

# MINUTES

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

**Date: July 16, 2008**

**POSTING:**

The agenda was posted on 7-11-08  
at City Hall, the SV Library, and the  
SV Senior Center by the City Clerk.

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

**PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE**

**ROLL CALL**

Present:

Mayor Johnson  
Vice Mayor Barrett  
Council Member Aguilar  
Council Member Bustichi

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

Absent:

Council Member Reed

**COMMITTEE REPORTS**      CM Aguilar reported that the League of California Cities Board of Directors had a conference call today, July 16, to discuss the State budget, because there are rumors that Legislators in Sacramento are looking to use cities, counties, and special districts for a credit card once again. She reported that the State is looking to take \$300 million in property taxes and \$1 billion in Prop 42 transportation funding, and stated that the League is hoping that the Legislators will back Governor Schwarzenegger by not using cities, counties, and special districts as a credit card.

**PUBLIC COMMENT**                      Frank Kertai, President of the Heritage Parks Homeowners Association, read his written comments that were submitted via email to the City Clerk on July 16, 2008 at 5:33 pm (on file in the Office of the City Clerk), regarding the upcoming November 2008 election for three Council seats, and regarding his comments and concerns about the ESA contract that was approved at the July 2, 2008 City Council meeting on the consent agenda. He also stated that the City had not notified him in writing regarding the two Target related items on the July 2, 2008 agenda, as had been promised.

Paul Bach, Responsible Leadership Development Political Action Committee, stated that on July 8 he had written to CDD Wooden asking her to explain a little bit about the ESA contract that was approved at the July 2 City Council meeting. He stated that he was concerned because he had found errors in the

document regarding the project description, and asked that the City be more vigilant. He also addressed the draft traffic report that was distributed. He stated that there were a number of examples where the traffic exceeds the allowable traffic volumes on the City's master plan, and that in some cases it goes to a Level of Service F. He stated that the draft traffic study uses as a mitigating factor the mid-town interchange. He stated that the mid-town interchange is a proposed exit off of Highway 17, somewhere between the two exits that already exist. He questioned where the funding for the mid-town interchange is and asked if the City Council is proposing a new tax to fund the mid-town interchange. He stated that the mid-town interchange is a \$50 to \$75 million project and that the City had saved less than \$900,000 over the last fifteen years for this project. He stated that the State budget is being cut, there is no Caltrans money for this project, and that to his knowledge there are no proposals to fund the mid-town interchange. He stated that if the mid-town interchange is not a reality then it should not be used as a mitigating factor on projects. He stated that the mid-town interchange had been used as a mitigating factor multiple times, particularly on the southern end of the City, and asked that someone from the City Council add to the next City Council agenda a discussion of the mid-town interchange, because he thinks the public would like to hear how the mid-town interchange is going to be funded, who is going to be displaced in terms of housing, and which businesses will be displaced.

Tom Houso, stated that he was neither for or against Target, but he is for democracy and the democratic process. He stated that he has heard the opponents of Target belittling and berating the City Council, and he doesn't think it is right. He commended the City Council for standing up for democracy and the democratic process, and stated "job well done".

Joe Miller, Scotts Valley resident, commented regarding the Target issue and the economic development of the community. He stated that he recognizes how difficult economic development is and congratulated the Council on their work on the Town Center. He stated that he believes the Economic Development Committee is doing a great job. He stated that he understands that there is controversy over the Target store and that there are traffic, noise, and environmental issues that must be addressed. He suggested that the City Council place this issue on the ballot to get an advisory vote on whether the citizens of Scotts Valley would like to have the project or not. He stated that the Council would still have to make the final decision, however, this may help that decision process. He stated that if the environmental impact report is not prepared in a timely manner for the election, he would perhaps like to see a mail-out ballot done.

Rick Bowen, 167 Glenwood, spoke regarding the potential traffic that may occur if the proposed Target is constructed, and stated that based on his experience in the City with multiple projects over the years, he doesn't believe that the traffic impact will be as high as proposed.

Mayor Johnson presented Karen Delaney of the Volunteer Center, with a check in the amount of \$3,736 from the proceeds of the 4<sup>th</sup> of July event. This money is to go toward families affected by the recent fires in Santa Cruz

County, via the United Way, the Volunteer Center, and Santa Cruz County American Red Cross. Mayor Johnson stated that the Kiwanis Club will also be donating \$1,000. He stated that donations toward the 4<sup>th</sup> of July event came from Seagate, Lintelle Engineering, Universal Audio, Empire Academy, and Scotts Valley Lion's. Karen Delaney thanked the City for their generosity. She stated that eleven local families were affected and this money will go to help them. She stated that donations for these families can be made by contacting the Santa Cruz Volunteer Center at [www.scvolunteercenter.org](http://www.scvolunteercenter.org) or 425-5075.

CM Bustichi stated that he had met with Eric Taylor of the Historical Society and the owner of the property where Owens Rental is located, Anatoli. He stated that they are looking to dismantle what is left of the Octagon building on that property. He stated that they are putting a plan together to dismantle the pieces that can be saved, and they will mark, number, and store them so that at some point in the future they can reconstruct the building. They are also planning to have plans drawn up in order to help in the reconstruction of the building.

Mayor Johnson stated that this was CM Comstock's last meeting and invited him to speak.

CM Comstock read a letter that was in the SV Banner in 1995 titled "Dream sees all SV issues settled" authored by Rachel Morrison of Scotts Valley, which listed things she would like to see in Scotts Valley by the year 2000. He commented on the letter because a number of those dreams have become a reality: Scotts Valley Drive is fixed, we have an entitled project on Scotts Valley Drive that has 94 housing units and 30,000 square feet of commercial, the Bailey building on Scotts Valley Drive is one of the newer buildings, along with Mr. Bustichi's building, so Scotts Valley Drive is starting to come alive; MacDorsa Park, Siltanen Park, Skypark Park, and all of our medians use recycled water; we have a new Community Center next to the park that is utilized by all the community members, service clubs and schools; the mobile home parks remain protected by City ordinance; Scotts Valley continues to be family friendly, with the addition of new parks and recreation programs; the Skypark Specific Plan, coming to Council shortly for final approval, provides a unique mixed-use center drawing people from other areas; and, our Police Department is friends with the kids through their DARE program, the Junior Police Academy, Police trading cards, and the annual Red Ribbon skate night. He stated that he is happy to say that the City Council's over the past seventeen years have really shared the dreams of Ms. Morrison.

Mayor Johnson stated that over the past seventeen years, CM Comstock brought a mix of practicality and humanity to job, and on behalf of the City Council he thanked CM Comstock for seventeen very strong years.

**ALTERATIONS TO  
CONSENT AGENDA**

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

***To approve the Consent Agenda as amended item c contract with housing item 4 change the word shall to may.***

***Carried 4/1 (ABSENT: Reed)***

**Consent Agenda:**

- A. Approve Joint City Council/RDA meeting minutes of 7-2-08
- B. Approve check register – 6-30-08, 7-1-08
- C. Approve contract for professional services between the City of Scotts Valley and the Housing Authority of Santa Cruz County for affordable housing services
- D. Approve Resolution No. 1596.31 authorizing the levy of the annual special tax roll for Scotts Valley Drive for Community Facilities District 97-1 for the fiscal year 2008/09
- E. Authorize Mayor to execute Purchase Agreement with Pacific Technical Institute APN 022-211-36

**ALTERATIONS TO  
REGULAR AGENDA**

CA Powell stated that staff was requesting that Item 4 under public hearings be continued to the August 6, 2008 City Council meeting because she had not had the opportunity to review in the detail the letter submitted by an attorney on behalf of Sherilyn and Bill Jager.

**M/S: Barrett/Aguilar**

**To approve the Regular Agenda as amended.**

**Carried 4/1 (ABSENT: Reed)**

**REGULAR AGENDA**

- 1. **Skypark Open Space Maintenance Assessment District No. 1: Resolution No.1555-SP-19; Annual Engineers Report Skypark**

PWD Anderson presented the written staff report and responded to questions from Council. No action from the Council is required at this time. PWD Anderson stated that this public meeting is being held to accept public testimony and that Council will consider approval of Resolution No. 1555-SP-19 at the public hearing set for August 6, 2008.

VM Barrett questioned if part of the assessment was to take care of the Linear Park. PWD Anderson stated that the assessment money is supposed to take care of the Linear Park, two green belt, and the insurance. However, he stated that the \$41,000 falls short of covering those items, and the remainder the of the funds come from the general fund.

Gillian McGlaze, resident in Skypark since 1997, requested clarification on the maintenance of the Linear Park. PWD Anderson responded that it is not part of the homeowners parcels. Ms. McGlaze stated that in her opinion the usage goes beyond the Skypark residents. She stated that she was concerned about the growth of french broom in the area as a fire hazard. She stated that the residents weed when they can, and stated that she would like to get resources and mulch to the residents so that they can work on improving the Linear Park. CM Aguilar stated that she had asked PWD Anderson to bring an item to the second meeting in August for maintenance of the Linear Park, and to consider using RDA money to replant the area with native plants. Mr. Anderson stated that he had recently walked the Linear Park with the Fire District, and they will be working on fire safety within the next few weeks.

**2. Pinewood Estates Landscape Maintenance Assessment District;  
Resolution No. 1213.21; Annual Engineer's Report Pinewood**

PWD Anderson presented the written staff report and responded to questions from Council. No action from the Council is required at this time. PWD Anderson stated that this public meeting is being held to accept public testimony and that Council will consider approval of Resolution No. 1213.21 at the public hearing set for August 6, 2008.

No one from the public spoke regarding this item.

**PUBLIC HEARINGS**

**3. Consideration of "Blake Court Townhouses" Planned Development, Land Division, and Design Review to create six townhouses and one commonly-owned lot and to build six units at 22 Blake Lane // APN 022-172-47 (PD07-008, LD07-005, DR07-014**

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

CM Aguilar stated that she would like this street to be added to the City's Municipal Code, Section 10.18.020, so that the Police Department can provide vehicle code enforcement. CA Powell responded that staff will bring this to a future agenda.

Paul Locatelli, owner/applicant, spoke regarding the affordable housing aspect of the project and distributed two spreadsheets to the City Council showing the construction budget. He requested that the large structure/roofline between the houses be removed due to the cost; the negative effect on light to the units; and it poses a fire hazard, because if one of the buildings catches on fire, it can easily spread to the other building via the roofline. He stated that he would also like to use stucco and cement instead of wood siding, which will be more cost effective and fire safe.

**PUBLIC HEARING OPENED - 7:25 PM**

No one came forward.

**PUBLIC HEARING CLOSED - 7:26 PM**

After Council discussion, the majority of the City Council agreed to the following changes to Resolution No. 1815.1, Exhibit A, Conditions of Approval, on page 28 of the staff report:

- 10a. The applicant shall pay affordable housing in-lieu fees for 0.90 unit before building permit issuance or ~~shall dedicate a unit subject to approval by the City Council~~ may meet with the Affordable Housing Subcommittee to possibly dedicate an affordable unit, subject to an Affordable Housing Agreement approved by the City Council.

10b. Before a building permit application is submitted, the applicant shall submit one set of full-scale plans, prepared by the project architect, which show the removal of the porte-cochere and any other exterior changes to the buildings, for review by the Community Development Director.

10c. The applicant shall use pervious pavement or similar material for rear yard patios and walkways. The applicant shall use pervious pavement/materials for the common lot driveway and any sidewalks, and shall confirm with the Scotts Valley Water District what materials the District deems appropriate.

VM Barrett stated that he was opposed to the project because with 53% coverage, he believes it is too much on too little. He stated that he would like to see five units instead of six, and stated that he is concerned about water recharge on the property.

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

***To Approve Resolution No. 1815 certifying mitigated negative declaration #MN08-002 and approving a mitigation monitoring and reporting program for the creation of six townhouse residential lots and one common lot and construction of six units at 22 Blake Lane / APN 022-172-47.***

***Carried 3/1/1 (NOES: Barrett; ABSENT: Reed)***

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

***Introduction and first reading of Ordinance No. 16-ZC-211 approving planned development overlay zoning and permit #PD07-008 for the creation of six townhouse residential lots and one common lot and construction of six units at 22 Blake Lane / APN 022-172-47, and waive the reading thereof.***

***Carried 3/1/1 (NOES: Barrett; ABSENT: Reed)***

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

***To approve Resolution No. 1815.1 approving a land division #LD07-005 and design review #DR07-014 for the creation of six townhouse residential lots and one common lot and construction of six units at 22 Blake Lane / APN 022-172-47, as amended above, revising condition 10a and adding conditions 10b and 10c.***

***Carried 3/1/1 (NOES: Barrett; ABSENT: Reed)***

**4. Consideration of “Oak Creek Park Mixed-Use” Planned Development, Land Division, and Design Review for two commercial buildings and up to 10 townhouse units at 3640 Glen Canyon Road // APN 022-162-76 (PD06-003, LD06-002, DR06-007)**

CA Powell stated that staff was requesting that this public hearing be opened and continued to the August 6, 2008 City Council meeting because she had not had the opportunity to review in the detail the letter submitted by an attorney on behalf of Sherilyn and Bill Jager.

**PUBLIC HEARING OPENED - 7:40 PM**

Jennifer Bragar, Attorney for Sherilyn and Bill Jager, spoke in opposition to the project and requested that the following two documents be entered into the record (available in the Office of the City Clerk): (1) Scotts Valley Water Resources Management Plan, dated June 1988, prepared for the Scotts Valley Water District; and (2) 2007 Annual Report, Scotts Valley Water District Groundwater Management Program, dated May 2008, prepared for the Scotts Valley Water District. She stated that they feel there is substantial evidence of a fair argument that there will be environmental impacts that trigger the requirement for an EIR, and because of this, they feel that the negative declaration that was prepared is inadequate and violates the General Plan and the Scotts Valley Municipal Code. She stated that their July 15, 2008 letter (Attachment B) outlines significant impacts that must be reviewed in an EIR before the project can be approved, including significant impacts to visual resources, inadequate assessment of cumulative traffic impacts, inadequate analysis of water, and inadequate review of tree removal and impacts to agricultural soils. She stated that they would like to know exactly how high each of the buildings in the proposed development will be and requested that the City ask the applicant to specifically state these heights on the record. She requested that any additional information provided by the applicant to the City be forwarded to her office.

CM Aguilar made the following requests:

- (1) That staff make available to Council the previous EIR that was done on this project that did not incorporate housing.
- (2) That the developer look at reducing the height of the light poles.
- (3) Provide information on the Issue of phasing or non-phasing of this project.
- (4) That the developer look at reducing the height further by digging down another two feet or more.

CM Bustichi stated that he would like the developer to look at actually doing a mixed-use project, rather than two separate projects, which is the way it is currently designed.

Frank Kertai, President of the Heritage Parks Association, asked if the negative declaration took into account the traffic implications with respect to the proposed retail project at Gateway South. He stated that he would like to know if they also took into consideration the additional traffic impacts on the Town Center project, and if part of the negative declaration used as any logic the existence of a mid-town interchange as part of a justification for the project.

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

***To continue to the open public hearing and continue it to the next regular City Council meeting on August 6, 2008.***

***Carried 4/1 (ABSENT: Reed)***

5. **Consideration of approval of the annual grantee performance report, CDBG Grant #97-EDBG-549, Inn at Scotts Valley / Scotts Valley Hilton**

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

**PUBLIC HEARING OPENED - 7:51 PM**

No one came forward.

**PUBLIC HEARING CLOSED - 7:52 PM**

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

***To approve the annual grantee performance report (GPR), CDBG Grant #97-EDBG-549, Inn at Scotts Valley / Scotts Valley Hilton, and authorize the City Manager to execute and forward the GPR to the State Department of Housing and Community Development.***

***Carried 4/1 (ABSENT: Reed)***

**REGULAR AGENDA**  
(Resumed)

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

CM Aguilar requested that maintenance of the linear park be discussed at the second Council meeting August.

**CONVENE TO CLOSED SESSION**

The City Council convened to closed session at 7:56 p.m. to discuss the following items:

1. Pursuant to Government Code Section 54957.6, the City Council met in closed session to confer with their labor negotiator regarding employee negotiations with Management and Mid-Management Groups
2. Pursuant to Government Code Section 54957, the City Council met in closed session to hold a conference regarding public employment for the position of City Manager.

**RECONVENE TO OPEN SESSION**

The City Council reconvened to open session at 8:07 p.m.

**REPORT ON ACTION TAKEN DURING CLOSED SESSION**

Mayor Johnson announced that there was nothing to report.

**ADJOURNMENT**

The meeting adjourned at 8:10 p.m.

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

Randy Johnson, Mayor / Chair

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