

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

JOINT **REGULAR** MEETING

MINUTES

WEDNESDAY, FEBRUARY 24, 2010

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.

Johanna Canlas, City Attorney, stated that there was no reported action from the Closed Session.

CALL TO ORDER AND ROLL CALL:

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

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

Absent: None.

Also Present: David Ott, City Manager
Johanna Canlas, City Attorney
Angela Ivey, City Clerk
Dennis Coleman, Finance Director
Wende Protzman, Dir. Admin. Serv./Deputy City Mgr
Tina Christiansen, Community Dev. Dir.
Mo Sammak, City Engineer/Public Works Dir.

FLAG SALUTE:

Mayor Campbell led the flag salute.

APPROVAL OF AGENDA:

MOTION: Moved by Heebner and seconded by Nichols. **Motion carried unanimously.**

PROCLAMATIONS:

1. Solana Beach Del Mar Bocce Ball Event

Mayor Campbell presented a proclamation to the Solana Beach Del Mar Rotary Club for the Annual Bocce Ball Event.

PRESENTATIONS:

(Ceremonial items that do not contain in-depth discussion and no action/direction.)

1. Green House Inventory

David Ott, City Manager, introduced the item.

Steve Goestch, Clean and Green Committee member, stated that Solana Beach was the 607th city to sign the US Mayors Climate Control agreement, that the Clean and Green Committee was formed after the agreement was signed, that the group had met 24 times, that the Committee was composed of residents of surrounding cities (Del Mar, Encinitas and Carlsbad), that March was sustainability month, and he introduced Jack Hegenauer to present on the Green House Inventory.

Jack Hegenaur, Clean and Green Committee member, presented a powerpoint presentation. He stated that there were twelve steps to the US Mayors Climate agreement, that the Clean and Green Committee began working on the first step which was a Climate Action Plan, that California adopted AB32 which mandated a roll back of climate levels, and that a Climate Action Plan was a portfolio of sustainable practices and a framework for a sustainable future. He stated that AB32 could be repealed soon, that different greenhouse gasses had different effects on global warming, that the City had been increasing its rate of emissions by about 1% per year since 1990, that the major contributors to emissions were from the freeway, and that houses and businesses consumed a lot of energy and waste. He stated that potential mitigations included focusing on and encouraging mass transit, lowering electricity use, using natural gasses, conserving water, and recycling to reduce landfill waste. He stated that one way to approach climate protection action planning was to educate the public about global warming, that the Clean and Green Committee would meet with neighboring environmental groups to discuss items such as regional transportation, regional initiatives, water conservation, renewable energy, recycling single use plastics, forming cooperative agreements for community education, and reinforcing the political will of the Council to support greenhouse gas reduction.

Council thanked the Committee for their time and effort spent on developing approaches for sustainability and stated that the City was committed to working with the Committee.

Council discussion ensued the speaker regarding addressing mass transit issues with other local transportation agencies, regarding how to address freeway and transportation issues, and regarding the Committee's work with other neighboring cities environmental groups.

Lane Sherman thanked the Clean and Green committee. He stated that a small community action committee was formed, that he requested Council to authorize the production of a Climate Action Plan in 120 to 180 days, that the plan would demonstrate the possibility of being innovative in a low carbon economy, and that the committee desired Council's support and authorization to begin preparing this document.

Council discussion ensued regarding the type of support the group was requesting from the city and whether Staff support was available for this project due to budget issues.

ORAL COMMUNICATIONS:

This portion of the agenda provides an opportunity for members of the public to address the City Council on items relating to City business and not appearing on today's agenda by submitting a speaker slip (located on the back table) to the City Clerk. Comments relating to items on this evening's agenda are taken at the time the items are heard. Pursuant to the Brown Act, no action shall be taken by the City Council on public comment items. Council may refer items to the City Manager for placement on a future agenda. The maximum time allotted for each presentation is THREE MINUTES (SBMC 2.04.190). Please be aware of the timer light on the Council Dais.

Mike Mason, Business Development Manager, North County Transit District, stated that the Coaster was celebrating its 15 year anniversary, that the anniversary event was sponsored by the community, and that special discounts would be offered.

Christie Bauer stated that there was an inadequate storm drain on the corner of Ocean St. and Acacia, that the alley behind Acacia flooded during the heavy rain fall in January and effected many homes, that she contacted the City and the emergency number and got an answering machine, that water came through her home, that her garage doors caved in, and that she encouraged Council to review the effectiveness of the storm drain.

Tom Bauer stated that the alley on N. Acacia had flooded numerous times in the

past, that his home has flooded in the past as well as many of his neighbors homes, and that the storm drain for the area was inadequate and needed to be increased.

Lynn Kratka stated that there were businesses and residential properties in the area, that her garage structure was built in 1947, that several times a year her garage flooded, that the recent rain was very damaging, that there was 9 inches of water in her garage and 6 inches of water on her back patio, and she asked Council to review the storm drain and find solutions to eliminate flooding in the future.

Ken Taylor stated that he had several flooding issues in his home, that this year was the worst, that the entire garage flooded, that he lost thousands of dollars of equipment, that he had witnessed five cars getting stuck in the alley, that there were safety issues when the storm drain flooded, that the storm drain was inadequate for the area and got overwhelmed, and that alternate strategies for water drainage during storms was required.

Janet Rahaulah stated that a lot of her property had been damaged, that the storm drain was a safety issue, and that during the recent storm her husband had to assist children getting out of cars that were stuck in the alley.

Alan Braun stated that the flooding was becoming more frequent with each rain storm, that the safety issues with cars getting stuck in the alley was a concern, and that the storm drain should be evaluated.

Lori Taylor stated that she was at work when the last flooding occurred, that her children and babysitter were stuck in the car due to the flooding, that another car also got stuck behind them, that there were safety concerns and property damage from the storm drain, and that there needed to be more attention from the City on the issue.

Stan Simpson stated that his garage flooded, that he had a contractor that reviewed drains for the City of Del Mar review the drain, and he passed out a report from the contractor. He stated that he had property damage, and that he was concerned about the safety of cars becoming stuck in the alley.

Mayor Campbell stated that the Council was unable to have discussion or make policy decisions on oral communication items, that direction could be provided to the city Manager to direct Staff to review the storm drain and identify potential solutions, and to provide Council with a follow up report.

COMMUNITY ANNOUNCEMENTS:

Council reported community announcements.

COMMENTARY:**A. CONSENT CALENDAR:**

Items listed on the Consent Calendar are to be acted in a single action of the City Council unless pulled for discussion. Any member of the public may address the City Council on an item of concern by submitting to the City Clerk a speaker slip (located on the back table) before the Consent Calendar is addressed. Those items removed from the Consent Calendar by a member of the Council will be trailed to the end of the agenda, while Consent Calendar items removed by the public will be discussed immediately after approval of the Consent Calendar.

A.1. Waive the reading of Ordinances.

Recommendation: That the City Council

1. Approve waiving the text reading of ordinances on this agenda pursuant to Solana Beach Municipal Code Section 2.04.460.

MOTION: Moved by Roberts and seconded by Heebner. **Motion carried unanimously.**

A.2. Minutes of the City Council.

Recommendation: That the City Council

1. Approve the Minutes of City Council meetings held May 27, 2010, June 24, 2010, October 14, 2010, November 10, 2010, and November 18, 2010.

MOTION: Moved by Roberts and seconded by Heebner. **Motion carried unanimously.**

A.3. Register Of Demands. (File 0300-30)

Recommendation: That the City Council

1. Ratify the list of demands for January 23 - February 5, 2010.

MOTION: Moved by Roberts and seconded by Heebner. **Motion carried unanimously.**

A.4. Support the CaliforniaFIRST Municipal Financing Program. (File 0390-34)

Recommendation: That the City Council

1. Adopt Resolution 2010-023 authorizing Sacramento County as the lead agency to apply for State Energy Program funds to support the CaliforniaFIRST municipal financing program.

MOTION: Moved by Roberts and seconded by Heebner. **Motion carried unanimously.**

A.5. California State Parks Grant Funds to Support the La Colonia Park Renovation Project. (File 0390-34)

Recommendation: That the City Council

1. Adopt Resolution 2010-024 authorizing the City Manager to apply for the State Parks Grant funds to support the La Colonia Park Renovation Project.

MOTION: Moved by Roberts and seconded by Heebner. **Motion carried unanimously.**

A.6. Extend Construction Management Agreement with Nolte Associates for Eden Gardens Sewer Pump Station Replacement Project. (File 0400-10)

Recommendation: That the City Council

1. Adopt Resolution 2010-025 authorizing the City Manager to amend the agreement with Nolte and increase the contract amount from \$328,645 to \$370,645 (an amount not to exceed \$42,000) and authorizing the use of project contingency funds for the amendment.

MOTION: Moved by Roberts and seconded by Heebner. **Motion carried unanimously.**

A.7. Support of the San Dieguito Greenway (File 0480-70)

1. Adopt Resolution 2010-026 supporting Senator Kehoe's proposed Del Mar Greenway project.

MOTION: Moved by Roberts and seconded by Heebner. **Motion carried unanimously.**

C. STAFF REPORTS:

Submit speaker slips to the City Clerk

C.1. Retail Nursery Use as a Prohibited Use in the LMR Zone. (File 0610-10)

Recommendation: That the City Council

1. Provide direction to Staff on whether further investigation of the issue is to be pursued under any of the alternatives presented.

David Ott, City Manager, introduced the item stating that Council requested a report of the provision of the municipal code that prohibits horticulture within the low medium residential zone.

Tina Christiansen, Community Development Dir., stated that Staff reviewed what options there might be to allow for the sale of plants in the low medium residential zone, that retail nurseries were not allowed, that Staff reviewed all potential alternatives which included a general plan update, and that a general plan update would be occurring over the next 3 years since it was a lengthy process of a comprehensive review of cities regulations.

Council and Staff discussed the requirement to change all residential zoning and that they did not have the ability to make it for one piece of land.

Tina Zucker thanked Staff for the report and for looking into the issue, that it came about because she had some plants for a show she had coming up and thought she could sell some from her home in the interim, that she was not intending to have a major business at her home, that she understood due to laws that a permit was required and that she applied since it said it was at the discretion of the director, that it would not affect her own business selling plants at shows, and that she understood whatever Council decided to do.

Council, Staff and Ms. Zucker discussed her selling plants at her home since last April, that she sells at Farmer's Markets and garden festivals, that the definition of a yard sale was a sale that was held once or twice a year and the selling of ones own belongings, that selling retail would be purchasing items and bringing them in to re-sell and selling them often, that the code defined garage sales as events that did not take place no more than 2 consecutive days nor more than 6 days in a year, that this issue was a violation in two areas including the

prohibition of horticulture and retail sales in residential areas, and that the City had been reactive due to a sign that had been posted in the yard.

Council discussion continued regarding that the City's code restricts this use unless the code is changed and that the change of this zoning could trigger a Prop T vote.

Council reached consensus to accept and file the report.

C.2. Discussion on Naming Rights of North County Transit District Transit Stations. (File 0150-75)

Recommendation: That the City Council

1. Provide direction to Councilmember Roberts.

Councilmember Roberts introduced the item and stated that the North County Transit District had expressed some interest in considering naming rights for their stations, that an article had stated that it would be by staff direction, that since that time Mr. Mason had learned that it would now be a Board decision and include community input. He said that he wanted to inform Council as he would be voting on their behalf.

Council discussed their thoughts and concerns about internal policies developed, that a naming right not just go to the highest bidder without any standards in place, to consider naming the routes instead of stations, that naming could be seen as tacky, consider only naming equipment and not community space, to have some design standards, that there should be public input, that the name should include the City destination in the name, that they were going to prohibit alcohol however there is a new local winery.

Mayor Campbell recessed the meeting 7:30 p.m. for a break and reconvened at 7:35 p.m.

C.4. Calling the Election for the Business Tax Ordinance. (File 0430-20)

Recommendation: That the City Council

1. Discuss the item, decide on which business tax model to use, and call for the election.
2. Adopt Resolution 2010-11 calling the Municipal Special Election, requesting services of the San Diego County Registrar of Voters,

and proposing the question and ordinance to be submitted to the voters.

3. Adopt Resolution 2010-12 approving the impartial analysis, arguments and rebuttals.

David Ott, City Manager, introduced the item and presented a powerpoint and stated that this was the ninth meeting on this issue. He said that budget cuts had been made and there more cuts currently happening, that they City had 50 full time positions which was a very lean staff, that services were beginning to be affected, that he had been directed to work on a version of a business tax that was as fair and simple as possible. He stated that there was discussion of 5 or 6 tier tax model, that Option B was a multiplier to use in place of the fee, then reviewed the six tier Option A and B, that added a tier for those making over 5 million.

Council and Staff discussed concerns of how to proceed after the last meeting, that they had tried to present the fairest ways to proceed, that there were a lot of misconceptions out among the community, that Solana Beach being one of only 3 local cities that did not utilize a business tax and one out of a handful among the state, that there has not an onslaught of businesses coming to the City because it did not have a business tax, that an optional six tier business tax model had been presented, that the tier made higher grossing businesses pay more than lower businesses, that residential rentals of 5 units or more would be charged \$2 for each unit, that the business model had changed, that people and businesses had made changes in spending, that there was a contraction of the spending model, that the local businesses were still in need of the local services including public safety resources, that apartments had a restricted property tax basis, and that the need for services were not reduced or lost.

Council and Staff continued to discuss issues that Staff had been imaginative in making cuts and how to deliver services differently including the fire services management changed model which combined with management services with neighboring cities to reduce costs and enhance services, the sharing of the IT contract coverage with the City of Del Mar, the counter coverage sharing with the City of Del Mar for building permitting, that only so much could be done, that Staff was always look at ways to trim but choices did become limited, and that Council struggled with CIP projects including the review of storm drains and roads.

Council and Staff continued discussion the fact that Staff was already working on the next budget, the proposal presented for the 6 tier which was allowing large businesses to pay their proportional share, that this was a result of listening to the community, and to consider approving only 50% of the tax the first year and then re-assess for the following year.

MOTION: Moved by Campbell and seconded by Roberts to approve the Resolution Calling the Election and adopting the Option A Ordinance (Exhibit A of Resolution) adding the Tier presented on Slide 10 of the presentation for Table A.1. and include a Phasing for the first year of 50% of the tax. **Motion carried unanimously.**

Michelle Slingerland, San Diego Apartment Association, said that the City was asking apartment dwellers and owners to pay twice for City services, that this was a greater burden on this segment of the population at the rate of \$25 per unit since it was disproportionately higher than other businesses in Solana Beach, that the vacancy rate in Solana Beach was at 10 1/2 % which was more than twice the industry standard of a balanced market, that water rates rose more than 30% and sewer rates rose 16% since 2008, that there was a 13% transient occupancy tax on vacation rentals, that these costs were all on top of property taxes, that the \$2 per unit per month may seem small but it is part of a whole of operational costs, that it did not seem fair and that they were not given any input in the proces.

Council and Staff discussed that multiple property were different due to the property value and that the issue had been heavily publicized up until this point.

Peter House presented a powerpoint and stated that he had walked to businesses to get their input, that some concerns were that it was too much now to not wanting any tax, that many businesses did not make money last year in all of the tiers, that all businesses in town had made cuts due to the economy, that they did not have input on the new information, that he applauded adding a tier which helps offset some costs by those making more revenue.

Carl Turnbull said that Peter contacted him, that he represented a lot of people in the business community, that their income was not going to come back, and that if government was going to increase taxes on goods and services they needed to figure out how to cut spending.

Greg Petre said that no one wanted to pay taxes, that everyone had to pay for fire and police, that the issue he had become complicated, that the new tier and the model now seemed more simple, that he thought this should go forward and stick with it, wondered if the City had an emergency fund and that it posted interest earnings and what qualified it to dip into its emergency funds.

Mayor Campbell explained that Council had discretion to dip into undesignated reserves and they had made a decision to already dip into them.

Jim King said he opposed to the tax, that most businesses were hurting now and

that he did not think it was fair to have the public raise taxes, that he did not think it would pass.

Terry Wardell said that he appreciated the 6th tier, that he was a business owner and a residential property owner, that he understood the City's issues and that it had cut \$1 million, that he had cut 30 employees and currently was down 20%, and that he trusted that all businesses were having trouble.

Peter Zahn said he was the original signer of the agreement, that he thought this proposed 6th tier addressed a lot of concerns, that he personally supported it, that he appreciated the sensitivity that the City had shown, and that this compromise did address a lot of those concerns.

David Carroll said there was a massive effort by everyone, that what was right for the City is what had to be done, that there were a number of people upset, that tough times called for tough decisions, that he thanked Council for its efforts from the perspective of the Chamber, and that it was coming to fruition so people would let us all know.

Ira Opper said that the small business should not shoulder the only burden, that the 6th tier should come with some bragging rights and that maybe the Chamber could help business find out how to improve and move from the lower tier to the higher tier and pay more taxes.

Gerri Retman said that she had confidence in the Council to do what was right and fair, that she had read a letter in the staff report by Carl Turnbull from Encinitas who could not even vote on the matter and said that it was full of inaccuracies, that it was important to have accurate information. that she understood that at one time Mr. Turnbull had supported the 5 tier model and now decided not to support any of it seemed disingenuous, that he was quick to suggest to cut back and the City Manager had listed many things that had been done, and that she remembered many early things that had been done, and that she supported the efforts.

Pat Dougherty said that she shared the view of Mr. House and Terry Wardell, that she appreciated the process to compromise, that she realized it was difficult to make everyone happy, and it was a struggle.

Marion Dodson said that it was up to the public to embrace, wondered what it cost to administer program, that as a property and business owner that she had worked with a lot of agencies, that it was not easy to track businesses especially in this economy, how to ensure that the City had collected from everyone, and was there a sunset clause.

Council and Staff discussed that the estimated cost to administer was

approximately \$25,000 but was now down to about \$12,000, how code enforcement inspections might handle to ensure businesses had a certificate, whether other cities had sunset clauses, that only 6% of cities don't have a business tax and only 3 cities in this county, that voters would need to make the decision, that there had been 9 meetings, that officials could apply a waiver in any year they decided to, that an employee pension workshop was approaching next week to address those costs, that a fire benefit fee charged to taxpayers had not changed in many years and could be reviewed in the future, and that all Council could support the business tax as a concept.

Council continued discussion regarding that the tax would go into effect in July if approved, that for the first year a 50% charge could be applied as a phasing and 100% the second year, that the business community had been engaged, that the purpose was to maintain the quality of life and level of service in the City.

MOTION: Moved by Roberts and seconded by Heebner. **Motion carried unanimously.**

C.3. Introduction (1st Reading) of Ordinance 413 relating to sidewalk maintenance. (File 0820-45)

Recommendation: That the City Council

1. Introduce Ordinance 413 repealing Solana Beach Municipal Code Section 11.24.110 relating to sidewalk maintenance.

Johanna Canlas, City Attorney, introduced the item.

Council and City Manager discussed trees that were planted by residents that encroached the right of way, that the City keeps an inventory of the City's trees, and that this cleans up an ambiguity in the code.

MOTION: Moved by Roberts and seconded by Nichols. **Motion carried unanimously.**

WORKPLAN COMMENTS:
(Adopted June 24, 2009)

COMPENSATION & REIMBURSEMENT DISCLOSURE:

GC: Article 2.3. Compensation: 53232.3. (a) ... Reimbursable expenses shall include, but not be limited to, meals, lodging, and travel. 53232.3 (d) Members of a legislative body shall provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

COUNCIL COMMITTEE REPORTS:

Council made committee reports.

Regional Committees: (outside agencies, appointed by this Council)

- a. City Selection Committee - Roberts (meets twice a year).
- b. County Service Area 17 - Campbell, Nichols (alternate).
- c. Escondido Creek Watershed Authority - Nichols, Roberts (alternate).
- d. League of Ca. Cities' San Diego County Executive Committee - Roberts, Kellejian (alternate) and any subcommittees.
- e. League of Ca. Cities' Local Legislative Committee - Roberts, Kellejian (alternate).
- f. League of Ca. Cities' Coastal Cities Issues Group (CCIG) - Kellejian, Roberts (alternate).
- g. North County Dispatch JPA - Nichols, Campbell (alternate).
- h. North County Transit District - Roberts, Heebner (alternate).
- i. Regional Solid Waste Association (RSWA) - Nichols, Kellejian (alternate).
- j. SANDAG - Heebner (Primary), Roberts (1st alternate), Nichols (2nd alternate) and any subcommittees.
- k. SANDAG Shoreline Preservation Committee - Kellejian, Roberts (alternate).
- l. San Dieguito River Valley JPA - Roberts, Nichols (alternate).
- m. San Elijo JPA - Campbell, Roberts (both primary members) (no alternates).
- n. 22nd Agricultural District Association Community Relations Committee - Campbell, Roberts.

Standing Committees: (All Primary Members) (Permanent Committees)

- a. Business Liaison Committee - Roberts, Campbell.
- b. Highway 101 / Cedros Ave. Development Committee - Nichols, Heebner.
- c. I-5 Construction Committee - Heebner, Roberts.
- d. Public Arts Committee - Roberts, Nichols.
- e. School Relations Committee - Roberts, Campbell.

Ad Hoc Committees: (All Primary Members) (Temporary Committees)

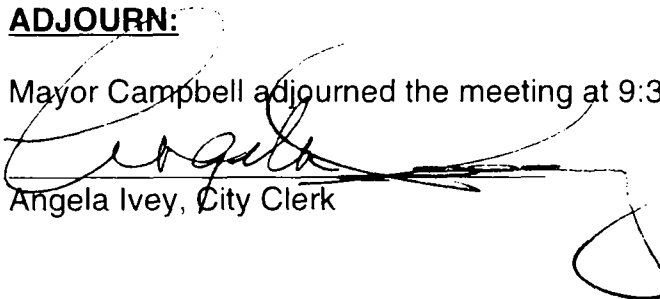
- a. Army Corps of Engineers & Regional Beach Nourishment - Kellejian, Campbell. Expires December 8, 2010.
- b. Development Review - Nichols, Heebner. Expires November 17, 2010.
- c. Environmental Sustainability - Roberts, Heebner. Expires December 8,

2010.

- d. Fletcher Cove - Campbell, Heebner. Expires November 17, 2010.
- e. La Colonia Park - Nichols, Heebner. Expires May 26, 2010.
- f. Local Coastal Plan Ad-Hoc Committee - Roberts, Campbell. Expires February 9, 2011 or at the California Coastal Commission adoption.
- g. NCTD / Train Station Site Project Ad Hoc Committee - Heebner, Nichols. Expires 1-12-2011
- h. View Assessment - Nichols, Heebner. Expires August 25, 2010

ADJOURN:

Mayor Campbell adjourned the meeting at 9:30 p.m.


Angela Ivey, City Clerk

Approved: July 14, 2010