FINAL MINUTES

CITY OF SEASIDE
CITY COUNCIL/ SUCCESSOR
AGENCY TO THE
REDEVELOPMENT AGENCY

JOINT SPECIAL MEETING
COUNCIL CHAMBER
Thursday, March 17, 2016
5:30 PM

1. **CALL TO ORDER**

The meeting was called to order at 5:30 PM.

CITY COUNCIL/SUCCESSOR AGENCY TO REDEVELOPMENT AGENCY OF THE CITY OF SEASIDE

PRESENT: Alexander, Campbell, Oglesby, Pacheco, Rubio
ABSENT: None

2. **PLEDGE OF ALLEGIANCE**

3. **PUBLIC COMMENTS**

Mayor Rubio invited comments from the public.

- Sandra Weaver indicated she cannot attend the 7:00 meeting so she commented on the 10A agenda item, speaking in personal support of spending funds for the Library HVAC and reroof.
- Helen Rucker spoke to the recent renovations in the library being well done and thanked the County, the City and the Friends of the Seaside library for the work. She then exressed a complaint regarding Del Monte Manor's parking rearrangement, saying there is not overflow of parking into the adjacent the neighborhood.

4. **STUDY SESSION**

A. **HOLD A STUDY SESSION TO CONSIDER THE DRAFT SEASIDE MUNICIPAL WATER SYSTEM WATER RATE STUDY**

City Engineer O'Halloran presented the results of the commissioned water rate study that includes revenue compensation for the operation costs for the Seaside Municipal Water System. The Consultants, Bartle Wells Associates, presented the results of the study where Doug Dove and JP Branson were present from the firm. They presented the preliminary findings and requested input from the Council prior to making final recommendations for the study. The presentation spoke to the backgrounds and objectives of the study, ground water availability current water rates, CIP and funding, proposed water rates, water rate study results, bill impacts and preliminary recommendations. They indicted that the previous rate study was completed 8 years ago, and the recent court decision against San Juan Capistrano impacts the teared rate structure. He outlined the capital improvements needed and different ways to fund the costs, either as a pay as you go, deferring maintenance or financing the projects. They discussed the impacts to the monthly charges in each scenario. Both consultants answered questions from the Council.

The Council questioned the differences between the funding scenarios and how each could be affected by different impacts, including financing scenarios, the Cease and Desist Order from the State Water Resources Control Board, the new water supply projects that are coming online. They also discussed the benefits of the different scenarios because of how it impacts the current and future rate payers. Additionally, the Council discussed the need for each of the capital improvement projects and the sensitivity of the timing of the projects, totaling $2 million. The Council Members each expressed concern that the rates, as presented, are too significant of an increase to the customers and wanted to find ways to adopt rates that the customers can absorb.

Mayor Rubio requested a comparison to the rates for the Pure Water Monterey, the Water Supply Project desal project costs for the comparison of the water rate survey of surrounding areas. Mayor Pro Tem Oglesby requested seeing the priority of the different projects, and within the financing figures, having options of financing for different rates 10, 20, and 30 years, etc. Mayor Rubio also questioned how will increased conservation affect the projections and the consultants indicated it is incorporated into the analysis and unlike Cal Am, it is a neutral analysis when there is conservation.

Mayor Rubio invited comments from the public.

- Sandra Weaver expressed concerns that the public needs more information about this issue. The CIP approved last June far exceed $2.5 million and the figures don't correspond with what was presented. Excluding the consideration of the CIP, the current user fees are not covering the costs, so she requested to see how much of the deficit are we running on the volume. Finally she said the rate study only mentions residential users, but requested how non-residential customers would share in the costs of the improvements.
- Tom Mancini indicated that the Marina Coast Water District just approved a 9% rate system and asked if the increase was incorporated. He requested clarification regarding the Marina customers and the Fort Ord customers and recommended clarification to customers regarding the definition of what one unit is. He also requested to compare MCWD and the City of Marina rates.
- Helen Rucker considered what Mayor Rubio said regarding selling the water company and agreed if it is not sustainable or competitive it would make sense to sell. Deferring needed capital improvements is not a good solution, so she encouraged staff to take care of business now.

- Felix Bachofner said there will be unconsidered consequences when the meters are replaced that are currently inaccurately reporting are corrected. He argued we could get a steep fine with the water we are actually drawing from the aquifer if it is more than what we thought. He also requested that the meeting be more publicized.

Mayor Rubio spoke to the notes that were taken to be followed up on at a future study session. He requested that staff and/or the consultants address the following:

- Existing budget and the ramp down
- What is the current deficit
- Looking at current methodology to understand bills as they are today and with the new numbers
- The Cal Am connection
- Looking at the bills in units, and comparing with the two different customer bases

- Unintended consequences with the accurate meter readings and the effect on the water master and replenishment responsibility.

Council Member Campbell requested this be agonized for the 7:00 PM meeting next time.

5. CONSENT AGENDA

On motion by Mayor Pro Tem Oglesby and seconded by Council Member Alexander and passed by the following vote the City Council approved the Consent Agenda as presented.

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

A. APPROVE THE MINUTES OF MARCH 3, 2016 JOINT SPECIAL MEETING

Action: Approved

B. APPROVE AND FILE SUCCESSOR AGENCY CHECKS

Action: Approved and Filed

6. BUSINESS ITEMS

A. CONSIDERATION OF AN EXCLUSIVE NEGOTIATING AGREEMENT WITH MIDCOAST HOLDINGS, LLC AND THE CITY OF SEASIDE/SUCCESSOR AGENCY FOR DEVELOPMENT OF SEASIDE CONCOURS AUTO CENTER AT FIRST AVENUE AND LIGHTFIGHTER DRIVE IN THE FORMER FORT ORD

City Engineer O'Halloran introduced the item and the request for approval of an ENA with Mid Coast Holdings to develop a luxury auto center at First Avenue and Light Fighter Drive in the former Fort Ord. Mr. O'Halloran spoke to the history of the project and the previous City Council action to negotiate the terms of an ENA with the developer. Mr. O'Halloran spoke to the elements in the ENA and the history and location of the parcel. The proposed uses are currently not allowed per the Zoning Code so a zoning and General Plan amendment will need to be done in order to complete the project. The estimated project costs is approximately $12,700 to be paid by the investors with final project completion by November 2017. The development of this dealership will allow existing dealerships who want to expand but cannot due to space constraints to be able to have full build out. He then outlined the details of the agreement. Mr. Richard Cartel, principal partner with Mid Coast Holdings, discussed the development proposal for the project. He began by emphasizing his enthusiasm for the project. He spoke to the work that was done to ensure that there is viability and visibility. He spoke to the difference between volume auto dealerships and the proposed dealerships and explained some of the site proposal elements for design, flow, storage, lighting, architecture, open space, environmental friendliness in building design and the vision planned for the facilities. Mr. Cartel answered questions from the Council.

Council Member Alexander requested any foreseen roadblocks to this project and expressed support has he feels it is a low intensity, low volume project, that it is an ideal use of the location. Council

Member Pacheco requested that as it moves forward that the developer will work with CSUMB to ensure a good partnership to which Mr. Cartel indicated he had already begun that process. Mayor Pro Tem Oglesby looked forward to firming the numbers of new jobs and requested that he bring the truly luxury dealerships to this facility.

Mayor Rubio invited public comment on the item.

- Felix Bachofner spoke to the great location for development at this site. He wondered how staff changed their perspective on development of this parcel from previous decisions and still believes that there will be a public issue if the open space that was allocated for this project is reallocated to a different location. Another concern was that Sam Farr's office would have issue with signage in the HWY 1 view shed corridor and asked how that would be addressed by staff.

Mayor Rubio spoke to the Hwy 1 design guidelines, which are codified in the base reuse plan, and are being considered in the concept plan set forth. The land swap has been considered and has been discussed with the developer.

Alexander to accept rec and enter into an ENA/Pacheco, on the second Mr. Pacheco agreed with the concept of the open space and partnerships with neighbors, he even spoke in support of being creative and consider if space is not available at the current facility, they can enhance an existing facility else were in the community. Council Member Campbell spoke to it needing to be consistent with the Base reuse plan and consistent with the LRPMP, and wants to make sure the developer is aware of. He does want to see a swap, not a quid pro quo, and wants to make note that this proposal looks compared to others, that the revenues are projected at 2.5 million to the city's general fund with limited effort or risk at the City's part. Mayor Pro Tem Oglesby, if it was zoned Open space, then we need to find it elsewhere. He spoke to the ability to update zoning regulations to be responsive to current industry trends and city needs.

7. CLOSED SESSION

The City Council adjourned to Closed Session at 7:15 PM. City Attorney Freeman anticipated no announcements for the public.

A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9

B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS – GOVERNMENT CODE SECTION 54956.8

8. ADJOURNMENT

The City Council reconvened to Open Session at 8:03 PM .

City Attorney Freeman announced that Council Member Alexander did not participate in Item 7A and that The City Council received an update and provided direction. For
7B, and 7C, the Council received an update on both of the properties and discussed.

On motion, the meeting was adjourned at 8:05 PM.

Respectfully submitted,

Lesley Milton-Rerig

Lesley Milton-Rerig, City Clerk

Ralph Rubio

Ralph Rubio, Mayor