

MINUTES

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

Date: July 18, 2007

POSTING:

The agenda was posted on 7-13-07
at City Hall by the City Clerk.

CALL TO ORDER 6:00 p.m.

PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE

ROLL CALL

Present:

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

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

SPECIAL SET MATTER Shebra Kalantari, United Way of Santa Cruz County, gave a history and background on the Responsible Alcohol Merchant Awards (RAMA) and presented the RAMA's for 2007 to the following five vendors in Scotts Valley: Leo's Liquors - Don Dumler; Valero Energy Corporation; Village Bottle Shop; Mt. Hermon Shell; and 7-11 on Mt. Hermon Road.

COMMITTEE REPORTS Mayor Bustichi reported that the Santa Cruz Metropolitan Transit District met to discuss the Governor's budget, which is looking at removing \$1.1 billion from transportation funding. He stated that this would mean approximately \$2.5 million from Santa Cruz County this year. He also stated that this would be going on for the next ten to twelve years, which is approximately a \$27 million impact to Santa Cruz County.

Mayor Bustichi reported that the Town Center Subcommittee has been meeting with our consultant and the developer to discuss a proposed conceptual plan. He stated that the draft conceptual plan should be available for review by the public in September or October.

PUBLIC COMMENT CM Aguilar thanked the community, the sponsors, volunteers, police department, and City staff for all of their hard work and effort on the 4th of July parade and fireworks event.

**ALTERATIONS TO
CONSENT AGENDA**

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

Consent Agenda:

- A. Approve check register – 6-15-07, 6-29-07, 7-2-07
- B. Approve the 2007 License Agreement between the City of Scotts Valley and the Scotts Valley/San Lorenzo Valley Youth Soccer Club
- C. Approve Resolution No. 1596.30 authorizing the levy of the annual special tax roll for Scotts Valley Drive for Community Facilities District 97-1 for the fiscal year 2007/2008
- D. Approve Ground Lease between the City of Scotts Valley and Crown Castle GT Company, LLC, above Southwood Drive
- E. Approve human care funding for 2007-08 in the amount of \$44,154
- F. Approve the designation of Council Member Stephany E. Aguilar as the Voting Delegate for the League of California Cities Annual Business Meeting on September 8, 2007 at the League's 2007 Annual Conference
- G. Approve denial of claim submitted by Attorney Jack W. Schwartz, Jr. on behalf of Vedder Community Management, LLC and Whispering Pines Mobile Home Park, Ltd. relating to property damage and authorize the City Manager to refer the claim to Risk Management for resolution
- H. Approve second amendment to the affordable housing agreement for Acorn Court between the Scotts Valley Redevelopment Agency and Richard C. Moe and Ruth N. Moe, co-trustees of the Moe Family Trust dated March 16, 2006 and K. Craig Rowell and Corrinna L. Ray, trustees for the K. Craig Rowell and Corrinna L. Ray 1998 Living Trust dated January 16, 1998
- I. Approve amendment to contract for professional services between the City of Scotts Valley and RRM Design Group for the preparation of the Skypark/Town Center Specific Plan and associated environmental review
- J. Approve contract for professional services between the City of Scotts Valley and the Housing Authority of the County of Santa Cruz for the continuation of affordable housing services
- K. Approve change order no. 4, increasing the contract amount to Anderson Pacific Engineering for the Carbonero Lift Station Upgrade Project by \$8,073, increasing the contract amount from \$639,900.76 to \$647,973.76; and amend and increase the budget in account 014.90.4579.904 by \$8,073

**ALTERATIONS TO
REGULAR AGENDA**

CM Aguilar requested that item 5 be heard before item 4.

M/S: Aguilar/Barrett

To approve the Regular Agenda as amended moving item 5 to be heard before item 4.

Carried 5/0

REGULAR AGENDA

- 1. **Preliminary review of three residential development concept plans to change the land use designation (General Plan) and re-zone the Light-Industrial and Rural Residential AVIZA site to a residential land use (small lot single family, townhouse and condominium) at 440 Kings Village Road // APN's 021-231-09 and 021-071-02**

This application is a preliminary review and no formal action will be taken. The City Council's consideration of the preliminary review application does not represent or create any binding City commitments.

CDD Russell presented the written staff report and responded to questions from Council. He stated that there are four key questions that are being posed for Council input:

- (1) Is the existing light industrial and rural residential land use designation appropriate for the site?
- (2) If the existing light industrial, rural residential land use is not appropriate, is residential the appropriate use of the site?
- (3) The applicant has submitted three development concepts with a blend of three housing types, i.e., small lot single family, townhomes and condominiums with a range of residential densities from 10 to 15 to 20 dwelling units per acre. Is there a preference for any of the three options presented, or some other housing type, such as single family medium density or medium high density?
- (4) Is this the time to reconsider a change of land use for the AVIZA site?

CDD Russell stated that the applicant was present at the meeting to present their proposed plan.

Dale Spencer, AVIZA Technology, gave a history and overview of the site.

Betty Cost, Cost Planning Services, spoke on behalf of AVIZA and reviewed their reasons for the requested land use/zone change. She stated that all surrounding properties are residential and that is why they feel it is appropriate to re-zone this property to residential. She gave a slideshow presentation that included their additional reasons for the requested land use/zone change.

Matt Thompson, Thacher & Thompson Architects, gave a slideshow presentation of their proposed housing options for the AVIZA property. His presentation included three options: 10 units per acre, 15 units per acre, and 20 units per acre. He stated that no matter which density is selected, the following improvements will be necessary: a neighborhood park, common open space, a network of sidewalks and streets, adequate parking, access to the community, and the protection of the substantial existing habitat.

Eric Morley, Morley Brothers, a residential and mixed use development company, gave a history and review of their philosophical approach to development.

CM Aguilar stated that she feels very strongly that this development include recreational amenities. She also questioned the site clean-up/environmental issues.

Mr. Morley stated that this is only a concept plan and that neighborhood recreational amenities would be included in any proposed development. He stated that regarding the environmental issues, the site would be cleaned to unrestricted standards, which means that it can be developed for any residential use.

VM Johnson questioned if all of the existing buildings would be removed completely. Mr. Spencer stated that they would. VM Johnson questioned how much water is currently used. Mr. Spencer estimated approximately 120-150 acre feet per year. Mr. Morley stated that they are currently analyzing the water use. VM Johnson questioned if anyone from AVIZA has pursued building a new plant. Mr. Spencer stated that it would not be cost effective as the cost to rebuild the site would be approximately \$10-15 million and they can move into a site in San Jose for essentially no cost. Mr. Spencer stated that the plant is currently obsolete and they simply do not have the money to stay there. VM Johnson stated that he understood AVIZA's position; however, residential is not a financial benefit to the City, and the City also needs to look out for our best financial interests.

CM Reed questioned the status of the superfund designation from the Environmental Protection Agency (EPA). Mr. Spencer stated that this is being handled by Watkins-Johnson and the EPA, and all indications are that it will be finalized within the next year or so, but they do not know exactly. CM Reed stated that regarding water use, he calculated that approximately 53 acre feet would be used for the 15-unit per acre scenario.

Elizabeth Johansen, Bluebonnet Lane, questioned if an analysis had been done to determine what the increased cost would be for public and safety services. Mayor Bustichi responded that this is a preliminary review and no analysis had been done.

Mayor Bustichi stated that regarding question 4 noted above, he does not feel it is the right time to reconsider the change of land use. He stated that he is very concerned about traffic impacts and he feels this development would have a negative impact on the town center project. He stated that he is concerned about the possibility of losing commercial business, and recommended that AVIZA look at mixed-use for the site. He stated that he would like to see AVIZA exhaust all of their avenues for selling this is a commercial property.

VM Johnson stated that there are a number of existing impacts and he does not believe this site is suited for 200 townhomes and condominiums. He prefers Plan 1 and would like to see single family included.

CM Barrett responded to the four questions noted above as follows: (1) Yes; (2) Yes; (3) Plan 1; and (4) No.

CM Reed responded to the four questions noted above as follows: (1) Yes; (2) Yes; (3) Plan 1; and (4) Maybe. He stated that he sees the chance to put another couple of hundred units near the Town Center as a positive option.

CM Aguilar stated that she does not like the developer options, and would like to see more of a mixture of density, but less than what is proposed. She recommended very rural next to Lockhart Gulch Road, moving up to R-1-10 (medium density), and then increased density closer to Bluebonnet Lane. She stated that she is concerned with traffic, the superfund clean-up and liability, and she does not want Lockhart Gulch Road or Bean Creek Road opened up to additional traffic. She stated that she does not like to lose light industrial, but she is open to rural residential in this area.

Elisabeth Johansen, Bluebonnet Lane, stated that due to traffic concerns she would prefer single family housing only.

**2. Skypark Open Space Maintenance Assessment District No. 1:
Resolution No. 1555-SP-18; Annual Engineers Report Skypark**

CM Reed recused himself from this item due to the fact that he lives in 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-018 at the public hearing set for August 1, 2007.

CM Aguilar asked if the costs of maintaining this property exceeded the amount collected. PWD Anderson responded that the costs of maintaining the property do exceed the amount collected.

No one from the public spoke regarding this item.

**3. Pinewood Estates Landscape Maintenance Assessment District;
Resolution No. 1213.20; 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. 1213.20 at the public hearing set for August 1, 2007.

No one from the public spoke regarding this item.

PUBLIC HEARINGS

5. Consider approval of annual grantee performance report for the City's Community Development Block Grant Program income, and authorize submission of the grantee performance reports to the California Department of Housing and Community Development

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

PUBLIC HEARING OPENED - 7:24 PM

No one came forward.

PUBLIC HEARING CLOSED - 7:25 PM

M/S: Aguilar/Barrett

To approve the annual grantee performance report for the City's Community Development Block Grant Program income, and authorize submission of the grantee performance reports to the California Department of Housing and Community Development (CDBG Grant #97-EDBG-549, Inn at Scotts Valley / Scotts Valley Hilton).

Carried 5/0

4. Consideration of a Final Environmental Impact Report (FEIR) to subdivide the 117-acre Polo Ranch site into 40 lots for single-family dwellings and a 6.3-acre lot on site for the Polo Barn to be relocated and dedicated to the City of Scotts Valley (APN's 024-281-03 and -04)

SP Fodge presented the written staff report and responded to questions from Council. She stated that the development team was present and available to respond to questions from Council.

Jerry Embree, Planning Consultant for Lennar Properties, introduced himself and stated that he was available for questions from the Council. He also stated that Gary Deghi, biological consultant on the project, was available for questions.

PUBLIC HEARING OPENED - 7:35 PM

Vince Cheap, representing the Santa Cruz County Chapter of the California Native Plant Society (CNPS), read and provided a letter to the City Council (Attachment A) regarding their concerns relating to the Polo Ranch FEIR. He stated that CNPS is extremely concerned about what they feel is an inadequate Polygonum buffer on Lot 10. He also stated that CNPS is requesting that the City Council require that the applicant immediately begin to protect the sites' endangered species from off road vehicle damage and to manage for the threats posed by invasive grasses and shrubs.

Tim Maximoff, Scotts Valley resident, stated that he is concerned about removal of oaks in the area of Lots 38-40, as they will protect the existing views from homes on N. Navarra Drive and provide a buffer.

Dan Beagle, Scotts Valley resident (property north of Lennar homes), spoke in favor of this FEIR and stated that he would like to see the project move forward. He stated his environmental concerns regarding lighting and noise, his concerns about water runoff from Lennar to their property, and stated that he approves of the private access driveway being 20 feet wide.

PUBLIC HEARING CLOSED - 7:45 PM

CM Aguilar stated that she feels there is a way we can provide habitat protection by cutting the corner of Lot 10, moving the grading down, and possibly using retaining walls and 2:1 slopes. She stated that she had spoken to the development team and they had agreed to this change.

VM Johnson recommended that the developer maintain the quality of life and view sheds by maintaining the trees in the area of Lots 38-40 if possible. He requested to visit the site when an updated tree retention plan was prepared.

Mayor Bustichi questioned how many acres the site is and how many acres are proposed for construction. Mr. Embree stated that the site is 117 acres with 17 acres proposed for construction. Mayor Bustichi stated that with those figures, approximately 10% of the site is proposed for development, and he thanked the development team for all of their hard work.

CM Aguilar thanked the development team and made two additional comments: 1) she reiterated the Fire District mitigation measure on page 23 of the staff report, item 12, regarding the requirement for a fire sprinkler suppression system if the Polo Barn is used for a purpose other than its previously existing use as a horse stable; and 2) page 110 of the staff report, to protect the existing drainage swales, the lot boundaries shall be reconfigured so that the drainage swales are entirely located in the open space area, not within the lot boundaries.

Mayor Bustichi questioned if the applicant had any concerns with CM Aguilar's comments. Mr. Embree stated that they can evaluate and discuss this further, but he did not believe there would be a problem. He stated that he would like his biological consultant, Mr. Deghi, to address some of the environmental concerns.

Mr. Deghi, biological consultant for the applicant, stated that there are 11 colonies of Scotts Valley Polygonum on the site and that environmental surveys had occurred in 1990, 1997, 1998, 2003, and 2004. He stated that the total number of Polygonum plants on the site had ranged from 2,335 in 1997 to as little as 294 in the 2003 survey. He stated that have done everything they can to avoid the populations of species and provide the 100' setbacks required by the U.S. Fish & Wildlife Service. He stated that the only area they were not able to do that is near Lot 10, where there are currently 12 plants (1.5% of the Polygonum population on the site). Mr. Deghi stated that in order to address the concerns of the California State Department of Fish & Game and the California Native Plant Society (Santa Cruz Chapter), the buffer between the limit of grading near Lot 10 and the historic Polygonum habitat could be increased from 5 feet to at least 26 feet.

M/S: Aguilar/Barrett

To approve Resolution No. 1801 certifying a Final Environmental Impact Report (File No. EIR04-001) for the Polo Ranch 40-lot detached single-family residential subdivision, subject to the amended project description (36-foot road width up to Lot 1) for property located at the end of Santa's Village Road at the site of the former Santa's Village Amusement Park (APN's: 024-281-03 & -04) with two amendments as follows: (1) the buffer between the limit of grading near Lot 10 and the historic Polygonum habitat shall be increased from 5 feet to at least 26 feet, which may use 2:1 slopes and retaining walls to achieve this distance; and (2) to protect the existing drainage swales, the lot boundaries shall be reconfigured so that the drainage swales are entirely located in the open space area, not within the lot boundaries. Carried 5/0

REGULAR AGENDA
(Resumed)

6. Future Council/RDA agenda items

None.

CONVENE TO CLOSED SESSION

The City Council convened to closed session at 8:05 p.m. to discuss the following items:

1. Pursuant to Government Code Section 54957(b), the City Council met in closed session with the City Manager regarding his performance evaluation.

RECONVENE TO OPEN SESSION

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

REPORT ON ACTION TAKEN DURING CLOSED SESSION

Mayor Bustichi announced that there was nothing to report.

ADJOURNMENT

The meeting adjourned at 8:27p.m.

Approved: _____

Dene Bustichi, Mayor / Chair

Attest: _____

Tracy A. Ferrara, City Clerk / Secretary