

**CAPITOLA CITY COUNCIL
REGULAR MEETING ACTION MINUTES
THURSDAY, JANUARY 26, 2017**

**CLOSED SESSION
CITY MANGER'S OFFICE 6:15 PM**

CALL TO ORDER

Vice Mayor Termini called the meeting to order at 6:15 p.m. with the following items to be discussed in Closed Session:

**CONFERENCE WITH REAL PROPERTY NEGOTIATOR
[Govt. Code § 54956.8]**

Property: 4400 Jade Street, APN 034-551-02, Capitola, CA
City Negotiator: Jamie Goldstein, City Manager
Negotiating Parties: Soquel Union Elementary School District
Under Negotiation: Terms of Joint Use Agreement

LIABILITY CLAIMS [Govt. Code § 54956.95]

Claimant: Sandra Jones
Agency claimed against: City of Capitola

There was no one in the audience; therefore, the City Council recessed to the Closed Session in the City Manager's Office.

REGULAR MEETING OF THE CAPITOLA CITY COUNCIL - 7:00 PM

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Council Member Ed Bottorff: Present, Council Member Jacques Bertrand: Present, Mayor Stephanie Harlan: Present, Vice Mayor Michael Termini: Present, Council Member Kristen Petersen: Present.

City Treasurer Peter Wilk was present.

2. PRESENTATIONS

A. Oath of Office Ceremony for Standby City Council Member Marilyn Warter [420-20/520-50]

City Clerk Linda Fridy swore in Standby Council Member Warter.

3. REPORT ON CLOSED SESSION

City Attorney Tony Condotti said there was no reportable action on the real property lease of 4400 Jade Street and the liability claim will be voted on as part of the consent agenda.

4. ADDITIONAL MATERIALS

- A. Item 10.A – A letter withdrawing the application being appealed pending a new design
- B. Item 10.B – A reformatted page 222 from the agenda packet (Space Needs Assessment)
- C. Item 10.B -- A revised Library Tentative Funding chart
- D. Item 10.D -- An email regarding expanding the vacation rental overlay

5. ADDITIONS AND DELETIONS TO AGENDA

Community Development Director Rich Grunow noted the application for item 10.A was withdrawn and the appeal will not be heard.

6. PUBLIC COMMENTS

Joseph Leight expressed concerns about AMBAG (Association of Monterey Bay Area Governments) circumventing the public process.

Barbara Bush expressed concern about the new federal administration and a culture of misinformation, and ask for accountability at all levels.

Karl Shubert spoke on behalf of residents of Topaz Street and presented a petition, which was also presented to the Traffic and Parking Commission, regarding the amount of pass-through traffic along Topaz. He asked for enforcement of current speed limits and future discussion of options to reduce both speed and traffic.

Marylin Garrett spoke in support of independent radio and CELDF (Community Environmental Legal Defense Fund).

Mel Vento, resident of Topaz Street, echoed the concerns of her neighbors about traffic issues and the resulting danger in her residential neighborhood. She shared a message from resident Dana Ingersoll, the parent of a young child, in support of additional restrictions.

A gentleman spoke to the adverse health effects of electromagnetic radiation.

7. CITY COUNCIL / CITY TREASURER / STAFF COMMENTS

Council Member Termini addressed the impact of recent storms, particularly the danger posed to the Capitola Wharf. He encouraged speedy discussion of future action to preserve the Wharf. He also noted the Fallen Officers Foundation has a fundraiser coming up, and band selection for the summer concert series has been completed.

Council Member Petersen recently attended the League of California Cities New Councilmembers Academy. There she met State Senate President Kevin de Leon and was pleased to make a local connection when he told her his children learned to swim in Capitola.

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Mayor Harlan shared topics from the recent Joint Mayors Select Committee meeting, including transportation, infrastructure and affordable housing. She noted the Sanitation District's 10-year plan is available and a new veteran's information center opened in the Santa Cruz Main Library Branch.

She requested that the next agenda include a discussion of how Council Members could research community groups receiving City grants ahead of the budget process and asked to set a council team-building lunch date. At the end of the meeting, the lunch was tentatively scheduled for March 3, with Attorney Condotti researching if a private home location was allowed under the Brown Act.

Council Member Bertrand said he has been talking with the Sanitation District about pending improvements at the Nob Hill/Perry Park pump station and invited other Council Members and the public to contact him about a possible site visit.

Treasurer Wilk thanked staff for bringing him up to speed and praised the overall transparency of the city's financial information.

City Manager Jamie Goldstein thanked council and staff for support during his recent surgery.

8. BOARDS, COMMISSIONS AND COMMITTEES APPOINTMENTS

- A. Appointment of Representatives to Open City and County Boards and Commissions [110-10/1010-60]
RECOMMENDED ACTION: Make appointments.

Council Member Termini said the Arts & Cultural Commission supports both applicants for the at-large positions and noted the art professional spot is still open. The Commission also recommends artist Kim Hogan as the City's representative to the Arts Council of Santa Cruz County.

For the open alternate position on the Regional Transportation Commission, Council Member Termini noted he declined since he terms out in two years. Council Member Bottorff offered to take the spot unless he is reappointed the METRO representative to the RTC. The alternate appointment was continued.

- B. Appointment to New County Ad-Hoc Homelessness Governance Study Committee [750-20]
RECOMMENDED ACTION: Appoint a Council Member to the County's ad-hoc committee.

Council Member Bertrand will attend pending schedule confirmation.

MOTION:	APPOINT DENNIS NORTON TO THE FULL TERM AT-LARGE POSITION ON THE ARTS AND CULTURAL COMMISSION, MARY JO CONNOLLY TO THE UNFINISHED TERM, KIM HOGAN TO THE ARTS COUNCIL OF SANTA CRUZ COUNTY, AND COUNCIL MEMBER BERTRAND TO THE AD-HOC HOMELESSNESS STUDY COMMITTEE.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Michael Termini, Vice Mayor
SECONDER:	Ed Bottorff, Council Member
AYES:	Bottorff, Bertrand, Harlan, Termini, Petersen

9. CONSENT CALENDAR

- A. Consider the January 12, 2017, Regular City Council Minutes
RECOMMENDED ACTION: Approve Minutes.
- B. Approval of City Check Register Reports Dated December 2, December 9, December 16 and December 23, 2016 [300-10]
RECOMMENDED ACTION: Approve Check Registers.
- C. Deny Liability Claim of Sandra Jones for an Undetermined Amount [Claims Binder]
RECOMMENDED ACTION: Deny liability claim.
- D. Consider Approving an Amended and Restated Joint Exercise of Powers Agreement and a Joint Community Facilities Agreement for the Libraries Facilities Financing Authority [230-10/500-10 A/C: Santa Cruz County Library Joint Powers Authority]
RECOMMENDED ACTION: Approve an Amended and Restated Joint Exercise of Power Agreement for the Libraries Facilities Financing Authority and a Joint Community Facilities Agreement.
- E. Approve First Amendment to Contract with Bogard Construction for Library Project Management Services [330-10/500-10 A/C: Bogard Construction]
RECOMMENDED ACTION: Approve the first contract amendment with Bogard Construction for project management services for the Capitola Library Project, adding \$210,000 of services to the contract. Further, approve a budget amendment increasing the approved expenditures in the Library Project Fund by \$210,000.
- F. Authorize Entering into a License Agreement with Parkmobile, LLC, for the Development of Trial Village Employee Parking Permit Program [470-40/500-10 A/C: Parkmobile, LLC]
RECOMMENDED ACTION: As recommended by the Traffic and Parking Commission, authorize the City Manager to enter into a License Agreement with Parkmobile, LLC, to develop a trial Village Employee Parking Program for the lower Beach and Village Parking Lot.

RESULT:	ALL ITEMS APPROVED OR DENIED AS RECOMMENDED [UNANIMOUS]
MOVER:	Michael Termini, Vice Mayor
SECONDER:	Ed Bottorff, Council Member
AYES:	Bottorff, Bertrand, Harlan, Termini, Petersen

10. GENERAL GOVERNMENT / PUBLIC HEARINGS

- A. Appeal of a Planning Commission Approval of a Design Permit, Coastal Development Permit and Variance for a New Two-story, Single-family Residence at 105 Sacramento Avenue (Continued) [730-10]

RECOMMENDED ACTION: Uphold the Planning Commission's decision to approve the project as conditioned.

This application was withdrawn and the appeal was not heard.

- B. Consider Report on the Library Project and Provide Direction on Budget Options [230-10/330-05/330-20]

RECOMMENDED ACTION: Receive update on library design and public outreach process, consider report on estimated project costs, and provide direction on project scope and budget.

Public Works Director Steve Jesberg presented an overview of where the library project currently stands and options for the budget based on size of the facility. Architect Chris Noll walked the Council through the process to date and integration of community input. The project is beginning the schematic design phase. He offered three conceptual design options.

The project budget will determine the library size. Director Jesberg presented three options: \$13.15 million for an 11,700-square-foot facility based on the revised needs assessment, \$14.15 million for a 12,700-square foot facility based on the original needs assessment, and \$10.6 million for 9,120-square-foot facility based on the available funding. Susan Nemitz, system library director, noted staff of the library system's newest branches gave valuable input to the revised needs assessment, which resulted in lower stacks, fewer DVDs, and a mix of desktop and laptop computers. The proposed designs address the demand for group study space versus individual quiet space.

City Manager Goldstein noted the City currently has \$10.6 million in hand, which would not cover the recommended size. Likely outside funding sources increase that amount to \$11.15 million. About \$2 million in General Fund money is needed to reach the revised needs assessment size. Some of that would come from a one-time fund balance transfer of \$450,000 from the pension obligation bond closeout plus \$400,000 from the redevelopment loan repayment. A larger-size facility would certainly require a loan. He noted that the CalPERS board recently changed its discount rate, which increases the City's ongoing annual payments. Multi-year financial planning must also allow for a sales tax downturn due to economic forces and/or mall redevelopment.

Mayor Harlan opened the public hearing. Marylin Garrett does not support the use of wifi in the library.

Gayle Ortiz, Capitola Library Advisory Committee, reported the committee unanimously supports the 11,700-square-foot option. She emphasized that the General Fund impact is only two years, which will likely predate any mall

redevelopment, and that it is appropriate for the City to put money into a project of this scale.

Ron Graves, resident, expressed concern about maintenance costs for flat roofs. He supports a larger facility, but worries that the redevelopment of the mall will not maintain the sales tax level.

Martha Bowersock does not support taking on additional debt.

Council Member Termini advocated for ample size to provide programs. He noted that roads will get support from the recent county Measure D and that CalPERS will not increase as significantly in the next two years.

Council Member Bertrand clarified the amount of space for staff use. Parking demand will be analyzed by a professional to assure it is adequate. He noted that a project of this scope unites the community and is a source of pride.

Council Member Petersen also supports a building that meets the needs assessment size and praised the flexible design.

Council Member Bottorff expressed concern about financial constraints such as CalPERS and noted projects often go over their budgets. He supports a limit of \$10.5 million.

Mayor Harlan does not want to take money from capital improvement projects without investigating options for financing.

MOTION:	APPROVE A PROJECT BUDGET OF \$13.15 MILLION ALLOWING FOR CONSTRUCTION OF AN 11,700-SQUARE-FOOT FACILITY
RESULT:	ADOPTED [3 TO 2]
MOVER:	Michael Termini, Vice Mayor
AYES:	Jacques Bertrand, Michael Termini, Kristen Petersen
NAYS:	Ed Bottorff, Stephanie Harlan

C. Introduction of an Ordinance Amending Chapter 17.98 of the Capitola Municipal Code Pertaining to Wireless Telecommunications (Continued) [730-85/740-40]

RECOMMENDED ACTION: That the City Council take the following actions:

1. Adopt the Addendum to the General Plan Update Environmental Impact Report;
2. Introduce an ordinance to amend Municipal Code Chapter 17.98 Wireless Communications Facilities;
3. Adopt the attached Resolution directing the City Manager to submit an Amendment to the City of Capitola Local Coastal Program to the California Coastal Commission for certification.

Director Grunow reviewed information provided at the previous hearing. The item was continued to see if there were elements from the City of Monterey's code that should be incorporated. Director Grunow said Capitola's version is more comprehensive and provides a tiered approach.

Council Member Termini clarified that a Tier Four Conditional Use Permit could be denied based on aesthetics or if there were other locations or options that were not considered.

Mayor Harlan opened the public hearing. Marylin Garrett opposes the proliferation of radiation from wireless technology.

Martha Bowersock, resident, spoke to health concerns about the technology.

Several speakers expressed frustration that health concerns cannot be considered.

Mayor Harlan noted that speakers should contact members of Congress to support changes to federal laws regarding wireless technology and local oversight.

Council Member Bertrand said that based on conversations at California League of Cities events, jurisdictions across the state are grappling with wireless permitting issues.

RESULT:	APPROVE FIRST READING [UNANIMOUS]	Next: 2/9/2017 7:00 PM
MOVER:	Ed Bottorff, Council Member	
SECONDER:	Jacques Bertrand, Council Member	
AYES:	Bottorff, Bertrand, Harlan, Termini, Petersen	

D. Zoning Code Update Status Report [730-85]

RECOMMENDED ACTION: Receive the staff presentation and provide direction on any additional zoning topics that should be discussed in upcoming hearings.

Senior Planner Katie Herlihy provided a status report on efforts to update the Zoning Code. A draft has been published online reflecting input from stakeholders, public hearings, Planning Commission, City Council, California Coastal Commission, and staff. Nine issues will be brought back for further discussion:

1. Zoning Map and TRO boundary
2. Height exception in MU-V
3. Height exception City Wide
4. Land use changes in C-R
5. Office uses in C-R
6. California Coastal Commission non-policy edits
7. Setbacks of encroachments and accessory structures
8. Accessory Dwelling Units
9. Non-conforming structures

Planner Herlihy encouraged Council Members to contact staff regarding any other topics they would like to revisit. Once the Planning Commission has reviewed these pending issues, it will recommend that City Council initiate a 60-day public review. The draft code and issues will then come to Council for review before it releases the code to public comment.

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Council Member Termini asked about addressing Coastal Commission policy responses. Director Grunow recommends that the City adopt the code it wants and see what the formal response is from the Coastal Commission. He anticipates there will be significant concerns.

11. ADJOURNMENT

The meeting was adjourned at 10 p.m.

Stephanie Harlan, Mayor

ATTEST:

Linda Fridy, City Clerk

MINUTES WERE UNANIMOUSLY APPROVED ON FEBRUARY 9, 2017