

# MINUTES

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

**Date: August 20, 2008**

**POSTING:**

The agenda was posted on 8-15-08 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 Ando  
City Attorney Powell  
Public Wks Director Anderson  
Police Lieutenant Hohmann  
City Clerk Ferrara

Absent:

Police Chief Weiss  
Community Development Dir Wooden

**SPECIAL SET MATTER**      Police Lieutenant Hohmann gave a PowerPoint presentation regarding the California Law Enforcement Challenge Award from the Office of Traffic Safety to the Scotts Valley Police Department.

**COMMITTEE REPORTS**      CM Aguilar reported that the Association of Monterey Bay Area Governments met, and the two key issues discussed were the re-authorization of the Monterey Bay Marine Sanctuary and the erosion on coastal areas along the Monterey Bay.

CM Aguilar reported that the League of California Cities Board of Directors held a conference call to discuss State budget negotiations and the stalemate in Sacramento regarding the budget. She encouraged individuals and cities to continue to contact Governor Schwarzenegger, State Senator Abel Maldonado, and State Assembly Member John Laird to request that they not take monies away from local cities, counties, and special districts in order to balance their budget.

CM Bustichi reported that the Economic Development Subcommittee met and visited a research and development company that is looking to relocate to Scotts Valley. He stated that it is a worldwide company that would bring approximately 120 jobs to Scotts Valley, would be very good economically for our City, and that they are also a very green business.

**PUBLIC COMMENT**

Paul Bach, Responsible Local Development Political Action Committee (RLDPAC), stated that the City had cancelled an economic study question and answer meeting for prospective consultants when they found out that roughly 100 citizens wanted to attend the meeting. He questioned why the City would rather cancel a meeting than allow the citizens to attend the meeting and ask questions. He stated that the RLDPAC sponsored a meeting at the Scotts Valley Hilton on Monday, August 18, from 7:00 pm to 9:00 pm for citizens to hold a discussion and question and answer meeting related to the Target project. He stated that the meeting went until 11:00 pm, had approximately 175 to 200 people in attendance, and that 50 people asked questions and spoke in opposition to Target. He stated that they put a half page ad in the Press Banner advertising the meeting. He also stated that all seven candidates for City Council attended the meeting. He requested that the City begin sponsoring and holding meetings for citizens to ask questions regarding Target. He questioned if the economic impact study questions would be covered under CEQA rules. He also stated that according to a statement from Target, the estimated tax revenue will be \$350,000 per year, not \$500,000 per year.

Frank Kertai, President of the Heritage Parks Association of Scotts Valley, read from a statement that was emailed to the City Clerk, and that is included as Attachment A and on file in the Office of the City Clerk. The statement asked questions regarding the Target Economic Impact Study, the ESA Development contract approved at the July 2, 2008 Council meeting, and what the City's long term traffic plans are. He also requested that the Draft Town Center Specific Plan and Draft EIR that are posted on the City's website be broken up into smaller segments so that they are easier to download.

Chuck Comstock, 215 El Camino Road, read from a statement that was submitted to the City Clerk, and that is included as Attachment B and on file in the Office of the City Clerk. The statement was in response to comments made by Paul Bach at the July 16, 2008 City Council meeting, and Frank Kertai in the Valley Press/Banner on July 25, 2008, regarding the Mid-Town Interchange.

CM Ando stated that CD's with the Draft Town Center Specific Plan and Draft EIR will be available for purchase at City Hall on Friday, August 22 for \$1.50 per CD. He also stated that these documents are also available at City Hall for review and on the City's website at [www.scottsvalley.org](http://www.scottsvalley.org), under Planning Department.

CM Reed made comments regarding the Target issue. He stated that 95-98% of the comments he has received regarding Target, pro or against, have been respectful, informed, and fact based. He stated that these people have been searching for answers to questions that they have about what the project may do to home values, traffic, how it may affect the City overall, and what it could mean for the City's long term revenue picture when we are faced with a \$1 million deficit once Measure C taxes expire. He stated that he was quoted in the paper in February or March saying that the early public meetings held on this process represented Scotts Valley at its best, and he continues to think that for the vast majority of people who have weighed in on the Target project

and shared their concerns. He stated that he is concerned because he thinks that there are a few people who – intentionally or not – are repeatedly mis-stating the truth, and he is concerned because he believes that an untruth that is stated often enough can be perceived as true if there is no response to it. He stated that comments made that the meeting that was scheduled between CDD Wooden and consultants who would be bidding on the economic impact study was a public meeting is false. He stated that it was untrue that the meeting was cancelled because the City had heard that 100 people were going to show up and express their opinion. He stated that if people are going to continue to state that was the reason the meeting was cancelled, he would like to see some documentation to support those charges. He stated that he feels the City has gone out of its way in being honest and open with the entire community.

**ALTERATIONS TO  
CONSENT AGENDA**

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

**Consent Agenda:**

- A. Approve Joint City Council/RDA meeting minutes of 7-16-08
- B. Approve check register – 8-12-08
- C. Approve Resolution No. 1747.2 appointing Stephen H. Ando as a Deputy City Clerk and Jeanette Roland as a Deputy City Clerk and rescinding Resolution No. 1747.1
- D. Approve Memorandum of Understanding between the City of Scotts Valley and the Scotts Valley Mid-Management Association for the period July 1, 2008 through June 30, 2011

**ALTERATIONS TO  
REGULAR AGENDA**

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

**REGULAR AGENDA**

**1. Discussion: Skypark Linear Park Landscape Improvements**

CM Reed recused himself from discussion on this item as he lives within 500 feet of this project.

PWD Anderson presented the written staff report and responded to questions from Council.

CM Aguilar questioned the cost of \$7,500 to do the piping and whether the City maintenance crew could perform the work. PWD Anderson stated that staff could perform the work, however, there is the question of available staff due to shortages at this time.

CM Aguilar stated that she had requested this be discussed by the City Council because she would like to use RDA funds to make the improvements as it would provide an overall reduction in the cost of maintenance.

CM Bustichi questioned if this would really reduce the cost of maintenance and whether recycled water was available. PWD Anderson responded that it currently takes eight hours per week for maintenance, and that it would continue to take eight hours per week. PWD Anderson stated that recycled water is not available because it is too far away and the current pipeline in Mt. Hermon Road is inadequate to handle the additional use.

VM Barrett questioned who owns and maintains the Linear Park. PWD Anderson responded that the Linear Park is owned and maintained by the City.

CM Aguilar stated that the people who live in Skypark help maintain the Linear Park, and she believes these improvements will make it easier for the people who live in Skypark to help maintain the Linear Park.

Mayor Johnson stated that there has always been a large number of residents who are willing to help with maintenance of the Linear Park. He stated that he feels this is a good idea, however, he is concerned about the timing because of budget shortfalls. He stated that RDA money can be used for capital projects, however, the RDA usually invests in programs in order to get money back. He stated that in this case it is not an economic investment that will show returns and that will allow us to make improvements in the future, so at this time he would like to see us make some small improvements that are more affordable.

CM Bustichi agreed with Mayor Johnson's comments, however, he stated that he would not be willing to vote for this project without using recycled water.

CM Aguilar questioned what it would cost to get recycled water to the Linear Park. PWD Anderson responded that the recycled water line on Mt. Hermon Road is inadequate as far as capacity is concerned, and the infrastructure will not allow us to go farther without costly capital improvements by the Scotts Valley Water District.

CM Bustichi stated that he would like to see additional research regarding the recycled water based on conflicting information he has received, i.e. no upgrades needed to provide recycled water for the Town Center, but upgrades would be required to provide recycled water for the Valley Gardens Golf Course. He stated that he would like to know what the quality of the pipe is, what the pipe is made of, how old the pipeline is, what the capacity is, etc.

PWD Anderson stated that he will check with the Scotts Valley Water District regarding CM Bustichi's questions. He stated that the water transmission line in Mt. Hermon Road was installed many years ago by the City, and its original purpose was as a waste transmission line for secondary treated water up to the Kaiser Quarry for disposal, so it was not built for high pressure. He stated that the City sold the line to the Scotts Valley Water District for \$1 for them to use as a transmission line, however, when they pump the line up to reasonably high pressures, there have been failures. He stated that when the City first started using recycled water at Skypark Park, the pressure was about

75 to 80 pounds and they were getting leaks along Mt. Hermon Road that the Water District would have to dig up and repair. He stated that reducing the pressure to 65 pounds did not work because there was not enough pressure to water Skypark. Because of this, the City installed a booster pump in order to get the volume and pressure needed.

Mayor Johnson recommended a program to plant some seedlings in the fall in order to make some small improvements and see what grows. He stated that he would be willing to spend \$500 to \$1,000 at this time.

**2. Consider authorization to recruit for vacant positions:  
Administrative Assistant in Finance and the Administrative  
Assistant III / Planning Aide position in Planning**

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

CM Aguilar stated that she feels these positions are integral to the City.

Paul Bach, RLD PAC, stated that he feels the Planning Department is currently understaffed.

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

***To authorize the recruitment of the Administrative Assistant I position  
in Finance and the Administrative Assistant III / Planning Aide position  
in Planning.***

***Carried 5/0***

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

None.

**ADJOURNMENT**

The meeting adjourned at 7:10 p.m.

Approved:

  
Randy Johnson, Mayor / Chair

Attest:

  
Tracy A. Ferrara, City Clerk / Secretary

Kertai Scotts Valley City Council Presentation 2008-08-06

Good Evening. My name is Frank Kertai. I am President of the Heritage Parks Association in Scotts Valley. I am also a candidate for Scotts Valley City Council.

I have a number of questions for the city council this evening.

At the July 2, 2008 City Council meeting the city council unanimously adopted a resolution specifically modifying the Target Economic Impact Study RFP language to evaluate the *net* economic impact to the city. Despite this unanimous city council action City Planning Director Wooden failed to change the final publicly released RFP. Has the Target Economic Impact Study RFP circulated to potential vendors been modified per city council resolution?

Also at the July 2, 2008 City Council meeting, this city council adopted a \$305, 613 contract amendment for ESA Development via Consent Agenda. The ESA addendum document to that contract amendment had two major errors in it. First it clearly references a project other than the Gateway South Retail proposal. Second, it had a paragraph that obviously ended mid sentence. Has this contract amendment been corrected? Until these corrections are made, the city has effectively given ESA Development the equivalent of a blank check on their service contract.

At the last city council meeting, I asked a number of questions of the city council related to traffic. These questions were not rhetorical and I have received no answers from this council or anyone else in the city administration. They are worth asking again. What is the long term traffic plan for the city? When was the last time the city did a complete traffic study? What is the plan to mitigate the additional traffic from currently planned development?

An earlier traffic study has already concluded that Mt. Hermon Road at Scotts Valley Drive should be eight lanes wide -- two wider than it is now. This is before any further development.

Also, what are the city's plans with respect to actually building a Mid-Town Interchange? How would the Mid-Town Interchange be financed? My understanding is that land that had once been possibly targeted for this purpose has been released for other development. What is the likelihood and cost of repurchasing and repurposing property that would be needed to build the Mid-Town Interchange? It seems like these are perfect questions to include and analyze in the proposed Target Economic Impact Study.

Two major developments are being currently considered in Scotts Valley. These are the Town Center project and the Target Shopping Center project. While the final traffic reports for these projects have not been released, the traffic impacts can be estimated. The combined totals from both projects would result in an excess of over 20,000 additional trips per day -- almost twice the population of Scotts Valley. And this does not take into account the affect of over 800 high density housing units already approved last year.

Without a viable plan to mitigate this volume of additional traffic, building both of these projects will result in gridlock for this city. This city council appears to be approving projects on a one by one basis without looking at the big picture for the city. We have already exceeded our capacity. I ask the city council once again – what is the city's long term traffic plan? What are the mitigation plans? What will they cost? Who will pay for this? And finally, again, why are you ignoring these problems?

Frank Z. Kertai  
President Heritage Parks Association  
Candidate for Scotts Valley City Council

# ATTACHMENT B

Comstock Scotts Valley City Council Presentation 08/20/08

Paul Bach stood here at the July 16<sup>th</sup> Council meeting and said the mid-town interchange is a \$50 to \$75 million dollar project. Nine days later on July 25<sup>th</sup> in the Valley Press/Banner, Frank Kertai, a Council candidate, said it is likely to cost in excess of \$100 million dollars and would cost Scotts Valley property owners more than \$27,000 each. Where did such large numbers come from? What is the mid-town interchange? It's a freeway overpass. The Santa Cruz Sentinel on July 25<sup>th</sup> said the Highway One/17 project - which is to widen four lanes to six from the Pasatiempo overcrossing on Highway 17 to Morrissey Blvd on Highway, demolish and rebuild the Branciforte overcross, build a new bridge over Market Street - would cost \$45 million dollars. These costs are based on bids and other supporting documentation. Frank Kertai has stated one overpass will cost \$100 million dollars. The reconstruction of the Branciforte overpass cost \$3 million dollars. Frank Kertai states \$100 million. Frank Kertasi also said this would cost citizens more than \$27,000, not that it might or it may, but it will. Councilmembers Johnson, Aguilar and Barrett let the voters decide on an annual tax of only \$36 for Scotts Valley Drive. This City Council asked the citizens to vote on a sales tax. It appears to me that Frank Kertai will not support the public right to vote on taxes by his recent statements - he does not mention the right to vote in his commentary. If you want a Councilmember who will not let you vote on taxes, inflates costs without documentation, then Frank Kertai is your man - the \$100 million dollar man.

Chuck Comstock  
Scotts Valley Resident