

# MINUTES

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

**Date: July 2, 2008**

**POSTING:**

The agenda was posted on 06-27-08 at City Hall, the SV Library, and the SV Senior Center 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 Johnson  
Vice Mayor Barrett  
Council Member Aguilar  
Council Member Bustichi  
Council Member Reed

City Manager Comstock  
City Attorney Powell  
Deputy City Mgr/Admin Svcs Dir Ando  
Police Chief Weiss  
Public Wks Director Anderson  
Community Development Dir Wooden  
Recreation Division Manager Sudduth  
City Clerk Ferrara

**SPECIAL SET MATTERS: (1) Presentation of Shugart Park Plan to Seagate Technology**

Mayor Johnson presented Lisa , from Seagate Technology, with a framed rendering of the Shugart Park Plan.

**(2) Presentation of July 4 donation from Seagate Technology**

Lisa , Seagate Technology, presented the City with a check for \$5,000 toward the 4<sup>th</sup> of July celebration.

**COMMITTEE REPORTS**

CM Aguilar reported that the Affordable Housing Subcommittee met regarding the potential to add additional affordable units in the community, which will be coming to the City Council for discussion on July 16.

CM Bustichi stated that the Affordable Housing Subcommittee did not reach agreement, so the item on July 16 will not be a subcommittee recommendation, but a discussion item.

CM Bustichi reported that the Skypark Subcommittee met with Stanbery Development regarding the Town Center property acquisition, the retail climate, and the residential component.

CM Bustichi reported that the Santa Cruz Metropolitan Transit District met and completed negotiations with the bus drivers. He reported that the SCMTD budget is being negatively affected by reduced sales taxes.

## **PUBLIC COMMENT**

Frank Kertai, President of the Heritage Parks Homeowners Association, thanked City staff for providing requested information to him recently. He thanked and commended CM Barrett for his past nine years of work on the Council and read from a letter regarding this (on file in the Office of the City Clerk). He spoke in opposition to big-box stores and the construction of the proposed Target store. He stated that there were two issues on the City Council agenda for discussion regarding Target, and he was concerned that no one at Heritage Parks or at the RLDPAC had been notified that these items were on the agenda, after repeated requests that they be notified.

Joe Bugna, resident of Scotts Valley, small business owner, and President of Granite Creek Estates, spoke regarding the proposed Target store and thanked the City Council for their courage and due diligence in working through the process.

Heidi Reynolds, Scotts Valley resident, spoke in opposition to the construction of Target on La Madrona Drive and stated that she has collected hundreds of signatures in opposition. She stated that she was not opposed to Target being constructed in Scotts Valley, and asked the City Council to consider a different location.

Ferd Bergholz, Scotts Valley resident, spoke in favor of Target being constructed in Scotts Valley due to its tax benefits. He stated that he does not feel Target will have a negative impact on other businesses in Scotts Valley.

Chris Louck, Scotts Valley resident, thanked the City Council for working through the process regarding Target so that they can make an informed decision when the project comes before the City Council for consideration.

Bob Hedgepath, Scotts Valley resident, spoke in favor of Target being constructed in Scotts Valley due to its tax benefits and the value to the local consumers in product costs and gas savings. He stated that based on his past experience in law enforcement and security, he does not feel that the store will be a drain on police services. He stated that he does not feel Target will have a negative impact on other businesses in Scotts Valley.

Corky Roberson, Scotts Valley resident, spoke in favor of Target being constructed in Scotts Valley due to its tax benefits. He stated that he does not feel Target will have a negative impact on other businesses in Scotts Valley.

Ray Haight, Scotts Valley resident, thanked the City Council for following due process regarding Target so that they can make an informed decision when the project comes before the City Council for consideration. He stated that with Measure C sunseting in 2011, he is very concerned about future budget deficits, how those deficits will be covered, and a potential loss of City services.

Wendy Brannan, Scotts Valley resident, spoke regarding the Joint City/School District Subcommittee. She stated that she wants to be sure that evacuation procedures are in place at the schools in case of a fire in Scotts Valley, and urged the Subcommittee to speak with the School District so that everyone is fully informed and prepared, and a plan is in place.

Paul Bach, Responsible Local Development Political Action Committee, spoke highly about CM Barrett and stated that he was saddened to hear that he would not be running for Council again. He spoke in opposition to Target being constructed in Scotts Valley due to its size, traffic, and its potential negative impacts to existing stores in Scotts Valley. He stated that in his opinion the Scotts Valley Hilton will probably close if Target is constructed on La Madrona Drive. He stated that he wants the economic study to show the overall net economic impact, not just the gross impact.

Jay Yambrovich, Scotts Valley resident, thanked the City Council for following the process regarding the proposed Target, so that they can weigh all of the information before making a decision. He stated that his wife owns a store in Scotts Valley (Attitudes Ladies Boutique), and he and his wife are in favor of Target, because they feel the products and customer service they provide will keep their store open.

Owen Lawler, Scotts Valley resident, stated that he believes the perceived impacts of a project are usually much greater before a project is built than the actual impacts when the project is completed. He stated that he believes that Santa Cruz County does not have enough retail and many of our tax dollars are spent outside of the County. He stated that he feels Target will have a positive impact on existing businesses.

Elaine Rolfus, Glen Canyon Road resident, spoke in opposition to Target being constructed on La Madrona Drive due to traffic impacts and its potential negative impact on Scotts Valley.

Robbie Olson, Scotts Valley resident, spoke in favor of the proposed Target and property owner rights, and encouraged the City Council to go through the process. He stated that he does not feel that Target will negatively impact small businesses in Scotts Valley.

## **ALTERATIONS TO CONSENT AGENDA**

Frank Kertai, President of the Heritage Parks Homeowners Association, submitted written comments regarding Item D on the consent agenda to the City Clerk and City Council at 5:56 pm (comments included as Attachment A). These comments were also received just before the beginning of the Council meeting via email at 5:35 pm.

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

**Consent Agenda:**

- A. Approve Joint City Council/RDA meeting minutes of 6-18-08, 5-21-08  
*Corrected*
- B. Approve check register – 6-18-08
- C. Approve donation of July 4 event proceeds to fire relief
- D. Approve amendment to professional services contract between the City of Scotts Valley and ESA Community Development modifying the SEIR scope
- E. Approve the designation of Council Member Stephany E. Aguilar as the Voting Delegate for the League of California Cities Annual Business Meeting on September 27, 2008 at the League's 2008 Annual Conference
- F. Approve new wage schedule for temporary recreation employees, effective June 28, 2008
- G. Approve Memorandum of Understanding between the City of Scotts Valley and SEIU dated 7/1/08 to 6/30/11

**ALTERATIONS TO  
REGULAR AGENDA**

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

**REGULAR AGENDA**

1. **Presentation from Scotts Valley Fire Protection District on the Santa Cruz County fires**

Chief Mike McMurry, Scotts Valley Fire Protection District, gave a Power Point presentation on the recent fires in Santa Cruz County, gave action steps on avoiding fire, and responded to questions from Council.

Wendy Brannan, Scotts Valley resident, commented about an article in the Santa Cruz Sentinel today regarding a website called FireDispatch.com. She encouraged everyone to put this website under their "favorites" so they can be updated and informed on fires in their area.

Tom Housou, stated that the Fire District's word is getting out, because in his neighborhood the people who usually have fireworks are requesting that no one in their neighborhood use fireworks this 4<sup>th</sup> of July.

Elaine Rolfus, Glen Canyon Road resident, questioned how the 100 foot enforcement will take place. Chief McMurry responded that the Fire District is working with homeowner's associations first, and they are hiring a fire inspector to work on this program. She also stated that she was interested in finding out more information regarding trees that are more of a fire hazard than others, and trees that may be less of a fire hazard. Chief McMurry stated that he would make a site visit to Ms. Rolfus' home to work with her regarding this issue.

## 2. Discussion: Gateway South Retail Economic Impact Study

CDD Wooden presented the written staff report and responded to questions from Council. She stated that she had received an email late today from Frank Kertai, requesting the evaluation of *net* and not *gross* impacts. She stated that she felt that goes without saying, but she will make sure to clarify in the scope that we are asking the consultant to consider not just the gross, but the net impacts and revenues generated by the proposed use.

Tom Walsh, Executive Director of the Senior Coalition, stated that members of the Senior Coalition that live Scotts Valley had asked him to speak to the Council. He stated that seniors have supported local business in Scotts Valley for many years, and over the years the City has always acted in the best interest of the City and its citizens. He congratulated the Council for following the process and providing a fair and open business climate. He stated that the seniors are encouraging the Council to do the retail economic impact study so that the Council, its residents, and business owners can help decide what is best for the City.

Paul Bach, Responsible Local Development Political Action Committee, stated that he feels that the scope of the economic impact report is inadequate. He stated that he would like the City to be more specific on what they would like to see in the economic impact report. He stated that he would like to know how the City is going to select the economic impact study consultant and questioned what the cost of this study will be. He requested that the Town Center be included in the economic impact study. He stated that the preliminary traffic report concluded that one of the mitigating factors for the increased traffic was to construct the mid-town interchange, and questioned where the money was to construct the mid-town interchange.

Mike Keogh, stated that he had heard that a number of people were opposed to performing an economic study. He spoke in favor of the economic study so that the City Council can make an informed decision.

Wendy Brannan, Scotts Valley resident, spoke in favor of the City Council authorizing the economic impact study in order to obtain the facts and information necessary in order to help them make an informed decision regarding the proposed Target.

Sean Lennon, Scotts Valley resident, encouraged the City Council to do their due diligence and obtain all the facts in order to help them make an informed decision regarding the proposed Target.

Frank Kertai, President of Heritage Parks Association spoke in favor of the economic study being informed. He stated that he had some additional concerns with respect to the study. He stated that he would like to see it more specific because he feels it is too broad in scope. He reviewed the written comments he had submitted regarding this item to the City Clerk and City Council at 5:56 pm requesting that specific information outlined in his letter be included in the scope of the study and the City's RFP (letter included as Attachment B).

Laurie Wantland, Scotts Valley resident, stated that her daughter owns Attitudes Ladies Boutique, and spoke in favor of the retail economic impact study and stated that she believes the proposed Target will have positive economic impacts to the entire community and the existing businesses in Scotts Valley.

Sharolynn Ullestad, Scotts Valley Chamber of Commerce, thanked the City Council for going above and beyond in doing the economic retail impact study and encouraged the Council to do as thorough a study as possible.

Rick Bowen, 167 Glenwood, spoke in favor of the City Council performing due diligence in this process.

VM Barrett requested that on the draft economic impact study scope, item 1a, goods offered, a comparison of any and all potential sales items that Target may have in their store, compared to what we are currently supplying in Scotts Valley, be included. He also requested that the study include net impacts.

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

***To approve the Draft Economic Study Scope and Schedule for the Gateway South retail project, and direct staff to circulate an Request for Proposals (RFP) to solicit firms to complete the study, as amended to include VM Barrett's request to include a comparison of any and all potential sales items that Target may have in their store, compared to what we are currently supplying in Scotts Valley, and clarifying that we would like to see net costs.***

***Carried 5/0***

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

CM Aguilar requested that a discussion item regarding the potential to add affordable housing to Scotts Valley be placed on the July 16 City Council agenda.

CM Bustichi requested that the water mitigation ordinance be on the agenda by the first meeting in August.

**CONVENE TO CLOSED SESSION**

The City Council convened to closed session at 8:16 p.m. to discuss the following items:

1. Pursuant to Government Code Section 54956.8, the City Council met in closed session to confer with their legal counsel regarding real property negotiations; APN 022-211-36

**RECONVENE TO OPEN SESSION**

The City Council reconvened to open session at 8:25 p.m.

**REPORT ON ACTION TAKEN DURING CLOSED SESSION**

Mayor Johnson announced that there was nothing to report.

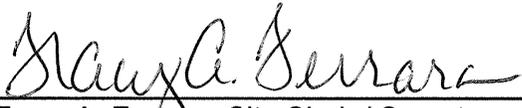
**ADJOURNMENT**

The meeting adjourned at 8:26 p.m.

Approved:

  
Randy Johnson, Mayor / Chair

Attest:

  
Tracy A. Ferrara, City Clerk / Secretary

## Amendment to ESA Professional Services Contract

To: Ms. Wooden  
Community Development Director Scotts Valley

From: Frank Z. Kertai  
President Heritage Parks Association

Subject: Amendment to ESA Professional Services Contract  
Draft SEIR Gateway South Retail Shopping Center Application

Date: June 30, 2008

I have reviewed your draft Amendment to ESA Professional Services Contract for services related to the SEIR Gateway South Retail Shopping Center Application. I have also reviewed the related Exhibit A Scope of Work Revision 2008-06-26

The following are my comments to your proposed amendment and the revised scope of work:

- Important biological resources that could be at this site are being overlooked. These include:
  - Ohlone tiger beetle
  - California red-legged frog
  - Scotts Valley spineflower
  - Artists popcornflower
  - Other California Native Plant Society (CNPS) list 1B species found in the vicinity
  - Numerous sensitive bird species are not listed (golden eagles have been observed in the area)
- This revised proposal does not include any work to identify similar projects with similar mitigation measures that have succeeded – we asked for this in the original scoping, but it was not included
  - The citizens of Scotts Valley definitely deserve to be shown, clearly and convincingly, that the mitigation measures proposed are tried and true.
  - The best way to do this is for ESA to list and describe successful projects applying the mitigation measures they propose.
- The last sentence in paragraph 3 on page 12 of the Exhibit A is incomplete and cut off, indicating there was additional text that is not shown here
  - As such, this amendment cannot be considered complete as there could be substantial undescribed work omitted
  - If this is an example of the quality of work we can expect from ESA Development, perhaps the city should consider opening up the RFP again
- The first paragraph on page 13 is confusing and misleading. For USFWS involvement via a Corps permit, then the project proponent would have to propose filling a federal wetland.

## Amendment to ESA Professional Services Contract

- The City of Scotts Valley would not permit filling of wetlands, would they?
- This paragraph could be much more clearly written for the layperson trying to understand the public process.
- Carbonera Creek is already listed as impaired
  - This is not mentioned in Section 5 Hydrology and Water Quality
  - This “impaired” categorization severely limits the amount of additional discharges which can be released into this waterway
  - There is a TMDL (Total Daily Maximum Load) established for specified categories of pollutants after a stream is determined to be impaired
    - This issue should be explicitly stated/addressed in the RFP
- On page 14, ESA discusses analysis of flood flows and discharge from the site.
  - Generally, a consultant would be given direction as to the level of analysis by the person hiring them.
  - In order to safeguard the citizens of Scotts Valley, and especially in light of climate change and the recent experiences with under engineered systems in the Midwest, I would suggest that the consultant analyze and mitigate for at least a 50-year event, if not a 100-year event like other modern civilized countries.
- On page 18, ESA ignored our request to look at atmospheric N deposition and its impacts on local biota.
  - There are several studies clearly documenting the effects of N deposition on grasslands and endangered species, and the proximity of similar species in grasslands in the vicinity warrants such an analysis.
  - This will require modeling which will cost money that is not included in the project proposal.
- This document does not refer to the City of Scotts Valley's Storm Water Management Plan (SWMP).
  - Amended contract should allow for the necessary time for the contractor to analyze impacts to the city's SWMP, if this exists
  - If the city doesn't have a SWMP, then this project, by adding additional pollutants to local creeks, has the potential to severely affect future City development. The amended contract should include a budget and line item for analysis of potential impacts to a future developments in the City as they may be affected by the City's SWMP, including reference to potentially affected impaired water bodies, potential TMDLs, and all other pertinent regulations as pertain to storm water runoff.
- We request that all administrative and other drafts to be available on the web or in pdf form for public review.
  - That is not specifically addressed, and, in fact, looks like (from the proposal) it will not be considered.
  - These are public documents, and it will be pricey to copy the hard copies that ESA proposes to provide - the public deserves better.
  - The drafts we want include the wetlands delineation, and any other biotic resources reports.

## Amendment to ESA Professional Services Contract

- For any and all mitigation measures, ESA should also prepare and include in the EIR a mitigation management and monitoring plan.
  - These are sometimes, in error, omitted and left for after a project is approved.
  - Such measures can in and of themselves need environmental review and permitting.
  - When the practices proposed for management and monitoring are not described in conjunction with the proposed project, the public cannot weigh the feasibility of the monitoring and the costs of such monitoring.
- The SDEIR budget should include sufficient time and finances to write the many plans that will be necessary, including:
  - wetland and biotic resource plans
  - stormwater plans
  - traffic management and monitoring plans
  - landscaping plans
  - pollutant prevention plans
- ESA does not mention that, for the wetland delineation, the contractor will need to measure soil saturation throughout the growing season
  - This is expensive and they do not specifically budget for this.
  - This will require visits every few days from about December through April.

Also, I would like to note that this revised project description does not capture many of the comments made during the original scoping meeting. This is a very significant misstep as the very purpose of the scoping meeting was to include all additional comments from the community – not filter them. Are we are sure that the City is incorporating them without directly listing them here?

Finally, Ms. Wooden, I believe these contract amendments change the scope of work significantly enough to require putting the entire report back out to bid. This way we can look for a firm with greater competency and one that is more qualified to perform the work. Is there any reason why the city would not do this for a report of such significance?

Please feel free to contact me if you have any questions regarding my suggestions.

Sincerely,

Frank Z. Kertai  
President Heritage Parks Association

To: Ms. Wooden  
Community Development Director Scotts Valley

From: Frank Z. Kertai  
President Heritage Parks Association

Subject: Draft RFP Gateway South Retail Economic Impact Study

Date: June 30, 2008

I have reviewed your draft RFP for the Gateway South Retail Economic Impact Study.

I believe our community would be well served by adding the following additional items to the scope of the study. I suggest that the following items be added to your RFP:

- The projections section should include an estimate of **additional net** sales tax revenue generated
- Assess **net** changes in local retail sales
- Calculate **net** changes in sales and property tax revenue
- Examine the stability of the retail sales tax revenue over time
- Assess the differences between local and regional impacts
- Are local gains at the expense of losses in other cities? Must these be mitigated?
- Assess impact on existing retail
- Calculate impact on net employment
- Calculate ripple (i.e., multiplier) impacts of wages, benefits and employment changes on local economy
- Estimate the impact on **livable wages** resulting from this project
- Calculate direct impact of job changes, lower wages and benefits
- Estimate downward pressure on wages and benefits in the grocery sector
- Estimate the impact on **existing local grocery store sales and grocery stores**
  - Evaluate whether impacts include displacing one or more existing grocery stores
- Estimate the economic impact resulting from **changed traffic and land use patterns** as superstores tend to generate more frequent and longer retail trips
- Inventory vacant land and commercial properties
  - Project changes resulting from this project
- Assess re-use or redevelopment possibilities for competing sites

- Estimate the economic impact to infrastructure costs, specifically:
  - Road improvements and on-going maintenance
  - Additional stop lights may be required
    - Altenitas Rd/La Madrona Rd.
    - Silverwood Drive/La Madrona Rd
  - Additional use of city parks from visitors outside the area
  - Additional use of city library from visitors outside the area
  - Additional policing costs
  - Additional costs related to fire services
  - Cost of Mid-Town Interchange to mitigate additional traffic
    - Land acquisition costs
    - Building costs
    - Financing costs
    - Identify Sources of financing
- Estimate *net* impact on tourism as a result of project
- Estimate *net* impact to Chamber of Commerce revenue
- Estimate *net* impact on businesses in Scotts Valley Corners
- Estimate *net* impact on Scotts Valley Hilton
- Estimate *net* impact on proposed Town Center project – positive or negative
- Estimate *net* costs to restore site back to original state should Target cease operations or abandon site
  - Estimate cost of bond to cover this circumstance
- Estimate *net* fiscal benefits or costs to city

Please feel free to contact me if you have any questions regarding my suggestions.

Sincerely,

Frank Z. Kertai  
 President Heritage Parks Association