

**MINUTES
CITY COUNCIL MEETING
MONDAY, MARCH 5, 2012**

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 A moment of silence was held in memory of Mary Lee Clark, a noted local philanthropist.

FLAG SALUTE The flag salute was led by Kendall Moore, a 9-year-old, 3rd grade student at Fairgrove Elementary School.

ROLL CALL

City Council: Council Members Bright, Molnar, Peterson, Mayor Pro Tem Nicolls, and Mayor Shoals were present.

City Staff: City Manager Perrault, City Attorney Koczanowicz, City Clerk McMahon, Administrative Services Director Chapman, Community Development Director Buckingham, Public Works Director/City Engineer Ray, and Police Chief Copsey were also present.

Also present were Bill Henry, SWCA Environmental Consultants; Allison Rolfe, Pacifica Companies; and Andy Zilke, California Department of Parks and Recreation.

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. Brad Snook, Chair, Surfrider Foundation, expressed concerns regarding operations at the South San Luis Obispo County Sanitation District.

PUBLIC HEARING

Prior to consideration of the following item, City Attorney Koczanowicz clarified that, although the staff report indicated there was the potential of a conflict of interest regarding Council Member Peterson participating in the discussion of Agenda Item No. 1, a subsequent review of the measurements from the door of her leasehold tenancy to the subject property was determined to be beyond 500 feet. Therefore, there was no conflict of interest for Council Member Peterson that prevented her from participating in the discussion.

1. **Grover Beach Lodge and Conference Center, Development Permit Application No.10-003.** Applicant: Pacifica Companies.

Mayor Shoals read the title to the foregoing item, declared the Public Hearing open, and deferred to staff for a report. City Manager Perrault stated that, due to the magnitude and complexities related to this item, staff recommended the City Council review the environmental document, receive an overview of the project, receive public testimony, and continue the public hearing to a date certain. This would ensure the City Council had the opportunity to have questions answered and provide sufficient time for the Council to deliberate on this matter.

Community Development Director Buckingham provided a brief historical overview of the project proposed to be developed at the end of West Grand Avenue. He noted that in July 2011, the Planning Commission held a public hearing and recommended that the City Council certify the Final Environmental Impact Report (EIR) and approve the proposed project. The Planning Commission also recommended that the conference center be made larger. In response, the applicant elected to revise the project to increase the size of the conference center. In February 2012, the Planning Commission held a public hearing and recommended that the Council approve the revised project. Outlining the entitlement process, he noted that amendments to the Local Coastal Program and Zoning Map were subject to Coastal Commission review and approval. He then reviewed project objectives, described the project site and proposed public improvements, and displayed renderings of the proposed design. He briefly reviewed the environmental review process, introduced Bill Henry of SWCA Environmental Consultants, and noted that representatives from Pacifica Companies and State Parks were also available to respond to questions.

Mr. Henry described the environmental review process and documents contained in the report. He noted that the final environmental document was revised to incorporate project revisions and that additional analysis determined no new or increased impacts would occur. He then outlined the environmental issues identified; described issues not mitigable regarding dune habitat in the proposed equestrian parking area, as well as traffic impacts in a neighboring community; and noted the requirements for overriding considerations of unavoidable impacts.

Community Development Director Buckingham stated that, subsequent to copying and distribution of the agenda packet, additional correspondence received from Jeannie Keeffe was distributed to the City Council. He also noted the proposed project was consistent with the City Council's goals, economic strategy, and Visioning Project, as well as the City's Land Use Element. Staff and Mr. Henry then responded to questions from the City Council.

Discussion ensued regarding the environmental report, potential impacts, landscaping, drainage, and the proposed equestrian area. Additional discussion was held regarding whether mitigation measures proposed by the Air Pollution Control District were mandated or advisory, and traffic service levels in the neighboring community of Pismo Beach that would exist regardless of whether the hotel project was developed. It was also noted that separate discussions regarding project financing would include the issue of ownership of the proposed improvements.

Allison Rolfe, Project Manager, Pacifica Companies, briefly described how the project site would be developed and would incorporate green building materials, as well as energy efficient and water saving systems. She then responded to questions from the Council.

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

Doug LeSage, Arroyo Grande resident and owner of Le Sage Mobile Home Park, expressed concerns regarding site maintenance and wildlife habitat preservation.

Bruce VanVort, business owner, Fin's Seafood Restaurant and Pismo State Beach Golf Course, expressed concerns regarding the reduction in available parking.

Richard Waller, Arroyo Grande resident and Board Member of Back Country Horsemen, California Los Padres Unit, offered the services of his organization for the development of the equestrian staging area.

Stephanie Greene, Nipomo resident, objected to the project's overall size, environmental impacts, and proposed equestrian staging area. She also submitted a letter that further outlined her concerns.

Sue Hartman, Grover Beach, spoke in support of the proposed project to improve the local economy and commended the City for progress achieved to date.

Valerie Navoe, Pismo Beach resident and member of Atascadero Horseman's Club, suggested developing an alternate equestrian staging area in the event the location being proposed was not approved by the Coastal Commission.

There were no further public comments received at this time.

Upon request, Community Development Director Buckingham provided further information in response to public testimony and comments.

Further Council discussion was held regarding amending the Revised Final EIR and the associated Resolution regarding exceeding Title 24 requirements by 20 percent from the mandatory term "shall" to an advisory term "should".

Action: It was m/s by Mayor Pro Tem Nicolls/Council Member Bright to amend the Revised Final EIR and associated Resolution regarding the Revised Final EIR to replace the term "shall" with "should" when referring to exceeding Title 24 requirements by 20 percent; and adopt Resolution No. 12-14, as amended, certifying the revised Final EIR. 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.

Resolution No. 12-14: A Resolution of the City Council of the City of Grover Beach Certifying the Revised Final Environmental Impact Report for Development Permit Application No. 10-003 and Adoption of Findings, a Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program.

Action: It was m/s by Council Members Peterson/Molnar to adopt Resolution No. 12-15 approving the Local Coastal Program Amendment. 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.

Resolution No. 12-15: A Resolution of the City Council of the City of Grover Beach Approving a Local Coastal Program Amendment Associated with Development Permit Application No. 10-003 for the Grover Beach Lodge and Conference Center Project.

Action: It was m/s by Council Members Peterson/Bright to introduce Ordinance No. 12-01, by title only, and schedule second reading and adoption at the next regular City Council meeting. 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.

Ordinance No. 12-01: An Ordinance of the City Council of the City of Grover Beach Amending Article IX, Planning and Zoning Regulations, Chapter 1 of the Grover Beach Municipal Code Amending the Zoning Map Associated with Development Permit Application No. 10-003 for the Grover Beach Lodge and Conference Center Project. (First Reading only.)

Action: Upon unanimous consensus, the City Council continued the Public Hearing for Development Permit Application No. 10-003 and approval of the Coastal Development Permit and Site and Architectural Plans in concept to the regular City Council meeting scheduled for Monday, April 16, 2012.

Recess: Upon consensus of the City Council, the meeting recessed at 8:22 p.m.
Reconvene: At 8:33 p.m., the meeting reconvened with all Council Members present.

CONSENT AGENDA

Upon unanimous consensus, the Council approved Consent Agenda Item Nos. 2 and 3 as recommended.

2. Treasurer's Report for the Period February 15 - 28, 2012.

Action: Approved as submitted.

3. Minutes of the City Council Meeting of Monday, February 6, 2012.

Action: Approved the minutes as submitted.

REGULAR BUSINESS

Prior to consideration of Agenda Item No. 4, City Attorney Koczanowicz again clarified that, although the staff report indicated there was the potential of a conflict of interest regarding Council Member Peterson participating in the discussion, a subsequent review of the measurements from the door of her leasehold tenancy to the subject property was determined to be beyond 500 feet. Therefore, there was no conflict of interest for Council Member Peterson that prevented her from participating in the discussion.

4. Grover Beach Lodge and Conference Center Public Improvements.

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. For the information of those present, City Manager Perrault provided an overview of the applicant's Master Plan approach for developing the approximately 13-acre site for the proposed lodge and conference center. He then outlined the public facilities that would be of significant benefit to and used by the general public and noted that, upon completion, all public facilities would be publicly owned. City Manager Perrault indicated it was his recommendation that the City and State should be responsible for funding public improvements. He also described funding sources that had already been identified, potential funding sources and financing options, and the number of visitors and amount of revenue anticipated to be generated from the development. He then responded to questions from the Council.

Discussion was held regarding the proposed public improvements, financing options, public and private investments, and ownership of the public improvements.

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

Allison Rolfe, Project Manager, Pacifica Companies, spoke in support of a financing plan with the City and State Parks for the public improvements.

Action: It was m/s by Council Members Peterson/Bright to: 1) recognize the City's responsibility to finance public improvements associated with the Grover Beach Lodge and Conference Center; 2) authorize staff to work with a subcommittee of representatives from the City, Pacifica Companies, and State Parks in the development of a financing plan for the Council's consideration; and 3) request that the financing plan specifically identify revenue for 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.

5. Status Report Regarding Current Goals and Work Program. (Continued from the City Council meeting of February 21, 2012).

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. For the information of those present, City Manager Perrault provided an overview of the Council's primary goals adopted for the FY 11 - FY 12 Biennial Budget and work program tasks completed to date, and described the wide variety of additional tasks that had been completed, but had no bearing on the Council's primary goals and work program. He then responded to questions from the Council and noted that budget workshops for the next fiscal cycle were tentatively scheduled for the month of May.

Action: Upon consensus, the information was received and filed.

PULLED CONSENT AGENDA ITEMS

None at this time.

COUNCIL COMMITTEE REPORTS

Mayor Pro Tem Nicolls reported on the meeting of the South San Luis Obispo County Sanitation District, review of the District's mid-year budget, and cooperative efforts with the County regarding flood prevention. He also noted there was some discussion whether to publish a newsletter to increase awareness regarding District activities.

Upon question, City Attorney Koczanowicz noted that public records requests regarding the District's legal expenses should be sent directly to the District.

Council Member Bright stated she had nothing to report.

Council Member Molnar reported on her attendance at a recent anniversary celebration for the Housing Trust Fund.

Council Member Peterson stated she had nothing to report.

Mayor Shoals stated he had nothing to report.

CITY COUNCIL MEMBER ITEMS

None at this time.

COUNCIL COMMUNICATIONS

- A. Council Member Molnar commented on a function she had attended regarding efforts to expand the Monterey Bay National Marine Sanctuary boundary to the south.

CITY MANAGER'S REPORTS AND COMMENTS

6. Discussion Regarding Scheduling a Special Joint City Council / Commissions Workshop.

City Manager Perrault stated that the Council had previously discussed scheduling a joint workshop with Commissioners during the month of March. However, results tabulated after polling members of the Parks, Recreation & Beautification Commission and Planning Commission regarding availability to attend either of two dates tentatively scheduled in March indicated that there was no date when a majority of Commissioners would be available.

Action: Upon consensus, a workshop with the Council and Commissioners would not be scheduled 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, Mayor Shoals adjourned the meeting at 9:43 p.m.

/s/ JOHN P. SHOALS, MAYOR

Attest:

/s/ DONNA L. McMAHON, CITY CLERK
(Approved at CC Mtg 04/02/2012)