CITY OF SEASIDE
CITY COUNCIL

# FINAL MINUTES

REGULAR MEETING
COUNCIL CHAMBER
Thursday, March 3, 2016
7:00 PM

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1. **CALL TO ORDER**
The meeting was called to order at 7:00 PM.

2. **ROLL CALL – ESTABLISHMENT OF QUORUM**
PRESENT: Alexander, Campbell, Oglesby, Pacheco, Rubio
ABSENT: None

3. **INVOCATION AND PLEDGE OF ALLEGIANCE**
Pastor Elder Sims provided

4. **REVIEW OF AGENDA**
Mayor Rubio reported that the previously noticed item regarding the cell towers has been continued until the April 7th meeting.

Council Member Campbell proposed switching the order of the 9A and 9B. Mayor Rubio acknowledged his logic but indicated there will be no need to take up Item 9B is 9A is not approved. Request was denied.

5. **PUBLIC COMMENTS**
Mayo Rubio invited comments from the public.

- Sylvia Shee, spoke to the pride of Seaside, and requested that the dilapidated seahorse monument be repaired to send a better image.
- Uli Siebeneick spoke to the traffic signals on Fremont street and requested better synchronization because poor synchronization contributes to more auto pollution from idling cars.
- Elwalker James requested the Council take similar action to other Cities to write a letter opposing the Cal Am water rate increase to the California Public Utilities Commission.
- Joe Crawford spoke to this military and volunteer service for veterans. He spoke to allegations made against him for taking advantage of a senior citizen. He said he had been investigated, the process has taken three years and has filed a claim for compensation.
- Michael Pine spoke to having parking issues in his neighborhood and suggested consideration of a neighborhood parking program.
- Helen Rucker congratulated Mayor Rubio for being named Citizen of the year by the Chamber of Commerce and expressed support of Mr. Walker's comments previously made.
- Ruthie Watts also congratulated the Mayor, then announced the 44th annual Banquet of Life hosted by the NAACP. The invited the Council and the Public to attend. She thanked the City for sponsoring Black History Month.
- Tom Mancini spoke to a letter received in the mail that appears to be a scam and encouraged people to be aware.
- A resident on Mescal Street spoke to Mr. Malin's appointment as City Manager and

expressed appreciation for his open door policy and his public appearances thus far. He thinks the selection was fantastic and thanked the Council.

- Resident spoke in support of Ms. Rucker's comments that she would like our City to protect us from going into debt because of water.

Mayor Rubio closed public comment and responded to comments made.

## 6. PUBLIC AGENCY COMMUNICATIONS

Deputy City manager Administrative Services Hodgson announced that the Monterey Regional Waste Management District's residential curbside battery collection program. She explained that residents can place most household batteries outside on top of their waste collection bin on collection day and they will be collected by the waste hauler.

Francoise Avery from the Art and History Commission announced the next exhibit which will be installed Monday which is a youth art exhibit featuring middle and high school students county-wide. The Reception and awards ceremony will be on March 11th from 7 to 830 PM.

## 7. PRESENTATIONS

### A. PRESENTATION OF THE FEBRUARY 2016 HOUSE OF THE MONTH AWARD

Mayor Rubio and Ray Bennett from the Neighborhood Improvement Program Commission presented the award to the residents. Mr. Bennett then indicated there are openings on the NIP and encouraged any one interested in applying for the Commission. Mayor Rubio also spoke in support of this program that encourages other residents to improve their neighborhoods.

### B. PROCLAMATION RECOGNIZING 2016 AS THE YEAR OF THE VETERAN.

Mayor Rubio invited all of the current veterans to come down to receive the proclamation recognizing them for their service and their continued work in our community. The President of the United Veterans' Council said thank you and was grateful to honor our Veteran's properly.

### C. RECEIVE PRESENTATION REGARDING THE STATUS OF THE CAL AM MONTEREY PENINSULA WATER SUPPLY PROJECT

Ian Crooks from Cal Am Water provided a brief presentation on the Water Supply Project, the desalination project being built by Cal Am Water. He spoke to the water sources on the peninsula, the full water portfolio and the distribution of all of the water sources. The key benefits of the project is that it is an environmental project that restores the Carmel River, replenishes the Seaside Basin, minimizes ocean life impact through subsurface intakes and seeks greener energy sources. He provided the details of the schedule with the delivery of water projected during 2018. Mr. Crooks asked questions from the Council.

Mr. Campbell spoke to the return water element and requested clarification on how you would know how much needs to be returned, questioned the projections and how it benefits us to clean the water for CSIP users. He was asking about the personal benefit to Peninsula residents through this process. Mr. Crooks said it was a mitigation step the returns the fresh water and mitigates any further seawater intrusion because it prevents Castroville from pumping their wells any longer which causes intrusion into the Salinas basin. Mr. Crooks assured the Council that Cal Am is working with staff to mitigate the impacts of construction of the pipelines through Seaside as much as possible and the efforts that are being coordinated to minimize the impacts to ratepayers. The public can be updated on the project by visiting www.watersupplyproject.org.

**D. RECEIVE A CERTIFICATE FROM THE CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS FOR THE AWARD FOR OPERATING BUDGET EXCELLENCE FOR FISCAL YEAR 2015-2016**

Mayor Rubio presented the award to Deputy City Manager Administrative Services Hodgson acknowledging the finance staff as well as all City Staff for their efforts to ensure that the City's fiscal reports are accurate and well attended to and that the City is being fiscally responsible with the public's money.

## 8. CONSENT CALENDAR

A member of the public pulled item E from the agenda for discussion.

*On motion by Council Member Alexander and seconded by Mayor Pro Tem Oglesby and passed by the following vote the City Council approved the Consent Calendar with the exception of Item E.*

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| RESULT: | **Approved** |
| MOVER: | Council Member Dennis Alexander |
| SECONDER: | Mayor Pro Tem Ian Oglesby |
| AYES: | Ralph Rubio, Ian Oglesby, Dennis Alexander, Jason Campbell, Dave Pacheco |
| NOES: | None |

**A. APPROVE THE MINUTES OF FEBRUARY 18, 2016 REGULAR MEETING**

***Action: Approved as amended.***

**B. APPROVE AND FILE CITY CHECKS**

***Action: Approved and Accepted***

**C. APPROVE A FEE WAIVER REQUEST IN THE AMOUNT OF $487.25 (FOUR HUNDRED EIGHTY SEVEN DOLLARS AND TWENTY FIVE CENTS) FROM SEASIDE HIGH SCHOOL TO USE SOPER BALL FIELD TO HOLD THEIR HIGH SCHOOL VARSITY SOFTBALL GAMES**

***Action: Approved***

**D. CONSIDER AND APPROVE A FEE WAIVER REQUEST FROM THE VILLAGE PROJECT, INC FOR USE OF SEASIDE COMMUNITY CENTER FOR THE ANNUAL AFTER SCHOOL PROGRAM CELEBRATION OF EXCELLENCE.**

***Action: Approved***

**E. ADOPT RESOLUTION APPROVING A CONTRACT FOR AN UPDATE TO THE AMERICANS WITH DISABILITIES ACT TRANSITION PLAN FOR A TOTAL CITY COST NOT TO EXCEED $32,100**

***Action: Approve and Adopted Resolution 16-16***

Mr. Dandridge requested more information as he as been requested getting a handicap marking in front of his house for months and would this address this issue. Ms. Hodgson responded to Mr. Dandridge question and spoke to the compliance component that the City has to have an updated self evaluation and transition plan to be within compliance with regulations. She detailed the work do be done through this agreement and said it was possible the curbs Mr. Dandridge is referring to may be included in this plan.

Mayor Rubio Invited comments from the public and had no requests to speak.

*On motion by Council Member Alexander and seconded by Council Member Dave Pacheco and passed by the following vote the City Council approved Resolution 16-16 and Authorized the City manager to Sign the Contract to updated the Americans With Disabilities Act Transition Plan with DCA.*

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| RESULT: | **Approved** |
| MOVER: | Council Member Dennis Alexander |
| SECONDER: | Council Member Dave Pacheco |
| AYES: | Ralph Rubio, Ian Oglesby, Dennis Alexander, Jason Campbell, Dave Pacheco |
| NOES: | None |

## 9. BUSINESS ITEMS

### A. CONSIDERATION OF A THIRD AMENDMENT TO THE EXCLUSIVE NEGOTIATING AGREEMENT (ENA) WITH MONTEREY DOWNS, LLC FOR POTENTIAL DEVELOPMENT OF APPROXIMATELY 550 ACRES IN THE FORMER FORT ORD FOR A PERIOD OF TWELVE (12) MONTHS.

Deputy City Manager Resource Management Services Ingersoll presented the report on the item. This item is to consider a third Amendment which will allow the city to complete compliance requirements with CEQA, to obtain the project entitlements and negotiations of a DDA. She provided a background on the project initiated in 2010, 2013 (first Amendment) and 2015 (Second Amendment). She reported on the current status of the project and the outstanding contracts, or contracts in process for this project and outlined the recommendation requesting an extension of 12 months for completion of the items listed as outstanding in the staff report including appraisals need to be completed, the DDA needs to be negotiated and CEQA process needs to be completed. Then the applicant projects will need to go before the Planning Commission and City Council for final approval of the project. Ms. Ingersoll answered questions from the council. ON question, Ms. Ingersoll outlined the delays of the property including the dissolution of Redevelopment which caused a huge delay, the EIR took longer than expected, more then 24 months, and it is still being finalized as staff is still responding to comments submitted. She reported that the plans and applications have been submitted as well as the specific plan.

Mayor Rubio invited comments from the public and had no requests to speak.

Council Member Campbell indicated he cannot support the decision as he does not feel the issues he has brought up in the past have been remedied. Mayor Pro Tem Oglesby clarified that this extension is needed because there are still outstanding elements on this project and the City is obligated with this agreement if the developer is continuing to work in good faith and has paid all their obligations.

*On motion by Council Member Alexander and seconded by Council Member Dave Pacheco and passed by the following vote the City Council approved Resolution 16-17 and Authorized the City manger to execute third amendment to the ENA with Monterey Downs LLC.*

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| RESULT: | **Approved** |
| MOVER: | Council Member Dennis Alexander |
| SECONDER: | Council Member Dave Pacheco |

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| AYES: | Ralph Rubio, Ian Oglesby, Dennis Alexander, Dave Pacheco |
| NOES: | Jason Campbell |

**B. <u>RECEIVE THE MONTEREY DOWNS FISCAL AND ECONOMIC IMPACT ANALYSIS AND PEER REIVEW AND SUPPLEMENTAL SENSITIVITY ANALYSIS</u>**

City Manager Malin introduced the item outlining the process of the presentations to be received, noting the importance of understanding that these are tools for the City Council to use for evaluating the viability of the project prior to approval. Further analysis will be required in the future and this item is only to familiarize the Council and the public with the information and no action will be taken.

Beth Palmer from Monterey Downs reiterated that this is a tool that the City can use to negotiate with the developer and the County pertaining to the revenue sharing agreements and the development of the Disposition and Development agreement. She also affirmed the report uses industry standard methodologies, agreed to by both the project and the City's consultants. A caveat to the report was made that there are no revenues from the sports arena or track included in the analysis because they would be too speculative at this point and the report will be updated again when the project elements come before the City Council for approval. The neighborhood streets are all private and the City will not be required to maintain them similar to other public streets, further explaining that there will be a master association, and hired private security for public safety purposes.

Wildan consultant James Edison provided the presentation on the Fiscal Impact Analysis report stating the basic point to measure is the revenue and expenditures from the project with the goal to ensure that the project has a positive net impact. He provided details of the estimated net fiscal impact of the project on the City's general fund, the standard methodologies used and the key assumptions used; demographics, property values, sales tax and TOT and City services. He delineated the differences in the three different alternatives, differing based on three different scenarios for fire services. The fiscal expenditures were delineated according to the different sources as well as the six different phases of the project. The sensitivity analysis included fire service alternatives, reduced TOT and reduced property tax. Mr. Edison explained the types of economic impacts assessed; direct, indirect and induced. Mr. Edison answered questions from the Council.

Council Member Campbell questioned the job creation projections to which Mr. Edison spoke to the two different sections that addressed jobs, explaining the employment number for the economic and fiscal impact are calculated differently. Mr. Campbell then questioned the TOT revenues to which Mr. Edison clarified that they do not believe the race track is required for the success of the hotel. The two discussed the scenario impacts of the timing of the hotel construction and how it impacts the financials of the project. Mr. Edison concluded that ultimately when the whole project is built out, the project will have a positive impact.

Ms. Palmer interjected and spoke to the difference in facilities. She clarified the definition of "public facility" speaking to property that would be owned by the State, as part of an agricultural district. Mr. Campbell continued to question the hotel impacts including room revenue and occupancy rate. Mr. Edison and Mr. Campbell discussed the numbers that were included in terms of the operations figures and said he did not feel comfortable with the hotel figures with Mr. Edison stating the property taxes are not addressed because the property sharing agreement has not been concluded.

Council Member Pacheco spoke to the importance and value of the report and asked when less speculative, more data driven information would be available. Ms. Palmer indicated that the numbers will become more concrete after the EIR is completed. He questioned if the City was responsible for only the operations of the new fire facilities and not the construction to which she agreed. Council Member Pacheco questioned the attendance projections of the events at the arena. Ms. Palmer and Mr. Edison spoke to the numbers being conservative so that they are not inflated to an unrealistic level and cannot be achieved.

Council Member Alexander questioned the extent of the private security and asked if it would be similar to the security services in Pebble Beach to which they said yes and clarified the expected operations of the security. He then questioned the water availability to which Ms. Palmer spoke to the water on Fort Ord being different allocations than that of the peninsula because the US Army allotted water allocation to the lands for their development. She also noted the State of California requires all developments to have the will serve allocation letter prior to receiving approval of a building project.

Mayor Rubio questioned the worst case scenario, as listed in the report and clarified that the likelihood of the worst case scenario is not realistic and questioned the assumption basis.

David Zender from Economic & Planning Systems, the City's contract consultant for the peer review of the FEIR presented the independent third-party peer review of the Wildan report. He also explained the evaluation process, the analysis methodology and key assumptions which were used stating that overall, the report is well done, meets industry standards and represents a conservative review of the project. He clarified that he has a fiduciary responsibility to provide a report that includes contingencies and non-positive scenarios that include negative trends or downturns or eventualities that can affect the bottom line for the cities so that they are aware of all possibilities.

The assumptions and limitations worth noting included the following; that the report excludes all revenues generated by the sports arena and training track, the report does not address the financial feasibility of the project that there was not market analysis done at this stage and finally, additional analysis to substantiate the market support for the proposed uses may be warranted as details regarding project financing and further entitlements are processed.

Property tax and TOT are the largest revenues generated by this project. They comprise 84% of estimated general fund revenues. The net fiscal balance accruing from the project are done through phases 1 to 4. The largest expenditures are for public safety services and the other services will be minor in comparison.

He further explained his role to look at the sensitivity analysis, explaining key assumptions and variables which concluded that in the sensitivity study summary of the different levels of visitation and even with a 50% reduction in events, there is still a substantial increase in visitation. He made the following recommendations for policy consideration for future entitlement actions:

- · Include terms in future DDA negotiation outlining conditions of approval dependent upon mitigation of potential fiscal deficits
- · Utilize the FIS scenarios to inform of tax sharing discussions, Future analytical considerations
- · Consider developing refined visitation estimates
- · Bolster analysis of existing market support for proposed land uses
- · Develop refined public safety service delivery costs and timing estimates.

Mr. Zender and Ms. Ellen Martin answered questions from the Council.

On question, Mr. Zender indicated he would have liked to see more market validation but knows that will be available prior to the consummation of the DDA to have the full understanding of the dynamics to be able to put proper mitigation measures in place. When the elements of the business plan are finalized, then there would be a solid factual basis to address many concerns.

Council Member Pacheco questioned the projected median cost of the residential houses to which Mr. Zender clarified they are affordable by design but could be built to be of higher value and that this is could be a regionally impacting project. Council Member Alexander requested the inclusion of a public safety protection plan to be able to explain the full public safety financial impact. Mayor Pro Tem Oglesby requested that there be clarification that "conservative" means using industry standards and which were understated revenues and overstated costs to protect the interest of the city. He provided is perspective on the sensitivity analysis and questioned the assumptions and the impacts that were incorporated. Mayor Rubio requested to establish a system that as the phases are built the revenue projections continues to be refined and he spoke against the frontloading of the public safety expense during construction phases, as it is not accurate.

Invited public comments

- Uli Siebeneick expressed frustration that the City cannot maintain their current infrastructure and would have a hard time taking care of additional capacity as well as the fact there is not enough water according to MRWMD.
- Sylvia Shee spoke against the project because the destruction of the trees, she asked when the EIR will be reviewed and what is the plan for the increased revenues when the project comes to fruition.
- Richard Niece, Monterey Downs, spoke to Council Member Campbell's concerns, clarified when looking at the hotel, they used 334 employees for a400 room, fully occupied Hotel. If the hotels are occupied at 66% we would only have 220 employees. He then commented for Council Member Pacheco that the single family homes sizes averaged 2,200 square feet.
- Uli Fabrones requested the Council discuss the policy issue of having horse racing in the city and the impacts that come with it.
- Stacy McGrady spoke to race track security and that many concerns about horse racing are based on perception, not reality based on her observations, working as a security guard at these types of events. She spoke to the lack of infrastructure at the other local venues to accommodate similar events.
- Steve Ecklund spoke in support of trees and against the cutting of the trees for this development project. Trees impact the air quality.
- Alison McFarland, Monterey Horse Park advocate, spoke to a competitive horse event discipline that would love to use the proposed horse park for events and encouraged the approval of the horse park.
- Paula Langen, manager for the California Dressage society, spoke to the need for a convenient, capability facility and in support of the approval of the project.
- Paul Wolf indicated that the proposed project is in contradiction to the General plan as it prohibits gambling and that it would be spot zoning if it was changed. He expressed concern that there was no separation between the consultants and no opportunity for those opposed to provide a rebuttal. He does not believe the worst case scenario is written in the report
- ·Maris Sidenstecker expressed opposition to the project, to the report which she says was lacking and the destruction of the environment and location of a gambling establishment next to a university.
- Devon Calfine spoke on behalf of the CSUMB equestrian team expressing support of a partnership that could be made with the University.
- Rebecca Pieken said revenues from this project will not stay exclusively in Seaside, so the revenue projections cannot be used to estimate future revenues to the City. She requested

they keep questioning the numbers.

- Christine Monteif, representing Monterey Horse Park spoke to supporters that were not present but sent their letters of support for this evening. She spoke to the concern regarding visitors staying at a hotel citing common industry practice is to stay as close to the horse facility as possible to be responsive to their horse.
- Dawn Poston with the Monterey Horse Park spoke to the ideal climate in Seaside which would be the largest draw for the location of the horse park. The park will be a great asset to this community and will provide a needed venue.
- Sue Hawthorne said the report does not address the viability of either project and does not believe it will produce the expected revenues to be profitable to Seaside. She disagreed with the definition of visitor in the report. She said that there are over 4 horse parks within 200 miles from here and 51 licensed horse shows and you cannot have a show on the same weekend as a licensed show.
- Kay Cline expressed disappointment that the focus wason the horse park and not on the race track or arena and found it confusing how the money balances out. She disagreed with putting a race track next to a university, the cutting of trees, and against building a gated community. As a person that has tried to make our community better, this seems that we are annexing a superior community.
- Tres Cohler spoke to the environmental benefits and recreation of the Fort Ord trails and spoke against the project. Traffic will be impacted and quality of life will decrease with the elimination of trails.
- Paula Betra, an artist, who is paining the land showed her art work and said the trees are not dying. In honor of the years of the veteran, it should be preserved in their honor.
- Gary Curcio spoke representing Monterrey County Hospitality Association acknowledged this is an emotionally charged issue with both sides passionate about the pros and cons of the project. The spoke to the hospitality numbers breaking records on the peninsula and applauded the consultants for keeping the numbers conservative.
- Jody Hansen Monterey Peninsula Chamber of Commerce President thanked the Council for the approval of the ENA extension and keeping the project moving forward. She said the report was done well, met industry standards, and was done properly and will be a great tool to help when the project approval is considered.
- Bill Liep spoke to planning for the worst to be pleasantly surprised when things go well. The results revealed that the worst case scenario would still create jobs, and improve the interface and connectivity of Fort Ord lands and could be a launch for other businesses that could help continue to grow.
- Karen Mack spoke to the closing of Golden Gate race track because it is an expensive facility to maintain, run and keep viable long term. There are challenges but could be overcome eventually. She encouraged visiting the property site and consider the legacy they want to leave for future generations.
- Genevaris from CSUMB equestrian team spoke to there being no established team because there is no home facility, and spoke to gambling comments made that the facility would be used for more than gambling but there are other programs and beneficial opportunities, specifically the pre-vet program.
- Francoise Avery requested that the name of the project be changed to incorporate the name of Seaside or Fort Ord Downs.
- ·Justin Farr, equestrian supporter, spoke to his experience completing in this industry and to the participation in the communities by visitors after the events.
- Beth Palmer explained that because we are on the base the infrastructure improvements are part of FORA's capital improvement program and is not a cost to Seaside at this time.
- Jeff Taylor who owns a sport horse business spoke to competing venues and the industry of competitive shows.. He believes the Kentucky Sports park is the best example of a competing sports park to this project and stands in support.
- Jan Schreiner spoke to completing a market study for the development projects in Marina

and to the ongoing development for full build out. She encouraged having the market study done.

- Jack Stewart veteran and youth advocate. He spoke to the three E's of the Fort Ord development; education, environment and economic development. Economic Development is not an easy process and Seaside and Marina have been challenged more than all the other peninsula cities. He supports moving forward with the project.
- Ted Williams thanked the Council for the proclamation for the Year of the Veteran and spoke in support of the information provided by the Consultants.
- Jack Said spoke against comments made that gambling next to the university is a gateway but spoke to a racetrack next to Stanford University, as well as University of California Davis which has not impacted the academics of the students.
- A Citizen stated they were an advocate for the youth, asked what this project is going to do for the youth and why are we not using these facilities to keep kids out of gangs.
- Laurie Tuttle, Executive Director of Horses for Kids located in Seaside spoke to her program that works with special needs and at-risk youth and that the horse park will provide a home to have a program with similar benefits.
- Sabrina Miller runs the riding academy in Salinas for kids and that this is a dream for her youth.
- Mary Ann Leffel President Monterey County Business Council, spoke to the increasing occupancy of the hotels in Monterey County and to occupancy trends that the industry inventory is aging and this is a great opportunity for new facilities to add to that inventory. The unemployment rate, we continue to stay above the national and state average. We need more jobs at every level of the spectrum.
- Felix Bachofner spoke to his request to working with the County of Monterey to annex the lands to ensure that the impacts and the benefits are shared between the two jurisdictions. He wanted to make sure that the revenue sharing is fair between the two.

Council Member Campbell revisited his calculations and said he still believes there are inaccuracies which make him overly skeptical of the report. Visitor numbers do not seem to be vetted by the consultant and he does not believe the numbers input into the models are accurate. He did acknowledge the work that was done with the information that was provided by the developer.

The Council discussed and agreed that more accurate analysis needs to be done as the project components become more defined. A market study needs to be done prior to the approval of the Environmental Impact Report. Council Member Alexander reminded the public that that land was given to Seaside and Marina for development which was done because the closure of the base took money and jobs out of the areas. Mayor Rubio reminded the public of what the military's definition of open space is. He thanked the public for participating in this process and acknowledged there will be ample time to ensure that information is updated and accurate prior to the consideration of approval of the project.

*On motion by Council Member Alexander and seconded by Council Member Pacheco and passed by the following vote the City Council accepted the report as presented.*

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| RESULT: | **Passed** |
| MOVER: | Council Member Dennis Alexander |
| SECONDER: | Council Member Dave Pacheco |
| AYES: | Ralph Rubio, Ian Oglesby, Dennis Alexander, Jason Campbell, Dave Pacheco |
| NOES: | None |

10. **MAYOR, CITY COUNCIL, CITY MANAGER AND CITY ATTORNEY COMMENTS AND REPORTS ON COMMITTEE ASSIGNMENTS**

Council Comments were continued to next meeting.

11. **ADJOURNMENT**

On motion, the meeting was adjourned at 11:08 PM.

**Respectfully submitted,**

**Lesley Milton-Rerig, City Clerk**

**Ralph Rubio, Mayor**