

# MINUTES

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

**Date: February 2, 2005**

**POSTING:**

The agenda was posted on 1-28-05  
at City Hall by the City Clerk.

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**CALL TO ORDER**                      6:00 p.m.

**PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE**

**ROLL CALL**

Present:

Mayor Marigonda  
Vice Mayor Aguilar  
Council Member Barrett  
Council Member Bustichi  
Council Member Johnson

City Manager Comstock  
City Attorney Powell  
Police Captain Bidleman  
Public Wks Director Anderson  
Community Dev Director Kuhn  
Finance Director Ando  
Recreation Division Manager Sudduth  
City Clerk Ferrara

**SPECIAL SET MATTER**                      Mayor Marigonda presented a Mayor's Proclamation to the entire Scotts Valley Wastewater Treatment Plant staff, Scott Hamby, Paul Rieth, Robert Huber, Mark Cattera, Tony Alvarez, Ted Domingos, and Art Soto, in recognition of the Scotts Valley Wastewater Treatment Plant being acknowledged as the Plant of the Year in the State of California for 2003.

**COMMITTEE REPORTS**                      VM Aguilar reported that the affordable housing subcommittee met to discuss the formulas for affordable housing and affordable housing money for silent seconds.

CM Bustichi reported that the Santa Cruz Metropolitan Transit District met and nominated the new Chair, Mike Keogh, and Vice Chair, Mike Rotkin. He stated that the Vine Hill School Road issue will be on the agenda in February.

CM Bustichi reported that the Economic Development Subcommittee met and discussed restructuring business license fees and streamlining of use permit applications in an effort to be more business friendly and increase sales tax.

CM Johnson reported that the Economic Development Subcommittee met and discussed a variety of economic development issues to include potential economic incentives for new businesses. The Subcommittee will meet again before bringing the matter forward for City Council discussion.

CM Johnson reported that the Skypark Subcommittee met to discuss the proposed development of the site at Skypark Drive and Mt. Hermon Road. Also discussed were ideas for addressing the propane sites and buildout of the Skypark Town Center.

CM Johnson reported that the Transportation Commission met and discussed the failure of the half-cent sales tax and what needs to be done now. He feels the direction of the Commission is to continue moving forward with plans to widen Highway 1. They have five or six different options available to study, decided to continue with the high occupancy lane.

Mayor Marigonda reported that the City of Scotts Valley hosted the Monterey Bay Division League of California Cities meeting on January 24, 2005. He stated that the meeting was well attended and that many cities from the Monterey Bay Area (from Soledad to Scotts Valley) were in attendance.

Mayor Marigonda requested that everyone “shop locally” in order to support local business and economic development in the City.

**PUBLIC COMMENT**

Jondi Gumz, representing the Scotts Valley High School Parent Club, stated that the High School now has 880 students. As a result, funding for science labs is limited, and the science teachers are collecting empty printer ink cartridges as a fundraising effort to assist in funding science labs. She stated that there is a drop off at Scotts Valley High School and the Scotts Valley Chamber of Commerce.

John Cowan, Scotts Valley resident, spoke about the importance of the Watsonville Airport to Santa Cruz. He stated that the Watsonville City Council is considering high-density housing next to the Airport, which he feels is a safety issue, and he is concerned that this proposed development and the Airport will be adversely affected, or the Airport could be shut down in the future. He stated that he was asking for support in letting the Watsonville City Council know that the high-density project in this area is not viable. He stated that he understands the need for housing, however, this is not the right place.

VM Aguilar recommended that Mr. Cowan obtain a copy of a report by AMBAG to discussed the economic viability of the Watsonville Airport to the Monterey Bay Area.

Herb Gundersen, resident of Monte Fiore, spoke in favor of placing a gate at Monte Fiore.

**ALTERATIONS TO  
CONSENT AGENDA**

***M/S: Barrett/Aguilar  
To approve the Consent Agenda.  
Carried 5/0 (VM Aguilar voted no on Item D)***

**Consent Agenda:**

- A. Approve Joint City Council/RDA meeting minutes of 12-15-04, 1-19-05, and 1-26-05
- B. Approve check register – 1-14-05
- C. Approve Resolution No. 1764 supporting legislation that would amend

- the Americans with Disabilities Act to require notice prior to filing a lawsuit
- D. Adopt the Santa Cruz Public Libraries 2005 Library Legislative Program
  - E. Approve supplemental funding for the O'Neill Sea Odyssey from County Service Area 9C funds for 2004/05 and increase the funding for 2005/06
  - F. Approve a municipal directory sign at the northwest corner of Mt. Hermon & Kings Village Roads
  - G. Second reading and adoption of Ordinance No. 16.118 Amending Chapters 17.46.110 and 17.50.050 of Title 17 of the Scotts Valley Municipal Code Relating to Fences, Walls and Ornamental Structures and Special Permits Issued by the Community Development Director

**ALTERATIONS TO  
REGULAR AGENDA**

***M/S: Aguilar/Barrett  
To approve the Regular Agenda.  
Carried 5/0***

**REGULAR AGENDA**

1. **Approval of Resolution No. 1756.1 approving the form of and authorizing the execution and delivery of a purchase and sale agreement and related documents with respect to the sale of the seller's vehicle license fee receivable from the State; and directing and authorizing certain other actions in connection therewith**

FD Ando presented the written staff report and responded to questions from Council. He requested that the City Council approve this resolution due to time constraints; however, staff is looking at alternative methods of borrowing internally. If the internal methods are determined to be more cost effective, staff will not submit this resolution and agreement to the State.

***M/S: Aguilar/Barrett  
To adopt Resolution No. 1756.1, approving the form of and authorizing the execution and delivery of a purchase and sale agreement and related documents with respect to the sale of the seller's vehicle license fee receivable from the State; and directing and authorizing certain other actions in connection therewith, and authorize the City Manager and Finance Director to pursue other options and report to Council prior to moving forward with the alternative options.  
Carried 5/0***

2. **Consider use of Scotts Valley Drive traffic signal control boxes for public art program as presented**

RDM Sudduth presented the written staff report and responded to questions from Council.

Bonnie Bernardi, Scotts Valley Arts Commission, requested Council approval of the Scotts Valley traffic control box public art program, and spoke very

enthusiastically about this program. She stated that this is a community oriented program and thanked local businesses for their support.

Council thanked the Arts Commission for their dedication, ingenuity, and hard work.

**M/S: Aguilar/Bustichi**

**To approve the Scotts Valley traffic control box public art program.  
Carried 5/0**

**3. Continued: Monte Fiore release of bonds**

Mayor Marigonda, a resident of Monte Fiore, recused himself from any discussion or deliberation on this item and stated the VM Aguilar would be handling this item.

PWD Anderson presented the written staff report and responded to questions from Council. He stated that Ryland Homes has offered additional maintenance for four years to the Monte Fiore HOA. PWD Anderson stated that the four conditions for release of the bonds are as follows:

1. A four year 10% warranty bond.
2. Execution of the indemnity agreement.
3. \$15,000 per year for the next four years for maintenance.
4. Evidence of reimbursement of the slurry seal costs.

Herb Gundersen, resident of Monte Fiore, stated that he feels the bond should be released; however, he recommends the warranty bond be increased from 10% to 20%.

Sally LeBarre, Manager of Monte Fiore HOA, stated that the HOA is concerned about the sloughing over the new debris wall and a stress crack in the road on Saddleback. She distributed pictures to Council showing some of the areas of concern (copy on file in the Public Works Department).

John Lucas, Ryland Homes, feels that Ryland has done everything they can for this development. He stated that Ryland has agreed to monitor the crib wall for the next four years. Mr. Lucas also stated that Ryland will help in any way they can, but they will not monitor or maintain the upper slope because they did not construct it. He stated that Ryland will continue to assist with the erosion problems through the period of the maintenance.

PWD Anderson stated that the Scotts Valley Municipal Code requires a one year 10% warranty bond. Going from 10% to 20% will double the \$414,000 to \$828,000.

Mr. Lucas, Ryland Homes, stated that the Scotts Valley Municipal Code requires 10% and Ryland would not be willing to go to 20%.

CM Johnson stated that this is a very unusual development and he would like

to see a 15% warranty bond.

CA Powell stated that the City does not have the authority to increase the bond from 10%.

PWD Anderson stated that the 10% warranty bond is only required for one year per the Scotts Valley Municipal Code, however, Ryland has agreed to increase the warranty bond from one year to four years.

***M/S: Barrett/Bustichi***

***To approve the release of bonds for Monte Fiore in the amount of \$2,762,698 for faithful performance and \$1,381,349 for labor and materials with the condition that a warranty bond in the amount of \$414,000 be submitted by Ryland Homes, with additional four conditions noted above by Public Works Director Anderson.***

***Carried 3/1 (NOES: Johnson/ABSTAIN: Marigonda)***

**4. Authorize staff to solicit bids for gazebo and walkways for the Skykpark shade structure project**

RDM Sudduth presented the written staff report and responded to questions from Council.

VM Aguilar stated that she would like to have water for a drinking fountain available at the gazebo.

***M/S: Barrett/Aguilar***

***To authorize staff to solicit bids for gazebo and walkways for the Skypark shade structure project, and to include a stub out for water for a drinking fountain at the gazebo.***

***Carried 5/0***

**5. Status report on Skypark Park**

PWD Anderson presented the written staff report and a slideshow of the improvements at Skypark Park over the years.

**6. Discussion: Affordable housing inclusionary requirements and potential increased affordable housing requirements for re-zoning of non-residential property to residential uses**

CDD Kuhn presented the written staff report and responded to questions from Council. CDD Kuhn stated that this item had been placed on the agenda by Vice Mayor Aguilar as she has been on the Affordable Housing Subcommittee from its inception.

VM Aguilar reviewed her perspectives and desire for increasing the production of affordable housing. She suggested that the inclusionary housing requirement increase only apply when projects proposed density transfer through the PD process and did not agree that a standard formula

should be adopted. She also stated that with rezoning, 20% of the units could be required to be affordable, as opposed to the 40% required by Santa Cruz County.

CM Barrett stated that he agreed with the higher inclusionary requirement with density transfer, and suggested that 25% of the units be required to be affordable for re-zonings.

CM Johnson suggested that the City/Agency wait and see what happens with the Skypark project, as adopting the higher standards could have a negative financial impact on an important project for the City.

CM Bustichi, indicated he concurred with Council Member Johnson and did not want to see the proposal have a negative impact on Skypark.

VM Aguilar clarified that her proposal for increase in the inclusionary was only for density transfer proposals, and that Skypark was a mixed use development in a flat area. CM Barrett further suggested that the RDA funds be used to help with the increased inclusionary requirement.

Mayor Marigonda commented that the increased inclusionary with density transfer was a good idea. He asked staff if there was enough consensus to provide direction? CDD Kuhn indicated that it was not clear if there was a consensus and referred to the issues presented in the report. The City Council/Agency Board directed as follows:

- C Staff is to evaluate a proposed change in the inclusionary requirements to require 20% affordable units when a project proposes density transfer;
- C The Affordable Housing Subcommittee should continue to negotiate with developers on the required mix of very-low, low and moderate income units for each project rather than having a standard formula;
- C Staff is to study the issue and prepare an ordinance for consideration of requiring that when non-residential parcels are re-zoned to residential uses, that 20% of the units are to be affordable.

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

None.

**CONVENE TO CLOSED SESSION**

The City Council convened to closed session at 8:13 p.m. to discuss the following items:

1. Pursuant to Government Code Section 54956.9b1, the City Council will meet in closed session to confer with Legal Counsel regarding potential litigation on one case; and

2. Pursuant to Government Code Section 54956.8, the City Council will meet in closed session to confer with real property negotiator regarding lease of City property, APN 22-211-77.

**RECONVENE TO OPEN SESSION**

The City Council reconvened to open session at 9:00 p.m.

**REPORT ON ACTION TAKEN DURING CLOSED SESSION**

Mayor Marigonda announced that there was nothing to report.

**ADJOURNMENT**

The meeting adjourned at 9:00 p.m.

Approved: \_\_\_\_\_

Paul Marigonda  
Mayor / Chair

Attest: \_\_\_\_\_

Tracy A. Ferrara  
City Clerk / Secretary