

# MINUTES

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

Date: April 16, 2008

**POSTING:**

The agenda was posted on 4-11-08  
at City Hall, the SV Library, and the  
SV Senior Center by the City Clerk.

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

**PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE**

**ROLL CALL**

Present:

Mayor Johnson  
Vice Mayor Barrett  
Council Member Aguilar  
Council Member Bustichi  
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 Wooden  
Wastewater/Env Program Mgr Hamby  
Recreation Division Manager Sudduth  
City Clerk Ferrara

**COMMITTEE REPORTS**      CM Reed reported that the Library Joint Powers Authority met. He stated that he provided an update on the Scotts Valley Town Center and the possibility of a new library in the proposed Town Center.

CM Aguilar reported that the Association of Monterey Bay Area Governments met and one of the key items discussed was looking at different management systems for the Monterey Bay Marine Sanctuary.

CM Aguilar reported that she attended a California Council of Governments meeting where the primary focus was on transportation, and the issues and problems associated with state take-aways of transportation monies.

CM Bustichi reported that the Santa Cruz Metropolitan Transit District Board met and they are just beginning negotiations with bus drivers. He stated that they also had discussions regarding the Highway 17 express bus service from Scotts Valley to San Jose. He stated that they have WiFi on the buses for passengers and that the buses are packed. He stated that they are investigating new revenue streams to add buses to that service in the future.

Mayor Johnson reported that the Santa Cruz County Regional Transportation Committee met and discussed issues facing county roads. He stated that there are approximately 700-800 roads in the County that need maintenance,

the cost is approximately one billion dollars, and they are looking for ways to fund those repairs. He stated that because Scotts Valley has ongoing maintenance for our roads we do not have these types of maintenance problems.

## **PUBLIC COMMENT**

CM Comstock introduced new Community Development Director, April Wooden.

Frank Kertai, President of Heritage Parks Association representing Monte Fiore residents in Scotts Valley, read from a letter (on file with the City Clerk) regarding his request for the traffic study documents related to the proposed Target project.

Jody Cramer, Scotts Valley resident, recommended that the City have an Alfred Hitchcock film festival to raise money.

Laura Gonzales, Manana Woods resident, spoke in opposition to the construction of Target on La Madrona Drive. She stated that she has started a grass roots petition in opposition to Target and after only two hours and one email she has 150 signatures.

Paul Bach, RLD PAC, spoke in opposition to Target, made comments regarding the traffic study, and stated that he wanted to know when it had been shared and who knew it had been shared. He accused the City of breaking the law and requested that the City extend the public time period for review of the traffic study to at least as long as the property owner had to review it.

Karen Diamond, small gift store owner in Felton, spoke in opposition to Target because of its potential impact to other businesses in Scotts Valley.

Glenn Patterson, Scotts Valley resident, spoke in opposition to Target and stated that he felt Target would have a negative impact on the Scotts Valley Hilton and Scotts Valley businesses. He also questioned the new proposed Fire facility on La Madrona and how Target may affect response times with increased traffic on La Madrona.

Reuben Helick, Wilson Bros. Commercial, stated that he had put the deal together for Target on La Madrona Drive. He stated that on April 4, 2007, the City Council approved a 136,000 square foot office project at this same site on La Madrona Drive with a 4 to 1 vote. He stated that because they did not have an office tenant or buyer, they decided to do look at doing an amended EIR to evaluate whether to have office, retail, and/or a combination of residential and office or retail on the site. He stated that for this reason, Wilson Bros. and Title II decided to have Fehr & Peers do a preliminary draft traffic study for their general concept. He stated that to his knowledge the traffic report that had been done specifically for Target had not been released to anyone, not even him. He stated that the City had been above board on this issue, and he recommended patience and vigilance as they work through the process to determine if this project will happen or not.

Wendy Brannan, Scotts Valley resident, stated that the City is starting a process and that the City Council and City staff are available to respond to questions that the community has. She stated that she feels this is a very well run City with a small budget and a small staff. She also stated that there are many economic challenges ahead. She stated that we need to remain diligent and look at all of the facts.

Daryl Tempesta, Elected Director for Heritage Parks Association, spoke in opposition to Target and accused City staff of not delivering the entire traffic study and of breaking the law.

Camilla Shaffer, Santa Cruz resident on El Rancho Drive, spoke in opposition to Target because she does not feel there is anything of value in the store and accused the City Council of not being above board.

Mary Blessing, Scotts Valley resident, spoke in opposition to Target because she feels it will have a negative impact on local businesses.

Lea Merchison, part of Scotts Valley School District and Scotts Valley Water District, stated that she shops in Target over the hill and asked that the City follow the appropriate processes for public review. She stated that she and other residents would like to see Marshall's and Old Navy in the Town Center. She stated that she would like to see appropriate landscaping to help Target fit into Scotts Valley.

Peter Noel, Scotts Valley resident, spoke in opposition to Target due to traffic and stated that he felt any tax benefits would be eaten up in increased road and police costs.

Georgeanne White, spoke in opposition to Target due to her concerns about traffic impacts, and stated that she was upset that the City Council had not been present at the 4:00 p.m. scoping meeting.

Katy Welch, Manana Woods resident, spoke in opposition to Target because of traffic impacts and stated that she does not want to see the property developed.

Les Dittert, Monte Fiore resident, submitted a report to the City Council from Daryl Tempesta for the record regarding the traffic study for the Target development (on file with the City Clerk). He stated that he was in favor of the Town Center, however, he spoke in opposition to Target due to his concerns about decreased home values and impacts to wildlife.

Robert White, Monte Fiore resident, spoke in opposition to Target and addressed CM Bustichi regarding comments he made in an article where he stated that he did not feel property values would be affected.

Ron Kilcrease, spoke in opposition to Target due to its impacts on local businesses.

CM Bustichi stated that he had requested that the EIR consultant review possible impacts to property values. He also made a correction regarding statements from Frank Kertai in the Santa Cruz Sentinel today, stating that there will be 9,000 cars to visit Target each day. He stated that the accurate number in the traffic study is 4,500 cars to visit Target, and 4,500 cars to leave, or 9,000 car trips.

Mayor Johnson made a point of clarification regarding a statement he believed Paul Bach made that he (Mayor Johnson) had said that the traffic report had not been delivered to Target or Title II. Mayor Johnson clarified that what he said was that the City had not delivered the traffic report to Target or Title II.

**ALTERATIONS TO  
CONSENT AGENDA**

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

**Consent Agenda:**

- A. Approve check register – 4-8-08
- B. Approve second reading and adoption of Ordinance No. 12.5 amending Section 2.28.275 of Chapter 2.28 of Title 2 regarding the commencement time of public hearings, changing the start time to 6:30 p.m.
- C. Hacienda Drive Transportation Enhancement project:
  - (1) Approve Change Order No. 1; construction contract to:
    - (a) El Camino paving;
    - (2) Approve First Amendment to Contract for Professional Services by:
      - (a) Pacific Crest Engineering, Inc.
      - (b) Dunbar & Craig Land Surveyors
  - Vine Hill School Road Bike Lane Construction Project:
    - (1) Approve award of construction contract for the implementation of Vine Hill School Road Bike Lane Construction Project (Phase I)
- D. Approve Resolution No. 1812 opposing Proposition 98
- E. Approve Off-Site Reimbursement Agreement between the City of Scotts Valley and Ponderosa Homes II, Inc.
- F. Approve agreement for professional services between the City of Scotts Valley and Robert Barrett as a consultant for interim laboratory director services
- G. Approve non-collection of fees for the use of Skypark Park for Ice Cream Social on May 18, 2008 and Scotts Valley Century Bike Ride on April 26, 2008 put on by Scotts Valley Educational Foundation (SVEF)

**ALTERATIONS TO  
REGULAR AGENDA**

CM Aguilar requested that item 2 be heard before item 1.

***M/S: Aguilar/Barrett  
To approve the Regular Agenda as amended moving item 2 to be heard before item 1.  
Carried 5/0***

## REGULAR AGENDA

### 2. Consideration of amendment to Garbage Franchise Agreement

DCM/ASD Ando presented the written staff report and responded to questions from Council. He stated that the City's Wastewater/Environmental Program Manager Scott Hamby, and Jim Moresco from Green Waste Recovery, were available for questions.

CM Bustichi stated that he is concerned about the future increase being included in the contract.

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

***To approve the Second Amendment to Agreement for Professional Services between the City of Scotts Valley and Green Waste Recovery, with an initial rate increase for yard waste of .36 cents per month (\$4.32 per year) and instituting a formula of a three cent customer rate increase for every full \$1.00 increase in the yard waste tipping fee.***

***Carried 4/1 (NOES: Bustichi)***

### 1. Shugart Park Design Presentation and consideration of approval

RDM Sudduth presented the written staff report and responded to questions from Council. He stated that the proposed design has four phases:

- Phase 1 - Beautification along Glenwood. (There is approximately \$65,000 remaining from the Seagate donation that is planned to be used to start this phase.)
- Phase 2 - Connection pathway and bridges from Siltanen Park to Glenwood Drive.
- Phase 3 - Dog Park.
- Phase 4 - Grass area and picnic areas.

CM Aguilar stated that in Phase I she feels it would be beneficial to include the planting of the trees in the buffer zone. RDM Sudduth responded that he felt that was an excellent idea that would be fairly economical to add in.

Reg Kitrelle thanked the Parks & Recreation Commission and stated that he has some concerns about management of the dog park. He stated that he is concerned about the timeline for the proposed facility and suggested that the schedule be tied in with the Town Center so they are not without a dog park.

Daryl Tempesta, Monte Fiore resident, spoke in favor of Shugart Park and suggested that more water be available for kids such as a flat wet site. He stated that he would also like to see if the City could come up with a site for a pool the size of Harvey West.

Linda Santos spoke in favor of Shugart Park and stated that she had concerns about traffic in and out of the park during the time school starts and gets out. She suggested replacing the stop sign with a blinking light at Glenwood and Casa Way/Kerry Court.

Lea Merchison stated that she is concerned about the timing of moving the dog park so that they are not without a dog park. She stated that she is concerned that the City may be underestimating the necessary parking. She recommended including the sloped area in the dog park.

Melissa Wolf, Santa Cruz resident and new user of the dog park, spoke in favor of the dog park.

VM Barrett stated that the dog park at Skypark has always been temporary and we knew that it would move at some time. He feels this is a great improvement and congratulated the Parks & Recreation Commission for their hard work. He stated that we only have the money for Phase I out of four phases at this time, and we will need community support to make the rest of the park happen.

CM Bustichi stated that he feels this is a great design. He stated that he appreciated the time and hard work of City staff and the Parks & Recreation Commission, especially in working with the Glenwood residents on the location of the dog park. He stated that he is also concerned about traffic, but feels it is more of a personal scheduling issue that can be worked out. He also stated that, if and when the Town Center does get approved, there will be phased construction and they will do what they can to help make the dog park transition work.

CM Aguilar encouraged the dog park users to fundraise in order to build the dog park .

**M/S: Barrett/Aguilar**

**To approve the proposed design for Shugart Park.**

**Carried 5/0**

### **3. Consider approval of 2008-2013 Capital Improvement Program (CIP)**

CM Comstock presented the written staff report and responded to questions from Council. He reviewed a completed/in-progress list of CIP projects from 1992/93 to 2007/08, and thanked PWD Anderson and Public Works staff for all of their hard work over the years in completing these projects.

PWD Anderson reviewed the 2008-2013 Capital Improvement Program and responded to questions from Council.

VM Barrett questioned if there was any way to include in Item 38, Shugart Park, Phase II in 2009/2010 and Phase III in 2010/2011. PWD Anderson stated that he would make that change.

CM Aguilar questioned if it was possible to include an expenditure of \$2,000 in the 2008/2009 CIP for new carpet at the Senior Center, in order to provide for a better rental experience. Mayor Johnson and VM Barrett concurred with this request. PWD Anderson stated that it may be possible to fund the \$2,000 in this year's budget, and if not, he would include it in the 2008/2009 CIP.

CM Reed stated that he would like to see Item 40, Vine Hill/Brook Knoll Modularity, improved. He stated that they have leaks and are run down. Mayor Johnson and VM Barrett concurred with this request. CM Comstock responded that funds for those types of repair are in the maintenance budget, and if they need additional money, they will come back to the City Council.

Daryl Tempesta, Monte Fiore resident, questioned if any money had been set aside to construct the new Fire District facility on La Madrona Drive. Mayor Johnson responded that the Fire District, Water District, and School District are all separate entities that are not funded in any way by the City. Mr. Tempesta stated the reason he was asking was because even though all of the Fire District measures had been turned down by the voters, the new fire facility on La Madrona is still going to be funded somehow. He stated that in a down year economically he felt that could wait while more pressing needs such as teacher's salaries or modularity might be funded. Mayor Johnson emphasized that the City, Fire District, Water District, and School District are all separate entities that have separate funding vehicles.

***M/S: Aguilar/Bustichi***

***To approve the five year Capital Improvement Program for 2008 through 2013 as amended above.***

***Carried 5/0***

#### **4. 2008/2009 General Fund Revenue Budget**

DCM Ando presented the written staff report and responded to questions from Council. He stated that the staff report is for discussion purposes only and no action is recommended at this time.

DCM Ando made a clarification in reference to an article by Frank Kertai in the newspaper regarding the City's revenues. In his commentary, Mr. Kertai stated, "Sales tax is an important revenue source for the city of Scotts Valley. It is second only to property taxes, which provides 100 percent more of the operating income of the city." DCM Ando clarified that a few years ago the Accounting Standards Board passed GASB 34, which changed how our financial statements are presented. He stated that in governmental accounting the City receives monies that are earmarked for certain things, so what has been developed is fund accounting, and we have different funds that account for all the different types of revenues. He stated that the Standards Board now requires that the City combine everything together and show it as one amount on the financial statements. He stated that on the surface, what Mr. Kertai was referring to in his commentary, is the \$5.8 million shown in property taxes. However, the true breakdown of the \$5.8 million is that only \$750,000 comes to the City, and that \$750,000 is used to run the City, i.e. the police department, parks, streets, etc. He stated that the Redevelopment Agency (RDA) amount of \$5.1 million cannot be used for police and operations, it is only for capital projects, economic development, etc. He stated that the RDA amount of \$5.1 million is a gross amount, and that of those monies, \$2.6 million is passed through to other agencies because of pass-through agreements with other agencies that were entered into when the RDA was formed. He stated that RDA laws also require that 20% of the \$5.1 million be

set-aside and restricted for affordable housing, so \$1.027 million can only be used for affordable housing purposes. In addition, we have debt payments of \$700,000 that must be made. He stated that the bottom line is that of the \$5.1 million, the RDA only receives about \$745,000. He also stated of the \$2.9 million in sales tax, roughly \$1 million is from the Measure C sales tax measure, which will be going away in a few years. DCM Ando stated that this information was to provide clarification for people who might have read the article and might not have understood how the City's financial statements are put together.

CM Reed stated that the cities of Santa Cruz, Capitola, and Watsonville all have permanent sales tax measures in effect. He stated that Scotts Valley is able to pay our bills now because of Measure C, our temporary sales tax measure; however, in the years ahead when Measure C goes away, the deficits will be approximately \$650,000. He stated that is why the City Council is committed to promoting economic development so that we can continue to offer the services in the future that we offer today

CM Comstock reminded the City Council about the property tax issues in Scotts Valley. He stated that no single property owner pays property taxes into both the General Fund and the Redevelopment Agency (RDA). He stated that if property is located outside of the RDA, you are paying property tax only to the General Fund, and the property tax rate that the City receives is about 4-1/2% on the dollar. For example, if a home is assessed at \$1 million, the City of Scotts Valley receives \$450 from that property for property tax in the City of Scotts Valley, which is why we are called a "No or Low Property Tax City". He stated that sales tax received is approximately twice as much as property tax received in the General Fund.

Daryl Tempesta, Monte Fiore resident, questioned what impacts Measure Q (\$55 million) will have on the City's budget if it is approved. CM Aguilar responded that Measure Q is a School District measure, and explained that the School District is a separate entity that is not funded in any way by the City. Mr. Tempesta asked what it would take to get that relationship changed. CA Powell responded that under State law cities are not allowed to operate school districts. She stated that school districts are separate entities and they have the ability to raise money for their facilities. Mr. Tempesta recommended the continuation of Measure C, or a similar sales tax measure.

## **5. Future Council/RDA agenda items**

CM Barrett questioned the possibility of extending the comment period on the notice of preparation. CA Powell responded that the purpose of the meeting and the 30-day comment period was merely to get input on what should be analyzed in the supplemental EIR, and that it is not an actual critique of some of the studies such as the preliminary traffic study. She stated that we are not at that stage yet, so staff does not see the necessity to extend that time period. She stated that they still have until April 30 to submit any comments in writing, and those comments can be submitted via email, fax, regular mail, or dropped off at City Hall. CM Bustichi asked if there was any harm in extending the comment period by ten days. CA Powell responded that the

input that we are getting at this point is just what should be included in the SEIR. She stated that what staff heard today is traffic, and we have already determined to consider traffic, pedestrian walkways, safety, intersections, etc. so staff does not see the necessity to extend the time period to accept comments on the preliminary traffic study, because we are not at that point. She stated that we will welcome any comments informally throughout the next nine or ten months through email or public meetings, or formally, once we receive the draft SEIR, which will include the draft traffic study and will be a complete document that will have been peer reviewed by staff and the environmental consultant.

Mayor Johnson requested a future agenda item regarding the Light Brown Apple Moth.

CM Bustichi requested an agenda item to discuss holding "movie night" in Scotts Valley.

**ADJOURNMENT**

The meeting adjourned at 9:30 p.m.

Approved: \_\_\_\_\_  
Randy Johnson, Mayor / Chair

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