

M I N U T E S

Joint Meeting of the Scotts Valley City Council, Redevelopment Agency Board of Directors, Scotts Valley Planning Commission

Date: September 3, 2008

POSTING:

The agenda was posted on 9-3-08
at City Hall, the SV Library, and the
SV Senior Center by the City Clerk.

CALL TO ORDER 6:05 p.m.

PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE

ROLL CALL

Present: City Council/RDA

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 Chief Weiss
Community Development Dir Wooden
Contract Planner Westman
City Clerk Ferrara

Planning Commission Chair Shulman
Commissioner Heald
Commissioner Muth
Commissioner Ritchie
Commissioner Fogel (arrived at 6:28 p.m.)

COMMITTEE REPORTS CM Reed reported that the Gateway South Subcommittee met regarding the economic impact analysis, and stated that this would be discussed in detail during item 2 on the regular agenda.

CM Aguilar reported that the League of California Cities held an emergency meeting regarding potential State impacts to local government budgets should they decide to "borrow (steal)" monies from counties, cities, and special districts to balance their budget. She recommended that citizens contact Governor Schwarzenegger, Senator Maldonado, and Assemblymember Laird to speak in opposition to balancing the State budget with money from counties, cities, and special districts.

VM Barrett reported that the City's sixth e-waste recycling event is coming up on Saturday, September 13, 2008 from 9:00 a.m. to 1:00 p.m. across from the Fire District on Erba Lane. Some of the items accepted for recycling are computers, TV's, and VCR's (no appliances will be accepted).

CM Bustichi reported that the Santa Cruz Metropolitan Transit District is working with Google to participate in a free online program that interacts with all other systems in the Bay Area. He stated that this program will allow people to do an itinerary, using public transportation, to travel throughout the Bay Area.

Mayor Johnson reported that the Economic Development Subcommittee met regarding the Town Center, and stated that this would be discussed in more detail during item 1 on the regular agenda.

PUBLIC COMMENT

John Weiss, Scotts Valley Chief of Police, read a statement regarding a recent article in the Press Banner, where he stated that his preliminary assessment was that the Scotts Valley Police Department could manage anticipated crime at the proposed Target in Scotts Valley. In the same article, Sgt Fred Plageman of the Santa Cruz County Sheriff's Office seemed to contradict PC Weiss' assessment. Subsequently, Sgt Plageman sent an email to PC Weiss clarifying that he had provided historical statistical information on calls for service in the unincorporated area for stores such as K-Mart. In the email, he also stated that it would be inappropriate for him to comment about anything in Scotts Valley's jurisdiction as he is not responsible for providing law enforcement services to the Scotts Valley community, and he has not conducted the necessary research to provide any facts regarding the proposed Target.

**ALTERATIONS TO
CONSENT AGENDA**

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

Consent Agenda:

- A. Approve Joint City Council/RDA meeting minutes of 8-20-08
- B. Approve check register – 8-25-08
- C. Approval of Resolution No. 1819 regarding the industrial disability retirement of Police Officer Jose Padilla

**ALTERATIONS TO
REGULAR AGENDA**

CM Ando requested that item 2 be heard before item 1 due to time constraints for the consultant present at the meeting.

***M/S: Aguilar/Barrett
To approve the Regular Agenda as amended by moving item 2 to be heard before item 1.
Carried 5/0***

REGULAR AGENDA

- 2. **Selection of consultant to prepare Gateway South retail economic impact study**

CDD Wooden presented the written staff report and responded to questions from Council.

Some members of the selection committee, CM Reed, Mayor Johnson, and PC Shulman, commented on the process followed regarding the request for proposals, the interview process, the recommendation process, and went over their reasons for recommending the firm Gruen Gruen + Associates.

Aaron Gruen, Gruen Gruen + Associates, responded to questions from Council and the Planning Commission, and stated that they do their best to do an objective analysis. He reviewed specific areas that will be reviewed in the analysis, and stated that they look at supply and demand in performing their analysis, specifically as compared to existing businesses and properties, and also future supply. In response to a question from CM Bustichi, Mr. Gruen stated that their analysis will include how the construction of a retail project in this area might affect property values in the surrounding area. He also stated that they will analyze the City's budget, and interview department heads to determine how Target will affect the demand on City services as related to streets, maintenance, police and fire, etc.

CM Barrett requested that Mr. Gruen use a 1 to 2-mile radius, including county residents and the Hilton, in their analysis of the potential impact to property values. Mr. Gruen responded that they will do their best to analyze the relevant issues.

PC Muth recommended that Mr. Gruen work with local real estate appraisers in their analysis of property values.

PC Ritchie questioned if study will include a trend analysis. Mr. Gruen responded that they will be doing a trend analysis.

Paul Bach, Responsible Local Development Political Action Committee, questioned the CEQA process and whether the economic analysis would become part of the EIR. He stated that last year Target closed 23 stores, opened bigger stores within five miles of the original store, and in many cases did not release the lease on the original store. He questioned if there was any way to enforce that Target would not walk away from the building in the future, should Target decide they need a larger store that would not fit on the site. He stated that he was glad that they are looking at property values and recommended that Manana Woods be included, even though they are in the County. He stated that he felt the proposal was very well done. He requested that Mr. Gruen reach out to people who may not think that Target is a good thing and recommended that they look at whether Scotts Valley can absorb the combination of the proposed 170,000 sf of retail for the Town Center and the proposed 135,000 +/- Target.

Les Dittert, Scotts Valley resident, requested that the consultant talk with the Town Center developer regarding prospective stores, and that they analyze the possible impacts to property values. He recommended that the City and the economic impact consultant read an August 27 article in USA Today, titled "Towns Recycle Abandoned Stores".

Mary Blessing, Hidden Glenn resident, questioned how the economic impact consultant would be interviewing people who are in the County, but who interweave with the City boundaries regarding real estate values. She stated that in her opinion, the Target in Morgan Hill caused blight. She stated that she would prefer to see the City concentrate on the Town Center project.

David Maynard, Hidden Glenn resident, questioned how Gruen Gruen + Associates could be objective if they are being paid by Target.

Frank Kertai, representing Heritage Parks Association in Scotts Valley and City Council candidate, requested that the economic analysis include the cost of the Mid-Town Interchange, due to the size of the proposed Target and the Town Center, and their impact on the City. He requested that the potential impact to the Hilton be included in the analysis, because if the traffic impact on the Hilton caused by Target puts the Hilton out of business, he would like to know what the economic impact would be to the City. He questioned if the Hilton provides significantly more economic returns to the City than the Target would if it was allowed to be built next door. He stated that in terms of infrastructure costs, he would like to see not only the usage of City streets included, but also the cost of a signal at the intersection of La Madrona and Altenitas, and who would pay for it.

Mayor Johnson thanked Mr. Gruen for attending the meeting, and stated that Mr. Gruen would take the comments received at the meeting under advisement.

M/S: Bustichi/Barrett

***To approve the selection committee recommendation and direct City staff to conduct contract negotiations with Gruen Gruen + Associates for preparation of the Gateway South Retail Economic Impact Study.
Carried 5/0***

- 1. Study Session for the City Council/Redevelopment Agency/ Planning Commission to discuss the DRAFT Skypark Town Center Specific Plan and DRAFT EIR**

At the request of Mayor Johnson, Sheryl Ainsworth, former Council Member and Scotts Valley resident, gave a history/overview of the Town Center proposed development over the past 15-18 years from her perspective.

PC Westman reviewed the process to be followed for the study session. She stated that nothing will be voted on this evening. She stated that we are currently in the 45-day comment period, which will close on October 3, 2008 at 5:00 p.m. She requested that comments be submitted in writing to City Hall via the following mechanisms: regular mail, dropped off at City Hall; via email to sadams@scottsvalley.org, or via fax to 438-2793. She also introduced the consultant team who worked on the Draft Town Center Specific Plan and the Draft EIR: Debbie Rudd, RRM Design Group; David Javid, RRM Design Group; Kris Vardas, Rincon Consultants, Inc; Steve Weinberger, W-Trans; Steven Spikard, Economic Research Associates.

The consultants gave a PowerPoint presentation of the Scotts Valley Town Center Draft Specific Plan and Draft EIR (on file in the Office of the City Clerk and available on the City's website at www.scottsvalley.org/planning.html). During the presentation, Sean Dennison and Greg Hall, Stanbery Development, gave a due process update, and reviewed the various processes they have gone through to date.

PC Heald encouraged the developer to use sustainable building practices and features throughout the site. She also stated that, if possible, she would like any artifacts found on the site to be made available to the public.

PC Fogel expressed concerns regarding adequate water supply.

PC Shulman stated that he was concerned about phasing and cohesive uses. PC Westman responded that the Specific Plan provides guidelines so that developments within the Specific Plan area will fit cohesively together as they are upgraded and/or redeveloped. PC Shulman questioned if the City is looking to participate with Redevelopment Agency (RDA) monies that may be at risk from the State, and recommended committing those RDA monies in order to protect them from potential State take-aways. PC Shulman stated that he would like to see pedestrian overpasses. He stated that he wants to be sure that we are working with the Water District to provide recharge and protect the aquifer. He also stated that he wants to be sure that we have a comprehensive EIR that covers the possible economic impacts to existing businesses. Kris Vardas responded that legally, under CEQA, there is no requirement to look at the economic effects of a project; however, under an EIR they can look at the physical effects of the economic affect of a project to another facility.

CM Reed stated that he had concerns about adding a new stop light on Mt. Hermon Road, spoke in favor of the library being a major component of the Town Center, and stated that he would like to see a better opening/view corridor between the Town Center and Skypark Park.

CM Aguilar expressed concerns regarding adequate water for supply and demand based on information on page 3.34 of the EIR. She also stated that if there is a limit on the number of residential units that will be allowed in this area, she wants to be sure that there is an equitable balance for all of the properties in the area, i.e. Town Center, Aviza, Bluebonnet Lane, etc. She also expressed concerns about building height limits and stated that she would not like to see anything above 55 feet so that scenic vistas are not blocked. She requested that on page ES20, MFPA be changed to NFPA, and stated that she wants to be sure that the 2006 edition of the NFPA is used, not the 2004 edition. She also requested that the mitigation measures be more than deluge systems, and possibly include mounding.

VM Barrett stated that he would like to see as much water retention as possible and expressed concerns about the impacts of additional flow to the recycled water line in Mt. Hermon Road. He encouraged the developer to be as green as possible, to incorporate plenty of shade trees and benches, to include bike racks and bike lanes, and to not go below LOS D at any of the intersections.

CM Bustichi stated that he would like to see as many sustainable building practices and features incorporated, specifically regarding water and materials. He spoke in favor of the library being part of the Town Center project and stated that he would also like to see a wider, more open look to the corridor between the Town Center and Skypark Park. He stated that the Specific Plan is a very broad vision to create balance and flexibility, while allowing possibilities.

Terry Westra, stated that this is an exciting project and a prime opportunity. She spoke regarding economics and the environment of Scotts Valley and Santa Cruz, and stated that she doesn't want this to be another San Jose or Fresno. She stated that she is concerned that it is not more unique, and recommended fine tuning the architecture to capture the uniqueness of this area.

Paul Bach, RLDPAC, expressed concerns regarding traffic and stated that he was concerned that the drawing shows more than what is committed. He stated that he also feels a disconnect between the economic analysis and the traffic analysis, because of traffic problems that may occur at Highway 9 and Graham Hill Road or Graham Hill Road and Mt. Hermon Road. He recommended that they analyze the incremental impact of traffic from other projects and questioned how the level of service (LOS) is calculated for intersections. He asked if the draft traffic report from Fehr & Peers had been used as part of the numbers for the traffic portion of the EIR, or was a new study done, because he does not believe the information in the draft traffic report from Fehr & Peers is accurate or complete. Mr. Weinberg described how LOS is calculated. He stated that the previous draft traffic report was used as a reference, but the data was not used.

Darshna Croskrey, Friends of SV Library, stated that she is excited to hear that a library is planned in the Town Center and that she is happy to see that money has put away for the library. She stated that she would like to see the library at 16,000 to 17,000 sf. Ms. Croskrey thanked the City Council for all of the time and energy they commit, and stated that she was confident that they will do what is best for the City as it relates to the Town Center and Target. CM Aguilar responded that the City is required to build a 12,500 sf library, and if it is larger than that, the library system would have to pay the difference.

Stacy Mitchell, SV resident, would like to see a tree for the tree lighting ceremony in the green. She also stated that she would like to see any artifacts from the site displayed in the library. She stated that she would like entrances to the library from the park and the parking lot, she would like the library to

stand alone, and have it include meeting rooms, separate study rooms for tutoring and other uses, and have the teen and children's areas sufficiently large enough for the use.

Chris Ow, King's Village Shopping Center, spoke in support of the Town Center project. He commended the City Council for their work to date and spoke highly of the Specific Plan Consultant, RRM. He stated that they appreciate being included in the Specific Plan, and that they feel Stanbery Development's proposal for the Town Center is the best they have ever seen.

Bill Brooks, Brooks Properties and SV resident, spoke in favor of the Town Center project, and commended the Economic Development Committee and the City Council.

Frank Kertai, President of the Heritage Parks Association in Scotts Valley and City Council candidate, expressed concerns regarding water, and recommended evaluating hot water on demand systems to reduce the use of water. He recommended that the runoff issues of water be examined thoroughly. He stated that Carbonero Creek is currently considered a damaged creek in terms of runoff and effluent, and stated that it needs to be carefully assessed in terms of what goes into the creek and will eventually end up in the ocean. He encouraged everyone in the community to read the documents. He expressed his concerns about 300,000 sf of commercial space between Target and the Town Center, and safety concerns with narrowing traffic lanes to 11 feet. He recommended that a traffic analysis be performed that does not include the Target project. He stated that he will be submitting his concerns and questions in writing. He stated that he likes the timed lights issue. He questioned what the cost of this project is to the City, and what the risk factors are. He stated that the traffic portion of the project includes as a mitigating factor the Mid-Town Interchange, and stated that he would like to have that issue addressed, as to what the cost of a Mid-Town Interchange would be.

Bob Slawinski, SV Sports Center, thanked the Council for all of their hard work and effort, and spoke in support of the Town Center project. He stated that he would like to tie his expansion of the SV Sports Center in with the Town Center project. He expressed concerns about the proposed easement and parking, as he feels it restricts his business and property, by taking away from his parking.

Les Dittert, SV resident, spoke in favor of the Town Center project and stated that he would like to see a larger library. He stated that he is impressed with the EIR and the mitigations. He made suggestions to enhance the visual access to the park. He stated that he would prefer to see pedestrian friendly streets and that he feels a pedestrian overpass would be distracting. He said that a possible alternative would be a pedestrian underpass. He also stated that he feels the roundabout may be a little small for emergency vehicles.

Kevin Pratt, family owns SV Shopping Center and SV Square, spoke in favor of the Town Center project and stated they are extremely supportive of efforts to develop this area.

Rob Slawinski, SV Sports Center, spoke in support of the Town Center project. He stated that he is concerned about the loss of parking at the Sports Center as they have a long term view of the Sports Center being a place for concerts and a professional hockey team.

Caryn Machado, SV resident, stated that she has not heard anything about bringing local businesses into the project.

Sean Dennison, Stanbery Development, stated that they bring in a variety of businesses, including national, regional, and local chains, and businesses that will benefit the shopping center and community as a whole.

3. Future Council/RDA agenda items

None.

ADJOURNMENT

The meeting adjourned at 10:30 p.m.

Approved: _____

Randy Johnson, Mayor / Chair

Attest: _____

Tracy A. Ferrara, City Clerk / Secretary