foundation's fundraising efforts to fund the project as well as the creation of an endowment to fund operation of the center; that the Foundation should work with the Tree Guild on the landscape plan; support for a photovoltaic system for solar energy; that there would be no showers or locker rooms; that the Halcyon/Brisco problem will be solved within six to ten years; support for a meandering sidewalk along W. Branch Street to protect pedestrians; acknowledgement of former Council Member Jim Dickens for starting this effort in 1998; support for the design and multi-purpose use; that if the money is not raised, the project would not be built; confidence that the money would be raised by the Foundation; that the signage issue needs to come back for final approval; that parking at the rear of the site will be needed; that the proposed Business Plan will change as time proceeds; support for sustainability; that the YMCA and other youth oriented organizations will be interested in office space within the

center; acknowledgement that traffic is a concern and that the City is working with Caltrans to obtain approval for the Brisco/Halcyon project.

Action: Council Member Arnold moved to introduce an Ordinance as follows: **“AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE APPROVING DEVELOPMENT AGREEMENT 09-002 TO CONSTRUCT A MULTI-PURPOSE RECREATION CENTER ON A PROPERTY LOCATED AT THE CORNER OF WEST BRANCH STREET AND OLD RANCH ROAD”**, as amended to modify the timelines in the Development Agreement, Section 3.i., from three (3) years to five (5) years; and to modify Section 2.a., from seven (7) years to ten (10) years to be consistent with the Lease Agreement. It was further moved to remove the monument sign/windmill and have the issue brought back through a conditional use permit at a later date. Council Member Fellows seconded and the motion passed on the following roll call vote:

AYES: Arnold, Fellows, Costello, Guthrie, Ferrara
NOES: None
ABSENT: None

9.b. Consideration of Community Development Block Grant (CDBG) Projects for Year 2010.

Planning Manager Bergman presented the staff report and recommended the Council adopt a Resolution approving projects to be funded with the City’s allocation of CDBG funds for the Year 2010.

Staff responded to questions from Council regarding the University of California Merced’s assistance with the Small Business Development Center program; the methods used for determining allocation of funding; the funding for administration and planning of the CDBG program; and clarification concerning the reallocation of funding from SLO Hotline to the United Way as they are taking over the SLO Hotline program.

Mayor Ferrara opened the public hearing.

The following members of the public addressed the Council, thanking them for their past support, considering this year’s funding requests, and speaking briefly about their respective organizations and programs:

Sarah Rudd-Lawler, representing Big Brothers Big Sisters
Larry Felt, representing Community Action Partnership
Carl Hansen, representing the Food Bank Coalition
Pearl Munak, representing Transitional Food and Shelter

Upon hearing no further comments, Mayor Ferrara closed the public hearing.

Council comments ensued in support of the proposed projects and the recommended allocation of CDBG funding, and the representatives that were present on behalf of their respective organizations were acknowledged and thanked for their service to the community.

Action: Council Member Fellows moved to adopt a Resolution as follows: **“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE APPROVING COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROJECTS FOR YEAR 2010”**. Council Member Costello seconded. The motion passed on the following roll call vote:

AYES: Fellows, Costello, Guthrie, Arnold, Ferrara
NOES: None
ABSENT: None

Mayor Ferrara called for a break at 10:07 p.m. The Council reconvened at 10:15 p.m.

10. CONTINUED BUSINESS ITEMS

None.

11. NEW BUSINESS ITEMS

11.a. Consideration of Potential Changes to Historic Resources Criteria and Related Policies.

Planning Manager Jim Bergman presented the staff report and recommended the Council: 1) Discuss and give direction to staff regarding potential changes to the historic resources criteria; and 2) Reprogram \$30,000 in Redevelopment Agency funds for consultant services to prepare a Historic Resource Survey.

Council questions and comments ensued regarding the City's CEQA Guidelines; whether other cities' guidelines have been challenged; and whether it was premature to conduct a historic resource survey before determining potential changes to the criteria.

Mayor Ferrara invited comments from those in the audience who wished to be heard on the matter.

Greg Nester stated he went through the historic designation process and expressed concern with the process; that there are good ideas; that he is not sure a study is the right thing to do at this time; that the process is very subjective; and that criteria should be analyzed and investigated.

Bill Hart, Historic Resources Committee (HRC) Chair, commented on existing criteria 1 through 8 which was based on the National criteria; supported use of the National Register Criteria, use of the National Register Bulletin, and development of a defined and articulated historical context (matrix); did not support the development of criteria to designate different levels of historic resources; did not support development of a process to allow the relocation of historic resources; requested direction from the Council on how best to integrate review procedures for designated or potential historic resources with the Architectural Review Committee (ARC) and recommended that the Council allow the HRC to review projects within the D-2.4 overlay district and make recommendations to the Council; did not support amending the CEQA guidelines; supported a contract for a historic resource survey; and supported the establishment of a Mills Act Program. He concluded by stating it was important for the HRC to be professional and consistent in its recommendations.

Steve Ross, Garden Street, supported the idea to designate different levels or classes of historic resources; and stated that the physical value of a property needs to be considered as it relates to historic designation and potential relocation.

Hearing no further public comments, Mayor Ferrara closed the public comment period.

Council comments ensued regarding the historic designation process with acknowledgement that it is a very subjective process, even among consultants and experts.

Following individual Council comments regarding the ten recommendations listed in the staff report, City Manager Adams summarized the direction a majority of the Council provided, as follows:

1. Modify the Historic Resources Criteria by adopting the National Register Criteria;
2. Utilize the *National Register Bulletin: How to Apply the National Register Criteria for Evaluation* with a modifying statement related to Arroyo Grande's unique history;
3. Develop a defined and articulated historical context;
4. Do not develop criteria to designate different levels of historic resources;
5. Do not develop a specific process to allow the relocation of historic resources;
6. Establish ARC and HRC review procedures for designated or potential historic resources and allow the HRC to review discretionary projects within the D-2.4 overlay district;
7. Encourage information exchange between HRC and ARC on projects of mutual interest with a visiting committee member not having voting rights;
8. Do not amend the City's CEQA Guidelines;
9. Contract for a Historic Resource Survey once the modified criteria is in place, and reprogram \$30,000 in Redevelopment Agency funds for consultant services to prepare the survey;
10. Establish a Mills Act Program.

It was also recommended that staff review Santa Barbara County's historic resources criteria and designation process further and to provide Council with an analysis and recommendation.

The Council concurred and noted that these items would return to the Council for further consideration at a future date. No formal action was taken.

11.b. Consideration of Critical Needs Action Plan Process and Top City Priorities.

City Manager Adams provided a brief introduction and recommended that the Council continue consideration of the Critical Needs Action Plan at this time; however, he recommended the Council approve the identified preliminary City priorities. City Manager Adams provided additional clarification by defining operational efficiencies.

There was consensus of the Council to continue consideration of the Critical Needs Action Plan Process and to approve the identified City priorities. No formal action was taken.

12. CITY COUNCIL MEMBER REPORTS

Mayor Ferrara requested, and the Council concurred, to postpone City Council reports to the next meeting due to the late hour.

13. CITY MANAGER ITEMS

None.

14. COUNCIL COMMUNICATIONS

Mayor Ferrara noted that at the last meeting Otis Page had asked for a financial review of the City Hall project, and additional information with regard to the State budget as it relates to potential financial impacts on the City. He stated he followed up with Mr. Page who suggested a review committee to include financial and banking representatives from the community to include Mr. Carol Pruet and Mr. Mike McKenzie. Mayor Ferrara stated a review meeting has been scheduled later in the week which would also include an overview by David Mullinax from the League of California Cities Channel Counties Division of the proposed State ballot measure. He requested a member of the Council also be included on the review committee. Council Member Arnold suggested Mayor Pro Tem Jim Guthrie and the Council unanimously concurred.

Council Member Arnold referred to the City's website and noted that the Agenda and staff reports could be accessed, reviewed, and printed from the website. He suggested that staff look into ways to provide a paperless agenda with the use of a digital tablet or something similar to the Council in the future, to reduce the cost of producing a paper packet.

15. STAFF COMMUNICATIONS

None.

16. COMMUNITY COMMENTS AND SUGGESTIONS

None.

17. ADJOURNMENT

Mayor/Chair Ferrara adjourned the meeting at 11:59 p.m.

/s/ Tony Ferrara, Mayor/Chair

ATTEST:

/s/ Kelly Wetmore, City Clerk/Agency Secretary

(Approved at CC Mtg 03/23/2010)