

**MINUTES
CITY COUNCIL MEETING
MONDAY, DECEMBER 5, 2016**

CALL TO ORDER Mayor Shoals 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 Bibi Shah, a 7-year-old, 2nd grade student at Grover Heights Elementary School, accompanied by her mother, Council Member Mariam Shah, led all those present in the flag salute.

ROLL CALL

City Council: Council Members Karen Bright, Barbara Nicolls, Mariam Shah, Mayor Pro Tem Jeff Lee, and Mayor John Shoals were present.

City Staff: City Manager Matthew Bronson, City Attorney David Hale, City Clerk Donna McMahon, Police Chief John Peters, Administrative Services Director Gayla Chapman, Community Development Director Bruce Buckingham, and Public Works Director/City Engineer Greg Ray were also present.

Also present were Ron Reilly, Garing Taylor & Associates, and David Foote, landscape architect.

CLOSED SESSION ANNOUNCEMENTS

None at this time.

AGENDA REVIEW

Action: Upon unanimous consensus, the Council adopted the agenda as presented.

CEREMONIAL CALENDAR

None 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. Judith Bean, President/Chief Executive Officer, Arroyo Grande - Grover Beach Chamber of Commerce, provided an update on Chamber activities and a recent presentation to the Parks, Recreation & Beautification Commission. She then extended an invitation for members of the public to join the Grover Beach - Five Cities Rotary Club in the club's monthly community clean up event held on the second Saturday of each month.
- B. Sharon Biddle, Grover Beach resident, thanked the City for actions taken earlier in the year that resulted in the removal of a homeless encampment near Meadow Creek. She then expressed concerns regarding news reports of a settlement agreement between PG&E and a coalition of cities and the County for the planned closure of the Diablo Canyon Power Plant and the proposed settlement amounts designated for each agency.
- C. Jan Ojerholm, Chair, Parks, Recreation & Beautification Commission, praised members of the Parks and Recreation Department for the success of the recent Annual Holiday Parade. She then announced details of the upcoming Holiday of Lights community competition.

PUBLIC HEARING

None at this time.

CONSENT AGENDA

It was moved by Mayor Pro Tem Lee and seconded by Council Member Bright to approve Consent Agenda Item Nos. 1, 2, 3, 4, and 5, as recommended. The motion carried on the following roll call vote:

AYES: Council Members Bright, Nicolls, Shah, Mayor Pro Tem Lee, and Mayor Shoals.

NOES: Council Members - None.

ABSENT: Council Members - None.

ABSTAIN: Council Members - None.

1. **Treasurer's Report for the Period November 14, 2016 through November 28, 2016.**
Action: Approved the Treasurer's Report as submitted.
2. **Treasurer's Report for the 2015 Streets Bond Account - \$5,000,000 (Measure K-14: Grover Beach Street Rehabilitation; Safety Improvement Bond Measure) for the Period November 14, 2016 through November 28, 2016.**
Action: Approved the Treasurer's Report as submitted.
3. **Treasurer's Report for the 2016 Streets Bond Account - \$8,000,000 (Measure K-14: Grover Beach Street Rehabilitation; Safety Improvement Bond Measure) for the Period November 14, 2016 through November 28, 2016.**
Action: Approved the Treasurer's Report as submitted.
4. **Minutes of the City Council Meeting on October 17, 2016.**
Action: Approved the minutes as submitted.
5. **Revisions to Regular City Council Meeting Dates for January 2017** - Designating the second and fourth Monday in the month of January 2017 as regular City Council meeting dates for that month only.
Action: Adopted Resolution No. 16-79.

Resolution No. 16-79: A Resolution of the City Council of the City of Grover Beach Changing the Dates for the January 2017 Regular City Council Meetings.

REGULAR BUSINESS

6. **Property Acquisition for Train Station Expansion Project.**

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. Community Development Director Buckingham described the proposed design for the Grover Beach Train Station Expansion Project and outlined the steps necessary for the project to proceed, which included acquisition of County-owned property located directly south of the train station. He also described specific requirements related to federally-funded grant projects and reviewed subsequent modifications to the project schedule and anticipated construction. Staff then responded to questions from the Council.

Brief discussion was held regarding the project site, site preparations and soil assessments, funding sources, anticipated costs, and whether to identify "dewatering" as a bid alternate when the project is ready to go out for bids.

Mayor Shoals invited comments from those in the audience who wished to be heard on this matter. No public comments were received at this time.

Action: It was moved by Mayor Pro Tem Lee and seconded by Council Member Nicolls to: 1) approve the Purchase Agreement to acquire property from the County of San Luis Obispo for the Train Station Expansion Project, subject to approval by the Board of Supervisors; and 2) delegate to the City Manager the authority to finalize the acquisition. The motion carried on the following roll call vote:

AYES: Council Members Bright, Nicolls, Shah, Mayor Pro Tem Lee, and Mayor Shoals.

NOES: Council Members - None.

ABSENT: Council Members - None.

ABSTAIN: Council Members - None.

7. Public Improvements and Financing Strategy for Grover Beach Lodge and Conference Center.

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. City Manager Bronson described the proposed design for the lodge, stand-alone conference center, and related public improvements. He then introduced Ron Reilly of the consulting engineering firm Garing, Taylor & Associates.

Mr. Reilly introduced the firm's design team and presented additional information on key components of the public infrastructure improvements and estimated project costs.

At this time Mr. Reilly, landscape architect David Foote, and staff responded to questions from the Council.

City Manager Bronson continued the staff presentation by providing an updated strategy for the City to finance and construct the public improvements along with the standalone conference center. He stated that this approach could be funded from a combination of sources, including a contribution from the State, one-time City funds, bank financing paid by the General Fund, and other sources. He also noted the potential fiscal impacts to the City from factors related to project construction, operations, and/or a downturn in the economy effecting future travel and tourism.

Mayor Shoals invited comments from those in the audience who wished to be heard on this matter. No public comments were received at this time.

Further Council discussion was held on the proposed financing strategy and seeking other economic development grant opportunities to assist with project financing. The Council thanked State Parks representatives, as members of the Joint Authority, for partnering with the City on this key economic development project, and thanked staff and the consulting firm Garing, Taylor & Associates for their detailed presentations.

Action: Upon unanimous consensus of the City Council:

- 1) Staff was authorized to proceed with the Request for Proposals (RFP) process for selecting an architect to prepare construction drawings for the conference center, and to finalize the design for the related public improvements in preparation for construction bidding; and
- 2) The proposed financing strategy presented by staff was affirmed, including conducting loan negotiations with BBVA Compass for bank financing, returning to the Council in early 2017 with a proposed bank financing term sheet with a final financing strategy, and scheduling a subsequent meeting thereafter for Council approval of a loan agreement to authorize participation in the bank financing.

PULLED CONSENT AGENDA ITEMS

None at this time.

COUNCIL COMMITTEE REPORTS

None at this time.

COUNCIL COMMUNICATIONS

At 8:27 p.m. Mayor Shoals announced that, due to his employment with PG&E, he would recuse himself from any discussions by the City Council regarding the settlement agreement between PG&E and the coalition of cities and the County of San Luis Obispo. He then stepped down from the dais and left the Council Chambers.

- A. Mayor Pro Tem Lee commented on recent news stories and statements made by members of the public on the proposed settlement agreement between PG&E and local governments regarding the closure of the Diablo Canyon Power Plant. He stated that the City chose not to be subjected to unknown and on-going legal expenses associated with the initial action taken by the coalition of cities and the County. He then described other opportunities for the City to participate in the overall process of addressing the economic impacts from the plant's closure.

Brief discussion was held. It was noted that there would be a review process on the proposed agreement that included the California Public Utilities Commission. Members of the Council thanked Ms. Biddle for raising her concerns directly with the City and providing an opportunity for the Council to respond and provide clarification on the matter.

CITY MANAGER'S REPORTS AND COMMENTS

None at this time.

CITY ATTORNEY'S REPORTS AND COMMENTS

None at this time.

CLOSED SESSION

None at this time.

ADJOURNMENT

There being no further business to come before the City Council, in the absence of the Mayor at this point in the meeting, Mayor Pro Tem Lee adjourned the meeting at 8:41 p.m.

/s/ JOHN P. SHOALS, MAYOR

Attest:

/s/ DONNA L. McMAHON, CITY CLERK
(Approved at CC Mtg 01/23/2017)