

MINUTES

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

Date: November 19, 2008

POSTING:

The agenda was posted on 11-14-08
at City Hall, the SV Library, and the
SV Senior Center by the City Clerk.

INTRODUCTION OF SPECIAL GUEST: Mayor Johnson introduced Mayor for the Day, 12-year old Layne Ahlstrom, who called the meeting to order and did the pledge of allegiance and moment of silence. Mayor Johnson presented Layne with a proclamation.

CALL TO ORDER 6:03 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 Chief Weiss
Contract Planner Westman
City Clerk Ferrara

COMMITTEE REPORTS CM Reed reported that the Library Joint Powers Authority met last week and heard an update on the reduced sales tax forecasts and revenues that have been caused by the current economy. He stated that they also received a brief update on the process to replace retiring Library Director, Anne Turner.

CM Aguilar reported that the Association of Monterey Bay Area Governments met and two key issues were discussed. She stated that they discussed the hiring of John Doughty as the new Executive Director to replace Nick Papadakis, who retired after 31 years. She stated that they also approved the regional sediment control plan, which reviews the erosion effects on various regions.

Mayor Johnson reported that the Joint City/School District Subcommittee met regarding a variety of items. He stated that they held a discussion regarding replacing existing urinals in Scotts Valley Schools with waterless urinals, which could provide a potential water savings of 500,000 gallons per year. He stated that the Scotts Valley Unified School District (SVUSD) has expressed concerns about increased maintenance costs with an already reduced maintenance staff. He stated that the SVUSD will be more willing to explore

this in the future as time permits. He stated that they also held a discussion regarding developer paid school impact fees. He stated that the SVUSD charges \$6.31/sq ft for any new construction over 500 square feet, and reviewed how much higher this amount is than other areas in the County. He reported that the SVUSD stated that the amount of the fee is justified because it is based on the large number of portables that are used at SVUSD schools. He stated that he is concerned about costs to developers being fair.

PUBLIC COMMENT

PC Weiss introduced new Police Officer, Mason Menini, a six year veteran of the Stanislaus County Sheriff's Office.

Frank Kertai, President of the Heritage Parks Homeowners Association, stated that on a number of occasions he had voiced complaints about the actions of the City Council and local City government with respect to lack of transparency and openness. Specifically, the way the City Council and City staff handled the release of the Preliminary Traffic Report for the proposed Target project. He also complained about a lack of responsiveness and feedback regarding comments that had been submitted regarding the Town Center Specific Pan EIR.

CM Reed stated that the "Friends of the Scotts Valley Library" are holding a fundraiser December 4-6 at the Scotts Valley Library to raise money for upgrades/enhancements to the proposed library. He stated that the fundraiser is a book sale with new or like new books, audio books, DVD's, and CD's for sale. He stated that new or slightly used donations are appreciated and volunteers are welcome.

CM Reed encouraged the community to attend the Scotts Valley Falcons Football Game this Saturday, November 22 at Scotts Valley High School at 1:00 pm.

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 11-5-08, 10-15-08
- B. Approve check register – 11-4-08
- C. Approve second reading and adoption of Ordinance No. 180 repealing Sections 5.17.060, 5.17.070, 5.17.080, 5.17.020(D), (E) & (F) of the Scotts Valley Municipal Code, and adding Chapter 9.20 to Title 9 of the Scotts Valley Municipal Code establishing a Social Host Ordinance
- D. Approve second reading adoption of Ordinance No. 181 amending Chapter 10.08 of the Scotts Valley Municipal Code regarding storage of vehicles by amending Sections 10.08.010 and 10.08.060 and adding Section 10.08.120
- E. Approve second reading and adoption of Ordinance No. 16-ZC-212 approving a zone change (ZC07-001) and planned development zoning overlay and permit (PD07-005) to change the zoning from the "R-H" zoning district to the "R-1-10/PD" zoning district for the creation of six residential lots and one common parcel on two existing lots at 495 and 497 Lockewood Lane (APNs 021-071-02 & 021-231-09)

**ALTERATIONS TO
REGULAR AGENDA**

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

REGULAR AGENDA

1. Consideration of City closure during holidays

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

M/S: Bustichi/Barrett
To approve the closure of the City offices on Friday, December 26, 2008, and Friday, January 2, 2009.
Carried 5/0

2. Consideration of economic incentive for Giro

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

VM Barrett stated that he is concerned about the estimated income to the City, because he feels it is too high. He stated that he would like to see more accountability regarding sales tax revenue. He stated that he is in favor of Giro moving to Scotts Valley; however, he is concerned about using City monies to help a free enterprise system, especially with the declining economy.

CM Bustichi stated that the estimated sales tax numbers from Gruen & Gruen were based on employees working here and patronizing local businesses. He stated that he feels this will benefit the businesses in Scotts Valley Junction and in Scotts Valley as a whole, and that this business may attract other businesses.

Mayor Johnson clarified that the money would come from the Redevelopment Agency (RDA) fund, which is to be used for economic development, and that RDA monies cannot be used for the General fund which covers operating expenses, City staff, Police Officers, repairing streets, parks, etc.

CM Aguilar stated that she believes that Giro will not only bring an economic stimulus but a social stimulus, which will be a benefit to the entire community.

CM Reed spoke in support of Giro moving to town, however, he stated that he had some concerns about spending RDA dollars without quantifiable guarantees for return on the City's investment.

Paul Bach, Responsible Local Development Political Action Committee, spoke in opposition to approving this item due to his concerns that approval of this item is precedent setting.

Josh Breeden, President of Scotts Valley Chamber of Commerce Board of Directors, spoke in favor of approving this item due to its potential economic benefits to the City.

Kwai Kong, President of Specialty Retail Business, stated that his company (Giro) would like to move to Scotts Valley because they would like to be part of a smaller community where they feel they can make a contribution.

CM Aguilar questioned if a financial framework could be established so that the City/RDA has a specific criteria to use for businesses to qualify for RDA monies.

CA Powell responded that the City can put together framework/criteria for businesses that might qualify for assistance in the Redevelopment Agency. She stated that this is not necessarily precedent setting, because City staff has outlined some unique characteristics of this business that can be used to justify the contribution. She stated that contributions are always up to the Council's discretion, and are reviewed on a case by case basis. She stated that if the City Council is inclined to grant the request, she recommends that the Council authorize the City Manager to execute an agreement that would document the requirements in order to obtain the funding, i.e. payment over two years, and a requirement that the actual number of employees working at the business are what has been indicated, which would provide some guarantee.

CM Aguilar stated that she would like a guarantee included in the agreement that if Giro leaves after two years, they would have to pay the City back.

M/S: Bustichi/Johnson

To approve the contribution of Redevelopment Agency funds in the amount of \$37,500 in the current fiscal year (2008-09) and another \$37,500 in the next fiscal year (2009-10) to Giro, and authorize the City Manager to negotiate an agreement with Giro incorporating City Council comments and concerns, and bring the agreement back to the City Council for approval.

Carried 3/2 (NOES: Barrett/Reed)

PUBLIC HEARINGS

- 3. Consideration of approval of certification of the Final Environmental Impact Report for the Town Center Specific Plan and adoption of a new Scotts Valley Town Center Specific Plan to replace the Skypark Specifically Plan originally adopted in 1992**

CP Westman presented the written staff report and responded to questions from Council.

Debbie Rudd, RRM Design Group, introduced the consultant team who worked on the Final Town Center Specific Plan and the Final EIR: David Javid, RRM Design Group; Kris Vardas, Rincon Consultants, Inc; Zack Matley, W-Trans. The consultants gave a PowerPoint presentation of the Scotts Valley Town Center Final Specific Plan and Final EIR (on file in the Office of the City Clerk and available on the City's website at www.scottsvally.org/planning.html.) and responded to questions from Council. Ms. Rudd stated that the Scotts Valley Town Center Specific Plan document will lay the foundation that sets standards and guidelines for future developers.

PUBLIC HEARING OPENED - 7:39 PM

Elizabeth Walsh, Friends of SV Library, thanked the City Council for their inclusion of the library in this plan. She encouraged the Council to not skimp on the design size of the project. She stated that they will need 15,000 to 17,000 square feet, and encouraged the City Council to find additional funding above and beyond the 12,500 square feet that is funded and was previously agreed on.

Stacy Mitchell, Friends of SV Library, spoke in favor of the the library being located in the Town Center, and encouraged the City Council to build the right size library for the community.

Pat Lorenzo, Manager of SV Library, thanked Scotts Valley for their community support for library services. She spoke in favor of the inclusion of meetings rooms, a teen room, quiet space, etc. She stated that she wants to be sure this library meets the needs of the community over the long term. She encouraged the City Council to consider something in the vicinity of 17,000 square feet to help meet the needs of the community.

Paul Bach, Responsible Local Development Political Action Committee, gave a PowerPoint presentation regarding the traffic study completed for the Town Center and expressed concerns about the traffic concerns mentioned in the EIR. He read from a letter from a traffic engineer that provided information that he said differed from the City's traffic information, and stated that the City had been sent the letter. He requested that a peer review be completed of the traffic study. He also stated that the City would have to exercise eminent domain, for land at the 76 Station or the Shell Station, in order to add the additional recommended turn lane on Mt. Hermon Road at the intersection of Mt. Hermon Road and Scotts Valley Drive, and questioned how much this would cost in terms of millions of dollars to do so.

Sandy Woodruff, owner of Valley Gardens Golf Course, read a statement (Attachment A) regarding the potential impacts to groundwater resources and expressed her concerns regarding a reduction in groundwater resources due to the increased impervious surface area. She stated that the project needs to be developed in such a way that it does not have a negative effect upon the Valley Gardens Golf Course's water supply and water rights.

Frank Kertai, President of Heritage Parks Homeowners Association, representing 83 homeowners at the southern edge of the City, stated that he is in favor of the Town Center; however, he believes that the City needs to be thorough in their approvals. He spoke regarding the overriding considerations regarding traffic and water impacts, and stated that he was frustrated with the lack of response and community involvement.

Les Dittert, SV resident, questioned if a pedestrian overpass or underpass can still be considered, because he is concerned about the additional impacts of pedestrian interface on the traffic on Mt. Hermon Road. He stated that he has experience in structural engineering and offered to design a pedestrian overpass or underpass for the City.

Joe Miller, SV resident, stated that he is in favor of the Town Center project, however, he is concerned about the lack of groundwater recharge. He stated that he wants to be sure that recharge is in place in order to insure that adequate water will be available for future development.

PUBLIC HEARING CLOSED - 8:09 PM

CM Bustichi questioned if a comment made by Mr. Kertai that there would be 285,000 square feet of retail constructed was accurate, or if that number included other property in the Specific Plan area that is already developed.

CP Westman responded that when they looked at developing the EIR for the entire 58 acres that encompass to the Town Center Specific Plan, they looked at potentially how much new retail development could be within the entire area. She stated that the actual core Town Center area (the mixed-use project shown in the Vision Plan) includes about 170,000 square feet of commercial space. She stated that in addition to that, there is an opportunity to add some commercial uses, and it also provides opportunity for some existing properties to add some commercial space. She stated that Specific Plan itself never talks about numbers of square feet of commercial space, or numbers of residential units that can go in, the numbers were simply used as a basis for the EIR.

CM Bustichi stated that regarding Mr. Miller's comments on water recharge, is it accurate to say that we cannot have a plan to mitigate water, because we don't have a specific development at this time with actual planned buildings.

Kris Vardas, Rincon Consultants, responded that the Final EIR prescribes water mitigations that require water conservation, use of recycled water, as well as water for future development associated with the Town Center core, to design and construct a groundwater recharge facility.

CM Bustichi questioned if it would be correct to assume that if the development was built in phases, the developer would have to mitigate at least what they are building to date, and then the water recharge area would need to be expanded upon as new construction was to go in.

Mr. Vardas responded that CM Bustichi was correct in his assumption.

CM Bustichi questioned the accuracy of Mr. Bach's comments regarding the necessity to do eminent domain to widen Mt. Hermon Road at the 76 station or other areas on Mt. Hermon Road. He questioned if there was enough room in the public right-of-way at this point to do the mitigations as recommended in the traffic study.

PWD Anderson responded that for the additional, presumably, 11-12 foot lane, there are areas available such as the existing wide median, the wide sidewalks, and we also have 20 feet of right-of-way in front of the 76 Station. He stated that there is area available.

CM Bustichi questioned if there is any plan to take any property through eminent domain.

PWD Anderson stated that the City is not looking at eminent domain because we have a 20 foot right-of-way, and the other areas as mentioned above, for space.

CM Bustichi stated that Mr. Bach suggested that the City will really see some traffic delays by going from a Level of Service (LOS) C to a LOS D. CM Bustichi questioned if any of the City's intersections are currently at a LOS D.

PWD Anderson responded that the intersections of Mt. Hermon Road/Scotts Valley Drive, and La Madrona/Scotts Valley Drive are currently at a LOS D.

CM Bustichi questioned what the delay is in seconds at the Mt. Hermon Road/La Madrona intersection now and what it will be after mitigations, not including the Mid-Town Interchange.

Zack Matley, W-Trans, responded that the intersection is currently at a mid-level LOS D with a traffic delay of 40.6 seconds at pm peak hours. He stated that with mitigations, it will remain at a LOS D with a delay of 45.6 seconds at pm peak hours.

CM Bustichi stated that Mr. Bach had also suggested that a peer review be completed for the traffic report and asked if PWD Anderson felt this was necessary.

PWD Anderson stated that the City did not have a complete peer review done, however, we did retain Higgins & Associates – a traffic engineer who does a lot of work in the City – to review the traffic report conditions, the assumptions, and the various defaults that were put in as far as how the analysis was put together. He stated that Higgins did recommend the inclusion of some items that W-Trans included, including the weekend analysis. PWD Anderson stated that he also reviewed the traffic report, and that the City's Traffic Engineer, Majid Yamin, had reviewed the preliminary work early in the process.

CM Bustichi stated that Mr. Kertai had expressed concerns regarding deferred mitigations in the EIR.

CA Powell responded that this is a programmatic EIR, and it is permissible to articulate specific performance criteria and make further approvals on finding a way to meet them. She stated that in this case that is what we have done, and when specific projects come forward, they will be required come up with the details of the mitigation measures, but the mitigation measures proposed are adequate for a programmatic EIR.

CM Bustichi questioned that based on that information, without specific information on what is actually being constructed, we cannot put in specific mitigations, such as for water.

CP Westman clarified that there is a requirement for recharge, however, the sizing of the recharge would be determined on the amount of development that takes place.

CM Bustichi stated that in reference to the pedestrian bridge, it would require an ADA element, which would in turn require large amounts of land using eminent domain, as well as the cost to build over Mt. Hermon Road.

CM Aguilar expressed concerns that her previous request that MFPA be corrected to read NFPA had still not been made. She also stated that she was concerned about the Suburban Propane relocation, where it indicates that an environmental consultant shall perform a comprehensive site reconnaissance and evaluation. She stated that she would like the wording for the site reconnaissance to include the requirement for a risk assessment. She also stated that the EIR does not meet her criteria for water, and that the parks information is not accurate. She stated that she would be willing to vote for the Town Center Specific Plan, in a sense; however, she cannot approve the EIR. She stated that she also does not agree with reducing traffic to LOS D.

CP Westman clarified that there is nothing in the EIR that requires the City to change any of its General Plan standards. She also stated that the way the General Plan is currently written, the intersection of Scotts Valley Drive/Mt. Hermon Road is acceptable at LOS D, and that will not change. She stated that the other intersection that will be at a LOS D, is currently at a LOS D, and with the improvements that will go in it will remain at a LOS D, which is the intersection of La Madrona/Mt. Hermon Road. She stated that Mt. Hermon Road/Kings Village Road will also be at LOS D.

CA Powell responded to CM Aguilar's concerns about inaccurate park information. She stated that the information in the EIR is based on the City's Parks Master Plan, which does not include Shugart Park at this time.

VM Barrett stated that he is concerned about traffic and water, and wants to be sure that we try to capture as much water as we can, and build the Town Center with as many green building practices as possible. He stated that he would be in favor of a peer review for traffic.

Mike McMurry, Chief of the Scotts Valley Fire District (SVFD), stated that based on his review of the programmatic EIR, the requirements that all buildings have fire protection systems and roof access adequately mitigates the height requirement. He stated that although the SVFD has decided not to replace their ladder truck due to the \$750,000 cost, plus staffing, they do have a reciprocal agreement with the City of Santa Cruz to share resources, which includes the City of Santa Cruz sending a staffed, 100 foot aerial truck, upon request.

M/S: Bustichi/Reed

***To approve Resolution No. 1527.3 certifying the Scotts Valley Town Center Specific Plan Final Environmental Impact Report, approving findings for overriding consideration and approving the general plan amendments as shown on Exhibit A which eliminate the Skypark Specific Plan and adopting the Scotts Valley Town Center Specific Plan prepared by RRM Design Group as amended with staff's recommended correction/change to AQ-1(a) on pages 11 and 44.
Carried 3/2 (NOES: Aguilar/Barrett)***

REGULAR AGENDA
(Resumed)

4. Future Council/RDA agenda items

CM Reed requested a future agenda item to establish a library subcommittee.

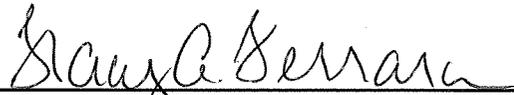
ADJOURNMENT

The meeting adjourned at 9:00 p.m.

Approved:


Randy Johnson, Mayor / Chair

Attest:


Tracy A. Ferrara, City Clerk / Secretary

November 19, 2008

Mayor and City Councilmembers
City of Scotts Valley
1 Civic Center Drive
Scotts Valley, CA 95066

Re: GENERAL PLAN AMENDMENT AND FINAL ENVIRONMENTAL IMPACT REPORT
FOR THE TOWN CENTER SPECIFIC PLAN

Dear Mayor Johnson and City Councilmembers,

I write to reiterate some of the concerns expressed in my letter dated October 27, 2008 (copy attached), regarding the potential impacts of development associated with the proposed Town Center Specific Plan upon groundwater resources. While certain revisions in the draft EIR have been made in response to comments from various interested parties, a number of serious concerns remain.

By way of background, Valley Gardens Golf Course has been in operation since 1971, and is located across Mount Herman Road from the proposed Town Center site. From about 1976 until about 1982, our water supply needs were primarily met by two wells constructed on on-site for irrigation purposes. However, in about 1982 one of our wells failed and we were forced annex into the San Lorenzo Valley Water District for supplemental or backup water supplies. Last year, the Scotts Valley Water District acquired a portion of our property under threat of eminent domain for purposes of constructing an additional well, #10A, approximately 100 feet from Well 10. The pumping capacity of Well 10A is substantially greater than Well 10 (approximate 450 gpm versus 175-200 gpm). We are currently attempting to determine whether the increased groundwater extraction by Scotts Valley Water District in close proximity will have negative impacts upon our remaining usable well. It is our understanding that, as an overlying user, Valley Gardens Golf Course has a right to be protected from harmful effects of increased groundwater extraction by the Scotts Valley Water District.

Against this backdrop we have a number of concerns about the Town Center Specific Plan EIR's analysis of Water Supply (Section 4.12), including:

- The analysis of perennial yield and net groundwater consumption within the Scotts Valley groundwater basin is confusing and inconsistent. While the report cites various figures showing average groundwater consumption as less than the average perennial yield of the groundwater basin, these figures are difficult to reconcile with the declines of between 160 and 330 acre-feet per year in the basin's average groundwater storage from 1988-1998.¹
- Similarly troubling is the reversal in net groundwater flow from 1985, when the Scotts Valley groundwater subarea water budget shows the net groundwater flow as 800-1200 AFY outflow, to the current situation in which there is an 800-1,000 AFY inflow of groundwater into the

¹ Town Center Specific Plan EIR (TCEIR) Section 4.12, pp. 4.12-2 to 4.12-3.

subarea.² Again these figures are difficult to reconcile with the notion that “[g]roundwater production is expected to provide approximately 1,891 acre-feet per year in 2010 (45 percent of the latest official estimate of perennial yield of 4,200 acre-feet), and approximately 1,811 acre-feet per year in 2025.”³

- The revised EIR acknowledges that “basin-wide” estimates of safe yield “do not account for such factors as localized effects on storage or the limits on groundwater extraction related to the actual locations and pumping capacities of extraction wells in the basin.”⁴ Given the proximity of our remaining operating well (and SVWD’s Wells 10 and 10A) to the project site, the issue of localized effects of the project needs to be considered. For instance, I am concerned that the increase in the impervious surface area and resultant loss of on-site groundwater recharge (estimated at approximately 14 AFY) may have a negative impact on wells in the immediate vicinity. Similarly, if SVWD intends to meet the additional demand created by the proposed project by increasing the production from Wells 10 and 10A, I am concerned that the increased production will harm our ability to continue operating our one remaining well. Unfortunately, although raising the specter of localized effects, the report does not contain any meaningful analysis of those potential effects.
- Lastly, while the report lists various mitigation measures that are intended to “offset water demand associated with the proposed Specific Plan to the extent feasible”, the extent to which the proposed measures will, in-fact, offset demand is not specified. And while the recent addition of a mitigation measure requirement the first future development to “design a recharge facility” to mitigate potential loss of groundwater recharge, no specific design parameters are specified, leaving one to speculate whether the facility will be effective.

As I wrote previously, I am generally in support of the Town Center concept and would like to see it come to fruition. However, the project needs to be developed in a way that does not have a negative effect upon the Valley Gardens Golf Course’s water supply and water rights. It is unclear from the content of the Town Center Specific Plan EIR whether the localized impacts of the project in terms of increased groundwater consumption and diminished recharge cause by covering of pervious surfaces will threaten our water supply—which is vital to the continued operation of our business. As it considers this seemingly worthwhile project, the Council should ensure that legitimate concerns about potential localized impacts, include to water supply, are thoroughly analyzed and adequately addressed.

Sincerely,

Sandy Woodruff

² TCEIR, page 4.12-4.

³ TCEIR, page 4.12-4.

⁴ TCEIR, page 4.12-4.