



ACTION MINUTES

CAPITOLA CITY COUNCIL

REGULAR MEETING

Thursday, August 9, 2007

6:00 P.M. –CLOSED SESSION – CITY MANAGER’S OFFICE CAPITOLA REDEVELOPMENT AGENCY & CITY COUNCIL

At 6:00 p.m. in the City Hall Council Chambers, an announcement was made by Mayor Termini regarding the items to be discussed in Closed Session. No one addressed the Council at this time.

City Attorney Barisone informed the Council that a letter was received earlier on this day from the law firm of Hart, King & Coldren protesting the proposed ordinance on tonight’s agenda pertaining to Conversion of Mobilehome Parks to Resident Ownership by use of the Subdivision Process. He said the firm is currently suing the city regarding its rent control ordinance, and the letter represents foreseeable litigation. City Attorney Barisone said in his view consideration of this letter cannot wait until the City Council’s next regular meeting in September, and he recommended the matter be added to the closed session agenda, with the finding that it was brought to the city’s attention after posting of the agenda and needs to be dealt with prior to the Council’s next regular meeting of September 13, 2007.

ACTION: Council Member Graves moved, seconded by Council Member Storey, to add one case of Potential Litigation to the City Council’s Closed Session Agenda, with the finding that the matter arose after the posting of the agenda and needs to be acted upon prior to the Council’s next regular meeting on September 13, 2007. The motion carried on the following vote: AYES: Council Members Begun, Nicol, Graves, Storey and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

The City Council adjourned to its closed session at 6:04 p.m.

CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Govt. Code §54956.8)

1. Property: 1720 Wharf Road, Capitola (Golino Property – Golino Family as Tenants in Common, Owners)
Agency Negotiator: City Manager
Under Negotiation: Purchase of Property by City
2. Property: Rispin Property and Peery Park, Capitola
Agency Negotiator: City Manager, Public Works Director
Under Negotiation: Acquisition of P.G.& E. Easement across City-owned Property

LIABILITY CLAIMS (Govt. Code §54956.95)

Claimant: Edward Bustamantez

*** ADDED ITEM* - CONFERENCE WITH LEGAL COUNSEL-POTENTIAL LITIGATION**

Significant Exposure to litigation pursuant to Govt. Code Section 54956.9(b): One case

6:45 P.M. REDEVELOPMENT AGENCY - (See Redevelopment Agency Action Minutes)

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CITY COUNCIL REGULAR MEETING

Mayor Termini called the Regular Meeting of the City Council to order at 6:57 p.m. in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

ROLL CALL AND PLEDGE OF ALLEGIANCE

PRESENT: Council Members Bob Begun, Kirby Nicol, Ron Graves, Sam Storey, and Mayor Michael Termini; City Treasurer Tony Gualtieri

ABSENT: None

STAFF: Acting City Manager/Finance Director Lauren Lai, City Attorney John Barisone, Community Development Director Juliana Rebagliati, Public Works Director Steve Jesberg, Chief of Police Rick Ehle, Assistant to the City Manager Lisa Murphy, and City Clerk Pamela Greeninger

1. REPORT ON CLOSED SESSION [520-25]

City Attorney Barisone said the items discussed in closed session were those items listed on the posted agenda. He also stated that prior to convening in closed session, the City Council received information regarding a matter of threatened litigation, and the council made a finding to add one case of Potential Litigation to the City Council's Closed Session Agenda, with the finding that the matter arose after the posting of the agenda and needed to be acted upon prior to the Council's next regular meeting on September 13, 2007. City Attorney Barisone reported on the items discussed in Closed Session as follows:

- The Council received a brief report from Public Works Director Jesberg regarding the Golino property located at 1720 Wharf Road. No reportable action was taken.
- The Council received a status report pertaining to negotiations with PG&E pertaining to easements over City and Redevelopment Agency property. He said no reportable action was taken in closed session as the matter is on the agenda for Joint City/Agency consideration.
- The Council received information regarding a letter from the law firm of Hart, King & Coldren pertaining to the proposed Mobilehome Conversion Urgency Ordinance on the City Council's Open Session agenda. No reportable action was taken.
- There was a brief discussion regarding the tort claim of Edward Bustamantez. Public Works Director Jesberg answered questions of council members regarding that item, which is on the Regular Meeting Agenda for denial. No reportable action was taken in Closed Session.

2. ORAL COMMUNICATIONS

A. Additions and Deletions to Agenda – None

B. Public Comments

Ron Skelton read prepared comments pertaining to the work of the Neighborhood Traffic Advisory Committee and recommendations made by the committee. He commented on the various street improvement projects that have been occurring in the City and asked that the Council move forward on the Clares Street traffic calming project. He urged the council to dedicate a fair percentage of CIP funds to pedestrian issues. *(Note: A copy of Mr. Skelton's comments was submitted to the City Clerk for the record.)*

C. Staff Comments – None

D. City Council/Treasurer Comments

Council Member Nicol said a copy of the letter from the law firm of Hart, King & Coldren regarding the proposed ordinance pertaining to Conversion of Mobile Home Parks to Resident Ownership is available for inspection in the Counter Copy Agenda Packet in the back of the Council Chambers.

Mayor Termini said the Presentation would be made at this time.

***** PRESENTATION *****

**Juvenile Alcohol Grant and Enforcement Programs
by Police Officer Jason Grogan**

Detective Jason Grogan commented on the 2 grants received by the Police Department to address juvenile alcohol issues. He discussed the operations conducted under the CURB Grant (to reduce teenage binge drinking) and the ABC Shoulder Tap Grant (to address adults buying alcohol for underage individuals). Detective Grogan said they have conducted 3 operations under each grant and have made several arrests.

Council Member Storey asked if the ABC would revoke a liquor license if a business were caught selling alcohol to a minor. Officer Grogan said he understands businesses have had their permits revoked for a period of time and have also been charged a fine. Council Member Storey also asked if public notices were provided to businesses prior to such operations being conducted, and he was told they were notified. Mayor Termini asked if the Police Department was doing anything positive to inform the youth of the bad effects of binge drinking. Officer Grogan said nothing has been done to his knowledge, but it is something they may want to consider.

E. Committee Reports/Appointments

Council Member Graves said he attended the AMBAG meeting last night and informed staff there may be an increase in membership fees.

F. Approval of Check Register Report [300-10]

Staff responded to questions from council members pertaining to check numbers 52492, 52528, 52571, and 52652. Council Member Graves referred to Page 3, footnote 3 of the report, saying the item "Rispin Interest Earnings" has a footnote referring to the Golino property. He said footnote 2 on Page 4 is the same. Acting City Manager/Finance Director Lai thanked Council Member Graves for bringing this to staff's attention. She said the money for the open space fund comes from the Rispin interest.

Council discussion was followed by this action:

ACTION: Council Member Nicol moved, seconded by Council Member Storey, to approve the Check Register Reports dated July 20 and July 27, 2007, including checks numbered 52490 through 52534 in the amount of \$48,490.35, and checks numbered 52535 through 52629 in the amount of \$1,748,177.71, respectively, and payroll disbursements for the 7/14/07 payroll in the amount of \$245,976.05, for a Grand Total of \$2,042,644.11, as submitted. The motion carried on the following vote: AYES: Council Members Begun, Nicol, Graves, Storey, and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

3. CONSENT CALENDAR

Mayor Termini asked if there were any items members of the council or public wished to pull for separate discussion. No items were pulled; however, comments were made regarding the following items: 3.C., 3.H., 3.I., and 3.M. See comments under those items.

CONSENT CALENDAR ACTION: Council Member Nicol moved, seconded by Council Member Storey, to approve the Consent Calendar as recommended. The motion carried on the following vote: AYES: Council Members Begun, Nicol, Graves, Storey, and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

A. Waive Reading of all Ordinances and Resolutions on the Agenda.

ACTION: The City Council unanimously approved the reading by title of all Ordinances and Resolutions and declared that said titles which appear on the public agenda shall be determined to have been read by title and further reading waived.

3. CONSENT CALENDAR (Continued)

B. Approval of Minutes –Regular Meeting of July 12, 2007.

Council Member Graves referred to Oral Communications Item 2.B. pertaining to the woman who addressed the council about handicap accessibility issues. He asked if she submitted information as was stated in the minutes. City Clerk Greeninger said she had asked the City Manager and Public Works Director if the woman had contacted either of them, as she needed her name for the record. Neither of them has heard from her.

ACTION: Council Member Nicol moved, seconded by Council Member Storey, to approve the Minutes of the Regular Meeting of June 28, 2007, as submitted. The motion carried on the following vote: AYES: Council Members Begun, Nicol, Graves, Storey, and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

C. Receipt of Planning Commission Action Minutes for the Regular Meeting of August 2, 2007. [740-50]

Council Member Graves said he has received numerous emails regarding Planning Commission Public Hearing Item 3 regarding 200 Kennedy Drive (Application #07-019). He asked if the Council could be alerted about what transpired at a Planning Commission meeting.

Community Development Director Rebagliati informed the Council that final action was not taken by the Planning Commission; therefore, the project is not in an appeal period. She said draft minutes could be provided to the Council for their information.

ACTION: The City Council unanimously received the Planning Commission Action Minutes for the Regular meeting of August 2, 2007, as submitted.

D. Deny Claim for Damages from Edward Bustamantez and forward it to the City's liability insurance. [Claims Binder]

ACTION: Council Member Nicol moved, seconded by Council Member Storey, to deny the claim of Edward Bustamantez and forward it to the City's liability insurance carrier. The motion carried on the following vote: AYES: Council Members Begun, Nicol, Graves, Storey, and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

E. Adopt Ordinance Amending Section 9.12.015 of the Capitola Municipal Code Pertaining to Mechanical Sweeping Devices, Parking Lot Vacuum Machines, and Leaf Blowers (2nd Reading). [485-40]

ACTION: Council Member Nicol moved, seconded by Council Member Storey, to adopt **Ordinance No. 921, Ordinance Amending Capitola Municipal Code Section 9.12.015 Pertaining to Mechanical Sweeping Devices, Parking Lot Vacuum Machines and Leaf Blowers**, as submitted. The motion carried on the following vote: AYES: Council Members Begun, Nicol, Graves, Storey and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

F. Adopt Resolution Repealing Resolution No. 3581 Pertaining to Hours of Operation for Leaf Blowers at Retail/Commercial Centers Pursuant to Municipal Code Section 9.12.015 C. [485-40]

ACTION: Council Member Nicol moved, seconded by Council Member Storey, to adopt **Resolution No. 3652, Resolution Repealing Resolution No. 3581 Pertaining to Hours of Operation for Leaf Blowers at Retail/Commercial Centers Pursuant to Municipal Code Section 9.12.015 C**, as submitted. The motion carried on the following vote: AYES: Council Members Begun, Nicol, Graves, Storey and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

3. CONSENT CALENDAR (Continued)

G. Adopt Ordinance Amending Capitola Municipal Code Sections 18.02.020, 18.02.030, 18.02.060 A, and 18.02.070 A Pertaining to the Provisions of Affordable (Inclusionary) Housing in the City of Capitola to Include Creation of Mobile Home Parcels (2nd Reading). [750-10]

ACTION: Council Member Nicol moved, seconded by Council Member Storey, to adopt **Ordinance No. 922, Ordinance Amending Sections 18.02.020, 18.02.030, 18.02.060 A, and 18.02.070 A of the Capitola Municipal Code Pertaining to the Provisions of Affordable (Inclusionary) Housing in the City of Capitola to Include Creation of Mobile Home Parcels**, as submitted. The motion carried on the following vote: AYES: Council Members Begun, Nicol, Graves, Storey, and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

H. Approve Closure of City Hall to the Public on August 17, 2007, for City Hall Clean Up Day. [200-30]

Council Member Begun asked if staff was accepting volunteers for Clean Up Day and Acting City Manager Lai responded that volunteers would be welcome.

ACTION: Council Member Nicol moved, seconded by Council Member Storey, to approve closing City Hall Administrative Offices to the public on Friday, August 17, 2007, for City Hall Clean Up Day, as proposed. The motion carried on the following vote: AYES: Council Members Begun, Nicol, Graves, Storey and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

I. Report on 2006/07 FY City Carry-Forward Report Requests. [330-05/330-10 (2006/2007 and 2007/2008 files)]

Acting City Manager/Finance Director Lai responded to comments of council members regarding the City's Carry-Forward report, including concerns about the negative carry forward and why revenues are not carried forward.

ACTION: Council Member Nicol moved, seconded by Council Member Storey, to adopt **Resolution No. 3653, Resolution Amending the 2006/07 and 2007/08 General Fund Operating Budgets to Carry Forward \$178,200 in Revenues and \$187,600 in Expenditures, amending the Equipment Acquisition & Replacement Fund to Carry Forward \$22,300 in Expenditures, and Amending the Capital Improvement Program Funds to Carry Forward \$150,400 in Expenditures**, as submitted. The motion carried on the following vote: AYES: Council Members Begun, Nicol, Graves, Storey and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

J. Approve Request for Special Event Permit, Encroachment Permit and Entertainment Permit by the Capitola-Soquel Chamber of Commerce for the 25th Annual Art and Wine Festival in Capitola Village and Live Music in Esplanade Park on Saturday and Sunday, September 8 & 9, 2007; and Approve Grant for Permits and Police and Public Works Department Fees in the Amount of \$4,200. [1050-70]

ACTION: Council Member Nicol moved, seconded by Council Member Storey, to approve the recommended action as follows:

1) Approved the Special Event Permit, Encroachment Permit, and Entertainment Permit for the 25th Annual Capitola Art & Wine Festival to be held on Saturday and Sunday, September 8 and 9, 2007, in Capitola Village as requested, and authorized the Capitola Police Department to issue said permits; and

2) Approved a City Grant for Permits and projected Police and Public Works Department fees in the amount of \$4,200.

The motion carried on the following vote: AYES: Council Members Begun, Nicol, Graves, Storey and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

3. CONSENT CALENDAR (Continued)

K. Resolution Amending the City's Bail Schedule to Increase Existing Fines, Correct Municipal Code Section Numbers, and Add New Fines to the City's Bail Schedule. Staff recommendation: adopt resolution. [390-20]

ACTION: Council Member Nicol moved, seconded by Council Member Storey, to adopt **Resolution No. 3654, Resolution Repealing Resolution No. 3417 and Resolution No. 3452 and Amending the City of Capitola Bail Schedule**, as submitted. The motion carried on the following vote: AYES: Council Members Begun, Nicol, Graves, Storey and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

L. Accept Transient Occupancy Revenue Report – Fiscal Year Ended June 30, 2007 (Unaudited). [390-70]

Council Member Nicol complimented staff on developing an increase in the City's Transient Occupancy Tax this year in the amount of \$68,734.

ACTION: Council Member Nicol moved, seconded by Council Member Storey, to accept the Transient Occupancy Revenue Report for Fiscal Year Ended June 30, 2007 (Unaudited), as submitted. The motion carried on the following vote: AYES: Council Members Begun, Nicol, Graves, Storey and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

M. Approval of Contract with RBF Consulting to Conduct the Capitola Village Comprehensive Parking Study in the amount of \$27,000. [470-40/500-10 A/C: RBF Consulting]

Council Member Graves asked if the \$27,000 dollar amount has any correlation to the not-to-exceed \$15,000 amount previously approved. Community Development Director Rebagliati responded that the City has a total grant of \$35,000 for this project. \$15,000 was to prepare background data on parking figures, and the \$27,000 contract is to hire the engineering consultants to complete the study. Council Member Graves thanked staff for clarification.

ACTION: Council Member Nicol moved, seconded by Council Member Storey, to approve the proposed contract with RBF Consulting in the amount of \$27,000 to conduct the Capitola Village Comprehensive Parking Study, as submitted. The motion carried on the following vote: AYES: Council Members Begun, Nicol, Graves, Storey and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

4. PUBLIC HEARINGS

A. 420 Capitola Avenue – Project Application #06-031, Public Hearing on Appeal of Planning Commission Decision To Deny a Coastal Permit, Conditional Use Permit and Architectural & Site Review for Construction of a Wireless Communications Facility in the PF/VS (Public Facility/Visitor Serving) Zoning District (APN 035-141-33). Filed 5/26/05 *1. Property Owner: City of Capitola. Representative: Peacock Associates, Evan Shepherd Reiff for Metro PCS. Presentation: Community Development Department. [730-10]

Community Development Director Rebagliati summarized the written agenda report and responded to questions of council members. Evan Shepherd Reiff, representative of Peacock Associates for Metro PCS, addressed the Council regarding their application and responded to questions of council members. He said there is no rationale for denying the permit and that the findings against the appeal are not viable. Mr. Reiff believes the proposed Wireless Communications Facility is a viable project and should be approved. No one from the public addressed the council on this item.

Council discussion was followed by this action:

4. A. PUBLIC HEARINGS (Continued)

ACTION: Council Member Storey moved, seconded by Council Member Graves, to approve the recommended action to uphold the action of the Planning Commission to deny Application #06-031 for a Coastal Permit, Conditional Use Permit and Architectural & Site Review for Construction of a Wireless Communications Facility in the PF/VS (Public Facility/Visitor Serving) Zoning District (APN 035-141-33), subject to the Findings contained on Attachment 1 of the Agenda Report. The motion carried on the following vote: AYES: Council Members Begun, Nicol, Graves, Storey and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

City Attorney Barisone suggested that the council provide clarification to staff that a resolution denying the appeal be prepared and that it also reference the fact that the City, as property owner, is not interested in leasing city-owned property for this particular purpose at this time. The City Council concurred.

B. Public Hearing to Consider Adoption of an Ordinance Amending Certain Time Limitations with respect to the Redevelopment Plan for the Capitola Redevelopment Project. Presentation: Finance Director. [760-10]

Acting City Manager/Finance Director Lai summarized the written agenda report and responded to questions of council members. She said this action only affects the old project area, and it is in the best interest of the City and the Redevelopment Agency to extend the time limits and explained why.

Mayor Termini opened the public hearing at 7:58 p.m. Seeing no one the public hearing was closed.

There was no discussion prior to the following action being taken:

ACTION: Council Member Begun moved, seconded by Council Member Storey, to pass the proposed Ordinance Extending Certain Time Limits for the Redevelopment Plan for the Capitola Redevelopment Project to a second reading, as submitted. The motion carried on the following vote: AYES: Council Members Begun, Nicol, Storey, and Mayor Termini. NOES: Council Member Graves. ABSENT: None. ABSTAIN: None.

Council Member Graves explained his reason for not voting in favor of the ordinance; he cannot see any real reason to extend the time limits of the agency.

C. Public Hearing on Application to the State of California Community Development Block Grant (CDBG) Program for a Planning and Technical Assistance Grant of \$35,000 for Preparation of a 41st Avenue Corridor Economic Development Mixed-Use Study. Presentation: Community Development Department. [700-10]

Community Development Director Rebagliati summarized the written agenda report and responded to questions of council members pertaining to other areas of study, including 38th Avenue and Clares Street. She said all funding would come from CDBG funds.

Mayor Termini opened the public hearing at 8:07 p.m. to solicit public input on the City's Application to the State CDBG Program for a \$35,000 Planning and Technical Assistance Grant. No one from the public addressed the Council on this item.

Council discussion was followed by this action:

ACTION: Council Member Begun moved, seconded by Council Member Storey, as follows:

- 1) Adopted **Resolution No. 3655, Resolution Approving an Application for Funding and Execution of a Grant Agreement and Any Amendments Thereto from the Planning/ Technical Assistance Allocation of the State Community Development Block Grant (CDBG) Program for a 41st Avenue Corridor Economic Development Mixed-Use Study;** and

4. C. PUBLIC HEARINGS (Continued)

2) Authorized the City Manager to execute a Grant Agreement and any amendments thereto with the State of California for the purposes of developing a 41st Avenue Corridor Economic Development Mixed-Use Study; and

3) Approved up to \$35,000 of the grant funds for Applied Development Economics (ADE) to conduct the 41st Avenue Corridor Study, as per the City's existing contract with ADE, pending CDBG approval of the grant application.

The motion carried on the following vote: AYES: Council Members Begun, Nicol, Graves, Storey and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

5. OTHER BUSINESS

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**JOINT MEETING OF THE CAPITOLA
CITY COUNCIL/REDEVELOPMENT AGENCY**

At 8:09 p.m. Mayor/Chairperson Termini called the Joint Meeting of the Capitola City Council/Redevelopment Agency to order and noted that all Council Members/Directors were present.

A. Purchase/Sale Agreement with Pacific Gas and Electric Company for Easements through Peery Park and Rispin Property for a Gas Transmission Line. Staff recommendation: RDA/Council approval. [830-10/500-10 & 760-05 A/C: Pacific Gas & Electric Company]

Public Works Director Jesberg provided staff's report on this item. He said the agreements are still in draft format and under negotiation. He also said staff has provided revised resolutions for adoption by the Council and the Redevelopment Agency.

Alex Vayntrub, Project Manager from PG&E, responded to questions of council members/directors.

Considerable Council/Director discussion was followed by this action:

ACTION: Council Member/Director Nicol moved, seconded by Council Member/Director Begun, to approve the recommended actions approving the purchase sale agreements between the Capitola Redevelopment Agency, the City of Capitola, and Pacific Gas & Electric Company for the sale of easements over the Rispin Property and over the Peery Park property for the installation of a 10-inch high pressure gas transmission line, and adopted the revised City and Agency resolutions.

Under discussion, Council Member/Director Storey asked if the proposed motion was a combined action for the City Council and Redevelopment Agency. City Clerk/Secretary Greeninger said two separate resolutions for each entity are recommended for approval and that separate motions and votes would be appropriate. Council Member/Director Nicol confirmed that his motion was to approve the recommended action, which was to approve both resolutions.

Council Member/Director Storey explained why he would like to vote separately on this item, saying he would oppose this action as an RDA director since the Agency would be receiving no consideration for this easement over the Agency's property. As a council member he would approve the proposed easement since the City would be compensated.

City Attorney/Agency Counsel Barisone said staff was still in the process of negotiating with PG&E regarding the terms of the agreements, and if the Council/Agency agrees that a portion of the compensation go to the Agency, staff would need to be provided with that direction.

5. A. OTHER BUSINESS (Continued)

Mayor/Chairperson Termini asked to include a friendly amendment directing staff to act forcibly with PG&E regarding the monies the city would be receiving for this easement that will be going toward the city's undergrounding project and that staff obtain a written timeline for the undergrounding project.

Council Member/Director Graves expressed his concerns about this particular gas line. He agreed with Council Member Storey about compensation to the Redevelopment Agency, and he said it would be appropriate to get a commitment from PG&E for undergrounding the Bay Avenue/ Capitola Avenue corridor.

After discussion, it was agreed to take separate actions on the proposed resolutions.

City Council Action: Council Member Nicol moved, seconded by Council Member Begun, to approve the recommended actions approving the purchase sale agreements between the Capitola Redevelopment Agency, the City of Capitola, and Pacific Gas & Electric Company for the sale of easements over the Rispin Property and over the Peery Park property for the installation of a 10-inch high pressure gas transmission line, and adopted the revised draft City Council Resolution, **Resolution No. 3656 Approving an Easement Agreement with Pacific Gas & Electric Company for an Easement through Perry Park for a 10-Inch Gas Main**, and with direction to staff to obtain a written timeline for the Bay Avenue/Capitola Avenue undergrounding project. The motion carried on the following vote: AYES: Council Members Begun, Nicol, Graves, Storey and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

Director Graves then moved to approve the proposed revised Agency Resolution with the same conditions as the City's resolution with exception of the direction regarding the undergrounding project. Director Begun seconded the motion. The motion carried on the following vote: AYES: Directors Begun, Nicol, Graves, and Chairperson Termini. NOES: Director Storey. ABSENT: None. ABSTAIN: None.

Public Works Director Jesberg asked for clarification of the Agency's action, saying it was his understanding that there was no direction to allocate some of the \$350,000 to the Redevelopment Agency. Chairperson Termini confirmed that was correct.

Director Graves said that the intent of his motion was that it would carry Director Storey's condition with regard to seeing that a portion of the money would go to the Redevelopment Agency. After discussion, Director Storey moved, seconded by Director Nicol, to **reconsider** the agency's action on this item. The motion to reconsider the previous action taken by the Redevelopment Agency on this matter carried on the following vote: AYES: Directors Begun, Nicol, Graves, Storey and Chairperson Termini. NOES: None. ABSENT: None. ABSTAIN: None.

Director Graves then moved, seconded by Director Storey, to approve the recommended action to adopt the proposed revised agency resolution, with specific direction to staff to allot a proportionate amount of the money that is received from PG&E for this right-of-way to the Redevelopment Agency. Director Nicol asked if this would have to come back to the Agency to approve an amount. He was advised it would not. The motion **failed** on the following vote: AYES: Directors Graves and Storey. NOES: Directors Begun, Nicol, and Chairperson Termini. ABSENT: None. ABSTAIN: None.

After further discussion, the following Redevelopment Agency action was taken:

5. A. OTHER BUSINESS (Continued)

Redevelopment Agency Action: Director Begun moved to repeat the original motion to approve the recommended actions approving the purchase sale agreements between the Capitola Redevelopment Agency, the City of Capitola, and Pacific Gas & Electric Company for the sale of easements over the Rispin Property and over the Peery Park property for the installation of a 10-inch high pressure gas transmission line, and to adopt the revised draft Redevelopment Agency Resolution, **Agency Resolution No. 2007-12 Approving an Easement Agreement with Pacific Gas & Electric Company for an Easement through the Rispin Property for a 10-Inch Gas Main**, as submitted. Director Nicol seconded the motion. The motion carried on the following vote: AYES: Directors Begun, Nicol, and Mayor Termini. NOES: Directors Graves and Storey. ABSENT: None. ABSTAIN: None.

End of Joint City Council/Redevelopment Agency Meeting

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B. Resolution Amending Resolution No. 3013 to Change the Direction of Vehicle Traffic Flow on Stockton Avenue between Cherry Avenue and Capitola Avenue to One-Way Northbound. Staff recommendation: adopt resolution. [490-40]

Public Works Director Jesberg summarized the written agenda report and said it would be staff's recommendation to reverse the flow of traffic on Stockton Avenue and adopt the proposed resolution.

Mayor Termini opened this matter to the public for comment.

The following people spoke in support of retaining the current traffic direction on Stockton Avenue and to address circulation in this area in the traffic study to be conducted in the Village: Greg Tedesco, Tiffany Hudson, Don Silvy, Peter Hubback, and Daniel Kriege. Peter Hubback said Daniel Passino, Chairman of the Village Master Plan Advisory Committee, asked him to request that this matter be placed on a committee agenda for review.

The following people spoke in support of changing the direction of traffic on Stockton Avenue to address their concerns regarding increased cut-through traffic that is going too fast for the neighborhood: Rick and Denise White.

Considerable Council discussion was followed by this action:

ACTION: Council Member Nicol moved dismissal of the staff recommendation. Council Member Begun seconded the motion. Council Member Storey suggested an amendment to the motion to direct staff to work with the Stockton Avenue neighborhood to put in some mitigating measures to slow traffic on that street and in that neighborhood. Council Members Nicol and Begun accepted the amendment to the motion recommended by Council Member Storey. The motion carried on the following vote: AYES: Council Members Begun, Nicol, Storey and Mayor Termini. NOES: Council Member Graves. ABSENT: None. ABSTAIN: None.

C. Consideration of an Urgency Ordinance pertaining to the Conversion of Mobilehome Parks to Resident Ownership by use of the Subdivision Process. (1st reading). Staff recommendation: Council direction. [730-70]

City Attorney Barisone summarized the written agenda report and responded to questions of council members. He said the proposed ordinance is duplicative of an ordinance passed by the County of Santa Cruz Board of Supervisors.

5. C. OTHER BUSINESS (Continued)

The Council heard from many residents of Surf & Sand Mobile Home Park, Rick Halterman, and Will Constantine, an Attorney speaking on behalf of Bay Federal Credit Union, who commented on his experience with mobilehome park rent control litigation and conversion. The speakers all expressed their support of the proposed urgency ordinance.

There was considerable city council discussion on the proposed ordinance and comments from members of the public.

Council Member Nicol addressed wording in Section 16.70.080A of the proposed ordinance pertaining to Tenant Notification, specifically the language, "...at the same or more favorable terms and conditions than those on which such unit of space shall be *initially* offered to the general public." He explained the problem he sees with that language and asked if that language should be changed from the "initially offered" price, but including language that speaks to right of first refusal going to the incumbent resident. City Attorney Barisone said he would need to research such a change, but said an amendment to the ordinance could be made. He will inform the council if they have the latitude to do so.

After council discussion and in the interest of expediency, the following action was taken:

ACTION: Council Member Nicol moved, seconded by Council Member Begun, to adopt **Urgency Ordinance No. 923, An Urgency Ordinance of the City Council of the City of Capitola Adding Chapter 16.70 to the Capitola Municipal Code Establishing Information, Disclosure and Submission Requirements for Conversion of Mobilehome Parks to Resident Ownership and Requirement for bona Fide Conversions**, as submitted. The motion carried on the following vote: AYES: Council Members Begun, Nicol, Graves, Storey, and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

The City council took a short break at 10:28 p.m. and reconvened at 10:38 p.m.

D. Contract in an amount not to exceed \$10,000 with Bowman and Williams for Design Services for a Retaining Wall Replacement in Pacific Cove Mobile Home Park and Budget Amendment Resolution transferring \$80,000 from Contingency Reserves to a newly created Capital Improvement Project Fund for the Pacific Cove Mobile Home Park Retaining Wall Repair. [260-10/330-10/500-10 A/C: Bowman & Williams]

Public Works Director Jesberg summarized the written agenda report and shared photos of the subject retaining wall.

Greg Tedesco commented on engineering costs. Mayor Termini advised the \$10,000 was for engineering, and the rest of the money was for the project itself.

ACTION: Council Member Graves moved, seconded by Council Member Begun, to approve the recommended action as follows:

1) Approved a sole source contract with Bowman and Williams in an amount not to exceed \$10,000 for the design of a replacement retaining wall in Pacific Cove Mobile Home Park; and

2) Adopted **Resolution No. 3657, Resolution Amending the 2007-08 Budget Transferring \$80,000 from Contingency Reserves to a Newly Created Capital Improvement Project for Pacific Cove Mobile Home Park Retaining Wall Repair and Authorizing the Expenditure of \$80,000 from this CIP Project Fund** with the recommended amendment by Council Member Nicol to the "Now, therefore" paragraph to state, "...and authorizing the expenditure of no more than \$80,000 from this CIP Project Fund."

The motion carried on the following vote: AYES: Council Members Begun, Nicol, Graves, Storey and Mayor Termini. NOES: None. ABSENT: None. ABSTAIN: None.

5. OTHER BUSINESS (Continued)

E. City Council Meeting Decorum. [520-40]

Acting City Manager/Finance Director Lai summarized the written agenda report and said additional information was provided to the council from the League of California Cities pertaining to decorum, and an email from Ken Nemire regarding this item.

Council Member Graves expressed his concerns about this item being on the agenda. Mayor Termini said he brought up this matter, as one thing the Council doesn't have is a provision to remove someone from a meeting if he/she is out of order.

Council Member Storey said it is the Council's responsibility to maintain a certain decorum to make it comfortable for everyone to speak. Council Member Nicol said he welcomes this suggestion by the Mayor. Council Member Begun said it should be very short and simple.

ACTION: It was the consensus of the City Council to add a paragraph to the Council Guide similar to that of Paragraph 1 of the Library Joint Powers Authority Board, "Decorum at Meetings," and to bring it back for council approval on the Consent Calendar.

F. Improvement of Capitola Village Public Areas. [1020-60]

Council Member Begun said that his concerns were about the condition of the sidewalks and the trashcans in the Village. He reported that he walked around the Village with Public Works Director Jesberg to review his concerns, and they worked out a plan to paint the trashcans during the winter months and to meet with the Capitola Village and Wharf Business Improvement Area to address sidewalk cleaning.

ACTION: It was the consensus of the City Council directing staff to meet with the BIA to discuss the sidewalk cleaning issue and to report back to council. Acting City Manager/Finance Director Lai suggested a report be brought back at mid-year budget review. [940-60]

6. ORAL COMMUNICATIONS

A. Council Member Nicol said there has been some discussion about purchasing a Public Address (PA) system for the bandstand and for use at public events. He commented on the quality of the system used for the Memorial Day celebration and said he believes it would be good to have some sort of modest system for use at public meetings held at Jade Street Community Center or other facilities. Council Member Graves feels it is a bad idea.

Community Development Director Rebagliati said there will be a need for a PA system for the General Plan Update community meetings. Acting City Manager/Finance Director Lai clarified that it was council's direction to have staff come back with suggestions of a few products and costs involved for a PA system and to determine a funding source for council consideration. [370-40]

B. Council Member Begun proposed an item be placed on the agenda to discuss revamping the Rispin Schedule in order to come up with a schedule that is realistic. He expressed concern about the time that is spent by staff noticing the developer, etc. Mayor Termini said that matter could be placed on the next Redevelopment Agency meeting agenda. [275-35]

C. Mayor Termini asked about the structural condition of the railroad trestle that runs through Capitola. Public Works Director Jesberg said it is inspected every 2 years by the Caltrans bridge inspector and that he receives copies of those reports. He said there have been no glaring deficiencies in the structure. Council Member Begun asked to receive a copy of the last trestle report. [940-20]

6. ORAL COMMUNICATIONS (Continued)

D. Greg Tedesco, Magellan Street resident, addressed the Council on two matters:

1) He commented on Pods (storage units) located in his neighborhood and said that several of them appear to be permanent as they have been there for several months. There is one on Cortez that has been there for over a year. Mr. Tedesco said the storage units are an eyesore to the neighborhood, and he does not think they should be allowed in the front yard setback. He would like the council to look into the city's regulations on these types of units. Mayor Termini said the Community Development Director would check into this.

2) Mr. Tedesco then expressed his concerns about the difficulty he has experienced with staff not returning his phone calls left on voice mail. Council Member Storey asked if the city has customer service protocol that deals with the issue of returning phone calls.

E. Acting City Manager/Finance Director Lai reported on National Night Out held this week at Jade Street Park and said it was a very successful event put on by the Capitola Police Department.

7. **ADJOURNMENT**

The City Council adjourned at 11:09 p.m. to a Special Meeting of the Capitola City Council regarding "Mission, Vision and Values" to be held on Thursday, August 16, 2007, beginning at 7:00 p.m. in the City Hall Community Room, 420 Capitola Avenue, Capitola, California.