

**MINUTES
CITY COUNCIL MEETING
MONDAY, JUNE 4, 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

FLAG SALUTE The flag salute was led by Garrett Beecher, an 8-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, Administrative Secretary Toles, Administrative Services Director Chapman, Community Development Director Buckingham, Public Works Director/City Engineer Ray, Parks & Recreation Director Petker, Police Lieutenant Bewick, and Recreation Coordinator O'Donnell were also present.

Also present were Allison Rolfe, Director of Planning, Pacifica Companies; and Andy Zilke, District Superintendent, Oceano Dunes District, California Department of Parks and Recreation.

CLOSED SESSION ANNOUNCEMENTS

None at this time.

AGENDA REVIEW

Mayor Shoals requested the Council consider all items listed under the Consent Agenda prior to considering Public Hearing Item No. 3. Brief discussion was held regarding the appropriate order for the discussion of agenda items regarding the proposed Grover Beach Lodge and Conference Center project.

Action: Upon consensus, the Council amended the agenda to discuss all Consent Agenda Items prior to Public Hearing Item No. 3, and adopted the agenda as amended.

CEREMONIAL CALENDAR

1. **Proclamation of Appreciation to Former Parks, Recreation & Beautification Commissioner Leah Greeley and Certificate of Appreciation to Sam Greeley.** Mayor Shoals read and presented the proclamation to former Commissioner Greeley and the certificate to Mr. Greeley. The Council thanked Mr. Greeley for providing many of the photographs posted on the City website.
2. **Proclamation Declaring June 4 and 5, 2012 as "Special Olympics - Law Enforcement Torch Run Days".** Mayor Shoals read and presented the proclamation to Lieutenant Bewick.

At this time Mayor Shoals recognized Grover Beach resident Jaysson Bonds who was seated in the audience. He noted that Mr. Bonds recently returned home after having served in the United States Army, including two tours in Iraq and one tour in Afghanistan. The Council welcomed him home, thanked him for his service, and noted that a formal recognition was scheduled for the next regular City Council meeting.

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. Stephen Hamilton, Arroyo Grande resident, speaking on behalf of a local soccer club, requested authorization for use of the Mentone Basin for soccer practice in exchange for free landscape maintenance of the basin. He noted that, if the request was approved, irrigation of the basin would remain at City expense.

- B. Anita Shower, Grover Beach, speaking on behalf of the Rotary Club Central Coast Eco, offered to cover the soccer club's water bill for use of the Mentone Basin.

There were no further public comments received.

ORDER OF THE DAY: Pursuant to Council consensus during review of the posted agenda, Mayor Shoals called for consideration of the Consent Agenda next.

CONSENT AGENDA

At this time Council Member Peterson declared a conflict of interest regarding Consent Agenda Item No. 6 only, due to both her residence and business being located within 500 feet of the subject property.

It was m/s by Council Member Bright/Mayor Pro Tem Nicolls to approve Consent Agenda Item Nos. 4, 5, 6, and 7, as recommended. The motion carried on the following roll call vote:

AYES: Council Members Bright, Molnar, Peterson (except for Item No. 6 only), Mayor Pro Tem Nicolls, and Mayor Shoals.
NOES: Council Members - None
ABSENT: Council Members - None.
ABSTAIN: Council Members - None.
RECUSED: Council Member Peterson (due to a conflict of interest for Consent Agenda Item No. 6 only)

4. Treasurer's Report for the Period May 15, 2012 - May 31, 2012.

Action: Approved as submitted.

5. Minutes of the Following Meetings:

- Regular City Council Meeting of Monday, May 7, 2012; and
- Special City Council Meeting of Monday, May 14, 2012.

Action: Approved the minutes as submitted.

6. Appeal of Planning Commission Non-action for Development Permit Application No. 10-023 (170 West Grand Avenue, APN 060-206-026) - Adopting findings regarding the

City Council's decision on May 21, 2012 to deny the appeal filed by T-Mobile West Corporation for proposed modifications to an existing commercial building.

Appellant/Applicant: T-Mobile West Corp. **Project Location:** 170 W. Grand Avenue.

Action: Adopted Resolution No. 12-29 (*except* for Council Member Peterson, who was recused due to a conflict of interest).

Resolution No. 12-29: A Resolution of the City Council of the City of Grover Beach Denying the Coastal Development Permit, Site and Architectural Plans, and Use Permit for Development Permit Application No. 10-023 (170 West Grand Avenue).

7. Amendment to Annual Appropriation Resolution For Use of Administrative Development Impact Fees in the Remodel of the City Hall Lobby - Amending the Annual Appropriation Resolution to budget the use of \$1,967 in Administrative Development Impact Fees for a new public counter configuration and public kiosk.

Action: Adopted Resolution No. 12-30.

Resolution No. 12-30: A Resolution of the City Council of the City of Grover Beach, California, Adopting the 2nd Amendment to the Annual Appropriation Resolution No.11-55 by Providing Funding for Remodel of City Hall Lobby, including a Public Kiosk.

PUBLIC HEARING

3. Grover Beach Lodge and Conference Center, Development Permit Application No. 10-003. (Continued Public Hearing from Monday, May 21, 2012.)

Mayor 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, Community Development Director Buckingham summarized previous actions taken at Planning Commission and City

Council hearings regarding the proposed project. He displayed project design concepts and an aerial map of the project site and adjacent properties. He described the formation of the Joint Authority with State Parks and the process that led to entering into a concession contract with Pacifica Companies to construct and operate the lodge and conference center. He provided a detailed overview of the project and described proposed public area enhancements and amenities. Staff then responded to questions from the Council.

Discussion ensued regarding various aspects of the design concepts, including parking, landscaping, the Environmental Impact Report, and subsequent plan modifications to enlarge the conference center. Additional discussion was held regarding formation of the Joint Authority; public hearings and opportunities to receive input from the community, Planning Commission, and City Council; ownership of the buildings by State Parks; areas of responsibility during the term of the 50-year lease for operation and maintenance by either the City or Pacifica Companies; and the subsequent request by the City Council for development of a financing plan for public infrastructure improvements. Discussion was also held regarding comments received from Coastal Commission staff regarding the project; the location of the equestrian area; and the overall size, bulk, and massing of the project. It was noted that there would be further opportunities for adjustments to the project design.

Council Member Molnar expressed concern that the conference center design had been enlarged and that additional financial involvement by the City was being contemplated.

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

Mike Wilson, Grover Beach, spoke in support of a more traditional architectural design style for the project, citing examples of California missions or the Asilomar conference center in Monterey, California. He then submitted a copy of his comments.

Allison Rolfe, Project Manager, Pacifica Companies, reaffirmed Pacifica's commitment to be responsive to comments and concerns and stated the following:

- the proposed plant palette would be primarily comprised of native, non-invasive plant species, and noted that Pacifica's landscape architect had been working closely with the biologist from State Parks;
- public restrooms were proposed to be relocated and screened;
- parking would be relocated further from the dunes and ocean, with public spaces integrated throughout the project site and near the beach; and
- the Joint Authority had considered three architectural styles for the project: Spanish style, craftsman, and contemporary; with the Joint Authority selecting the contemporary style. The project design is also more compact in order to maintain open view sheds.

No further public comments were received and the Mayor closed the Public Hearing.

Further discussion was held regarding various design aspects of the project, as well as a preference for retaining an outdoor event tent at the adjacent golf course. It was also noted that discussions regarding the project's design concepts were part of the standard review process. Additionally, whether the project was ultimately constructed or the City participated in its financing were two separate issues.

Council Member Molnar objected to approving the project application when certain issues had not yet been determined, such as areas of responsibility, financing, and the City's financial involvement.

Action: It was m/s by Mayor Pro Tem Nicolls/Council Member Peterson to adopt Resolution No 12-31 approving the Coastal Development Permit in concept. The motion carried on the following roll call vote:

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

Resolution No. 12-31: A Resolution of the City Council of the City of Grover Beach Approving a Coastal Development Permit in Concept Associated with Development Permit Application No. 10-003 for the Grover Beach Lodge and Conference Center Project.

Action: It was m/s by Mayor Pro Tem Nicolls/Council Member Peterson to adopt Resolution No. 12-32 approving the Site and Architectural Plans in concept. The motion carried on the following roll call vote:

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

Resolution No. 12-32: A Resolution of the City Council of the City of Grover Beach Approving Site and Architectural Plans in Concept Associated with Development Permit Application No. 10-003 for the Grover Beach Lodge and Conference Center Project.

CONSENT AGENDA

(Note: Upon consensus, Consent Agenda item Nos 4-7 were considered earlier in the meeting.)

Recess: Upon consensus of the City Council, the meeting recessed at 7:59 p.m.

Reconvene: At 8:10 p.m., the meeting reconvened with all Council Members present.

ORDER OF THE DAY: At this time, the Order of the Day resumed to the agenda as posted.

REGULAR BUSINESS

8. Consideration of a Financing Plan for Public Improvements Associated with the Grover Beach Lodge and Conference Center Master Plan.

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 project and outlined a series of public improvements that would be subject to a proposed financing plan. He stated that construction would be completed in phases to improve public access to the site's natural amenities, stimulate economic growth, and generate new revenue.

He stated that the City would initiate the first phase of improvements and the developer would construct remaining public improvements during construction of the main project. The City and State Parks would then enter into a reimbursement agreement with the developer for remaining public improvement costs. City Manager Perrault noted that the financing plan was a tool to finance construction costs and did not pertain to management of the lodge or conference center, and that the plan could not be implemented until the project was fully entitled by both the City and the Coastal Commission. If significant project alterations were required after Coastal Commission review of the project, changes to the financing plan might also be necessary. He outlined additional details of the proposed financing plan, provided estimated costs for construction, described anticipated revenue sources, and noted the financial commitment for the project from State Parks. City Manager Perrault also summarized projections from an economic analysis report prepared by David Taussig & Associates regarding anticipated local economic benefits generated from the project. He then responded to questions from the Council.

Discussion ensued regarding funding sources for the proposed improvements, grant funds previously received for improvements on West Grand Avenue, anticipated fiscal impacts to various City funds, contributions by State Parks in support of the project, ownership of the buildings, maintenance responsibility, and various details regarding the proposed financing plan and reimbursement agreement.

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

Andy Zilke, District Superintendent, Oceano Dunes District, California Department of Parks and Recreation, noted that areas with public amenities would be maintained by the State. He also described the number of annual visitors to the State Park and the resulting economic impacts on the local economy.

The following persons spoke in support of the proposed financing plan:

- Allison Rolfe, Director of Planning, Pacifica Companies;
- Brad Evans, Grover Beach resident and business owner; and
- Duke Sterling, Grover Beach business owner.

The following person spoke against the proposed financing plan:

- Anita Shower, Grover Beach resident.

There were no further public comments received.

Further Council discussion was held regarding anticipated benefits for the entire community from City investment in public improvements that would result in better use of and public access to the project site, in addition to anticipated economic benefits from the development of a lodge and conference center.

Council Member Molnar expressed concerns regarding details of the proposed reimbursement agreement and whether the anticipated revenue sources would be sufficient to reimburse Pacifica Companies for its costs to complete the remaining infrastructure. She also objected to committing City funds for proposed improvements on state-owned property.

Action: It was m/s by Mayor Pro Tem Nicolls/Council Member Peterson to adopt Resolution No. 12-33 approving the Financing Plan for Public Infrastructure for the Grover Beach Lodge and Conference Center Project. The motion carried on the following roll call vote:

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

Resolution No. 12-33: A Resolution of the City Council of the City of Grover Beach, California, Approving the Financing Plan for Public Improvements Related to the Grover Beach Lodge and Conference Center Master Plan.

Brief discussion was held regarding continuing Agenda Items Nos. 9, 10, and 11 to the next regular City Council meeting on Monday, June 18, 2012.

9. Five-Year Capital Improvement Program FY 13 to FY 17 Approval.

Action: With no Council discussion held at this time and upon unanimous consensus, this item was continued to the next regular City Council meeting on June 18, 2012.

10. Northern Cities Management Area 2011 Annual Monitoring Report.

Action: With no Council discussion held at this time and upon unanimous consensus, this item was continued to the next regular City Council meeting on June 18, 2012.

PULLED CONSENT AGENDA ITEMS

None at this time.

COUNCIL COMMITTEE REPORTS

Mayor Pro Tem Nicolls announced that the South San Luis Obispo County Sanitation District would be hosting a symposium to discuss water recycling to be held at the South County Regional Center on Thursday, June 7, 2012.

Council Member Peterson thanked all gardeners and attendees for the success of the recent Spring Garden Tour.

Council Member Bright stated she had nothing to report.

Council Member Molnar stated she had nothing to report.

Mayor Shoals stated he had nothing to report.

CITY COUNCIL MEMBER ITEMS

11. Selection of Voting Delegate and Alternate for the 2012 League of California Cities Annual Conference.

Action: With no Council discussion held at this time and upon unanimous consensus, this item was continued to the next regular City Council meeting on June 18, 2012.

COUNCIL COMMUNICATIONS

None at this time.

CITY MANAGER'S REPORTS AND COMMENTS

12. Request to Alter the Meeting Schedule for the Month of July.

City Manager Perrault briefly reviewed the request to cancel one regularly scheduled City Council meeting in the month of July. He noted that a workforce reduction program had been implemented and cancelling the meeting would assist with managing workloads and allow for the coordination of vacation absences for the City Council and staff.

Action: Upon unanimous consensus, the Council authorized cancelling the regular City Council meeting scheduled for Monday, July 2, 2012.

CITY ATTORNEY'S REPORTS AND COMMENTS

None at this time.

CLOSED SESSION

At 9:19 p.m., the Council met in Closed Session regarding the following items:

1. **Conference with Real Property Negotiators**
Pursuant to Government Code Section 54956.8
Property: APN-060-162-018
Agency negotiator: City Manager and City Attorney
Negotiating party: Darrell and Linda Voth
Under negotiation: Sale of property
2. **Public Employee Performance Evaluation**
Pursuant to Government Code Section 54957
Employee: City Attorney

Closed Session Announcements: At 10:02 p.m., Mayor Shoals reconvened the meeting in open session with all Council Members present and announced there were no reportable actions taken during Closed Session.

ADJOURNMENT

There being no further business to come before the City Council, Mayor Shoals adjourned the meeting at 10:03 p.m.

/s/ JOHN P. SHOALS, MAYOR

Attest:

/s/ DONNA L. McMAHON, CITY CLERK
(Approved at CC Mtg 09/17/2012)

Respectfully Submitted:

/s/ LORRIE TOLES, ADMINISTRATIVE SECRETARY