

MINUTES

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

Date: June 3, 2009

POSTING:

The agenda was posted on 5-29-09 at City Hall, the SV Library, and the SV Senior Center by the City Clerk.

CALL TO ORDER 6:00 p.m.

PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE

ROLL CALL

Present:

Mayor Johnson
Vice Mayor Reed
Council Member Aguilar
Council Member Bustichi

City Manager Ando
City Attorney Powell
Public Wks Director Anderson
Police Lieutenant Hohmann
Senior Planner Fodge
Senior Planner Bateman
City Clerk Ferrara

Absent:

Council Member Lind

Police Chief Weiss

COMMITTEE REPORTS

VM Reed reported that the Joint Powers Library Board met to discuss budget cuts. He stated that the Library Board approved Scenario 6, which imposes the least amount of closure hours throughout the system. He stated that they have cut \$1.3 million by freezing positions, closing on Fridays, increasing fines, and library staff taking a 10% furlough. He recommended that library patrons check the library website in order to obtain information regarding the reduced hours at each branch.

CM Aguilar reported that she met with Assembly Member Bill Monning regarding the state's plan to take money away from local governments, special districts, and agencies, and the state's continued unfunded mandate requirements. She stated that the state has already taken \$10 billion from local government, special districts, and agencies, and they are now looking to borrow money from these same areas. She urged citizens to visit the www.saveyourcity.net to get updates on what the state is proposing, and urged citizens call legislators to express concerns about the state "borrowing" property taxes and gas tax money.

CM Bustichi reported that the Santa Cruz Metropolitan Transit District (SCMTD) will be meeting this Friday; however, he stated that he did hear from the SCMTD General Manager, Les White, that diesel buses that cannot be replaced due to transportation funding cuts, and were going to have to be

parked due to state mandates, have been granted an allowance for the SCMTD to continue use of the buses. He stated that this allowance means routes will not have to be cut. In addition, he stated that state funds that have been received throughout the years have only been used for capital improvements, so while capital improvements will be cut due to transportation funding cuts, the SCMTD will not have to cut routes over the next few years.

PUBLIC COMMENT

No one came forward.

**ALTERATIONS TO
CONSENT AGENDA**

CM Ando requested that Item C be moved to the regular agenda for discussion and public input.

Paul Bach, Scotts Valley Responsible Local Development Political Action Committee, requested that Item A be moved to the regular agenda for discussion.

M/S: Aguilar/Reed

To approve the consent agenda as amended moving Items A and C to the regular agenda for discussion.

Carried 4/1 (Absent: Lind)

Consent Agenda:

- B. Approve check register – 5-19-09
- C. Approve Resolution No. 1007.22 making certain findings and determinations in compliance with Section XIII B of the California Constitution (Gann Initiative) and setting the appropriations limit for Fiscal Year 2009/2010
- D. Approve Resolution No. 1139.13 adopting the City of Scotts Valley Investment Policy
- F. Approve contract for professional services between the City of Scotts Valley and TriAxial Data Systems, for consulting and computer support services, in an amount not to exceed \$7,000

**ALTERATIONS TO
REGULAR AGENDA**

CM Bustichi stated that he would be recusing himself from the public hearings, Items 2 and 3, since his residence and business are located within 500 feet of these projects. He also requested that these items be heard after Item 6, the last item on the agenda.

M/S: Aguilar/Bustichi

To approve the Regular Agenda as amended moving Items A and C from the consent agenda to the regular agenda for discussion, and moving public hearing Items 2 and 3 to be heard after item 6.

Carried 4/1 (Absent: Lind)

REGULAR AGENDA

- A. Approve Joint City Council/RDA meeting minutes of 4-15-09

Paul Bach, Scotts Valley Local Development Political Action Committee (SVRLDPAC), requested that the meeting minutes be amended to more

accurately reflect his interaction with the City Council during his public comments on item 3 regarding foreclosure proceedings against Title II.

VM Reed stated that he would agree to the inclusion recommended by Mr. Bach, as long as the minutes also reflect that Mr. Bach made virtually identical remarks in the open public comment portion at the beginning of the meeting, as he started to make on item 3.

M/S: Reed/Aguilar

To approve minutes as amended above.

Carried: 4/1 (Absent: Lind)

1. Human Care Alliance presentations/Outside Agency Funding Requests

CM Ando presented the written staff report and responded to questions from Council. He stated that the funding proposals will be given to a Subcommittee for review, and recommendations will come back to the Council for approval at a future meeting.

Bill McCabe, representing the Human Care Alliance (HCA), gave a PowerPoint presentation that provided an overview and background of the Human Care Alliance and the programs provided by the HCA. He also thanked the City Council for their continued support over the years. He introduced the agencies who were present at the meeting and stated that they feel the services provided by these agencies are essential to the City.

Jun Lee, Scotts Valley resident, stated that he was at the meeting as a stroke survivor and patient at the Cabrillo Stroke and Disability Center, and spoke in support of continued funding for this program.

Robert White, Scotts Valley resident, stated that he was at the meeting as a stroke survivor and patient at the Cabrillo Stroke and Disability Center, and spoke in support of continued funding for this program.

Jack Wright, Lift-Line/Community Bridges recipient, spoke in support of continued funding for this program.

Carolyn Fitz, Peer Counselor for the Senior Outreach Group, spoke in support of continued funding for this program.

Cathy Conway, Transitions Program, introduced Pamela Pissaro, a Volunteer for the Transitions Program, who spoke in support of continued funding for this program.

Bill McCabe distributed a letter from Patty, who is a recipient of the Meals on Wheels program, requesting continued funding support for Meals on Wheels. He stated that he is available to respond to any questions that may arise during the decision making process, and then introduced all of the Human Care Alliance organizations present at the meeting.

E. Authorize the Redevelopment Agency Chair to execute a Purchase Agreement with Slawinski Family Partnership for APN's 022-211-80 and 022-211-31

CM Ando presented the written staff report and responded to questions from Council. He reviewed additional information that he had prepared after the distribution of the agenda (distributed as an add on to the agenda), and reviewed the steps that had been taken by the City regarding this item as follows:

- (1) Obtained appraisal showing appraised value of \$4,650,000. Purchase price is \$4,500,000.
- (2) Hired a structural engineer to inspect the building.
- (3) Met with County regarding funds being set aside from Redevelopment Agency for a library.
- (4) Met with Library Director and toured the facility.
- (5) Spoke with Stanbery Development regarding the idea of the new location of the library.
- (6) Had an engineer review cost estimates to remodel the building into a library.
- (7) Had an engineer review comparison of cost building new vs. remodeling existing building.
- (8) Had a financial consultant prepare calculations for bonding capacity of the Redevelopment Agency.
- (9) Reviewed title report, Town Center Specific Plan and EIR.

CM Ando also provided additional detailed information regarding the above steps taken by the City.

CM Aguilar questioned the amount of property tax that would be lost due to the City purchasing this property, and the previous two properties the City purchased at Skypark.

CM Ando responded that properties owned by the City are exempt from property taxes, and stated that since Scotts Valley is a low property tax City, the loss of property tax revenue to the City for this property, and the additional two properties recently purchased at Skypark, is approximately \$800-\$900 per year.

Bob Slawinski, owner of the Scotts Valley Sports Center, stated that he has enjoyed owning the facility for the last seven years; however, he has been hit with the recession in both the Sports Center business and his auction business, which would often subsidize the Sports Center. He stated that he made this offer to the City, because he is no longer able to keep the Sports Center open.

Jack Martin, Sports Center employee, spoke positively about the Sports Center, Bob Slawinski, and his community support, and encouraged the Council to try to keep this business somewhere in town.

Perri Sweet, Scotts Valley resident, spoke positively about the Sports Center, Bob Slawinski, and his community support, and encouraged the Council to try to keep this business somewhere in town.

Beau Meyer, Sports Center participant, spoke positively about the Sports Center, Bob Slawinski, and his community support, and encouraged the Council to try to keep this business somewhere in town.

Elvis Hernandez, Sports Center employee, spoke positively about the Sports Center, Bob Slawinski, and his community support, and encouraged the Council to try to keep this business somewhere in town.

Debra Sloss, Scotts Valley resident and psychotherapist, spoke positively about the Sports Center, Bob Slawinski, and his community support, and encouraged the Council to try to keep this business somewhere in town. She recommended attaching a Teen Center to the facility in order to provide a safe and positive environment for Scotts Valley teens.

Jeannie Mason, Scotts Valley resident, spoke in opposition to the City of Scotts Valley purchasing this property.

Paul Bach, Scotts Valley Responsible Local Development Political Action Committee, spoke in opposition to this item due to the lack of public meetings held prior to this meeting.

Kristen Vander?, Boulder Creek resident, spoke positively about the Sports Center, Bob Slawinski, and his community support, and encouraged the Council to try to keep this business somewhere in town, or provide another similar facility for fundraising.

Todd Creamer, local civil engineer, spoke in favor of the City of Scotts Valley purchasing this property for a library. He stated that remodeling an existing building is much more desirable because of its green building status. He stated that this is fiscally responsible, because the construction of a new building would cost approximately \$12 million, instead of the \$7.9 million this will cost.

Elizabeth Welch, President of the Scotts Valley Friends of the Library, spoke in favor of the City of Scotts Valley purchasing this property for a library. She stated that the Sports Center will be a huge loss to the community, but the community will lose the Sports Center whether the City purchases the property or not.

Denise Diani-Friedman, Santa Cruz resident, spoke positively about the Sports Center, Bob Slawinski, and his community support, and encouraged the Council to try to keep this business somewhere in town.

David North, Coach at the Sports Center, spoke positively about the Sports Center, Bob Slawinski, and his community support, and encouraged the Council to try to keep this business somewhere in town. He stated that this is a loss to the community as it is a regional resource. He also questioned what other sites had been looked at for a library.

Anthony Capricio, Coach at the Sports Center, spoke positively about the Sports Center, Bob Slawinski, and his community support, and encouraged the Council to try to keep this business somewhere in town.

Carrie Henke, spoke positively about the Sports Center, Bob Slawinski, and his community support, and encouraged the Council to try to keep this business somewhere in town.

Susan Clark, spoke positively about the Sports Center, Bob Slawinski, and his community support, and encouraged the Council to try to keep this business somewhere in town.

John Hohmann, Police Lieutenant, spoke positively about the Sports Center, Bob Slawinski, and his community support.

Tom Mason, questioned the size of the library and the estimated construction costs.

Frank Kertai, Scotts Valley resident and President of the Heritage Parks Homeowners Association, spoke in opposition the City of Scotts Valley purchasing this facility for a library. He also spoke positively about the Sports Center, Bob Slawinski, and his community support, and encouraged the Council to try to keep this business somewhere in town.

Linda Owens, Scotts Valley resident, spoke positively about the Sports Center, Bob Slawinski, and his community support, and encouraged the Council to try to keep this business somewhere in town.

Les White, Scotts Valley resident, spoke in favor of the City of Scotts Valley purchasing this property for a library and stated that he feels the remodel estimates are accurate, based on his personal experience with a very similar remodel in Santa Cruz for the Transit District.

CM Bustichi stated that he has been working with Mr. Slawinski over the last five years to try to keep this facility as an asset to the community; however, the money is just not there. He also stated that it is not financially feasible for the City to run this facility. He stated that approximately 7,000 to 8,000 square feet of this 22,000 square foot facility will be evaluated for another use, which is something that the community will be involved in. He stated that the money being set-aside for the library will continue to go into the library fund, as it cannot be used for anything else. He stated that the Sports Facility is an asset that will be missed; however, he is recommending that the floor be taken apart and warehoused, and that we work with the community to try to come up with a location for hockey to continue. He thanked Bob and Rob Slawinski for all of their community support over the years.

VM Reed reviewed the process that had occurred regarding this item. He stated that prior to this discussion, Mr. Slawinski had decided to close the Sports Center, and that will occur if the City purchases this facility for a library or not. He stated that if the community would like to keep the facility open for the next few months, they need to band together to try to make that happen. He also stated that the library will have no increase in staffing, or only a minor increase, with a larger facility.

CM Aguilar provided some history on the Sports Center facility over the years and thanked Mr. Slawinski for his community support. She encouraged the community to work toward moving this facility, and stated that she would provide whatever support she can. She also stated that it is not fiscally feasible for the City to run this facility.

Mayor Johnson stated that this is a very bittersweet decision, and thanked Mr. Slawinski for his community support over the years. He explained that the library set-aside money is money that cannot be used for anything except the library.

CM Aguilar questioned staff regarding the funding sources for this facility and questioned what the annual payments would be on the bonded amount.

CM Ando responded that he doesn't have an exact schedule; however, RDA monies that are currently set-aside for the library would be used to pay for the bonds.

CM Aguilar questioned if the bond amount includes the remodeling costs.

CM Ando responded that the bond amount does include the remodeling costs. He also stated that this is the only thing this money can be used for.

VM Reed asked staff to provide additional information regarding the cost estimates for remodeling.

CM Ando responded that a professional engineer had analyzed and reviewed the remodeling estimates.

VM Reed questioned if a formal legal appraisal had been done on this property.

CM Ando responded that a formal legal appraisal had been completed.

VM Reed requested that City staff explore/examine what would be involved if an entity wanted to run the facilities until November, and look at options for an outdoor rink.

CM Bustichi requested that the budget include the costs of professionally dismantling the floor, providing a drawing/plan for reassembling the floor, and the costs for proper storage.

CM Aguilar stated that a sign-up sheet was available in the back of the room and encouraged everyone to provide their contact information.

M/S: Reed/Bustichi

To authorize the Redevelopment Agency Chair to execute a Purchase Agreement with Slawinski Family Partnership for APN's 022-211-80 and 022-211-31, and that City staff explore/examine what would be involved if an entity wanted to run the facilities until November, look at options for an outdoor rink, and that the budget include the costs of professionally dismantling the floor, providing a drawing/plan for reassembling the floor, and the costs for proper storage.

Carried 4/1 (Absent: Lind)

REGULAR AGENDA
(Resumed)

4. Redevelopment Agency budget hearing

CM Ando presented the written staff report and responded to questions from Council. He stated that this item is for discussion purposes only. He requested that the Redevelopment Agency (RDA) Board of Directors provide staff with direction on the contract amount for the Scotts Valley Chamber of Commerce, which will be presented at the June 17, 2009 meeting. He stated that the budget will be coming back to the City Council/RDA Board of Directors for approval at their June 17, 2009 meeting.

Josh Breeden, President of the Scotts Valley Chamber of Commerce, spoke in favor of the City increasing their contribution to the Chamber from \$15,000 to \$25,000, and provided detailed information on the Chamber's role in the City.

CM Aguilar stated that she was in favor of increasing the funding for the Chamber for the next three years. CM Aguilar recommended placing the Chamber magazine on their website to be more green and save money.

Mayor Johnson stated he was in favor of increasing the funding for the Chamber for the next three years in order for the Chamber to be able to have a more realistic long-term action plan.

CM Bustichi expressed concerns about raising the contribution to the Chamber of Commerce when the contributions to the Human Care Alliance remained the same.

CM Aguilar stated that the Human Care Alliance is funded through the General Fund and this is through the Redevelopment Agency.

VM Reed stated that he would like additional information regarding this request, and even with that, he could only support this on a year to year basis.

CM Bustichi stated that he would like to see additional information and back-up regarding this request on a future Council agenda.

CM Ando stated that he will bring this back at the June 17, 2009 Council meeting with additional information.

5. Discussion of State budget impacts and consideration of Resolution No. 1827 finding a severe fiscal hardship will exist if additional local property tax funds are seized and additional unfunded mandates are adopted by the State of California

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

CM Aguilar stated that the Scotts Valley Fire Protection District and the Scotts Valley Water District will also be impacted negatively.

M/S: Reed/Aguilar

To approve Resolution No. 1827 finding a severe fiscal hardship will exist if additional local property tax funds are seized and additional unfunded mandates are adopted by the State of California.

Carried 4/1 (Absent: Lind)

6. First reading and introduction of Ordinance No. 110.5 amending Chapter 10.18.020 to Title 10 of the Scotts Valley Municipal Code regulating private streets subject to vehicle code enforcement

PL Hohmann presented the written staff report and responded to questions from the City Council.

Frank Kertai, Scotts Valley resident and President of the Heritage Parks Homeowners Association, questioned the impact of enforcement on the Homeowners Association CC&R's.

CA Powell responded that this is simply for the Police Department to enforce the Vehicle Code, and any additional requirements include in their CC&R's would have to be enforced by the Homeowners Association.

John Muth, Casa Way, spoke in favor of this ordinance; however, he questioned if there was any way to get financial support for maintenance on some of the streets like Casa Way that are heavily used by the public. He also questioned if he could put in a speed bump.

CA Powell responded that it may be possible to put in a speed bump; however, it would have to meet certain criteria and be reviewed and approved by the Traffic Safety Advisory Committee.

M/S: Aguilar/Reed

To introduce for first reading Ordinance No. 110.5 amending Section 10.18.020 of Chapter 10.18 to Title 10 of the Scotts Valley Municipal Code regulating private streets subject to vehicle code enforcement, and waive the reading thereof.

Carried 4/1 (Absent: Lind)

PUBLIC HEARINGS

2. **Consideration of Planning Commission recommendation of approval to the City Council for the subdivision of an existing 3.6 acre parcel into three parcels in the estate residential zoning district (R-1-40) at 2923 Granite Creek Road // APN 24-231-03**

CM Bustichi recused himself due to the proximity of his personal residence to this project being within 500 feet.

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

PUBLIC HEARING OPENED - 10:05 PM

Derrick Tim, President of the Granite Creek Homeowners Association, stated that previous concerns expressed had been mitigated by the City, and spoke in favor of the project.

PUBLIC HEARING CLOSED - 10:10 PM

M/S: Aguilar/Reed

To approve Resolution No. 1828 approving a minor land division MLD06-003 to create three parcels from one existing 3.8 acre parcel located at 2923 Granite Creek Road (APN 24-231-03).

Carried 3/1/1 (Absent: Lind/Recused: Bustichi)

3. **Consideration of Planning Commission recommendation of approval to the City Council of a commercial lot rezone for an 8-lot subdivision at 4803 Scotts Valley Drive // APN 022-082-58 (Planning File Nos. GPA08-001, ZC08-001, PD08-001, LD08-001, and DR08-011)**

CM Bustichi recused himself due to the proximity of his business to this project being within 500 feet.

SP Fodge presented the written staff report and responded to questions from the City Council. She stated that the project applicant, Owen Lawler, was available for questions, in addition to Todd Creamer of C2G Engineers.

PUBLIC HEARING OPENED - 10:19 PM

Owen Lawler, project applicant, provided information on the project and responded to questions from the Council.

Edith Marshall, Civic Center Drive, expressed concerns regarding additional traffic on Civic Center Drive. She questioned if it was possible to make the developer pay for road repairs that will be needed due to increased traffic. She also expressed concerns about the depressed real estate market.

PWD Anderson stated that it is a public road so the City is responsible for maintaining it. He stated that Public Works would perform an inspection of the road prior to the beginning of construction, and if there is any damaged caused by the developer, the developer will be required to be pay for those repairs.

CM Aguilar requested that a condition of approval be added requiring the assessment/inspection of Civic Center Drive by the Public Works Department, before and after construction, and requiring the developer to pay for any damage to the road caused by the construction of his development. She also recommended having the Traffic Safety Advisory Committee evaluate the possibility of putting Bot Dots on Civic Center Drive.

PUBLIC HEARING CLOSED - 10:35 PM

M/S: Aguilar/Reed

To approve Resolution No. 1826 certifying mitigated negative declaration MND09-002 to rezone Parcel B (26,766 square feet) from C-S to R-H, subdivide te parcel into 8-lots and one common lot, and build eight (8) single-family detached houses and related property improvements located at 4803 Scotts Valley Drive // APN 022-082-58.

Carried 3/1/0 (Absent: Lind/Recused: Bustichi)

M/S: Aguilar/Reed

To approve Resolution No. 1826.1 approving General Plan Amendment GPA08-001 to change the General Plan land use designation from "Service-Commercial" to High Density Residential" to rezone parcel B (26,766 square feet) from C-S to R-H, subdivide the parcel into 8-lots and one common lot, and build eight (8) single-family detached houses and related property improvements located at 4803 Scotts Valley Drive / APN 022-082-58.

Carried 3/1/0 (Absent: Lind/Recused: Bustichi)

M/S: Aguilar/Reed

To introduce for first reading Ordinance No. 16-ZC-216 approving zone change ZC08-001 and planned development district overlay and permit PD08-001 to rezone parcel B (26,766 square feet) from Service-Commercial "C-S" to the High Density Residential/Planned Development "R-H/PD", and build eight (8) single family detached houses and related property improvements located at 4803 Scotts Valley Drive / APN 022-082-58, and waive the reading thereof.

Carried 3/1/0 (Absent: Lind/Recused: Bustichi)

M/S: Aguilar/Reed

To approve Resolution No. 1826.2 approving land division LD08-001 and design review DR08-011 to rezone parcel B(26,766 square feet), subdivide he parcel into 8-lots and one common lot, and build eight (8) detached single-family houses and related property improvements located at 4803 Scotts Valley Drive / APN 022-082-58, as amended, adding a condition of approval regarding road assessment/inspection

**by the Public Works Department, before and after construction, and requiring the developer to pay for any damages to the road caused by the construction of his development.
Carried 3/1/0 (Absent: Lind/Recused: Bustichi)**

7. Future Council/RDA agenda items

None.

CLOSED SESSION

The City Council unanimously agreed to continue the following closed session item to the meeting of June 17, 2009:

- Conference with legal counsel regarding existing litigation.
Legal Authority: Govt Code Section 54956.9a
Case: City of Scotts Valley vs. County of Santa Cruz, et al
Case No. CIV467230 San Mateo County Superior Court

ADJOURNMENT

The meeting adjourned at 10:45 p.m.

Approved:


Randy Johnson, Mayor / Chair

Attest:


Tracy A. Ferrara, City Clerk / Secretary