

**MINUTES**  
**SPECIAL JOINT CITY COUNCIL / IMPROVEMENT AGENCY MEETING**  
**THURSDAY, MARCH 2, 2006**

**CALL TO ORDER** Mayor/Chair Versaw called the meeting to order at 6:30 p.m. in the City Hall Council Chambers, 154 South Eighth Street, Grover Beach, California.

**ROLL CALL**

City Council/Agency: Council/Board Members Ashton, Ekbohm, Shoals, Mayor Pro Tem/Vice Chair Lieberman, and Mayor/Chair Versaw were present.

City/Agency Staff: Interim City Manager/Executive Director Dunn, City Attorney/General Counsel Koczanowicz, City Clerk/Agency Secretary McMahon, Interim Community Development Director/Deputy Director Hansen, and Police Chief Copsey were also present.

Also present were Special Legal Counsel Dave McEwen, from the law firm of Stradling, Yoca, Carlson & Rauth; and redevelopment consultant Richard Tillberg, Vice President of Urban Futures, Inc.

**PUBLIC COMMUNICATIONS** The Mayor/Chair opened the floor to any member of the public for comment on any item described in this agenda.

- A. Don Fielding, Grover Beach, expressed concern over insufficient parking in residential areas of the City.
- B. Gary Edmunds, Grover Beach, expressed concern regarding pending projects for multi-story developments in the City.

There were no further public comments received. Mayor/Chair Versaw closed the Public Communications segment for this portion of the meeting.

**CITY COUNCIL / IMPROVEMENT AGENCY - PUBLIC HEARING**

**CC/IA-1. Proposed Disposition and Development Agreement (DDA) between the Grover Beach City Council/Improvement Agency and "The Grand Paseo, LLC" (a California Limited Liability Company).** *(Continued Public Hearing from February 21, 2006.)*

Mayor/Chair Versaw read the title to the foregoing item, declared the Public Hearing open, and deferred to staff for a report. Interim Community Development Director/Deputy Director Hansen stated that the developer, "The Grand Paseo, LLC", whose one principal member was Ron Perkins, President of Cobalt Construction, had formally requested a 30-day continuance to allow the developer and the property owners an opportunity to continue negotiations towards a mutually agreeable development of the property, and to allow the Improvement Agency additional time to provide the formal notices and Requests for Proposals required by its Owner Participation Rules.

Interim Community Development Director/Deputy Director Hansen noted that the developer had fully paid all development fees to the satisfaction of staff, confirmed that it was a generally accepted practice for agencies to consider a Development and Disposition Agreement prior to having the Planning Commission review a proposed project, and confirmed that this process would place no constraints on the Planning Commission's review of the project. He and Special Legal Counsel McEwen confirmed that eminent domain was not an issue before the Council/Agency for consideration, and then responded to questions from the Council/Agency.

Upon request from the Council/Agency for information to the audience, Special Legal Counsel McEwen and Redevelopment Consultant Tillberg explained the process and citizen input required for a city to form a redevelopment agency. They then reviewed the steps required for an eminent domain action to occur, as well as potential tax advantages to property owners who declined to negotiate with a public agency.

Interim Community Development Director/Deputy Director Hansen then introduced legal counsel for the developer Howard Becker of the law firm of Belsher and Becker. Attorney Becker provided a background overview of the developer, "The Grand Paseo, LLC", a business entity that consisted of two principal members, Ron Perkins of Cobalt Construction and William Leavitt of L&L Development. He then gave an overview of the proposed project, responded to questions from the Council/Agency, and gave an overview of previous attempts to contact the property owners, which also included a purchase offer.

Upon request, City Attorney/General Counsel Koczanowicz summarized efforts by the City/Agency to contact the property owners both verbally and in writing.

Ron Perkins, President of Cobalt Construction, Grover Beach, gave a brief overview of his personal background in the community and professional background as a building contractor of both residential and commercial developments.

Upon request from the Council/Agency, Redevelopment Consultant Tillberg gave an overview of financial data yet to be received from the developer. He then recommended against making any determination on the proposed Development and Disposition Agreement until the data has been received and reviewed.

Mayor/Chair Versaw invited comments from those in the audience who wished to be heard on this matter.

The following persons spoke *against* the proposed project and/or objected to the use of eminent domain:

- Don Fielding, Grover Beach, who also alleged conflicts of interest existed for three members of the Council/Agency;
- Don Thompson, San Luis Obispo;
- Charles Steele, Grover Beach;
- Loretta Doukas, Grover Beach;
- Steve Kirby, Grover Beach;
- Bob Stone, Grover Beach;
- Gary Edmunds, Grover Beach;
- Elizabeth Doukas, Grover Beach;
- Mike Hackleman, co-owner of Five Cities Auto, 401 West Grand Avenue;
- Kevin Pryor, co-owner of Five Cities Auto, 401 West Grand Avenue;
- Linda Hollingsworth, co-owner of the Automotive Service Center, 583 West Grand Avenue; and
- Karen Cross-Harmon, Arroyo Grande.

There were no further public comments received.

**Action:** Upon motion by Council/Board Member Shoals and seconded by Mayor Pro Tem/Vice Chair Lieberman, the City Council/Agency continued the Public Hearing to the City Council/Improvement Agency meeting of April 3, 2006, and directed staff to schedule this item as the first item for discussion on the agenda, immediately following any scheduled ceremonial items. The motion carried on the following roll call vote:

AYES: Council/Board Members Ashton, Ekbohm, and Shoals, Mayor Pro Tem/Vice Chair Lieberman, and Mayor/Chair Versaw.

NOES: Council/Board Members - None.

ABSENT: Council/Board Members - None.

ABSTAIN: Council/Board Members - None.

**ADJOURNMENT** There being no further business to come before the City Council / Improvement Agency, Mayor/Chair Versaw adjourned the meeting at 9:13 p.m.

**CITY COUNCIL**

/s/ LARRY VERSAW, MAYOR

Attest: /s/ DONNA L. McMAHON, CITY CLERK

(Approved at CC Mtg 4/3/06)

**IMPROVEMENT AGENCY**

/s/ LARRY VERSAW, CHAIR

Attest: /s/ DONNA L. McMAHON, AGENCY SECRETARY

(Approved at IA Mtg 4/3/06)