

MINUTES

REGULAR MEETING OF THE CITY COUNCIL/REDEVELOPMENT AGENCY TUESDAY, FEBRUARY 12, 2008 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 7:06 p.m.

2. ROLL CALL

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

City Staff Present: City Manager Steven Adams, City Attorney Tim Carmel, Director of Administrative Services/City Clerk Kelly Wetmore, Director of Financial Services Angela Kraetsch, Director of Public Works Don Spagnolo, Director of Parks, Recreation and Facilities Doug Perrin, Director of Community Development Rob Strong, and Assistant Planner Jim Bergman.

3. FLAG SALUTE

Members of Cub Scout Pack 425, Wolf Group, led the Flag Salute.

4. INVOCATION

Father Joseph Butters, St. Patrick's Catholic Church, delivered the invocation.

5. SPECIAL PRESENTATIONS

None.

6. AGENDA REVIEW

6.a. Ordinances Read in Title Only.

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

9. PUBLIC HEARING

9.b. Consideration of Appeal of the Planning Commission's Approval of Architectural Review Case No. 07-007; Applicants: Bill and Viola Cockshott; Location Southeast Corner of Whiteley and Ide Streets.

Mayor Ferrara referred to a staff memorandum distributed to Council at the beginning of the meeting regarding Public Hearing Item 9.b., which recommended the Council table the item and not accept public testimony. He stated that staff would work with the applicant to resolve issues that had been identified regarding the street side setback and that the item would return to the Council at a future date to be determined.

The item was tabled and there was no formal action taken.

7. CITIZENS' INPUT, COMMENTS, AND SUGGESTIONS

Bob Lund, Village business owner and co-chair of Arroyo Grande In Bloom, spoke about the Arroyo Grande In Bloom program and stated the City would be entering its 2nd year of competition. He announced a community Arroyo Grande In Bloom kick-off meeting on February 28, 2008 at 7:00 p.m. at the South County Regional Center and invited members of the public to attend. He also spoke about the San Luis Obispo County EVC Tourism Study and noted that after studying the proposal and speaking with other business owners, the consensus of the Village Improvement Association Board was to support the Study. He stated if the City contributes funds toward the study, the Village Improvement Association would also support the study financially.

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.

Mayor/Chair Ferrara requested that Item 8.h. be pulled for discussion.

Action: Council/Board Member Costello moved, and Council/Board Member Guthrie seconded the motion to approve Consent Agenda Items 8.a. through 8.i., with the exception of Item 8.h., with the recommended courses of action. The motion passed on the following roll-call vote:

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

8.a. Cash Disbursement Ratification.

Action: Ratified the listing of cash disbursements for the period January 16, 2008 through January 31, 2008.

8.b. Consideration of Annual Adjustment of Sewer Connection Fees Based on Changes in the Engineering News Record Construction Cost Index.

Action: Adopted Resolution No. 4067 as follows: "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE ADJUSTING SEWER CONNECTION FEES BY THE CHANGE IN THE ENGINEERING NEWS RECORD CONSTRUCTION COST INDEX**".

8.c. Consideration of Annual Adjustment of Development Impact Fees.

Action: Adopted Resolution No. 4068 as follows: "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE ADJUSTING DEVELOPMENT IMPACT FEES BY THE CHANGE IN THE ENGINEERING NEWS RECORD CONSTRUCTION COST INDEX**".

8.d. Consideration of Acceptance of the Comprehensive Annual Financial Report (CAFR).

Action: Received and filed the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2007.

8.e. Consideration of Resolution Establishing Management Merit Pay Program.

Action: Adopted Resolution No. 4072 as follows: "**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE ESTABLISHING A MANAGEMENT MERIT PAY PROGRAM**".

- 8.f. **Consideration of Settlement Agreement and Release Between the City of Arroyo Grande and the Central Coast Regional Water Quality Control Board.**
Action: 1) Approved and authorized the City Manager to execute the Settlement Agreement and Release; 2) Appropriated \$4,500 from the Sewer Fund for the Water Board penalty; 3) Established a Capital Improvement Project (CIP) account for the City Hall Parking Lot Bioswale and Drainage Filtration Project and transfer \$56,000 from Local Sales Tax creek and drainage improvement funding to this project; 4) Established a CIP account for the Tally Ho/Corbett Canyon Creek Headcut Project and transfer \$13,000 from Local Sales Tax creek and drainage improvement funding to this project; and 5) Established a CIP account for the Tally Ho/Corbett Canyon Creek Confluence Restoration/Sedimentation Reduction Project and transfer \$6,000 from Local Sales Tax creek and drainage improvement funding to this project.
- 8.g. **Consideration to Approve Construction Plans and Specifications for the East Branch Street Sewer Lining Project, PW 2008-01.**
Action: 1) Approved the plans and specifications for the East Branch Street Sewer Lining Project, PW 2008-01; 2) Found that the project is categorically exempt from CEQA pursuant to Section 15301(b); and 3) Directed the City Clerk to file a Notice of Exemption.
- 8.i. **Consideration of Fee Waiver Request from Arroyo Grande Valley Babe Ruth Baseball.**
Action: Approved an additional \$250 waiver of fees for Arroyo Grande Valley Babe Ruth Baseball.
- 8.j. **Consideration of Adoption of a Resolution Authorizing Application for Proposition 12 Tree Planting Grant Program Funds.**
Action: Adopted Resolution No. 4069 as follows: ***“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE AUTHORIZING AN APPLICATION FOR FUNDING FROM THE URBAN FORESTRY GRANT PROGRAM ENTITLED, “GREEN TREES FOR THE GOLDEN STATE”, AS PROVIDED THROUGH PROPOSITION 12”.***
- 8.k. **Consideration to Approve Final Tract Map 2792; Subdividing 5.5 Acres into Thirty (3) Residential Parcels, One (1) Open Space Parcel, and Four (4) Medical Office Parcels and to Approve a Sewer Easement Agreement.**
Action: 1) Approved Final Tract Map 2792, subdividing 5.5 acres into thirty (30) residential parcels, one (1) open space parcel, and four (4) medical office parcels; and 2) Adopted Resolution No. 4070 as follows: ***“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE APPROVING AN EASEMENT AGREEMENT FOR SANITARY SEWER PURPOSES WITH GARY YOUNG AND BRETT WHITAKER FOR TRACT 2792”.***
- 8.l. **Consideration of Employment Benefit Settlement Agreements.**
Action: Approved Employment Benefit Settlement Agreements with Craig Hendricks and James Stephen Andrews.
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- 8.h. **Consideration of San Luis Obispo County Economic Vitality Corporation (EVC) Tourism Analysis. [COUNCIL/RDA]**
Recommended Action: 1) Approve participation in the San Luis Obispo County Economic Vitality Corporation (EVC) Tourism Analysis; and 2) Appropriate \$5,500 in the Redevelopment Agency Fund for the cost of the study.

Mayor/Chair Ferrara requested further input regarding the Tourism Study's ("Study") proposed scope of work from Mike Manchak, EVC President, and Council Member Arnold, the City's representative on the EVC Board.

Mike Manchak, EVC President, gave a brief overview of the purpose of the Economic Vitality Corporation and stated it is looking more closely at the tourism industry, which is the largest industry in the County. He explained the purpose of doing a Countywide Study, and then providing an opportunity for each of the cities, at a large discount, to obtain its own individual Study. He reviewed the scope of the work and how the recommended consultant was chosen.

Council/Board Member Arnold clarified the proposed funding for the Study and that the cost for the City's individual study had been reduced to \$6,000 due to the number of hotels in the City. He explained that the City, the Village Improvement Association, and other businesses in the City would share the cost for the City's Study. He noted that almost every City in the County is participating in the Study and he supported the City's participation.

In response to concerns expressed by Mayor/Chair Ferrara concerning the costs, Mr. Manchak explained each city's contributions toward the Countywide Study. He noted that some of the cities have expressed further interest in a specific study for their community. He stated the numbers in the report reflect the costs for the Countywide Study. He indicated that costs to be shared by participating businesses were not reflected in the staff report. He further explained the data that would be used by the consultants.

Following brief discussion, Mayor/Chair Ferrara expressed concern about the project methodology and scope of work and stated he would want it to build on what the City already has and not reinvent the wheel. He referred to the City's General Plan Economic Development Element, which includes a section on tourism. He spoke about the amount of participation and work that had gone into the preparation of the City's Economic Development Element, and that strategic goals for tourism have been identified. He concluded by stating he could not support funding the Study to start from scratch; however, he could support the Study if the consultant's scope of work included coming to the City to talk directly to businesses and to focus on what strategies the City already has in place.

Mayor/Chair Ferrara moved to approve participation in the SLOCEVC Tourism Analysis; and appropriate \$5,500 in the Redevelopment Agency Fund for the cost of the study. Council/Board Member Arnold seconded, and the motion passed on the following roll-call vote:

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

9. PUBLIC HEARING

9.a. Consideration of Adoption of a Resolution Approving Community Development Block Grant (CDBG) Projects for Program Year 2008.

Assistant Planner Bergman presented the staff report and recommended the Council adopt a Resolution approving CDBG projects for Year 2008.

Mayor Ferrara opened the public hearing. The following members of the public addressed the Council, expressing thanks for consideration of their funding requests and briefly speaking about their respective organizations and programs:

Anna Boyd-Bucy, representing Big Brothers/Big Sisters
Mary Lou Sivna, representing EOC, Maxine Lewis Memorial Shelter
Rae Fleming, representing EOC Health Services
Linda McGregor, representing SLO Hotline
Karen Gould and Paula Dayman, representing Assistance League of SLO County
Bernadette Bernardi, representing Literacy Council, expressed appreciation for allocation of funding in past years and expressed concern about the decrease in the amount of funding recommended this year; questioned the funding criteria; and requested reconsideration of the amount allocated to the Literacy Council.

No further public comments were received and Mayor Ferrara closed the public hearing.

Council comments included acknowledgment of the reduced amount of funding available this year; support for the established criteria for prioritizing funds for basic needs such as food, shelter, and clothing; acknowledgement that all organizations have legitimate needs for funding; support for use of the funds for local programs; clarification that the funding allocation percentages are set by Federal law; and whether or not the City could add funds from the General Fund to supplement the CDBG program next year. City Manager Adams responded that he supported the concept for supplementing the CDBG program and spoke briefly about the City's current budget status. Following brief discussion, the Council concurred with Mayor Pro Tem Fellow's suggestion to look at whether the City could supplement the CDBG funding program during the next CDBG program cycle.

Action: Council Member Arnold 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 2008**". Council Member Costello seconded, and the motion passed on the following roll-call vote:

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

Action: Mayor Ferrara moved to authorize the City Manager to make minor modifications to approved recommended funding amounts consistent with Council direction, if deemed to be necessary. Council Member Costello seconded, and the motion passed on the following roll-call vote:

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

10. CONTINUED BUSINESS ITEM

10.a. Consideration and Presentation of E. Branch Streetscape Enhancement Project.

Community Development Director Strong presented the staff report and recommended the Council:
1) Approve the proposed E. Branch Streetscape Enhancement Project conceptual design, including proposed safety crosswalks, bulbouts, storm drains, street trees and irrigation system, street furniture, sidewalk widening, and drainage improvements; 2) Authorize an increase in the

topographic survey contract with RRM from \$13,640 to \$23,500; 3) Reauthorize purchase of 10 metal strap benches, 18 trash receptacles and recycle containers and 14 planters at a cost not to exceed \$37,150 to be installed by City; 4) Authorize an agreement with Schwartz Construction for a sample "streetprint" stamped asphalt crosswalk on Nevada Street at E. Branch Street at estimated cost of \$2000; and 5) Amend the project budget to \$1,261,000 and appropriate an increase of \$275,000 from San Luis Obispo Council of Governments (SLOCOG) Transportation Enhancement (TE) Grant, an increase of \$80,000 from Local Sales Tax revenue, \$25,000 from Caltrans funds projected from the proposed relinquishment agreement, \$3,000 from the California Department of Forestry (CDF) Urban Forestry Grant, and \$70,000 from Redevelopment Tax Increment Funds. Director Strong introduced Chris Manning, the project architect from RRM Design Group.

Chris Manning, RRM Design, gave a presentation on the components of the E. Branch Streetscape Enhancement Project, which included a review of the existing conditions on E. Branch Street; proposed drainage improvements at Bridge and Nevada Streets; proposed bulbout and sidewalk extensions; crosswalk treatments (stamped asphalt); tree planting plan; site furnishings; transit bike and bus stop locations and improvements; and a proposed Centennial Plaza.

Council and staff discussion ensued regarding the locations of the proposed sidewalk extensions; the potential for an outside eating area in the proposed Centennial Plaza; acknowledgment that the Centennial Plaza is only conceptual in nature at this time; increasing the number of recycling receptacles; evaluation of various tree types; whether members of the Village Improvement Association or staff were involved in the tree selection; concern that the proposed "butterscotch" color for the crosswalks is too light; clarification concerning the parking spaces near the bus stop; whether or not a donation program could be implemented for the street furniture in order to raise funds; acknowledgement of the increased cost for the entire project; and how dependable the proposed funding sources are. City Manager Adams noted that the only change to the proposed funding sources is a change in the amount of the SLOCOG grant from \$300,000 to \$275,000. He stated he believed that portions of the design of the Plan could be modified to make up the \$25,000 difference. Director Strong also stated that some components of the Plan would be bid options; therefore, there was some flexibility as it relates to funding.

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

Bob Lund, Village Improvement Association (VIA), spoke in support of the street enhancement plan for the Village. He requested that the street furniture be in place before the Annual Strawberry Festival. He noted that members of the VIA did not participate in the tree selection; however, they have been apprised and they have invited the Tree Guild and City staff to present the Plan at their meeting to answer any questions from Village merchants.

Ira Hughes, Ira's Bike Shop, expressed concerns about the proposed project, including trees planted in the ground and the potential for root damage to sidewalks and Village businesses that have basements; loss of parking and drainage problems due to the proposed bulbouts; trees would block business signs; opposition to blocking off Short Street, which would impact traffic circulation within the Village; and that the proposed Centennial Plaza should be moved to the Village Green.

Steve Ross, Garden Street, stated he did not think there would be a loss of parking with the proposed bulbouts, and expressed concern about the proposed trees as it relates to leaves and/or fruit dropping off the trees onto the sidewalks. He also stated he did not believe it would be less

expensive to excavate into the ground to plant the trees than it would be to put a planter box on the sidewalk.

Kristen Barneich, representing Arroyo Grande Tree Guild, acknowledged that the Village Improvement Association was not at the meeting concerning the tree selection; and stated that when narrowing down the tree species, they were mindful about the business owners as far as the litter and signage. She stated she would be happy to meet with the VIA to discuss why the proposed trees were chosen.

Chris Manning, RRM Design, addressed the proposed reconfiguration of parking, which would occur for only six or seven spaces; that existing parking spaces would remain; and explained the long term benefits for planting the trees in-ground versus planting trees in pots.

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

Further Council discussion ensued concerning the proposed trees and the proposed bulbouts.

Council Member Guthrie provided the following comments:

- Has reviewed the project a number of times; acknowledged the cost keeps growing, and expressed concern about the cost of the trees;
- Is in favor of the project; will make the Village more pedestrian-oriented;
- Stated the plan may or may not change circulation element; however, he did not think it would reduce the ability to get traffic through the Village;
- Supports trees planted in the ground if done properly; need to do what it takes to have a healthy, substantial tree in the Village;
- Was struck by the escalation in cost for the project;
- Acknowledged that a specific plan for a Centennial Plaza would be considered at later date;
- Supported staff's recommendations as proposed.

Council Member Arnold provided the following comments:

- Acknowledged long term survival of trees if planted in the ground versus placed in pots;
- Believed the project improvements would drive additional business to the Village;
- Supported installation of street furniture prior to Strawberry Festival, if possible;
- Liked concept of Centennial Plaza; will review in more detail at later date;
- Supports staff's recommendations as proposed.

Council Member Costello provided the following comments:

- Supports moving forward; however, City needs to be mindful of any potential damage to the basements in the Village due to the trees being planted in the ground;
- Liked concept of Centennial Plaza; will review in more detail at later date; would like to see additional restaurants in the Village;
- Believed there would be a minimal impact on existing parking;
- Supports the Plan as proposed.

Mayor Pro Tem Fellows provided the following comments:

- Supports concept of Centennial Plaza;
- Stated that existing businesses make the Village charming and full of character;
- Supports the project for many reasons, including that it will provide a more pleasant shopping

atmosphere for residents and visitors; it will increase business; it will be a traffic calming measure; it will increase pedestrian safety; lighted crosswalks will be a benefit; there will be less pollution in the creek; it will provide a new drainage system/swale; and there are many benefits associated with additional trees;

- Opposed to eliminating any parking;
- Opposed to medians;
- Not an advocate of donated tiles/bricks;
- Opposed to diagonal parking;
- Concerned about potential disadvantages related to the conceptual Centennial Plaza, including traffic flow and circulation;
- Opposed to elimination of optional irrigation system;
- Supported bulbouts for use as traffic calming measure;
- Supports the Plan as proposed.

Mayor Ferrara provided the following comments:

- Clarified issues relating to the SLOCOG TE grant funding;
- Supported pedestrian friendly streetscape plan for Village; referred to one-page advertisement in the Auto Club's Westways magazine which focused on a "day trip" to the Village of Arroyo Grande as a walking destination with non-franchised eateries;
- He stated that people should be encouraged to park away from E. Branch Street and to encourage walking in and around the Village;
- Acknowledged there are a lot of questions and issues to consider and address with regard to a Centennial Plaza; would like to showcase area by providing more pedestrian opportunities; acknowledged comments regarding traffic circulation around Olohan Alley and Short Street;
- Believed that root barriers in tree wells are substantial to avoid roots encroaching into infrastructure;
- Wants to maintain sufficient traffic flow through the Village;
- Supports the Plan as proposed.

Action: Council Member Arnold moved to: 1) Approve the proposed E. Branch Streetscape Enhancement Project conceptual design, including proposed safety crosswalks, bulbouts, storm drains, street trees and irrigation system, street furniture, sidewalk widening, and drainage improvements; 2) Authorize an increase in the topographic survey contract with RRM from \$13,640 to \$23,500; 3) Reauthorize purchase of 10 metal strap benches, 18 trash receptacles and recycle containers and 14 planters at a cost not to exceed \$37,150 to be installed by City; 4) Authorize an agreement with Schwartz Construction for a sample "streetprint" stamped asphalt crosswalk on Nevada Street at E. Branch Street at estimated cost of \$2,000; and 5) Amend the project budget to \$1,261,000 and appropriate an increase of \$275,000 from San Luis Obispo Council of Governments (SLOCOG) Transportation Enhancement (TE) Grant, an increase of \$80,000 from Local Sales Tax revenue, \$25,000 from Caltrans funds projected from the proposed relinquishment agreement, \$3,000 from the California Department of Forestry (CDF) Urban Forestry Grant, and \$70,000 from Redevelopment Tax Increment Funds. Council Member Guthrie seconded, and the motion passed on the following roll-call vote:

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

11. NEW BUSINESS ITEMS

None

12. CITY COUNCIL MEMBER ITEMS

None.

13. CITY MANAGER ITEMS

None.

14. COUNCIL COMMUNICATIONS

Mayor Ferrara referred to the recent SLOCOG meeting at which the Board looked at STIP funding for the 2008 cycle. He referred to the Brisco/Halcyon Interchange Improvement project and noted the City did not have an approved Caltrans project; therefore, the project did not compete for funding. He proposed that the Council appoint a subcommittee of staff, himself, and Council Member Arnold to work with Caltrans on issues pertaining to this project. The Council concurred with the proposal and staff was directed to place the matter on a future agenda.

15. STAFF COMMUNICATIONS

None.

16. COMMUNITY COMMENTS AND SUGGESTIONS

Steve Ross, Garden Street, referred to the trash and recycling receptacles in the E. Branch Streetscape Plan, noted that they have an open top, and expressed concern about what would happen in the rainy season. He suggested the City consider receptacles that have a top shield so they don't fill up with water. He further referred to the recent rains and expressed concern about flooding and erosion in the area near Newsom Springs Road.

Mayor Ferrara requested that Public Works Director Spagnolo follow up with Mr. Ross on the matter he discussed.

17. ADJOURNMENT

Mayor/Chair Ferrara adjourned the meeting at 10:10 p.m.

/s/ Tony Ferrara, Mayor/Chair

ATTEST:

/s/ Kelly Wetmore, City Clerk/Agency Secretary

(Approved at CC Mtg 3/11/2008)