



FINAL MINUTES

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

JOINT SPECIAL MEETING
COUNCIL CHAMBER
Thursday, February 16, 2017
5:00 PM

1. **CALL TO ORDER**

Mayor Rubio called the meeting to order at 5:00 PM.

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

PRESENT: Alexander, Campbell, Jones, Pacheco, Rubio

ABSENT: None

2. **PLEDGE OF ALLEGIANCE**

3. **PUBLIC COMMENT**

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

4. **CLOSED SESSION**

City Attorney Freeman indicated that the City Council will only hear items C, D, E. Items A and B will not be discussed this evening and there are no announcements anticipated. The meeting was adjourned to Closed Session at 5:03 PM.

A. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE 54957.6 - CONFERENCE
WITH LABOR NEGOTIATORS**

Action: Continued

B. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO
GOVERNMENT CODE SECTION 54956.8:**

Action: Continued

C. **CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
PURSUANT TO GOVERNMENT CODE SECTION 54956.9**

D. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (c) -
POTENTIAL LITIGATION**

E. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO
GOVERNMENT CODE SECTION 54956.8:**

The City Council reconvened the meeting at 6:02 PM. There were no announcements for the public.

5. **CONSENT AGENDA**

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

On motion by Mayor Pro Tem Alexander, Seconded by Council Member Pacheco and passed by the following vote, the City Council/Agency Board approved the Consent Agenda as presented.

RESULT:	Approved
MOVER:	Mayor Pro Tem Dennis Alexander
SECONDER:	Council Member Dave Pacheco
AYES:	Ralph Rubio, Dennis Alexander, Jason Campbell, Dave Pacheco, Kayla Jones
NOES:	None
ABSENT:	None

A. **APPROVE THE MINUTES FROM THE FEBRUARY 2, 2017 MEETING**

Action: Approved

B. **APPROVE AND FILE SUCCESSOR AGENCY CHECKS - CONTINUED FROM THE FEBRUARY 2, 2017 MEETING**

Action: Accepted & Filed

C. **APPROVE AND FILE SUCCESSOR AGENCY CHECKS**

Action: Accepted & Filed

6. **BUSINESS ITEMS**

A. **CONSIDER EXCLUSIVE NEGOTIATING AGREEMENT WITH SEASIDE DEVELOPMENT COMPANY, LLC TO DEVELOP THE PROPERTY COMMONLY KNOWN AS MAINGATE**

Mity Manager Malin spoke to the release of the Request for Proposals for the Main Gate site and reported the City received four responses, which a panel, including representatives from FORA, CSUMB and Monterey County assisted with vetting. Mr. Malin also spoke to the public aspect of the review, which allowed members of the public to participate in both the proposal review as well as the developer presentations. Seaside Development Company LLC was selected by consensus and staff has negotiated the terms of the Exclusive Negotiating Agreement that is agendized for consideration and approval.

Mr. Petrovitch provided a brief presentation to the Council. He detailed the team he assembled of architects, designers and brokers and spoke to this portfolio history of successful projects. Mr. Petrovich presented the concept plan, and explicitly stated he understands the need for engaging the community. He acknowledged that there is much to be learned about the issues and complications relative to the property, including FORA, specific plans, fees, potential munitions, and more. He also acknowledged that this project would be a partnership between the developer, the City, CSUMB, other agencies and the community. He spoke to his personal belief that private industry can also assist with community and social change. Speaking to the concept plan, he detailed the

project elements to include student and faculty housing, a hotel, retail and housing, a brewery, an auto museum, kitchen town the food science incubator, potential veterans monument and outdoor amphitheater. He spoke to the potential for concerts, farmers markets and other community events could take place within this development. He spoke to being able to make the project deliverable, understanding the challenges this parcel presents. Mr. Petrovitch answered questions from the Council.

Council Member Pacheco questioned what the project deal breakers could be. Mr. Petrovich spoke to the market economics and the project challenges. If it is found that the cost to develop the project, is greater than the revenue, then it is not plausible. He believes that the project is a \$350 million project and the goal is to work together as a team with all the project partners to make it work. Mr. Pacheco then asked if there would be an office locally so his development team would be accessible, to which Mr. Petrovitch agreed it has been negotiated as a part of the ENA. On question regarding public engagement, he explained his philosophy that when you listen to the community, you understand what they want and responsiveness to that can morph the project to satisfy the concern and become an amenity. He spoke to holding 230 public meetings for his last 72 acre project. He spoke to his development philosophy that development can be a win - win for everyone.

Council Member Campbell spoke to his environmental priorities. He questioned the developer's understanding of the FORTAG Project and the tunnel trails and requested considerations similar to a habitat express way to which Mr. Petrovitch explained his experience and understanding. Mayor Pro Tem Alexander questioned how they address retail related crimes and questioned if there was the potential for a police substation on the project site. Mr. Petrovitch spoke to his practice to hire private security for most of their projects and ensure the environment is safe, and indicated the security features are taken into account in the design element. Mayor Rubio re-expressed his priority to have prevailing wage incorporated, the quality jobs that it provides is a benefit to the City, during construction and thereafter. Mayor Rubio clarified that Petrovitch Development typically maintains the developed property and does not sell it, to which Mr. Petrovitch confirmed and added his intent is to maintain this project as a legacy project that is maintained at a high standard into the future. On request, Mr. Petrovitch explained his personal importance of incorporating a Veteran's memorial component and spoke in support of more recognition of the military for this property history as well as today's service members. Mayor Rubio asked then about programs to encourage local businesses to participate in the project. He spoke to the need for anchor tenants to be financially sound but what makes a unique center needs to be local talent and explained that the incubator purpose is to spin off restaurants and help create new local businesses to be placed in the retail space. His past developments typically have 40-50% local stores and influence.

Mayor Rubio invited comments from the public.

- Ron Cheshire, CEO of the Monterey Santa Cruz Building Council appreciated the patriotism of the developer's proposal and indicated that his mission is to ensure prevailing wage and good jobs. He extended his hand to Mr. Petrovich's project and indicated he is willing to sit down to discuss and help in any way to make the project pencil out for the success of the project, the City and the community.
- Sergio Rangle, President of United 43 Union understand the project can be good but requested assurance that this project going forward will create jobs that provide a livable wages and affordable housing.
- Hector Aspigueta spoke to previously working in the hospitality industry also spoke representing the United 43 Union. This project will help the community to be a leading community when it comes to quality jobs. They believe that the living expenses will rise and requested consideration for hospitality works in Monterey County to help provide livable wages and affordable housing.

- Stephan Abadida from Unite Here Local 43 said many of his members live in Seaside and stand to be impacted by the project both by way of increased traffic and impacts to the environment. He requested that the developer manage the natural environment and manage the traffic impacts.
- John Martines spoke in support of the project, to the opportunity to grow youth and create a destination point to bring the peninsula together. He suggested adding a certification program, partnered with the local universities or colleges for the incubator concept to further assist young people for successful careers.

The City Council deliberated on the presentation and Mayor Rubio asked for the wishes of the Council.

On motion by Mayor Pro Tem Alexander and seconded by Council Member Pacheco and passed by the following vote the City Council approved the execution of an Exclusive Negotiating Agreement with Seaside Development LLC as presented.

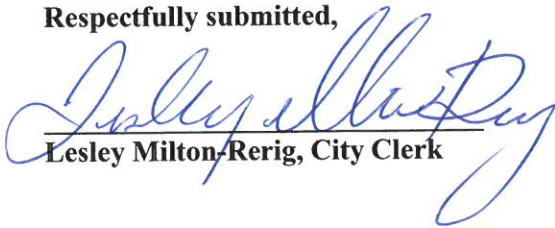
RESULT:	Approved
MOVER:	Mayor Pro Tem Dennis Alexander
SECONDER:	Council Member Dave Pacheco
AYES:	Ralph Rubio, Dennis Alexander, Jason Campbell, Dave Pacheco, Kayla Jones
NOES:	None
ABSENT:	None

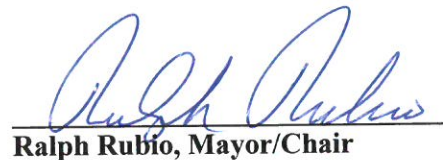
Mayor Rubio spoke to the potential positive impacts to the city including bringing jobs, industry, and improve the quality of life in Seaside.

7. **ADJOURNMENT**

On motion the meeting as adjourned at 6:59 PM

Respectfully submitted,


Lesley Milton-Rerig, City Clerk


Ralph Rubio, Mayor/Chair