

**MINUTES
CITY COUNCIL MEETING
MONDAY, MAY 21, 2007**

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

MOMENT OF SILENCE

FLAG SALUTE The flag salute was led by Kiana Calderone, a 6th grade student from Grover Beach Elementary School.

ROLL CALL

City Council: Council Members Ashton, Bright, Nicolls, Mayor Pro Tem Shoals, and Mayor Lieberman were present.

City Staff: City Manager Perrault, Assistant City Attorney Donaldson, City Clerk McMahon, Administrative Services Director Chapman, Community Development Director Hansen, Police Chief Copsey, Public Works Superintendent Ford, and Maintenance Worker II Solis were also present.

Also present was City Engineer Garing.

AGENDA REVIEW

City Manager Perrault requested that Item No. 7 be pulled from the agenda per the request of the Appellant, who wished to formally withdraw his appeal. Additionally, the one item listed on the agenda for Closed Session had been cancelled.

Action: Upon unanimous consensus of the City Council, the agenda was approved as amended.

Mayor Lieberman requested to add an item to the agenda regarding a matter that had arisen after the agenda had been posted, specifically a guest editorial published in *The Times Press Recorder*.

Action: It was m/s by Mayor Pro Tem Shoals/Council Member Nicolls to add Agenda Item No. 12A to the agenda, to discuss a guest editorial that was published in the *Times Press Recorder*. The motion carried on the following roll call vote:

AYES: Council Members Ashton, Bright, Nicolls, Mayor Pro Tem Shoals, and Mayor Lieberman.
NOES: Council Members - None.
ABSENT: Council Members - None.
ABSTAIN: Council Members - None.

CEREMONIAL CALENDAR

1. Proclamation of Appreciation to Arlene Versaw for Service on the Grover Beach Planning Commission.

Mayor Lieberman read and presented the Proclamation to Arlene Versaw, a former Grover Beach resident and former Planning Commissioner.

2. Proclamation of Appreciation to Larry Versaw for Service on the Grover Beach City Council.

Mayor Lieberman read and presented the Proclamation to Larry Versaw, a former Grover Beach resident and former City Council Member.

3. Proclamation Declaring May 20-26, 2007 as "National Public Works Week".

Mayor Lieberman read and presented the Proclamation to Marty Solis, Maintenance Worker II and 2006 Public Works Employee of the Year.

PRESENTATIONS

4. Presentation by the Sierra Club on the "Cool Cities Program".

Mayor Lieberman introduced Karen Merriam, Chair of the Santa Lucia Chapter of the Sierra Club, who in turn introduced Andrew Christie, Director for the San Luis Obispo County Chapter of the Sierra Club. Both representatives spoke about the Cool Cities Climate Protection Agreement and requested that the Council consider joining other cities in the County in signing the agreement pledging to reduce carbon dioxide emissions by the year 2012.

5. Presentation of the Proposed FY 08 Draft Budget.

City Manager Perrault gave a brief overview of the proposed FY 08 Budget document and the new document format in preparation for budget meetings to be held during the month of June. He recommended scheduling one special meeting between the two regular Council meetings of June 4th and June 18th to receive individual department presentations. He stated that once the FY 08 Budget had been adopted, staff would begin the process of scheduling a special meeting to discuss long-term financing options. He then responded to Council questions.

Brief discussion was held regarding the Citizen Committee to review expenditures from the voter-approved half-cent sales tax increase. City Manager Perrault confirmed that, following the budget process, the Council would be discussing duties, responsibilities, and the recruitment process for the committee.

Action: The information was received and no formal actions were taken at this time.

PUBLIC COMMUNICATIONS The Mayor opened the floor to any member of the public for comment on items of interest which were within the jurisdiction of the City Council but were not listed on the agenda.

- A. Don Fielding, Grover Beach, requested and received clarification from Assistant City Attorney Donaldson regarding the process to add an item to the agenda. He then spoke on funds allocated for street improvements and criticized the City's code enforcement program regarding a permit issue, as well as the Council's recently adopted rules of decorum.
- B. Liz Doukas, Grover Beach, congratulated Council Member Bright on her recent appointment to the Council and responded to public comments made at the last Council meeting regarding her application to be considered for appointment to the City Council.
- C. Leah Greeley, Parks, Recreation & Beautification Commissioner, announced the upcoming Grover Beach Spring Garden Tour to be held on Sunday, June 3, 2007.
- D. Anita Shower, Grover Beach, announced that she was working on a book proposal called *Images of America* and requested that the City allow her to borrow some of the archival photographs on display in City Hall.

PUBLIC HEARINGS

Prior to discussion of the Public Hearing Items, Council Member Bright declared a conflict of interest on Item Nos. 6, 7, and 8, since she had previously deliberated on those projects as a former member of the Planning Commission. She then stepped down from the dais and left the Council Chambers.

6. Consideration of Planning Commission Recommendation for Approval of Development Concessions / Incentives, Site and Architectural Plans, Use Permit, and Vesting Tentative Tract Map.

Development Permit: Application No. 05-059.

Project Site: 594 Rockaway Avenue (APN 060-192-001).

Applicants: Scott & Debbie Pimental.

Mayor Lieberman read the title to the foregoing item, declared the Public Hearing open, and deferred to staff for a report. Community Development Director Hansen gave an overview of the project, which had initially been proposed as a five-unit, three-story condominium project with one moderate-income housing unit. On November 8, 2006, the Council had continued this item for a period no longer than ninety (90) days, requesting that the Applicants consider specific design modifications and provide additional information on the Vesting Tentative Tract Map. Community Development Director Hansen stated that, since that time, the Applicants had twice requested an extension. Incomplete preliminary site and architectural plan exhibits were then submitted in mid-March. The Applicants were advised to withdraw the application since the initial 90-day extension had not been met and the exhibits were incomplete for processing. A withdrawal at that time would have provided the Applicants the opportunity to prepare and re-file a new application at any time. The Applicants instead had requested to proceed with the Council's review of the revised preliminary site and architectural plans.

Community Development Director Hansen reviewed the revised project, consisting of a four-unit residential condominium project offered at market rate, instead of five units with one moderate income housing unit. He stated that the revised plans called for reducing the building heights by one foot, included two garage spaces per unit, redesigned driveways with increased on-street parking spaces, and called for a different species of street tree. Two unresolved issues focused on the Applicant's requests: 1) to reduce the rear and side yard setbacks, which met the program policy in the Housing Element but did not comply with the City's development standards; and 2) to consider the third floor as meeting the City's minimum floor ratio, currently required between first and second floors. He then responded to Council questions.

Discussion was held regarding fees paid by the Applicants; staff time expended in reviewing the project; the appropriate reviewing body if the application was denied with or without prejudice, or was approved; and time restrictions to re-submit an application.

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

Demian Minjarez, Architect, acknowledged that the revised plans were not in final format as he and the Applicants were seeking Council comments on the new design changes and determinations on the issues regarding setbacks and floor ratio. He displayed examples of successful multi-story housing projects in Northern California, with minimal front and side yard setbacks that were located within close proximity of downtown alternative transportation options. He then responded to Council questions regarding exterior building materials and landscaping being proposed.

The following persons spoke *against* the project being a three-story building, but also complimented the Applicants for their efforts to make the development more acceptable:

Richard Newman, Grover Beach; and
Liz Doukas, Grover Beach.

There were no further public comments received, and the Mayor closed the Public Hearing.

Further Council discussion was held regarding the appropriate review process for a revised project, the proposed reduction of right-of-way, setbacks, and whether the size of the third floor could be used to meet the minimum floor ratio requirement or if it applied strictly to the first and second floors. Additional discussion was held on scheduling future Council discussion on development standards in R-3 zoning districts, codifying the final results from the visioning process workshops, and amending existing regulations to specifically define front and rear yard setbacks.

Upon question, the Applicants requested, through their representative Mr. Minjarez, for the review process to remain with the City Council rather than going back to the Planning Commission.

Recess: Upon consensus of the City Council, the meeting recessed at 8:26 p.m.
Reconvene: At 8:46 p.m., the meeting reconvened with all Council Members present except for Council Member Bright (due to a conflict of interest).

Further discussion was held regarding the appropriate reviewing body for the project; required time frames to amend the Grover Beach Municipal Code, if necessary, regarding setbacks; and seeking cost recovery from the Applicants from this point forward.

Action: It was m/s by Mayor Pro Tem Shoals/Council Member Ashton to: 1) Continue this matter to a date uncertain to allow staff additional time to research the Grover Beach Municipal Code regarding the definition of front, rear, and side yard setbacks, and applying the interpretation of setbacks from the City's Housing Element for this proposed project; and 2) that the City require full cost recovery from the Applicants from this point forward in the review process. The motion carried on the following roll call vote:

AYES: Council Members Ashton, Nicolls, Mayor Pro Tem Shoals, and Mayor Lieberman.
NOES: Council Members - None.
ABSENT: Council Members - None.
ABSTAIN: Council Members - None.
RECUSED: Council Member Bright (due to a conflict of interest)

7. Appeal of Planning Commission Decision to Grant a Use Permit for Live Music at an Established Bar/Restaurant.

Development Permit: Application No. 07-004.
Location: 295 W. Grand Avenue (APN 060-135-020)
Appellant: John Koepf. **Applicant:** Jeff Wynn, dba O'Reilly's Bar.

As previously announced, this item was *withdrawn* pursuant to the request from the Appellant.

8. Request to Waive the City's Underground Utility Requirements.

Development Permit: Application No. 05-071 for a proposed five-unit Planned Condominium Residential Development with one deed-restricted unit for a moderate income household.
Location: 385 South 8th Street. (APN 060-281-008).
Applicant: Saint Joseph Properties, Marilyn Sullivan.

Mayor Lieberman read the title to the foregoing item, declared the Public Hearing open, and deferred to staff for a report. For the information of those present, Community Development Director Hansen provided information on existing requirements to underground utilities. He then reviewed the Applicant's request to waive the requirements to underground existing overhead utilities along the project site's two street frontages of South 8th Street and Manhattan Avenue, citing substantial costs to underground primary or "main" utility distribution lines, and the logistics of undergrounding utilities which would result in the addition of two new poles on adjacent properties. Additionally, replacement of an existing pole would be with an even higher pole. These circumstances were cited as having a negative impact on the Applicant's ability to obtain financing for construction of the project.

Community Development Director Hansen noted that staff was in the process of developing an in-lieu fee program, which was tentatively scheduled for Council review within the next 45-60 days, to provide developers with another option to the underground utility requirements.

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

Marilyn Sullivan, Applicant, spoke in *support* of her request for a waiver, stating that the underground utility requirements called for undergrounding "service laterals", but not "overhead distribution" lines. She played video clip excerpts of deliberations on this

issue from previous City Council meetings, and spoke on the difficulty of obtaining sufficient financing for the project.

Liz Doukas, Grover Beach, spoke *against* granting the requested waiver. There were no further public comments received and the Mayor closed the Public Hearing on this matter.

Discussion was held regarding previous Council discussions to amend the City's underground utility requirements to allow additional flexibility specifically for single-family remodel projects and to respond to the new State mandate regarding "secondary units" or "granny flats", but not to deviate from the City's original intent of placing utilities underground.

Additional discussion was held regarding options for a partial waiver of the underground utility requirements: 1) calculated either by the total number of units or on a pro rata basis for the affordable housing unit(s); 2) prioritizing specific streets to underground utilities with Title 20A funds; 3) establishing an in-lieu fee program; and/or 4) providing matching funds through the Redevelopment Agency.

Upon question, City Engineer Garing gave a brief overview of Rule 20A funds, which were available primarily for "collector" and "arterial streets", and confirmed that South 8th Street qualified as a "collector street". For "local streets", he recommended establishing an in-lieu fee program as a more feasible funding method to achieve undergrounding of utilities.

Action: It was m/s by Mayor Pro Tem Shoals/Council Member Nicolls to: 1) require the Applicant to post a bond for a one-year period to allow the City time to establish an in-lieu fee program; and 2) waive 20% of the underground utility requirements in consideration of the one deed-restricted affordable housing unit. The motion carried on the following roll call vote:

AYES: Council Members Ashton, Nicolls, Mayor Pro Tem Shoals, and Mayor Lieberman.
NOES: Council Members - None.
ABSENT: Council Members - None.
ABSTAIN: Council Members - None.
RECUSED: Council Members - Bright (due to a conflict of interest).

Upon consensus, the Council further directed that staff develop a program that would consider a 100% waiver of the underground utility requirements for that portion of a development project that was deed-restricted for low- and moderate-income housing.

At this time, Council Member Bright returned to the dais.

9. Request to Waive the City's Underground Utility Requirements as They Applied to Street Frontages.

Development Permit: Application No. 04-083 for a six-unit detached condominium project, with one unit deed-restricted for a moderate income household.

Location: 717 Manhattan Avenue (APN 060-277-015 and 016).

Applicant: Cornerstone Development, Ric Paul.

Mayor Lieberman read the title to the foregoing item, declared the Public Hearing open, and deferred to staff for a report. Community Development Director Hansen reviewed the request to only waive the requirement of undergrounding overhead utilities along the street frontages of South 7th Street and Manhattan Avenue, as individual service lines to the new residential units on-site were being placed underground. He stated it had been recommended that an existing utility pole at the southwest corner of the project not be removed, as it was an integral component for service along that sector of Manhattan Avenue, and that removal would require placement of at least two new poles and a major upgrade to utility lines at another existing utility pole. The estimated costs to underground a portion of the overhead utilities along the street frontages were substantial and would not fully implement the City's goal of undergrounding utilities.

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

Ric Paul, Applicant, spoke in *support* of his request for a waiver, citing a general misunderstanding in the development community of the City's requirements to underground utilities. He also expressed concerns with the negative fiscal impact to developers of having to bond for an amount based on estimated costs, and use of the term "bonding" until an in-lieu fee program was established. He requested that the City instead require a "surety" or "security deposit".

Liz Doukas, Grover Beach, spoke *against* the requested waiver.

Gabriel Ramirez, Grover Beach property owner and developer, stated that previous City staff had not interpreted the requirements nor required the undergrounding of utilities in the same manner.

There were no further public comments received, and the Mayor closed the Public Hearing.

Further discussion was held regarding determining an equitable solution and whether the correct terminology regarding the City's requirement for additional security from the applicants requesting a waiver of the underground utility requirement, both Ms. Sullivan (as previously discussed under Agenda Item No. 8) and Mr. Paul, should be a bond, surety or letter of credit.

Action: It was m/s by Mayor Pro Tem Shoals/Council Member Ashton to: 1) require the Applicant to post a bond/surety/letter of credit for a one-year period to allow the City an opportunity to establish an in-lieu fee program; and 2) waive a pro rata adjustment of the underground utility requirements in consideration of the one deed-restricted affordable housing unit. The motion carried on the following roll call vote:

AYES: Council Members Ashton, Bright, Nicolls, Mayor Pro Tem Shoals, and Mayor Lieberman.
NOES: Council Members - None.
ABSENT: Council Members - None.
ABSTAIN: Council Members - None.

10. Amendment of the Traffic Regulations Ordinance.

Mayor Lieberman read the title to the foregoing item, declared the Public Hearing open, and deferred to staff for a report. For the information of those present, Police Chief Copsey gave an overview of the proposed Ordinance amendment and displayed a map of the truck routes. He stated that, although the adopted Circulation Element added new streets to the list of truck routes, those streets had not been codified in the Grover Beach Municipal Code. The three main streets were Ramona Avenue from North 4th Street to Front Street; North 3rd Street from West Grand Avenue to Ramona Avenue; and Front Street from Ramona Avenue to Newport Avenue. He stated that the Traffic Committee had reviewed and concurred with the proposed Ordinance revisions, reviewed existing truck route signage, and had recommended better signage for effective enforcement. He stated that 16 additional truck route signs were being recommended for installation, as well as the relocation of one existing sign, at an estimated total cost of \$4,500.

Mayor Lieberman invited comments from those in the audience who wished to be heard on this matter. There was no response and he closed the Public Hearing.

Action: It was m/s by Council Members Ashton/Bright to: 1) introduce and conduct first reading of Ordinance No. 07-03, by title only, and schedule second reading at the next regular Council meeting; and 2) adopt Resolution No. 07-56 to appropriate the necessary funds. The motion carried on the following roll call vote:

AYES: Council Members Ashton, Bright, Nicolls, Mayor Pro Tem Shoals, and Mayor Lieberman.
NOES: Council Members - None.
ABSENT: Council Members - None.
ABSTAIN: Council Members - None.

Ordinance No. 07-03: An Ordinance of the City Council of the City of Grover Beach, California, Amending Section 3303 of Chapter 3 of Article III of the Grover Beach Municipal Code. (First Reading *only*)

Resolution No. 07-56: A Resolution of the City Council of the City of Grover Beach, California Adopting the 21st Amendment to the Annual Appropriation Resolution No. 06-61 by Providing Funding in the Amount \$4,500 for Truck Route Signs.

11:00 p.m. Rule: At 10:47 p.m., it was m/s by Mayor Pro Tem Shoals/Council Member Bright to continue the meeting past 11:00 p.m. The motion carried on the following roll call vote:

AYES: Council Members Ashton, Bright, Nicolls, Mayor Pro Tem Shoals, and Mayor Lieberman.
NOES: Council Members - None.
ABSENT: Council Members - None.
ABSTAIN: Council Members - None.

CONSENT AGENDA

Prior to consideration of the Consent Agenda, Mayor Lieberman stated that he would abstain from voting on Consent Agenda Item No. 12 as he was absent from the meeting of March 21, 2007. Upon consensus, Consent Agenda Item Nos. 11 and 12 were approved as presented.

11. Treasurer's Report for the Period May 2 - 15, 2007.

Action: Approved.

12. Minutes of the Following Meetings:

**Special City Council Meeting of Wednesday, March 21, 2007; and
Regular City Council Meeting of April 2, 2007.**

Action: Approved (*except* for Mayor Lieberman, who abstained from this item due to his absence from the meeting of March 21, 2007).

REGULAR BUSINESS

12A. Letter in Response to *Times Press Recorder* Editorial on Friday, May 18, 2007.

Mayor Lieberman stated that he wanted to discuss an editorial article that was published in the *Times Press Recorder* that primarily discussed the joint operating agreement for fire management services with the City of Arroyo Grande and also raised other City issues. Mayor Lieberman stated that the editorial was only from Council Member Ashton and did not accurately express the majority opinion of the City Council. Mr. Lieberman distributed a draft letter of response, invited comments on the letter's content, and requested that the other members of the Council consider signing it as well.

Brief discussion was held with Council Member Ashton stating that the intent of his guest editorial was to express his concerns as a private citizen on City issues. Further discussion was held regarding the contents in the draft letter of response, a suggested revision to change a word in the last paragraph of the first page, and sending it on City letterhead to confirm it was official correspondence from the City Council rather than from private citizens.

Action: It was m/s by Mayor Pro Tem Shoals/Council Member Nicolls to send the amended letter of response to the *Times Press Recorder*, signed on City letterhead by members of the City Council. The motion carried on the following roll call vote:

AYES: Council Members Bright, Nicolls, Mayor Pro Tem Shoals, and Mayor Lieberman.
NOES: Council Members - None.
ABSENT: Council Members - None.
ABSTAIN: Council Member Ashton.

COUNCIL COMMITTEE REPORT.

Council Member Ashton reported on the recent Community 2050 workshop held at the Veteran's Memorial Building in Pismo Beach regarding smart growth. Mayor Lieberman stated that he and Council Member Nicolls had also attended that workshop, and he praised the concepts presented.

Council Member Nicolls stated he had nothing to report at this time.
Council Member Bright stated she had nothing to report at this time.

Mayor Pro Tem Shoals briefly commented on the highly productive meetings he and City Manager Perrault had attended in Sacramento during the League of California Cities Legislative Action Days with Senator Maldonado, Assembly Member Blakeslee, the League's Coastal Cities Issues Group, and State Parks representatives on the Scope of Work document for the Beachfront Lodge and Conference Center Project.

CITY COUNCIL AGENDA

None.

COUNCIL COMMUNICATIONS

- A. Mayor Pro Tem Shoals requested consensus for the Council to formally consider the request presented by the Sierra Club representatives to join other cities in signing the Cool Cities Climate Protection Agreement to reduce carbon dioxide emissions.

Action: Upon consensus, staff was directed to schedule this matter on a future agenda.

CITY MANAGER'S REPORTS AND COMMENTS

13. **Request to Participate in a Joint Meeting with the Cities of Arroyo Grande and Pismo Beach for an Educational Session with SLO Green Build on Thursday, June 7, 2007 at the South County Regional Center in Arroyo Grande.**

City Manager Perrault reviewed the request to participate in a joint meeting with other South County agencies on green building practices. He also requested that the Council consider scheduling a Special Council Meeting for department presentations on the proposed FY 08 Budget, as mentioned earlier under Agenda Item No. 5.

Action: Upon consensus, staff was directed to schedule a Special City Council meeting on Wednesday, June 6, 2007 and adoption of the budget at the Regular City Council meeting of June 18, 2007. Further, any Council Member available to attend the Joint Councils Meeting on June 7, 2007 would do so; however, staff would notify the other agencies that it was unlikely that all members of the Council would be in attendance.

CITY ATTORNEY'S AGENDA

None at this time.

CLOSED SESSION

As previously announced, the following Closed Session Item was cancelled:

1. **Conference with Labor Negotiators**
Pursuant to Government Code Section 54957.6.
Agency Negotiator: City Manager, James K. Katen, Administrative Services Director, Assistant Administrative Services Director, Human Resources Coordinator, and Fire Chief.
Represented Employee Group: International Association of Fire Fighters (IAFF), Local 4403

ADJOURNMENT

There being no further business to come before the City Council, Mayor Lieberman adjourned the meeting at 11:27 p.m.

/s/ STEPHEN C. LIEBERMAN, MAYOR

Attest:

/s/ DONNA L. McMAHON, CITY CLERK
(Approved at CC Mtg 7/16/07)