

**SOLANA BEACH CITY COUNCIL  
REDEVELOPMENT AGENCY AND PUBLIC FINANCING AUTHORITY**

JOINT **SPECIAL** MEETING

**MINUTES**

**TUESDAY, NOVEMBER 13, 2007  
6:00 P.M.**

CITY COUNCIL CHAMBERS  
635 S. HIGHWAY 101,  
SOLANA BEACH, CALIFORNIA

The City Council acts as the City of Solana Beach Redevelopment Agency and the Public Financing Authority.

**CALL TO ORDER AND ROLL CALL:**

**Present:** Heebner, Kellejian, Roberts, Campbell, and Nichols.

**Absent:** None.

**Also Present:** David Ott, City Manager  
James Lough, City Attorney  
Leticia Fallone, Deputy City Clerk  
Tina Christensen, Comm. Dev. Dir

Mayor Heebner called the meeting to order at 6:00 p.m.

**Flag Salute**

Mayor Heebner's sister, Mary led the flag salute.

**APPROVAL OF AGENDA:**

**MOTION:** Moved by Roberts and seconded by Kellejian to approve the agenda. **Motion carried unanimously.**

**STUDY SESSION**

**1. Discussion on Cedros Crossing / Mixed-Use Solana Beach Train Station Project (Cedros Crossing).**

A. Report on status of project discussions/negotiations and status of Draft EIR re-circulation progress.

B. Provide direction, if any, to City Council Ad Hoc Committee.

Mayor Heebner presented a power point presentation on a progress report of the Mixed-Use Solana Beach Train Station from the Council Ad-Hoc Committee. She introduced the members of the Ad-Hoc Committee which included, Mayor Heebner, Councilmember Nichols and citizen members included David Winkler, Tim Coughlin, and Gary Martin.

Mayor Heebner reviewed the project timeline and stated that the purpose of the Ad-Hoc Committee was to address impacts identified by the draft EIR such as the shortage of transit parking spaces, traffic congestion, and aesthetics of the project. She stated that the project was under a deadline due to the six million dollar grant that would expire on June 30, 2008. She stated that the City needed financials from North County Transit District (NCTD) to compare a baseline for the project, that NCTD had requested money from Redevelopment Agency funds, that the developer had not paid the EIR fees, that non-payment delayed the project, and that there was a financial shortfall for the project.

Council discussion ensued regarding the design improvements made by the developer, that the project had come a long way, and that progress was being made with the project.

Councilmember Roberts disclosed that he served as the Council representative on the North County Transit District Committee and that he did not participate in closed sessions on the project.

Karen King, NCTD Executive Director, stated that the financial shortfall was unknown at this time due to not knowing what the final project would look like, that the original project was completely funded in December 2005, that construction costs had escalated, that the current available financials would not be representative of the final project, and that the final costs depended upon the final project design.

Greg Shannon, applicant, stated that the financials depend upon the final design of the project and that there were many variables that would impact the final cost.

David Druker, North County Transit District Board Member, stated that the Board had not formally asked the City for any funds.

David Ott, City Manager, stated that the City had been approached by NCTD for funding for the project.

Deputy Mayor Kellejian disclosed that he represented SANDAG on the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency Board and that the Board had not made any decisions on the project.

Council discussion ensued regarding concerns of the lack of financial information provided by NCTD on the project, that the Council required information on financials in

regards to the shortfall of funding, and that financial information was needed to move forward with the project.

Karen King, NCTD Executive Director, stated that NCTD had provided cost information about the parking structure to the City, that revenue information had come from the developer, that the project was a real estate negotiation for NCTD and that real estate transactions were discussed in closed session. She stated that NCTD would assess the funds and additional funding sources required for the project when the project design was finalized, that the project had changed and construction costs had escalated, that NCTD would not have specific cost figures until more information regarding the project was available, and that the cost for the parking garage and maintenance of the garage had been provided to the City.

David Ott, City Manager, stated that the financials provided by NCTD were inadequate and that there was a significant revenue shortfall.

David Druker, NCTD, stated that they did not know what the project would look like, that funding depended on the number of living and retail units, and that the cost figures currently available would not be accurate.

David Winkler, Ad-Hoc Committee member, stated that it was critical for the City to know how it would be spending money and reviewed the increase in construction costs and materials for the project.

Tim Coughlin, Ad Hoc Committee member, stated that the project had continued to increase in price, that construction costs had increased 8.7% over the last two years, that no additional funding would have been required for the project proposed in 2002 as costs were about half of what they currently are, and that if the project had been completely funded in 2005 it should still be completely funded today.

James Lough, City Attorney, stated that the City had not released the financials provided by NCTD because the document could be an inter-agency or preliminary draft which are not subject to the Public Records Act and that the City wanted the financials to be reviewed by a financial consultant prior to releasing information.

Gary Martin, Ad Hoc Committee member, stated that the City would lose grant funds if the project did not move forward soon, that obtaining financial information from NCTD would assist the City in moving forward, and that losing the grant funds would make it difficult to complete the project.

Council and City Attorney discussion ensued regarding obtaining financial information from NCTD through the Public Records Act, that the City had already submitted this request to NCTD, and how the Council could direct the Ad Hoc Committee to proceed in gathering additional financial information from NCTD.

Council discussion ensued regarding information that had been gathered by the Ad Hoc Committee including how costs exceeded the revenue, that the developer and the Committee had been working on a design that would fulfill the needs of the community,

and that the City had received verbal requests from NCTD to provide funding for the project.

Karen King, NCTD Executive Director, stated that 2.4 million dollars in federal grants had been received, that six million dollars in grant funding was available, and that additional funding resources would be sought to fill the gap to fund the project.

Margaret Schlesinger stated that she expected to see a redesign of the project without the theater and with view corridors, that there had not been any redesign discussion, that there was not a resolution on the funding, that Council should discuss what kind of project they wanted, that there were still parking problems, and that she would like to see a project for the community to provide comment on.

Jim King stated that he lived close to S. Cedros, that parking had always been an issue on Cedros, and that he was concerned about the impact on traffic and parking in the area.

John Cione stated that there was a lack of full disclosure in regard to the financials of the project, that public money would be used, and that estimates of the project should be available.

Gordon Johns (3 minutes donated by Janell Johns) stated that Scott Barnett Tax Payers Advocate reviewed the City's financials, that the City could be in financial trouble in three years, that full disclosure was required of the project, and that the City did not have a lot of money, that Mr. Barnett's study stated three things the City could do to conserve money, 1) cut services, 2) raise taxes, 3) garner additional revenues. He stated that the City wanted a project and that trust and full disclosure was required.

Bruce Berend (3 minutes donated by Christine Nottingham) stated that parking was a concern, that the goal of the project was to provide long term parking solutions for the Coaster, that 517 parking spaces were inadequate, that the parking aspect of the project was flawed, and that NCTD should have been the expert on assessing the required number of parking spaces for the project.

Eric Lodge stated that initially he heard that the project was necessary for the financial well being of the City, the City funding would be required for the project, and that Council had a fiduciary responsibility to the City.

Jack Hegenaur stated that the EIR study was to be used as a decision making tool for the Council, that Council should consider all the impacts that had been pointed out by citizens, that there had been citizen and consultant input for the document, and that mitigations could not be proposed without knowing the impacts.

Dick Freeland, stated that he was a former Budget and Finance Commission member, that the project had been promoted as being a financial benefit for the City, that the project included two sources of revenue, 1) a small amount of sales tax, and 2) property tax. He stated that the two sources of revenue would be ear marked for Redevelopment purposes and could not be used for City services.

Gerri Retman stated that she expected to see a project presented, that public funds used for the project should be used for additional parking on Cedros.

Council discussion ensued regarding direction to the Ad Hoc Committee, that the Committee should work with NCTD and the developer to work on additional design options, that no funding would be required of the City by NCTD, and that the Ad Hoc Committee should return to Council with additional design options.

Council discussion ensued regarding the time frame to complete the project and that the project still had to go the Coastal Commission and NCTD for final approval.

**MOTION:** Moved by Roberts and seconded by Kellejian to direct the Mixed Use Train Station Ad Hoc Committee to continue to work with the developer, North County Transit District (NCTD) and all parties involved to design a framework to bring back after the Thanksgiving holiday and to schedule additional steps at that time within legal constraints. **Motion carried unanimously.**

**ADJOURN:**

Mayor Heebner adjourned the meeting at 8:14 p.m.



Leticia Fallone, Deputy City Clerk

Approved: February 13, 2008