

# MINUTES

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

**Date: March 1, 2006**

**POSTING:**

The agenda was posted on 2-24-06  
at City Hall by the City Clerk.

**CALL TO ORDER** 6:03 p.m.

**PLEDGE OF ALLEGIANCE** and **MOMENT OF SILENCE**

**ROLL CALL**

Present:

Mayor Aguilar  
Vice Mayor Bustichi  
Council Member Johnson  
Council Member Marigonda

City Manager Comstock  
City Attorney Powell  
Police Chief Lind  
Public Wks Director Anderson  
Finance Director Ando  
Community Development Dir Russell  
Senior Planner Fodge  
Assistant Planner Bateman  
Police Lieutenant Weiss  
City Clerk Ferrara

Absent:

Council Member Barrett

**COMMITTEE REPORTS**

VM Bustichi reported that the Skypark Subcommittee met and he provided the following update: Relocation agreements ready for execution between the City of Scotts Valley and both propane companies; the City of Santa Cruz has agreed to a formula regarding the price of their properties and we should be receiving a letter to that effect shortly; and, the development team has settled property negotiations regarding dollar amounts with the owners of the Storage Depot and K-Mart properties, the Graham property (the mini-storage property and the vacant land behind the 7-11) and they will be moving forward shortly with contracts. He also stated that the developer is in dollar agreement with both propane companies and those contracts should hopefully be coming forward in the next few weeks.

VM Bustichi reported that the Santa Cruz Metropolitan Transit District (SCMTD) had been in litigation with the Santa Cruz Sentinel regarding release of closed session decisions. He stated that the Sentinel was requesting that the SCMTD release their closed session decisions, some of which were a direct result of the strike that occurred. He stated the SCMTD won the suit and they are not required to release the final vote because it was part of labor negotiations. He stated that the SCMTD stood

on principle regarding this issue in order to protect closed session, however, since they have won the case, he is planning to ask the Board to release the one vote that was being questioned by the Sentinel.

CM Johnson reported that the Economic Development Subcommittee met and discussed temporary signs on sidewalks, in the public right-of-way, and in the medians around the City. He stated that the City wants to be business friendly, however, they are discussing enforcement of the sign ordinance regarding these temporary signs. He stated that notices will be going out to businesses from the Planning Department to inform them of the sign regulations before any enforcement goes into effect.

Mayor Aguilar reported that the Affordable Housing Subcommittee met today and discussed the three affordable housing units behind Malones. She reported that they also discussed the possibility of developer housing incentives and first time homebuyer incentives, and that these two issues will be coming to the Council for review and consideration.

Mayor Aguilar reported that the Birthday Subcommittee met today and discussed the parade route. She stated that the next meeting will be held on March 15, 2006 at 10:30 a.m. in the City Council Chambers.

**PUBLIC COMMENT**

None.

**ALTERATIONS TO  
CONSENT AGENDA**

Mayor Aguilar requested that item D, regarding the new job class specification and salary range for Deputy City Manager/Administrative Services Director, be moved to the regular agenda for questions and discussion.

***M/S: Marigonda/Bustichi***

***To approve the Consent Agenda as amended to move item D to the regular agenda regarding the new job class specification and salary range for Deputy City Manager/Administrative Services Director.***

***Carried 4/0***

**Consent Agenda:**

- A. Approve Joint City Council/RDA meeting minutes of 2-15-06
- B. Approve check register – 2/13/06
- C. Approve O'Neill Sea Odyssey five year request of \$22,650 per year, for nine classes per year, beginning fiscal year 2006/2007 from CSA 9C funds

**ALTERATIONS TO  
REGULAR AGENDA**

***M/S: Marigonda/Bustichi***

***To approve the Regular Agenda as amended to move item D from the consent agenda to the regular agenda regarding the new job class specification and salary range for Deputy City Manager/Administrative Services Director.***

***Carried 4/0***

**REGULAR AGENDA**

**D. *Approve new job class specification and salary range for Deputy City Manager/Administrative Services Director***

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

Mayor Aguilar stated that she wanted to bring this item forward to clarify that this is not a new position, but an opportunity for in-house promotion and job sharing.

***M/S: Aguilar/Marigonda***

***To approve the new job class specification and salary range for Deputy City Manager/Administrative Services Director.***

***Carried 4/0***

**1. *Appointment of massage ordinance subcommittee***

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

CM Marigonda nominated Mayor Aguilar and CM Barrett to serve on the massage ordinance subcommittee.

Maria Rossi, massage therapist and Scotts Valley resident, asked that the massage therapists be included in this process.

Mayor Aguilar stated that the subcommittee will be meeting with the massage therapists for their input.

***M/S: Marigonda/Bustichi***

***To appoint Mayor Aguilar and Council Member Barrett to serve on the massage ordinance subcommittee.***

***Carried 4/0***

**2. *Informal review of a planned development application consisting of 13 single family dwellings and 8 townhouses on four vacant parcels located behind the Pinnacle Pass Shopping Center at 75 Mt. Hermon Road // APN's 021-281-01, 02, 05, and 06***

CDD Russell stated that this item is before the Council for informal review and no formal action is to be taken at this meeting.

AP Bateman presented the written staff report and responded to questions from Council. He stated that the applicant and Planning Department are seeking review, comment, and direction regarding various circulation and planning issues associated with the project prior to final application and process. He stated that the development team was present at the meeting to give a presentation and respond to questions from Council.

Mayor Aguilar questioned whether staff had spoken to the development team regarding a willingness to trade property.

CM Comstock stated that he had not had that discussion.

Mike Rockholdt, architect for the proposed project and representative of the owner, gave a presentation to the Council regarding their proposed project for 13 single family dwellings and 8 town homes on four vacant parcels totaling approximately 2 acres in an area located behind the Pinnacle Pass Shopping Center at 75 Mt. Hermon Road. He stated that they are proposing to redo the corporation yard to a large extent by building new carports, building a new 8 foot concrete block wall, reworking storage bins to provide more open space, raising the site, build the extension of Lundy Lane, and provide new security gates. He stated that they are proposing to extend the emergency lane along the north end of parcel to the corp yard for emergency access only. He stated that they are also proposing 20,000 square feet of retail on the commercial portion of the project, and when this occurs they may be able to regrade and raise a portion of the site to capture property back that will benefit the corp yard. He stated that their proposal is to build 1,600 and 1,200 square foot units in order to provide housing that is more affordable. He stated that they have been working on this project for approximately two years and they are at the point where they have the following questions of Council: Is site compatible for housing? Is the site compatible for what they are proposing? He stated that they feel this is best solution for this property and that there are benefits to the City with this project.

CM Marigonda stated that he had walked the property and he believes 21 units is too dense. He stated that he feels this type of project will impact more than just the corp yard, specifically, Hocus Pocus Park, and the surrounding area. He stated that he would prefer single family units to townhouses, especially if there is not a cut through from Lundy Lane to Mt. Hermon Road. He recommended turning buildings 1 and 2 into single family and stated that traffic is a concern. He asked what the shape of the proposed retail is and why the cut through of Lundy Lane to Mt. Hermon will impact it.

CM Johnson stated that he likes the design and the flow. He recommended having a plan B should the Lundy Lane corp yard not happen and stated that impinging on City property may not be an option.

Mr. Rockholdt stated that their piece of property is land locked and they need easements for access.

VM Bustichi stated that he likes the design and the smaller units. He questioned how many square feet the City would be losing out of the corp yard.

Mr. Rockholdt stated that the corp yard would lose approximately 1,800 to 2,000 square feet.

VM Bustichi asked PWD Anderson what the total square footage of the corp yard is now.

PWD Anderson stated that it is a two acre parcel with approximately 1.5 acres of usable property.

Gene Scothorn, engineer for the project, addressed the issue of crossing City property. He stated the amount shown is the maximum amount needed, however, with retaining walls it could be reduced. He also stated that they are working on a land trade for the easterly extremity, which could get to a zero net difference. He stated that development of the commercial site potentially increases useable space on the corp yard property and they believe there are opportunities for there to be no net loss of land, with a functional increase of land in the corp yard. He stated that the easement and land lock issue is an extremely complex title issue and they have not been able to sort it out at this time. He stated that at this time there is no physical continuity between the commercial parcel and the parcel that is being proposed for residential use. Mr. Scothorn stated that the Lundy Lane extension to Mt. Hermon Road is detrimental to both the residential and commercial property.

VM Bustichi stated that he does not want to see a loss of useable space at the corp yard, and that the Public Works Department cannot afford to lose space. He stated that he also has concerns regarding single car garages and the short driveways. He stated that he would like to see a retail component in conjunction with the residential component so that the City knows exactly what we will be getting up front.

Mr. Rockholdt stated that they plan to develop the retail site, however, they are not ready to make application for the retail at this time due to early lease buyouts.

Mr. Scothorn stated that if the extension of Lundy Lane to Mt. Hermon Road goes through, the City's corp yard and their commercial development will be adversely impacted.

CM Marigonda stated that he feels that residential can work here because this property is already bordered by Scottsborough. He stated that he was concerned about traffic and that he would really like to see something regarding the commercial portion, at least conceptual ideas.

CM Johnson stated that he feels residential works here, and does not have a problem with mixed residential. He stated that he would like the commercial development to happen concurrently, however, if that is not possible, he would like to see assurances regarding the commercial portion. CM Johnson asked if Mr. Rockholdt felt confident that the easement issue would be worked out? Mr. Rockholdt stated that "yes" he is.

Mayor Aguilar stated that she has severe problems with losing any of our corp yard because it is already too small, and she is opposed to putting a road through the corp yard. She stated that 21 units is too dense and stated that she concurs with all staff comments on page 4 of the staff report regarding road width, parking, the size of the garages, and shortened driveways. She stated that she would also like to see a conceptual plan of the commercial property.

Mr. Scothorn asked Mayor Aguilar if she would agree to a land swap if the useable area in the corp yard could be enlarged without changing the physical size.

Mayor Aguilar stated that she would not like to see a land swap. She stated that she would like to see the site regraded and reorganized.

## **PUBLIC HEARINGS**

- 3. Public hearing to receive testimony and provide testimony on Planning Commission recommendations and key issue questions on a Draft Environmental Impact Report for the Polo Ranch project, to subdivide the 113-acre site into 41 lots for single-family dwellings (including a 3-acre lot for the Polo Barn as a private residence and private horse stable)**

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

### **PUBLIC HEARING OPENED                      7:34 PM**

Randall Morgan, local botanist, stated his concerns that eight of twelve native/endemic plants in the County are located in Scotts Valley. The Spineflower and Polygonum are only two of four protected species that are located in Scotts Valley. So far, the County has not lost a plant species and he would hate to see a plant species go extinct on our watch. The only Polygonum habitat area left is the Santa's Village area

Vince Cheap, California Native Plant Society (CNPS), stated that CNPS has specific concerns about the adequacy of the current recirculated draft EIR in terms of its impacts that are significant and not mitigable. He requested that the EIR be corrected to state that the SV Polygonum is listed as both a State and Federal endangered species. He stated that it was added to the Federal listing in October of 2004. He stated that their main area of concern is Lot 22, which would destroy an entire population of Scotts Valley Polygonum, with no way to mitigate the loss. He stated that the Scotts Valley Polygonum population is significant, and they recommend that the draft EIR remove any lots that impact it, and that a 100' buffer be established. He stated that Lot 26 has a historic population of a San Francisco endangered species, and recommended that this lot also be removed and same 100' buffer be established. He stated that CNPS initially wanted to recommend that the lots that impact the Scotts Valley Polygonum be included in the same preserve. Mr. Cheap also noted that 73 acres of the entire site of Polo Ranch has been given a designation that it is a critical:

habitat for the Spineflower and the Scotts Valley Polygonum.

Eric Taylor, Cultural Resource Preservation Commission member and active member of the Scotts Valley Historical Society, explained the unique features of the Polo Barn. He strongly urged that the City look at preserving and enhancing the Polo Barn for the community because of its historical and architectural significance. He stated that the restoration of the Polo Barn is doable and with volunteerism and donations from citizens, the business community, and service clubs we can make this happen. He stated that establishing a 501c might also be a way to bring the barn up to standards. He stated that he felt the developer should provide necessary utilities to the Polo Barn and they should hire a grant writer to research grants to help with the restoration. He stated that another funding mechanism could be for the developer to fund an architect for restoration of the Polo Barn.

John Sutton, representing the Black Diamond Foundation (BDF), a non-profit foundation, stated that he had a specific proposal regarding two aspects of Polo Ranch. The first would include the Polo Barn itself, in which BDF (with an agreement with the City and Lennar Homes) would acquire the 3 acres, restore the facility, and provide commercial use of about 35% of the building - more parking would be needed for this. He stated that BDF is proposing to put together a committee to include BDF, one or more members of the City Council, the Scotts Valley Historical Society, and several other individuals brought in by BDF. One of these individuals would be John Mello, who is currently the curator for the Leland/Stanford Mansion in Sacramento, and he has agreed to come in and assist with the restoration of the building to the period of the 1930's. He stated that what they are looking for is to work with City and developer to adequately bring in the necessary utilities and work out some type of arrangement or agreement with the developer to acquire the property. He stated that their plan is to restore the building for the general use of the public, with about 35% for commercial use. He stated that they would like to offer use of the facility at no cost to local schools, local non profits, and local groups. He stated a portion could be used for a small to medium sized fundraising activities for the local community, as a meeting place, for art festivals, etc. He stated that they would work with the Scotts Valley Historical Society to put together a docent program to provide regular tours through the facility. Second, BDF would look to acquire and manage Parcel A, the 90 acres of open space. He gave an overview of his background, experience, and education that would apply to managing the property. He stated that they would also look at working with UCSC and local people to maintain the open space. He stated that they would need to work on mitigation banking, costs, etc., however, they would be happy to meet with the City and the developer regarding this proposal.

Dan Beagle, adjacent property owner, stated he had concerns about light pollution. He also stated that any change to the existing dirt road located in the north east area of the Lennar property could cause potential drainage problems on his property. He stated that he would also like to see a gate

stopping the Polo ranch residents from accessing the freeway, which could cause excessive congestion and a traffic hazard.

Daryl Allen, historic preservation specialist, spoke regarding the Polo Barn. She stated that she is excited about the possibility of restoring and using barn. She also stated that her colleague had recently come across information about the Polo Barn in the archives in Berkeley, which included the original drawings. She felt the information and drawings could be an invaluable tool.

George Smith, property owner to the north, stated that he supports the project. He stated that he is concerned about the access driveway as proposed being only 20', and he would like to see it widened to 24', which complies with fire safety and city standards. He stated that in terms of the access gate, it may be possible to relocate it between the entrance to the former Barnett property and Highway 17, which would accomplish limiting people from Polo Ranch jumping onto Highway 17, and, it would also create a clear access to the Barnett property and the Beagle property without having to go through a gate.

Tim Maximoff, 311 Navarra, stated that he is concerned about access and how it is handled. He stated that he would like to see access limited to pedestrians and bicycles. He stated that his main concern is protecting the riparian area, access, lighting, and not widening the road.

Wendy Brannan stated that the Parks & Recreation Commission report and recommendations from their February 23 meeting will be forwarded to the Council as soon as they are available.

Jerry Embree, representing Lennar Communities, stated that he was happy that the comments and issues raised tonight are things they have been working on over the past three years. He stated that they are working on the gate location and that it had been placed down by the cul-de-sac to provide access for the Water District. He stated that one of the reasons they have the 20' drive was to minimize the amount of grading and impact to trees; however, they are willing to work with the property owners and look into increasing the width to 24'. He stated that he had spoke with John Sutton from BDF the day before and he looked forward to meeting with him to discuss possibilities for the Polo Barn.

#### **PUBLIC HEARING CLOSED 8:18 PM**

CM Marigonda stated that he felt the Planning Commission did a good job of going through the issues, and he concurred with their recommendations and conditions. He stated that he felt the density is reasonable at this time, and that it was his preference to restore, maintain, and use the Polo Barn, because it is part of our history.

VM Bustichi stated that he feels the density is good and that the developer has given up a large portion of land to protect the environment. He stated

that he would like to see the right of way increased from 20' to 24'. He stated that he would like to see the Polo Barn saved, have the City get ownership, and use it as a museum. He reviewed a list of restoration work that he had prepared (see Attachment A). He stated that current estimated developer impact fees from the developer are \$288,000, which is a start to go into a fund to work on the restoration. Some ideas he had for funding included an assessment district or redevelopment agency funding, however, he does not feel that general fund monies should be used. He stated that with volunteerism we can create a passive park with a historical component that can be used by Mr. Sutton's group and many others, with the City still maintaining control.

CM Marigonda stated that a city-wide assessment district would have to go to the voters, and he did not feel it was the best idea. He recommended looking into putting something together under the Lighting and Landscaping Act of 1972, like we currently have in place at Skypark, which could be a very effective funding mechanism. He stated that he would not like to see General Fund monies used. He also stated that he agrees with expanding the roadway from 24' to 20'.

CM Johnson stated that he does not have a problem with the density. He feels that environmental issues, transportation, circulation, and lighting is still an issue, although, it sounds like the developer is working with the concerned parties. He stated that he feels the biggest issue is the Polo Barn. He stated that he feels it is important to restore and maintain the Barn, however, he stated that he is concerned about the City's ability to manage it monetarily, and he feels that we definitely need to have community involvement.

Mayor Aguilar stated that she would like to see the road manipulated so that it is not graded to widen it, but to keep it as access for bicycles and pedestrians. She stated that she feels it is very critical to preserve the habitat as presented by CNPS and Mr. Morgan. She recommended a combination of the proposed layout and part of option 2, where housing would be kept below with diminished lot sizes, and the Polo Barn and Lot 33 would be kept open. She stated that this might reduce the lots from 40 to 37, but it provides the habitat conservation and less grading. As an alternate, to this recommendation she recommended the removal of Lot 33. She stated that she would like to see her ideas used to mitigate the EIR concerns. She stated that she is excited about the possibilities of preserving the Polo Barn and she would like to see community participation.

**REGULAR AGENDA**

(Resumed)

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

None.

**ADJOURNMENT**

The meeting adjourned at 8:45 p.m.

Approved:

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Stephany E. Aguilar  
Mayor / Chair

Attest:

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Tracy A. Ferrara  
City Clerk / Secretary