

# MINUTES

## Joint Meeting of the Scotts Valley City Council and Redevelopment Agency Board of Directors

**Date: January 20, 2010**

**POSTING:**

The agenda was posted on 1-15-10 at City Hall, the SV Senior Center, and the SV Library by the City Clerk.

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**CALL TO ORDER** 6:01 p.m.

**PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE**

**ROLL CALL**

Present:

Mayor Reed  
Vice Mayor Bustichi  
Council Member Aguilar  
Council Member Lind

City Manager Ando  
City Attorney Powell  
Public Wks Director Anderson  
Police Chief Weiss  
Interim Community Dev Dir Westman  
Senior Planner Bateman  
City Clerk Ferrara

Absent:

Council Member Johnson

**SPECIAL SET MATTER** Mayor Reed presented a Mayor's Proclamation to the American Red Cross for National Blood Donor Month - January 2010. Patti Childress, American Red Cross, accepted the proclamation and thanked the Mayor and the City.

**COMMITTEE REPORTS** VM Bustichi reported that the Santa Cruz Metropolitan Transit District (SCMTD) met and discussed the Governor's budget, which will have a negative impact on transportation and local government. He reported that the SCMTD move has been completed, which is saving hundreds of thousands of dollars a year in lease payments that can now go into the general fund. VM Bustichi stated that he is concerned about the direction of the SCMTD Board. He feels that it has always been a non-political Board and he is starting to see some changes. He stated that the Santa Cruz County Regional Transportation Commission (SCRTC) has three representatives from the SCMTD, and the Santa Cruz County Board of Supervisors has chosen to take an at-large person, who was on the SCMTD Board, remove that person, and appoint someone from the Board of Supervisors. He is concerned that the Board of Supervisors is looking to change the make-up of the SCRTC in order to change the SCRTC position of support for widening Highway 1 to opposing the widening of Highway 1.

CM Lind reported that LAFCO met to review the draft EIR report for the City of Santa Cruz sphere of influence amendment and provision for extra-territorial water and sewer services to the UCSC north campus expansion and receive public input. She reported that LAFCO is also working on the appointment of a committee to work on revisions of LAFCO's water policies.

CM Lind reported that the Seniors Council met and discussed impacts to their budget from the State. She stated that they received information that the Governor's budget plans to cut complete funding for adult day-care centers, in addition to other cuts affecting several programs and services. She stated that Assembly Member Monning and several people from Santa Cruz County are headed to Sacramento to express their concerns and fight the proposed cuts.

CM Lind reported that she attended a meeting with the California Tourism Business Improvement District (BID) regarding a district where the hotels and motels are talking about a self-tax to create this district and increase marketing and advertising to try to help with the economic downturn and how that has affected the hotels and motels in Santa Cruz County Conference and Visitors Council .

CM Aguilar reported that the Association of Monterey Bay Area Governments (AMBAG) met and one of the key presentations given had to do with the blueprint planning, specifically to adhere to SB 375, green house gas reductions in the region, integrating transportation, housing, and jobs within the Monterey, San Cruz, and San Benito areas. She stated that the presentation was given to evaluate the current trends regarding the distribution of population, employment, housing, and to develop a preferred growth scenario for the region, and use those preferred growth scenarios as a basis for SB 375 and a sustainable communities strategy.

CM Aguilar reported that the League of California Cities is putting forward an initiative (a constitutional amendment) that is called the Taxpayer, Public Safety, and Transportation Act of 2010. She stated that the initiative is being proposed to keep the state from taking city, county, and special district funds. She stated that more information regarding this initiative is available on the League of California Cities website ([www.cacities.org](http://www.cacities.org)).

VM Reed reported that the City Selection Committee met and discussed a number of items: reappointment of the Capitola Mayor Sam Storey to the Monterey Bay Area Unified Air Pollution Control District; report on a revenue measure being considered by the City of Santa Cruz to fund environmental clean-ups; report on a possible county-wide tourism/business improvement district that would only apply to hotels and motels in Santa Cruz; census outreach and promotion; and eliminating plastic bags in the County.

**PUBLIC COMMENT**

Frank Kertaj, SV resident and President of the Heritage Parks Homeowners Association, read the attached letter (Attachment A).

Chris Miller, recommended that the City Council look at purchasing the AVIZA property, which is available for \$7 million, and has a lot of acreage. He feels it should be purchased for the library (instead of the roller rink) and possibly the Middle School. He also recommended working with UCSC, Cabrillo, or Bethany to use this property/facility.

Richard Smith, commercial building owner on Scotts Valley Drive, expressed concerns that he is receiving a 28% increase on his Green Waste bill under the new contract, which he feels is excessive. He also expressed concerns about Green Waste's recycling practices.

CM Lind stated that the Fallen Officer Foundation Ball is being held this Saturday, February 6 at the Coconut Grove. She stated that additional information regarding the Ball, contributions, and the Foundation is available online at [www.fallenofficerfoundation.com](http://www.fallenofficerfoundation.com).

Mayor Reed responded to comments made by Frank Kertai regarding the foreclosure process for the Gateway South retail property. He stated that once the partial payment was received the City had to stop foreclosure proceedings. He also responded to comments regarding the funds being used for the library. He stated that it is a \$7 million project: the City paid \$4.5 million for the building (\$3 million of the building going toward the library and the other \$1.5 million of the building that the Council is looking at making available for retail use); approximately \$3 million will be used for improvements to the building and equipping the library. He stated that Scotts Valley made a commitment to build a Tier II library, and Redevelopment Agency money has been set-aside that can only be used for the library, along with developer impact fees that can only be used for the library. He stated that if the monies are not used for the library, they go away. In addition, if the library is not open by next year, we are obligated to pay rent that we are currently not paying on the existing Scotts Valley facility. He stated that no General Fund money is being used for the library.

**ALTERATIONS TO  
CONSENT AGENDA**

***M/S: Aguilar/Lind***

***To approve the Consent Agenda with amendment to Item D clarifying language.***

***Carried 4/0/1 (ABSENT: Johnson)***

**Consent Agenda:**

- A. Approve Joint City Council/RDA meeting minutes of 12-16-09
- B. Approve check register – 12-22-09, 12-15-09, 1-13-10
- C. Approve second reading and approval of Ordinance No. 12.6 amending Section 2.28.280 of Chapter 2.28 of Title 2 of the Scotts Valley Municipal Code
- D. Approve Resolution No. 1835.1 authorizing the City of Scotts Valley to apply for funding under the Energy Efficiency and Conservation Block Grant (EECBG) Program

**ALTERATIONS TO  
REGULAR AGENDA**

***M/S: Aguilar/Lind  
To approve the Regular Agenda.  
Carried 4/0/1 (ABSENT: Johnson)***

**REGULAR AGENDA**

**1. Appointments to interjurisdictional, standing local, and project specific committees**

Mayor Reed made the following changes in appointments to interjurisdictional, standing local, and project specific committees:

**Interjurisdictional Committees:**

Criminal Justice Council	(Bustichi/Johnson)
Transportation Commission	(Johnson/Lind)
Metro Transit District Board	(Bustichi)
County Integrated Waste Mgmt Local Task Force	(Lind/Hamby)
City/School District Joint Committee	(Reed/Johnson)
AMBAG	(Aguilar/Lind)
LAFCO	(Lind)
City Selection Committee	(Mayor)
League of California Cities Delegate Program	(Aguilar)
Hazardous Materials Advisory Commission	(Scott Hamby)
Cultural Council	(Lind)
Seniors Advisory Council	(Lind)
Santa Margarita Ground Water Basin Advisory Committee	(Lind/Aguilar)
Library Financing Authority/Joint Powers Boards	(Reed/Johnson)

**Standing Local Committees:**

Traffic Safety Committee	(Lind/Aguilar)
Economic Development	(Johnson/Bustichi)
Affordable Housing	(Aguilar/Bustichi)
Water Subcommittee	(Lind/Reed)
Budget Subcommittee	(Mayor/ViceMayor)
Green Building Permit Process Subcommittee	(Lind/Reed)
Sign Subcommittee	(Bustichi Lind/Aguilar)
Glenwood Trails Subcommittee	(Aguilar/Reed)
ADA Accessibility Committee	(Bustichi)

**Project Specific Committees:**

Skypark Subcommittee	(Johnson/Bustichi)
Gateway South Commercial	(Reed/Johnson)
Library Construction Subcommittee	(Johnson Bustichi/Reed)

***M/S: Aguilar/Bustichi  
To approve Mayor Reed's appointments.  
Carried 4/0/1 (ABSENT: Johnson)***

**2. Consideration of the use of state and federal monies for ADA projects**

PWD Anderson presented the written staff report and responded to questions from Council.

Ellen Buckingham stated that she would like to see the Vineyard ADA ramp improved.

CM Aguilar stated that the ADA Subcommittee recommended this ramp be constructed and she feels it is imperative that this be approved because in her opinion it serves a large part of the community.

VM Bustichi stated that he is concerned about spending all of the money at one housing development.

Mayor Reed stated that the grant money can be used for a number of items and he feels it needs to be reviewed by the ADA Subcommittee and prioritized.

***M/S: Bustichi/Reed***

***To postpone a decision on the use of state and federal monies until alternate locations and deficiencies throughout the City can be reviewed and prioritized by the ADA Subcommittee.***

***Carried 3/1/1 (NOES: Aguilar/ABSENT: Johnson)***

**PUBLIC HEARINGS**

**3. Consideration of Planning Commission recommendation of approval to the City Council for the rezoning (R-1-40 single-family residential) and annexation of a 1.2 acre vacant parcel into the City of Scotts Valley, ZC09-001 and A09-001 // 190 Old Coach Road // APN 056-102-01**

VM Bustichi recused himself as he lives within 500 feet of this property.

SP Bateman presented the written staff report and responded to questions from Council.

Pat McCormick, LAFCO, stated that this is the middle of the annexation process and responded to questions from Council.

**PUBLIC HEARING OPENED - 7:06 PM**

No one came forward.

**PUBLIC HEARING CLOSED - 7:06 PM**

***M/S: Lind/Aguilar***

***To introduce for first reading Ordinance No. 16-ZC-218 approving Pre-Zone No. PRE-ZC09002 to pre-zone 190 Old Coach Road (APN 056-102-01) Residential Estate (R-1-40), and waive the reading thereof.  
Carried 3/0/2 (ABSENT: Johnson/Bustichi)***

***M/S: Aguilar/Lind***

***To approve Resolution No. 1839 approving the Annexation (A09-001) of 190 Old Coach Road into the City of Scotts Valley // APN 056-102-01.  
Carried 3/0/2 (ABSENT: Johnson/Bustichi)***

**REGULAR AGENDA**

(Resumed)

4. **Consider the acquisition of the property located at 260 Mt. Hermon Road, APN 022-231-03, authorize the Chair of the Redevelopment Agency to execute the purchase agreement, and authorize the Executive Director of the Redevelopment Agency to execute any documents necessary to facilitate the acquisition**

CA Powell presented the written staff report and responded to questions from Council.

Chris Miller, questioned the time of the appraisal being from May 2008 and feels that it may warrant reappraisal based on current economic conditions.

CA Powell stated that this appraisal was updated approximately nine months ago.

***M/S: Aguilar/Reed***

***To approve the acquisition of the property located at 260 Mt. Hermon Road, APN 022-231-03, authorize the Chair of the Redevelopment Agency to execute the purchase agreement, and authorize the Executive Director of the Redevelopment Agency to execute any documents necessary to facilitate the acquisition.  
Carried 4/0/1 (ABSENT: Johnson)***

5. **Discussion: Resource Management Report**

CM Ando presented the written staff report and responded to questions from Council.

CM Aguilar stated that she doesn't mind reducing the scope of the report, however, she would like information on market rate, affordable housing types and sales prices for the year. She stated that she wants to be sure that the City does not lose focus on the status of the community.

ICDD Westman responded that as part of the blueprint planning process the City will be generating a lot of that information, especially the jobs housing balance issues. She also stated that she feels the City can come up with a more user friendly format.

VM Bustichi questioned if there are funds available from affordable housing or the redevelopment agency that could be used to hire someone part-time to prepare some of the necessary information. He stated that he would not like to see this go away completely as he would like to see all of this information in one place at one time, and updated possibly every five to seven years.

ICDD Westman stated that she will check into the use of affordable housing or redevelopment agency funds. She stated that the current format is difficult to keep up to date. She stated that if it is on a five year schedule, by the time the information is available, it is already out of date. She recommended giving staff the ability to be creative with trying to come up with a way of re-using the current information that is available from environmental impact reports, and figure out a way to package the information and put it into a form that easier for people to understand and use. She stated that with the department being reduced from nine to four people it is difficult to keep this report up to date.

CM Aguilar stated that she would like to provide input on fine tuning this report.

ICDD Westman stated that she welcomed input and ideas. She stated that one possibility could be to do different items annually.

Council directed staff to look at the resource management report and modify it into a more easily compiled report.

**6. Future Council/RDA agenda items**

None.

**ADJOURNMENT**

The meeting adjourned at 7:45 p.m.

Approved: \_\_\_\_\_  
Jim Reed, Mayor / Chair

Attest: \_\_\_\_\_  
Tracy A. Ferrara, City Clerk / Secretary

## 20100120 City Council Meeting Kertai Comments

Good Evening. My name is Frank Kertai. I am a resident of Scotts Valley and President of the Heritage Parks Association.

Mayor Jim Reed's initial remarks during his inauguration as Mayor included comments lauding the transparency of Randy Johnson during his two year tenure as Mayor. Council Member Johnson's recent commentary in our local paper included the following statement regarding good faith government:

"I feel good that the city has upheld its reputation for transparent government, inclusiveness and conduct that's consistent with the best of our town. **We try to be accountable for everything we do.**"

**Mr. Johnson, you need to try harder.** I encourage this city council to match its' actions with its' words. Unfortunately, the majority on this city council has made a habit of taking less than transparent actions. I have watched these actions over the course of the last few years with both disbelief and dismay. I have spoken out about this lack of transparency both at city council meetings and letters to the editor of the local newspaper. These public objections have not slowed the non-transparent activity. With the arrival of this New Year, this council's actions bear continued scrutiny.

The property owner of the Gateway South Retail project has been given opportunity after opportunity and every advantage with their proposed retail project at Gateway South. They seek approval of this project with a 90 percent variance to plan and are asking the city to ignore its' long-standing responsible hillside development policy. Despite owing the city hundreds of thousands of dollars in back taxes, the City Council approved a year extension on an approved office building at this site. The City Council also accepted partial payment from the property owner, pulling the property out of foreclosure proceedings – something the county, as a general rule, does not do. To Mayors Reed and Johnson, it seems, some are more equal than others.

The Town Center project has also been another locus of non-transparent activity. First the city council put itself in a bidding situation for an undeveloped parcel, paying tens of thousands of dollars more than needed to make the purchase. A year later, in the midst of one of the most severe real estate recessions in decades, the city paid the same price per square foot for another property – **without any appraisal whatsoever!** Developed property values in our area were 20% to 40% lower than a year earlier. Undeveloped commercial property was off in value by even more. We are talking about millions of dollars of expenditures. To put things in perspective, if the city council had paid just 25% less, the savings would have been in excess of \$700,000 – more than enough to pay for the management of the remodel of the planned Scotts Valley Library.

The new Scotts Valley Library is another prime example of non-transparency. Reports of the cost of this library have ranged all over the map. Ultimately, the cost of this new library, touted by both the old and new mayor will be between two and three times the annual city operating budget of approximately \$7 million. The final cost will likely be in excess of \$1,400 for every man, woman and child in Scotts Valley. Should not the

mayors have sought out a two-thirds electorate approval for this level of expenditure?  
Where is the transparency with this project the Mayors touts so loudly?

Transparency in government took another hit at the December 16<sup>th</sup> 2009 Scotts Valley City Council meeting. In one of his first acts as Mayor, Jim Reed presided over the approval of an amendment to the municipal code which had required that the minutes of the last preceding City Council meeting are to be provided to each council member **“at least two days prior to each regular meeting”**. The revised ordinance eliminates this requirement. The original ordinance had been in place for forty-four years, since the city was established in 1966. With the bang of his gavel, Scotts Valley Mayor Jim Reed eliminated a requirement and standard that had stood the test time and worked for more than two generations of city council members.

We had hoped that with a new year, our requests for more transparency in government would be heeded. I encourage more public input with regards to local government actions.

I close with a quote from the early American patriot Thomas Paine:

**“Those who expect to reap the blessings of freedom must undergo the fatigue of supporting it.” - Thomas Paine, [1737-1809]**

Respectfully,

Frank Z. Kertai