

**MINUTES**  
**JOINT CITY COUNCIL / IMPROVEMENT AGENCY MEETING**  
**MONDAY, JUNE 6, 2011**

**CALL TO ORDER** Mayor/Chair Shoals called the meeting to order at 7:14 p.m. in the City Hall Council Chambers, 154 South Eighth Street, Grover Beach, California.

**ROLL CALL**

Council/Agency: Council/Board Members Bright, Molnar, Peterson, Mayor Pro Tem/Vice Chair Nicolls, and Mayor/Chair Shoals were present.

City/Agency Staff: City Manager/Executive Director Perrault, City Attorney/General Counsel Koczanowicz, City Clerk/Agency Secretary McMahon, Community Development Director/Deputy Director Buckingham, Public Works Director/City Engineer Ray, Police Chief Copsey, and Parks & Recreation Director Petker were also present.

Also present was Jeff Lee, Chair, Parks, Recreation & Beautification Commission.

**PUBLIC COMMUNICATIONS** The Mayor/Chair opened the floor to any member of the public for comment on items of interest which were within the jurisdiction of the City Council / Improvement Agency, but were not listed on the agenda. No one responded and the Mayor/Chair closed the Public Communications segment for this portion of the meeting.

**JOINT CITY COUNCIL / IMPROVEMENT AGENCY – CONSENT AGENDA**

**CC/IA-1. Minutes of the Following Meetings:**

- **Special Joint City Council / Improvement Agency Meeting of April 18, 2011; and**
- **Regular Improvement Agency Meeting of May 2, 2011.**

**Action:** Upon unanimous consensus, the minutes were approved as submitted.

**JOINT CITY COUNCIL / IMPROVEMENT AGENCY – PUBLIC HEARING**

**CC/IA-2. Sale of City-owned Property to the Improvement Agency for an Affordable Housing Project.** Location: 920 Brighton Avenue, APN 060-162-018 (Current use is a community garden).

Mayor/Chair Shoals 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, City Manager/Executive Director Perrault provided an overview of recent efforts by the City/Agency to produce affordable housing opportunities in the community, and the Council's periodic review of properties for the development of housing. He went on to describe a parcel located at 920 Brighton Avenue, currently being used as a community garden, that had been identified as a good candidate for an affordable housing project. He pointed out that there was no specific project being contemplated for the site, and that residential use would require a General Plan amendment and a zoning change. He also identified potential alternative sites for a community garden. City Manager/Executive Director Perrault then outlined the process to complete a property sale between the City and the Improvement Agency, described how the recommended sale price was determined by a review of comparable Grover Beach properties for sale, and described budget impacts from the proposed sale. He then responded to questions from the Council/Agency Board.

Brief discussion was held regarding the Ramona Specific Plan, fiscal impacts from the proposed sale, and options for relocating the community garden.

Council/Board Member Molnar stated that she was previously unaware that the parcel was included in the Ramona Specific Plan and objected to changing the property's designated use.

**Recess:** Due to technical difficulties with video production equipment in the Council Chambers, the Council/Agency Board agreed to a brief recess at 7:35 p.m.

**Reconvene:** At 7:40 p.m., the meeting reconvened with all Council/Board Members present.

Council/Board Member Bright, referencing correspondence distributed to the Council/Agency Board, expressed concerns regarding the City Council's authority to sell the property to the Improvement Agency.

City Attorney/General Counsel Koczanowicz described the Council/Agency's legal authority to collaborate on producing affordable housing opportunities, adding that the Council/Agency's efforts had already proven to be more successful in constructing affordable housing units than the State's incentive program offered to private developers.

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

The following persons spoke in *opposition* to the proposed property sale:

Ann Steele, Pismo Beach, current plot holder at the community garden;  
Babak Naficy, Pismo Beach, representing the Organization of Keeping Recreational Amenities (OKRA);  
Sandy Darling, Grover Beach, current plot holder at the community garden;  
Darrell Voth, Grover Beach, member of OKRA;  
Angela Henderson, Grover Beach;  
Anita Shower; Grover Beach;  
Judy Schwarm, Grover Beach;  
David Ekbon, former Mayor, Grover Beach;  
Tom Hughes, Grover Beach; and  
Bonnie Clare-Buckle, Grover Beach.

The following persons spoke regarding another City-owned property located near the intersection of South 13<sup>th</sup> Street and The Pike, requesting the City either sell that parcel back to the original property owners (the Okui family) or maintain its use as a retention basin:

Greg Nester, Arroyo Grande; and  
Charles Okui, Grover Beach.

The following person spoke in *support* of the proposed sale of 920 Brighton Avenue:

Jerry Rioux, Executive Director, San Luis Obispo Housing Trust Fund.

There were no further public comments received.

City Manager Perrault clarified comments regarding the budget, describing the use of Reserve funds; the use of City assets to benefit the budget; and reductions to supplies and services, contributions to the Street Rehabilitation Program, and staff compensation.

Discussion ensued regarding the proposed property sale and the estimated value of the property; positive examples of other local affordable housing projects; the potential double-benefit to the City and Agency of gaining another site for an affordable housing project, as well as reducing the budget deficit; and significant budget reductions that had already been implemented.

Council/Board Member Molnar objected to selling City-owned property and supported the use of Reserve funds instead.

Council/Board Member Bright expressed concerns regarding preserving the intended use of the property when it was donated to the City, and whether the proposed site was a viable location for an affordable housing project.

**Action - City Council:** It was m/s by Mayor Pro Tem Nicolls/Council Member Peterson to adopt the Resolution approving the sale of City-owned property located at 920 Brighton Avenue. Lacking the minimum 4/5 vote requirement to proceed, the motion *failed* on the following roll call vote:

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

**Action - Improvement Agency:** It was announced that no action by the Improvement Agency was required at this time.

Recess: Upon consensus of the City Council / Improvement Agency, the meeting recessed at 8:50 p.m.

Reconvene: At 8:59 p.m., the meeting reconvened with all Council/Board Members present.

### **JOINT CITY COUNCIL / IMPROVEMENT AGENCY – BUSINESS**

#### **CC/IA-3. Consideration of Approval of Amended Loan Agreements Between the City of Grover Beach and Grover Beach Improvement Agency Accelerating Repayment of Outstanding Loans to the City.**

Mayor/Chair Shoals read the title to the foregoing item open, and deferred to staff for a report. City Manager/Executive Director Perrault provided a brief overview of the three outstanding loans from the City to the Agency that were made to initiate project areas for the Improvement Agency. He stated that the Agency had been making periodic repayment to the City; however, due to the current difficult economy, the Council/Agency Board recently authorized the preparation of an accelerated repayment program through the use of bond proceeds. He then responded to questions from the Council/Agency Board.

**Action - City Council:** It was m/s by Council Members Peterson/Bright to: 1) approve the three loan agreements as presented (General Fund, Water Fund, Waste Water Fund); and 2) authorize the Mayor to execute the agreements on behalf of the City. The motion carried on the following roll call vote:

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

**Action - Improvement Agency:** It was m/s by Board Members Peterson/Bright to: 1) approve the three loan agreements as presented (General Fund, Water Fund, Waste Water Fund); and 2) authorize the Chair to execute the agreements on behalf of the Agency. The motion carried on the following roll call vote:

AYES: Board Members Bright, Molnar, Peterson, Vice Chair Nicolls, and Chair Shoals.  
NOES: Board Members - None.  
ABSENT: Board Members - None.  
ABSTAIN: Board Members - None.

#### **CC/IA-4. Adoption of FY 12 Budget Revisions.**

Mayor/Chair Shoals read the title to the foregoing item open and deferred to staff for a report. For the information of those present, City Manager/Executive Director Perrault reviewed the Council/Agency Board's previous direction regarding the anticipated deficit for the coming fiscal year which, as a result of events earlier in the meeting, would not include the original carryover estimate from the sale of City-owned property to the Agency. He then responded to questions from the Council/Agency Board regarding Reserve funds.

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

Molly Cano, Director of Sales and Marketing, San Luis Obispo County Visitors and Conference Bureau, thanked the Council/Agency Board for its continued funding support. She distributed information regarding successful marketing efforts over the past year and requested an opportunity to present the Conference Bureau's full marketing plan at a future meeting .

There were no further public comments received.

Brief Council/Agency discussion was held regarding continuing this matter to a future meeting to further discuss strategies for meeting the budget deficit.

**Action:** Upon unanimous consensus, the Council/Agency Board continued this item to the next regular meeting on Tuesday, July 18, 2011.

### **ADJOURNMENT**

There being no further business to come before the City Council / Improvement Agency, Mayor/Chair Shoals adjourned the meeting at 9:19 p.m.

#### **City Council:**

/s/ JOHN P. SHOALS, MAYOR

Attest:

/s/ DONNA L. McMAHON, CITY CLERK  
(Approved at CC Mtg 07/05/2011)

#### **Improvement Agency:**

/s/ JOHN P. SHOALS, CHAIR

Attest:

/s/ DONNA L. McMAHON, AGENCY SECRETARY  
(Approved at CC/IA Mtg 07/18/11)