

MINUTES

REGULAR MEETING OF THE CITY COUNCIL/REDEVELOPMENT AGENCY TUESDAY, APRIL 13, 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 7:03 p.m.

2. ROLL CALL

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

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

Jim Bergman, President of the Arroyo Grande Valley Kiwanis Club, led the Flag Salute.

4. INVOCATION

Mayor Ferrara delivered the invocation.

5. SPECIAL PRESENTATIONS

5.a. Honorary Proclamation Declaring April 2010 as “Autism Awareness Month”

Mayor Ferrara presented an Honorary Proclamation recognizing April 2010 as Autism Awareness Month. Gary Nemeth and Shawna Whitfield accepted the Proclamation on behalf of the Central Coast Autism Spectrum Center.

5.b. Honorary Proclamation – Recognizing April 30, 2010 as Arbor Day

Mayor Ferrara presented an Honorary Proclamation recognizing April 30, 2010 as Arbor Day. Recreation and Maintenance Services Director Doug Perrin accepted the Proclamation.

6. AGENDA REVIEW

6.a. Ordinances Read in Title Only.

Council/Board Member Costello moved, Mayor Pro Tem/Vice Chair Guthrie 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.

Mayor Ferrara requested the Council’s concurrence to take Item 12 out of order. The Council concurred.

12. CITY COUNCIL MEMBER ITEMS

Mayor Ferrara read a prepared statement regarding the numerous inquiries from the citizens and the media regarding Council Member Arnold and the impact on the City. Mayor Ferrara requested the Council’s concurrence in placing on the April 27th Agenda consideration of several items: 1) A letter from the Council to Ed Arnold asking that he resign his Council seat immediately; 2) An

outline of the recall process applicable to recalling a Council Member for the benefit of the public; and 3) A process for filling a Council vacancy when the need arises. Mayor Ferrara emphasized that this was not about Council Member Arnold's guilt or innocence, which is a separate process that will run its own course in a court of law. Council concurred with Mayor Ferrara to place this matter on the next Agenda.

7. CITIZENS' INPUT, COMMENTS, AND SUGGESTIONS

Tim Moore, Fair Oaks Avenue, referred to comments made by the Mayor and Council Members at the March 29th meeting; stated he is planning on running for City Council, and the first thing he would do if elected is to have NKT buy back the Farm Credit building; and expressed concern about the negative comments made regarding the building on Station Way.

Ira Hughes, Canyon Way, stated he was saddened by the decision made by the Council regarding the real estate deal with NKT; referred to the many names that were presented opposing the project, yet it was still passed; referred to unfair accusations made about the Station Way buildings; stated that the City knew that NKT had bought the JJ's Market building; and thanked the Arroyo Grande Kiwanis Club, Arroyo Grande High School Robotics Team, and all the volunteers who helped repaint the Bridge Street Bridge.

Patty Welsh, Pradera Court, stated that she had looked at the buildings on Station Way and saw that they were good enough for physicians and pediatricians to occupy the buildings; and thanked Council for the actions they will consider at the next City Council meeting.

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 Mayor Pro Tem/Vice Chair Guthrie seconded the motion to approve Consent Agenda Items 8.a. through 8.j., with the recommended courses of action. The motion passed on the following roll-call vote:

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

8.a. Cash Disbursement Ratification.

Action: Ratified the listing of cash disbursements for the period March 16, 2010 through March 31, 2010.

8.b. Consideration of Agreement for Consultant Services for Audit Services. [RDA/COUNCIL]

Action: Authorized the Mayor/Chair to enter into a three year consultant services agreement with the audit firm of Moss, Levy & Hartzheim, Certified Public Accountants.

8.c. Consideration of Approval of Minutes.

Action: Approved the minutes of the Special City Council Meeting of March 23, 2010 and the Regular City Council/Redevelopment Agency Meeting of March 23, 2010, as submitted.

8.d. Consideration of a Resolution Approving the Tax Sharing Agreement with the County of San Luis Obispo for Annexation of the Pearwood Basin Property.

Action: Adopted Resolution No. 4267 as follows: **"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE ACCEPTING NEGOTIATED**

EXCHANGE OF PROPERTY TAX REVENUE AND ANNUAL TAX INCREMENT BETWEEN THE CITY OF ARROYO GRANDE AND COUNTY OF SAN LUIS OBISPO”.

- 8.e. **Consideration of Second Extension of Agreement for Contractor Services with SP Maintenance Services, Inc.**

Action: Approved a Second Extension of the Agreement with SP Maintenance Services for street sweeping services.

- 8.f. **Consideration to Adopt a Resolution Accepting Easements and Improvements for Parcel Map AG 05-0138 and Planned Unit Development 05-003; Located at 137 Juniper Street.**

Action: Adopted Resolution No. 4268 as follows: **“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE ACCEPTING EASEMENTS AND IMPROVEMENTS FOR PARCEL MAP AG 05-0138 AND PLANNED UNIT DEVELOPMENT 05-003; LOCATED AT 137 JUNIPER STREET”.**

- 8.g. **Consideration to Approve Construction Plans and Specifications and Environmental Determination for the Well No. 10 Phase II Project, PW 2010-02.**

Action: 1) Adopted Resolution No. 4269 as follows: **“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE ADOPTING A MITIGATED NEGATIVE DECLARATION FOR AND APPROVING THE WELL NO. 10, PHASE II PROJECT”;** and 2) Approved Well No. 10 construction plans and specifications.

- 8.h. **Consideration of a Subcommittee to Review the Children In Motion Program.**

Action: 1) Approved formation of a Children In Motion Subcommittee to develop and recommend methods to make the Children In Motion Program financially self sufficient; 2) Appointed City Council Members Costello and Fellows to serve on the Subcommittee; and 3) Authorized the City Manager to complete the formation of the Subcommittee with one Parks and Recreation Commissioner, up to six City staff members, and at least five members at large.

- 8.i. **Consideration of an Agreement for Contractor Services with Lee Wilson Electric for Traffic Signal Maintenance.**

Action: Approved an Agreement for Contractor Services with Lee Wilson Electric for traffic signal maintenance.

- 8.j. **Consideration of Critical Needs Action Plan Process.**

Action: Approved the proposed Critical Needs Action Plan process.

9. PUBLIC HEARINGS

- 9.a. **Consideration of a Resolution Amending the City Master Fee Schedule for the Recreation and Maintenance Services Department’s Pre-School Program, Adult Softball Leagues, Adult Basketball Leagues, and Playground Program.**

Recreation and Maintenance Services Director Perrin presented the staff report and recommended the Council adopt a Resolution amending the City Master Fee Schedule for the Recreation and Maintenance Services Department’s Pre-School Play and Learn Program, Adult Softball Leagues, Adult Basketball Leagues and Playground Programs.

Council questions ensued regarding impacts to participation in the Play and Learn program; the purpose of the Play and Learn program; and whether the proposed increase in rates will negatively impact the Adult Sports Programs. Director Perrin responded that since the last fee increase in

2008, there had been no drop in participation in the Play and Learn program, which is a preparatory program for children prior to entering Kindergarten; and he stated that while there had been a decrease in participation in the adult basketball program, there had been an increase in adult softball teams, and that the proposed fee increases for the adult sports programs would remain in line with what other cities are currently charging.

Mayor Ferrara opened the public hearing, and upon hearing no comments, he closed the public hearing.

Council comments included support for the increase of fees in all the programs; concern about potential impacts to participation; that the playground fees would be in line with the Children in Motion program; that the fee increase for adult sport programs is reasonable; a suggestion that the fees be increased annually based on changes in the consumer price index (CPI); and general support for all parks and recreation programs which are valuable to the community.

Action: Council Member Costello moved to adopt a Resolution as follows: ***“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE AMENDING THE MASTER FEE SCHEDULE FOR THE RECREATION AND MAINTENANCE SERVICES DEPARTMENT PRE-SCHOOL, ADULT SOFTBALL, ADULT BASKETBALL AND PLAYGROUND PROGRAMS”***. Council Member Fellows seconded, and the motion passed on the following roll call vote:

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

9.b. Consideration of Adoption of an Ordinance Approving Development Agreement 09-002; 5 Cities Community Services Foundation.

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

In response to questions from Council regarding the proposed waiver of fees related to construction of the project, City Manager Adams explained that the waiver of fees has been recommended because the project is a joint project between the City and the Foundation, the project would be a public facility, and it would be funded entirely by private donations. With regard to transportation impacts, he explained the current funding plan for the Brisco interchange project which is already accounted for in the City's budget.

Mayor Ferrara opened the public hearing.

Allen Buck, Project Coordinator representing 5 Cities Community Services Foundation, commented on escalating construction costs and spoke in support of the proposed Development Agreement. Ed Peltzman, Larchmont Drive, inquired about who manage the Center and whether the City would have any input; and whether any ground rules would be set now for when the project was built at some point in the future.

City Manager Adams responded that City has the first right of refusal to operate the facility, and that if it turned out not to be financially feasible, the City would still be involved in establishing guidelines for operation of the center.

City Attorney Carmel stated that this would be a long term operating agreement with provisions in place that could not be modified without mutual consent from both parties.

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

Council comments included support for approving the Development Agreement as proposed; acknowledgement of the work done on the project to date; acknowledgement of the Foundation's ongoing fundraising efforts; that waiver of the fees would not affect the City's other capital projects; that development impact fee calculations did not include this project; and acknowledgement that the City is a partner in this project.

Action: Council Member Fellows moved to adopt 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"***. Mayor Pro Tem Guthrie seconded and the motion passed on the following roll call vote:

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

9.c. Extension of Interim Urgency Ordinance Establishing up to an Additional Three Month Moratorium on the Approval of Development Projects.

City Manager Adams presented the staff report and recommended the Council adopt an Interim Urgency Ordinance extending the temporary moratorium on the approval of development projects for up to an additional three months.

Council questions included whether the refurbishments that were done on the sentry wells improved the readings on seawater intrusion. City Manager Adams responded that the last two tests show no intrusion.

Mayor Ferrara opened the public hearing.

Mike McConville, East Branch Street, questioned if the moratorium included the City Hall project or any other projects by NKT Commercial.

City Manager Adams responded that the moratorium does not impact projects in progress prior to adoption of the Interim Urgency Ordinance, nor does it apply to multi-family projects.

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

Council comments ensued in support of extending the temporary moratorium on the approval of development projects for up to an additional three months, and acknowledgment of the City's efforts in meeting the water resource strategies.

Action: Council Member Costello moved to adopt an Interim Urgency Ordinance as follows: "**AN INTERIM URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE EXTENDING A MORATORIUM ON THE APPROVAL OF DEVELOPMENT PROJECTS, AND DECLARING THE URGENCY THEREOF**". Mayor Pro Tem/Vice Chair Guthrie seconded and the motion passed on the following roll call vote:

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

10. CONTINUED BUSINESS ITEMS

None.

11. NEW BUSINESS ITEMS

11.a. Consideration of Agreement with Tierra West Advisors to Prepare a Feasibility Analysis on Redevelopment Project Options at 1221 East Grand Avenue. [RDA/COUNCIL]

City Manager/Executive Director Adams presented the staff report and recommended the Council/Board: 1) Approve an Agreement with Tierra West Advisors to prepare a feasibility analysis on redevelopment project options at 1221 East Grand Avenue; and 2) Identify City revenue generation as a top priority for any proposed redevelopment projects at this site.

Council/Board questions ensued regarding whether Tierra West would look at all options regarding types of uses and feasibility; and if Tierra West would be prepared to present their findings at the end of the 6-8 week process.

Mayor/Chair Ferrara invited comments from those in the audience who wished to be heard on the matter, and upon hearing none, he closed the public comment period.

Council/Board comments ensued regarding support for the feasibility analysis; that the opportunities for redevelopment at this location are good; emphasis that moving forward with the analysis does not bind the Council on any project; that it was appropriate to utilize a third party for the analysis; and reference to the E. Grand Avenue study which resulted in the creation of a Master Plan and corridor for this segment of the City.

Action: Council/Board Member Costello moved to: 1) Approve an Agreement with Tierra West Advisors to prepare a feasibility analysis on redevelopment project options at 1221 East Grand Avenue; and 2) Identify City revenue generation as a top priority for any proposed redevelopment project at this site. Mayor Pro Tem/Vice Chair Guthrie seconded, and the motion passed on the following roll call vote:

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

12. CITY COUNCIL MEMBER ITEMS

None.

13. CITY MANAGER ITEMS

None.

14. COUNCIL COMMUNICATIONS

None.

15. STAFF COMMUNICATIONS

City Manager Adams gave an update on the progress of affordable housing projects in the City.

16. COMMUNITY COMMENTS AND SUGGESTIONS

Jeff Auerbach, Oak Park Community Group, commented on Agenda Item 8.g. and stated the Oak Park Community Group sent a letter on March 9th and wanted to thank the Council for approving one of the suggested conditions for the Well No. 10 project. He requested the City consider the additional condition that was requested that the City would publish, in advance, an annual notification of maximum AFY pumping limits that will not push the Oak Park aquifer into overdraft.

Mayor Ferrara stated that since Council had already taken action on the item, he would request that Community Development Director McClish follow up with Mr. Auerbach on the matter.

17. ADJOURNMENT

Mayor/Chair Ferrara adjourned the meeting at 8:25 p.m.

/s/Tony Ferrara, Mayor/Chair

ATTEST:

/s/Kelly Wetmore, City Clerk/Agency Secretary

(Approved at CC Mtg 4/27/10)