

MINUTES
JOINT CITY COUNCIL / IMPROVEMENT AGENCY MEETING
MONDAY, MARCH 2, 2009

CALL TO ORDER Mayor/Chair Shoals called the meeting to order at 7:27 p.m. in the City Hall Council Chambers, 154 South Eighth Street, Grover Beach, California.

ROLL CALL

Council/Agency: Council/Board Members Bright, Mires, Peterson, Mayor Pro Tem/Vice Chair Nicolls, and Mayor/Chair Shoals were present.

City/Agency Staff: City Manager/Executive Director Perrault, City Attorney/General Counsel Koczanowicz, City Clerk/Agency Secretary McMahon, Administrative Services Director/Finance Officer Chapman, and Interim Community Development Director/Deputy Director Beck and Economic Development Specialist Buckingham were also present.

Also present was City Engineer Garing.

PUBLIC COMMUNICATIONS The Mayor/Chair opened the floor to any member of the public for comment on any items of interest which were within the jurisdiction of the City Council / Improvement Agency, but were not listed on the agenda. No one responded and the Mayor/Chair closed the Public Communications segment for this portion of the meeting.

CONSENT AGENDA - AGENCY

Prior to consideration of the Consent Agenda, it was noted that Council Members Mires and Peterson would abstain from voting on Agenda Item IA-1, as they were not present at the meetings listed.

IA-1. Minutes of the Following Meetings:

- **Joint City Council / Improvement Agency Meeting of June 16, 2008;**
- **Joint City Council / Improvement Agency Meeting of August 4, 2008; and**
- **Joint City Council / Improvement Agency Meeting of October 6, 2008.**

Action: Upon consensus, the minutes were approved as submitted.

JOINT CITY COUNCIL / IMPROVEMENT AGENCY – BUSINESS

CC/IA-1. Authorization to Enter into a Concession Contract as a Member of a Joint Authority with the State of California and Pacifica Companies LLC; and Authorization for the Agency to Enter into a Separate Development Fee Subsidy Agreement with Pacifica Companies LLC.

At this time Mayor/Chair Shoals acknowledged and introduced the following individuals who were seated in the audience:

- Pacifica Companies - Allison Rolfe, Project Manager;
- California Department of Parks and Recreation - Jim Luscutoff, Division Chief of Concessions, Reservations & Fees; Andy Zilke, District Superintendent, Oceano Dunes; and Don Kinney, Special Projects.

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. City Manager/Executive Director Perrault provided an overview of the Joint Powers Agreement the City Council, acting as the Improvement Agency Board, entered into with the California Department of Parks and Recreation in December 2006. The agreement established a Joint Authority to facilitate the development of a hotel and conference center to be located on an approximate 7.5 acre state-owned site, located adjacent to West Grand Avenue and just west of Highway 1. The agreement called for the State to make the property available for a 50-year period and for the City to manage the development on behalf of the Joint Authority.

He reviewed the Request for Proposals process conducted in the fall of 2007, the review process conducted thereafter, and the Council/Agency Board's actions taken in April 2008 to issue a Notice of Intent to award the contract to Pacifica Companies and authorize staff to work with State and Pacifica representatives towards the completion

of a contract. The final document took some time to complete, as each adjustment required various levels of review by Pacifica and the State.

He then reviewed Pacifica's request, in recognition of the change in economic conditions since the proposal was first submitted, for the Agency to assist with payment of Development Impact Fees, and pointed out that the base revenue for hotel operations was projected to increase from year one over the life of the 50-year agreement.

City Manager/Executive Director Perrault provided an overview of Pacifica Companies' other real estate developments and hotel properties, and summarized the initial proposal for development and operation of a 135 to 150 room hotel and conference center. He then reviewed the estimated amounts of revenue to be received from rent/percentage of gross sales, transient occupancy tax, and a portion of the possessory interest tax. In conclusion, he acknowledged the many years of work by Council Members, both past and present, signified in bringing forward the hotel and conference center contract for execution.

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

Allison Rolfe, Project Manager, Pacifica Companies, provided an overview of the company, emphasized the owner's commitment towards the project's success, and thanked members of the Joint Authority and staff for their assistance in developing the contract. She estimated the project would entail a two-year entitlement process, and 12 to 18 months for construction, with an opening date in the spring of 2012.

Jim Luscatoff, Division Chief for Concessions, Reservations and Fees, California Department of Parks and Recreation, spoke in support of the contract and stated that it represented a unique public-private partnership project, and noted that the usual term of a state contract was 20 years.

There were no further public comments received.

The Council/Agency thanked and praised the representatives from Pacifica Companies and State Parks for their diligence in finalizing the contract.

Action - Improvement Agency: It was m/s by Board Members Mires/Peterson to: 1) adopt Resolution No. IA-09-02 authorizing the Chair to execute the agreement as a member of the Joint Authority with Pacifica Companies LLC to construct and operate a hotel and conference center; and 2) adopt Resolution No. IA-09-03 authorizing the Agency to enter into the Development Fees Subsidy Agreement. The motion carried on the following roll call vote:

AYES: Board Members Bright, Mires, Peterson, Vice Chair Nicolls, and Chair Shoals.

NOES: Board Members - None.

ABSENT: Board Members - None.

ABSTAIN: Board Members - None.

Resolution No. IA-09-02: A Resolution of the Grover Beach Improvement Agency Authorizing the Agency to Enter into a Concession Contract with the State of California and Pacifica Companies LLC.

Resolution No. IA-09-03: A Resolution of the Grover Beach Improvement Agency Authorizing the Development Fee Subsidy Agreement Between the Agency and Pacifica Companies LLC.

Recess: Upon consensus of the Council/Board, the meeting recessed at 7:55 p.m.

Reconvene: At 8:05 p.m., the meeting reconvened with all Council/Board Members present.

CC/IA-2. Update of the Housing Element of the City's General Plan.

Mayor/Chair Shoals read the title to the foregoing item and deferred to staff for a report. Interim Community Development Director/Interim Deputy Director Beck stated that, following several years of discussions with the State Department of Housing and Community Development, the Housing Element was accepted for certification and adopted in November 2008. The Housing Element is the only element of the General Plan required to be approved by the State and updated every five years. The deadline for the next five-year cycle is August 9, 2009. In December 2008, the Council authorized staff to proceed with issuing a Request for Proposal for consultant assistance in preparing the 2009 update. Four proposals were received, interviews conducted, and a recommendation made to enter into a contract with Lisa Wise Consulting, Inc. She reviewed estimated costs for the update and the proposed schedule for public review and to receive comments, and noted that the City of Pismo Beach had retained this same firm for its Housing Element update.

The Mayor/Chair invited public comments on this matter. No public comments were received.

Action: It was m/s by Board Members Bright/Peterson to: 1) adopt Resolution No. IA-09-04 authorizing the Executive Director to enter into a contract with Lisa Wise, Consulting, Inc., to proceed with the Scope of Work for update of the Housing Element of the City's adopted General Plan. The motion carried on the following roll call vote:

AYES: Board Members Bright, Mires, Peterson, Vice Chair Nicolls, and Chair Shoals.
NOES: Board Members - None.
ABSENT: Board Members - None.
ABSTAIN: Board Members - None.

Resolution No. IA-09-04: A Resolution of the Grover Beach Improvement Agency, Grover Beach, California, Authorizing Retention of Lisa Wise Consulting, Inc., for Update of the Housing Element of the City's General Plan and Preparation of Related Environmental Documentation.

Action: It was m/s by Board Member Bright/Chair Shoals to adopt Resolution No. IA-09-05 amending the Annual Appropriation Resolution. The motion carried on the following roll call vote:

AYES: Board Members Bright, Mires, Peterson, Vice Chair Nicolls, and Chair Shoals.
NOES: Board Members - None.
ABSENT: Board Members - None.
ABSTAIN: Board Members - None.

Resolution No. IA-09-05: A Resolution of the Grover Beach Improvement Agency, Adopting the 1st Amendment to the Annual Appropriation Resolution No. IA-08-06 by Providing Funding in the Amount of \$29,810 to Fund the Housing Element Update.

CC/IA-3. Request to Proceed with Update of the Land Use Element of the City's General Plan and Preparation of Related Environmental Documentation.

Mayor/Chair Shoals read the title to the foregoing item and deferred to staff for a report. Interim Community Development Director/Deputy Director Beck provided an overview of the Land Use Element of the City's General Plan, which had not been updated since 1992. In 2004, the Council authorized retaining a consulting firm to develop the Grover Beach Visioning Project. The goal of that process was to develop a general Consensus Vision for the future of the City that would be used in preparing the update to the Land Use Element. The Land Use Element update process began in January 2008; however, for various reasons, the contract for that work was terminated in July 2008.

Interim Community Development Director/Deputy Director Beck stated that a Request for Proposal was issued in November 2008 to select a new consultant. Seven proposals were received, interviews conducted, and a recommendation made to select the firms of Morro Group (SWCA) and Crawford Multari & Clark (CMCA). SWCA would be responsible for project budgeting and preparation of the environmental document, and CMCA would be responsible for the Land Use Element and public participation. The new consultant team would be able to use the earlier work and products, but would also be required to address additional requirements established by state law and recent court cases that had not been a factor in the previous effort. She then reviewed the proposed project schedule, public comment periods, estimated costs and funding sources, and the benefits of updating the element to implement the Consensus Vision.

Brief discussion was held regarding expenses incurred to date on the process to update the Land Use Element, the consulting team's proposed scope of work, and transitional areas to be included in the update.

The Mayor/Chair invited public comments on this matter. No public comments were received.

Actions:

City Council: It was m/s by Mayor Pro Tem Nicolls/Council Member Bright to: 1) adopt Resolution No. 09-14 authorizing the City Manager to enter into a contract with Morro Group (SWCA) to proceed with the Scope of Work for update of the Land Use Element of the City's adopted General Plan; and 2) adopt Resolution No. 09-15 amending the Annual Appropriation Resolution for additional costs associated with the Land Use Element Update. The motion carried on the following roll call vote:

AYES: Council Members Bright, Mires, Peterson, Mayor Pro Tem Nicolls, and Mayor Shoals.

NOES: Council Members - None.

ABSENT: Council Members - None.

ABSTAIN: Council Members - None.

Resolution No. 09-14: A Resolution of the City Council of the City of Grover Beach, California, Authorizing Retention of Morro Group (SWCA) for Update of the Land Use Element of the City's General Plan and Preparation of Related Environmental Documentation.

Resolution No. 09-15: A Resolution of the City of Grover Beach, Adopting the 6th Amendment to the Annual Appropriation Resolution No. 08-50 by Providing Funding in the Amount of \$10,000 to Fund the Land Use Element Update.

Improvement Agency: It was m/s by Vice Chair Nicolls/Board Member Bright to: 1) adopt Resolution No. IA-09-06, authorizing the Executive Director to enter into a contract with Morro Group (SWCA) to proceed with the Scope of Work for update of the Land Use Element of the City's adopted General Plan; and 2) adopt Resolution No. IA-09-07 amending the Annual Appropriation Resolution for additional costs associated with the Land Use Element Update. The motion carried on the following roll call vote:

AYES: Board Members Bright, Mires, Peterson, Vice Chair Nicolls, and Chair Shoals.

NOES: Board Members - None.

ABSENT: Board Members - None.

ABSTAIN: Board Members - None.

Resolution No. IA-09-06: A Resolution of the Grover Beach Improvement Agency, Grover Beach, California, Authorizing Retention of Morro Group (SWCA) for Update of the Land Use Element of the City's General Plan and Preparation of Related Environmental Documentation.

Resolution No. IA-09-07: A Resolution of the Grover Beach Improvement Agency, Adopting the 2nd Amendment to the Annual Appropriation Resolution No. 08-06 by Providing Funding for the Land Use Element Update.

CC/IA-4. Update on West Grand Avenue Streetscape Project.

Mayor/Chair Shoals read the title to the foregoing item and deferred to staff for a report. Economic Development Specialist Buckingham reviewed a list of street tree alternatives, other than Queen palms, proposed for the area between Highway 1 and 4th Street to create a stronger visual impact or “statement”. He stated that the tree species selected were well-suited for coastal environments, had low watering needs or were drought tolerant, and had non-invasive root systems. In reference to landscaped medians, he noted that sewer lines installed in 1965 were located under the center of the street and therefore created a constraint to large tree plantings. Further research would be conducted regarding methods to mitigate root intrusion in those areas. Once tree selection was determined, construction drawings would be prepared in order to determine the location of other streetscape amenities.

Brief discussion was held regarding the various tree species presented; spacing between tree plantings; dwarf tree varieties; proper installation and maintenance methods required to mitigate root intrusion into sidewalks or parking areas; and concerns regarding the additional cost to provide tree maintenance and street sweeping, and perform sidewalk repairs in the project area.

Upon question, City Engineer Garing responded that he had no information as to why the sewer lines installed in 1965 were placed under the center of Grand Avenue.

Further discussion was held regarding:

- trees located near buildings to be column-shaped varieties, such as Brisbane Box;
- trees located in other areas to be varieties with growth potential of 40-50 feet tall;
- tree spacing to be at 30 - 35 foot intervals or as recommended by professional landscape consultants once the construction drawings were prepared;
- root barriers to be installed and proper water-conserving irrigation methods to be used;
- medians to be planted with “statement trees”, such as Canary Island Palm, plus two to three smaller tree varieties; and
- contacting other coastal communities regarding recommended varieties of street trees.

Action: Upon consensus the Council/Agency, staff was directed to: 1) have a street tree schematic prepared that incorporated the Council's comments regarding street trees; and 2) conduct further research regarding recommended street tree varieties for coastal communities.

ADJOURNMENT

There being no further business to come before the City Council / Improvement Agency, Mayor/Chair Shoals adjourned the meeting at 9:06 p.m.

City Council:

JOHN P. SHOALS, MAYOR

Attest:
/s/DONNA L. McMAHON, CITY CLERK
(Approved at CC/IAMtg 7/20/09)

Improvement Agency:

JOHN P. SHOALS, CHAIR

Attest:
/s/DONNA L. McMAHON, AGENCY SECRETARY
(Approved at CC/IA Mtg 7/20/09)