

# M I N U T E S

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

**Date: March 21, 2007**

**POSTING:**

The agenda was posted on 3-16-07  
at City Hall by the City Clerk.

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

**PLEDGE OF ALLEGIANCE**      Flag ceremony performed by Brownie Troop No. 1094 of the  
and **MOMENT OF SILENCE**      Monterey Bay Girl Scouts

**ROLL CALL**

Present:

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

City Manager Comstock  
City Attorney Powell  
Deputy City Mgr/Admin Svs Dir Ando  
Police Chief Weiss  
Public Wks Director Anderson  
Community Development Dir Russell  
City Clerk Ferrara

Planning Chair Shulman  
Planning Commissioner Muth  
Planning Commissioner Fogel  
Planning Commissioner Heald  
Planning Commissioner Ritchie

**SPECIAL SET MATTER**                      Mayor Bustichi presented a proclamation proclaiming March 11-17,  
2007 as Girl Scout Week and commemorating the 95<sup>th</sup> Anniversary of  
Girl Scouts.

**COMMITTEE REPORTS**      CM Reed reported that the Joint City/School met and discussed preparations  
for the 4<sup>th</sup> of July parade and the Vine Hill School crossing guard program.

CM Aguilar reported that AMBAG met and took action to include the various  
jurisdictions within the Monterey Bay Area to participate in the regional  
housing forecast.

CM Aguilar reported that Santa Cruz County will be celebrating Clean Air  
Month, May 12-20, 2007 with various programs, including bike to work week  
and a poster contest, and she invited the community to participate.

CM Barrett reported that he and DCM/ASD Ando attended a conference in  
Monterey regarding the Avian Influenza (bird flu). He stated that he has a  
slideshow and handout information available for anyone who is interested.

VM Johnson reported that the Santa Cruz County Regional Transportation Commission met and most of the discussion centered around Highway 1 reconstruction. He stated that the contractor is encountering material that was not anticipated and is having trouble hitting solid ground with the pylons. They are currently about \$5 million over budget because of the unknown problems.

Mayor Bustichi reported that he and Santa Cruz City Council Member Mike Rotkin went to Washington DC with Les White, General Manager of the Santa Cruz Metropolitan Transit District (SCMTD) to lobby for funding for the paratransit system (\$80,000 to \$90,000) and a smart card system (\$2 million), which allows students to have a "smart card" that can be recharged and provides a discount. He stated that the meetings seemed to be positive, but it will be awhile before they hear anything.

## **PUBLIC COMMENT**

CM Barrett stated that the Second Annual Santa Cruz County Red Cross Heroes Breakfast is scheduled to be held Wednesday, May 23, 2007 at 7:00 am at the Seascape Golf Course. Additional information can be obtained by going to [www.sccredcross.org](http://www.sccredcross.org) or calling 462-8881 ext 14.

CM Aguilar stated that she and VM Johnson attended a luncheon in Watsonville sponsored by the Santa Cruz County Farm Bureau and Agriculture for National Agriculture Day. She stated that a poster contest and poetry contest for students in Santa Cruz and Pajaro had been held, and the winners were also at the luncheon. She stated that she provided the information to Scotts Valley schools for next year, as the recipients are awarded \$200 and their posters are distributed to restaurants throughout Santa Cruz County. She stated that Bruno's in Scotts Valley will have the posters of this year's winners available.

## **ALTERATIONS TO CONSENT AGENDA**

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

### **Consent Agenda:**

- A. Approve Joint City Council/RDA meeting minutes of 3-7-07, 1-3-07, 12-20-06
- B. Approve check register – 3-12-07
- C. Carbonero Lift Station Upgrade Project:
  - 1) Approve Change Order No. 1, increasing the contract amount to Anderson Pacific Engineering for the Carbonero Lift Station Upgrade Project by \$6,262 (increasing total amount from \$570,000 to \$576,262).
  - 2) Approve amendment and increase budget account 014.90.4579.90 by \$6,262
- D. Hacienda Drive Transportation Enhancement Project:
  - 1) Approve award of construction contract to El Camino Paving in the amount of \$310,286.75
  - 2) Approve contracts for professional services in the amount of \$25,000 as follows:
    - a) Pacific Coast Engineering, Inc. for geotechnical services (\$15,000)
    - b) Dunbar and Craig, for construction survey services (\$10,000)
- E. Approve Council Member Reed's appointment of Joe Bugna to the Parks & Recreation Advocates

**ALTERATIONS TO  
REGULAR AGENDA**

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

**REGULAR AGENDA**

**1. Joint City Council/Planning Commission review of Guiding Principles of Town Center/Skypark Specific Plan**

CDD Russell presented the written staff report, gave a history of the Skypark Town Center project, and responded to questions from Council.

PC Shulman gave additional information on the history of the Skypark Town Center. He stated that since we do not have the dollars to build this project ourselves, we need to work with people interested in coming to Scotts Valley. He stated that he does not feel we should have too grandiose an idea of what ought to be in Scotts Valley, because how we look at things is different than potential developers/investors. He stated that he feels the guiding principles give us a general sense of direction, but it will depend on our ability to work with developers, property owners, and the community, and he wants to be sure we can live with the decisions we make.

PC Muth agreed with Chair Shulman's comments. She agrees that we need to be flexible, but feels that we need an attractive project. She stated that she would like to see the library incorporated into the plan. She stated that she generally agrees with the guiding principles as a good starting point, but feels it is very early in the process.

PC Fogel stated that he is looking forward to a mix of retail, housing, community, and office uses in a well-designed useable project. He stated that he feels it can provide the City with tax revenues to support infrastructure and services in the community.

PC Heald stated that her vision is a well-designed mixed-use project, and she recommended going after whatever grant funding sources we can to help with diversity.

PC Ritchie stated that he feels it is important from an economic standpoint to protect the existing businesses in town. He stated that he would like to see us evaluate the dollars we are currently losing to Santa Cruz, and to try to recapture those dollars.

Mayor Bustichi stated that he feels this keeps coming back because it is a good idea, we just need to find a way to make it work. He stated that he feels the community wants the Town Center, and compromises will have to be made on all sides between what we want, and what we can and/or will get. Mayor Bustichi read an email he received from Joe Miller regarding water issues, and stated that the City will have to plan the project in a very sensitive way relating to water.

CM Reed discussed the past Town Center workshops and how helpful and important they were in this process.

VM Johnson spoke about the tax resources that this project may potentially bring. He reviewed the history of the Skypark Town Center and reiterated the importance of public input in the process. He reviewed the process followed in the selection of the Skypark Specific Plan consultant and stated that they are recommending RRM from San Luis Obispo. He stated that this will be a phased development, and it will not happen overnight.

CM Barrett stated that he has been involved in the Town Center planning since 1992, and he is very much in favor of this type of program. He reiterated that the propane tanks need to move before we can go much further in the process.

CDD Russell reviewed the *Guiding Principles for the Town Center Specific Plan Development* (Attachment A), and the City Council and Planning Commission members made the following comments:

2. CM Aguilar stated that she is concerned that the current design has more housing than mixed use, and she wants to be sure that the mixed use is emphasized.
4. PC Shulman stated that he would like to add: *and with adjacent retail centers where practical*. He also recommended a pedestrian overpass on Mt. Hermon Road.
7. PC Muth recommended evaluating the possibility of a parking structure.
8. CM Aguilar stated that she feels it is critical to make sure the Town Center is connected with Skypark Park so that it is integrated well into the existing recreational facilities.
9. CM Reed stated that he is concerned about theme restrictions. VM Johnson stated they are looking to make this a mixture of styles.
10. PC Shulman spoke against small lot single family homes, because he feels Skypark was really the first part of this project, and this criteria has already been met. He recommended urban style housing types. CM Aguilar strongly concurred with PC Shulman and recommended that single family lots be removed. The majority of the Council concurred with the removal of single family lots. CM Barrett stated that he would like to see senior affordable housing in that area.
11. PC Shulman stated that he was concerned about the wording *rental/owner* housing. CM Aguilar stated that the State requires that the City have both affordable rental and owner housing, and recommended changing the wording to *and/or*. The majority of Council agreed.
12. Mayor Bustichi stated that he would like to be sure that water recharge, alternative water conservation, use of recycled water, and smart ways of building to use less water once the buildings are constructed, is included somewhere in the guiding principles. PC Shulman stated that these concerns should be addressed in the EIR process.

CDD Russell stated that he would revise the *Guiding Principles for the Town Center Specific Plan Development* to incorporate City Council and Planning Commission comments.

**PUBLIC HEARINGS**

2. **Consider approval of Resolution No. 1198.51 establishing a planned development overlay category for development impact fees for all development within the City of Scotts Valley**

CA Powell presented the written staff report and responded to questions from Council. She reviewed the revised language submitted at the meeting.

**PUBLIC HEARING OPENED - 7:29 PM**

Bill Brooks, local real estate developer, recommended that these fees be paid at the project final, not at the beginning.

**PUBLIC HEARING CLOSED - 7:30 PM**

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

***To approve Resolution No. 1198.51 amending Resolution No. 1198.12 establishing a planned development overlay category for development impact fees for all development within the City of Scotts Valley.***

***Carried 5/0***

**REGULAR AGENDA**  
(Resumed)

**3. Preliminary Review (PR07-001): 495 Lockwood Lane / APN 32-231-09 and 497 Lockwood Lane / APN 21-071-02**

CDD Russell presented the written staff report and responded to questions from Council.

VM Johnson questioned how reducing the density of this site would affect the Housing Element.

CA Powell stated that this site was used when counting the housing requirements for the State, so if the City is going to reduce the density, we will need to make the following two findings as stated in the staff report:

1. The reduction is consistent with the adopted General Plan, including the Housing Element.
2. The remaining sites identified in the Housing Element are adequate to accommodate the jurisdiction's share of the Regional Housing Needs, pursuant to Section 65584.

John Sisk, applicant, gave a background on the property since they purchased it in 2005 and the reasons for their proposed design. He stated that their intent was to build homes in the median range (\$700,000 to \$800,000). They have a preliminary approval for an Interim Habitat Conservation Plan (IHCP), but cannot move forward until they know what plan they are going with. He stated that six units at \$1.2M-\$1.5M each may not be feasible for them.

Matthew Thompson, Thatcher & Thompson Architects, described the plan design and reasoning behind it. He stated that he feels the City and community should take on the cost for re-zoning the property and changing the General Plan, because the applicant bought the property when it was zoned for twelve units. He recommended a development agreement to establish a timeline for the re-zoning process. He stated that they are ready to submit the 12 unit plan, and if they have to change to a 6 unit plan, they would like to be assured that the time-frame for re-zoning is reasonable.

CM Aguilar questioned the time-frame and cost of re-zoning, and asked about the timeline for the IHCP.

John Sisk stated that they have a letter of preliminary approval to buy into the landbank, and the fees are approximately \$300,000 for the twelve unit plan.

Wendy Brannan, Scotts Valley resident, stated that she lives in this neighborhood and she is concerned about the impact to the neighborhood, especially because of the lack of parking on Lockwood and Estrella. She encouraged the City Council to consider the six unit plan (Concept 2).

Reid Schantz, 161 Estrella, stated this is a single family neighborhood and spoke in favor of Concept 2.

Darilynn Drury, Lockwood Lane, stated that she is concerned about traffic and emergency vehicle access, and spoke in favor of Concept 2.

Fred Richey, 125 Estrella, stated that the neighborhood petition has grown to 118 residents who have voiced their opinion, and spoke in favor of Concept 2. He requested that the City start the re-zoning process as soon as possible to allow the developer to move forward.

Margaret Anderson, 123 Estrella, spoke in favor of Concept 2.

Mark Keyes, 496 Lockwood Lane, spoke in favor of Concept 2.

Wayne Morton, 263 Estrella Drive, spoke in favor of Concept 2.

Jeff Krueger, 498 Lockwood Lane, spoke in favor of Concept 2.

Dan Anderson, 123 Estrella, spoke in favor of Concept 2, and thanked the developer and the City Council for their time.

Bill Smith, 145 Estrella Drive, spoke in favor of Concept 2.

The City Council unanimously stated that they are in favor of Concept 2.

Mayor Bustichi questioned the cost of the General Plan change and length of the process.

CA Powell responded that the developer has requested that the City bear the costs of re-zoning because this is not their first choice, but something that the neighbors are asking. She clarified that the developer has proposed a 12-lot project, because the density conceivably allows twelve units since it is over an acre. However, they are not entitled to twelve units, because they would not meet the minimum lot sizes with twelve units, so it is unclear at this point whether they would actually be able to build twelve units. She stated that the question to the Council is: Are we willing to consider re-zoning this site to medium-density, and is this something that the Council would like the City to bear the costs of. She stated that something that goes along with these findings is that it still has to be consistent with our General Plan and Housing Element, and they are currently

not, because our Housing Element shows this as high-density, so this project cannot go forward until the Housing Element is changed. She stated that she has not reviewed their proposed development agreement so she is not sure of their timeline; however, the Housing Element is definitely an issue.

SP Fodge stated that the costs for a General Plan Amendment and zone change are approximately \$6,000. She stated that the process will take approximately six months for twelve units, and with a General Plan change it would take approximately nine months.

CA Powell stated that we can look at processing this concurrently with our Housing Element.

John Sisk, applicant, introduced his attorney, John Barisone, who went over their proposed development agreement.

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

None.

**CONVENE TO CLOSED SESSION**

The City Council convened to closed session at 8:40 p.m. to discuss the following items:

1. The City Council met in closed session to confer with their real property negotiator regarding Assessor Parcel Number's: 22-231-03, 22-601-02.

**RECONVENE TO OPEN SESSION**

The City Council reconvened to open session at 8:45 p.m.

**REPORT ON ACTION TAKEN DURING CLOSED SESSION**

Mayor Bustichi announced that there was nothing to report.

**ADJOURNMENT**

The meeting adjourned at 9:10 p.m.

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

Dene Bustichi, Mayor / Chair

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

Tracy A. Ferrara, City Clerk / Secretary