

**CAPITOLA CITY COUNCIL  
REGULAR MEETING MINUTES  
THURSDAY, AUGUST 22, 2019**

**CALL TO ORDER**

Mayor Bertrand called the meeting to order at 6:30 p.m.

No members of the public were present and the Council adjourned to the City Manager's Office with the following items to be discussed in Closed Session:

**LIABILITY CLAIMS [Govt. Code §54956.95]**

Claimant: James Devereaux on behalf of Spartan Recoveries LLC,  
subrogee of Robin Lasser  
Agency claimed against: City of Capitola

**CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION**

**[Govt. Code § 54956.9 (d)(1)]**

(One case)

City of Capitola v. Water Rock Construction, Inc.  
Santa Clara Superior Court Case No. 16CV295795

**REGULAR MEETING OF THE CAPITOLA CITY COUNCIL – 7 PM**

**1. ROLL CALL AND PLEDGE OF ALLEGIANCE**

Council Member Yvette Brooks: Present, Council Member Ed Bottorff: Present, Council Member Sam Storey: Present, Vice Mayor Kristen Petersen: Present, Mayor Jacques Bertrand: Present.

**2. PRESENTATIONS**

A. Central Fire Lifeguard Update

Fire Chief Steven Hall provided an update on supporting Capitola's Junior Guards program and working toward a partnership to provide training, which debuted this summer. Captains Scott Harway and Ernst Baum further described the open water life safety training and other emergency skills provided to the Junior Guard instructors.

**3. REPORT ON CLOSED SESSION**

City Manager Jamie Goldstein said the liability claim will be voted on the consent calendar and the Council provided direction on the existing case.

**4. ADDITIONAL MATERIALS**

A. Item 9.A – 15 public comment emails

**5. ADDITIONS AND DELETIONS TO AGENDA - None**

**6. PUBLIC COMMENTS**

Stephanie Harlan requested an investigation of illegal signs facing the lagoon. She also asked the Council to limit committee membership to city residents.

Monica McGuire spoke about concerns of the effects of electromagnetic frequencies on

humans and provided handouts.

Another speaker said she lives within 1000 feet of cell tower on 41st Avenue and believes it has impacted her health, and shared concerns about 5G.

Marilyn Garrett also spoke about the dangers of radiation and 5G and handed out a DVD.

Parent Marna Star spoke in support of the Junior Guards program and said she sees recent improvements in the program.

Ann Mary Reiss echoed the praised for the Junior Guards program.

**7. CITY COUNCIL / STAFF COMMENTS**

Council Member Bottorff noted that the ordinance change allowing non-resident appointments to advisory bodies made by Council was approved in 2000 by and current Council appointments must follow existing guidelines.

Council Member Storey requested that staff agendize the question of residency and report on best practices.

Council Member Petersen provided an update on the subcommittee of the Capitola Village Wharf and Business Improvement Association to discuss lights in the Village, saying it has met three times and is working on a solution.

Mayor Bertrand praised the well-attended recent National Night Out, thanked Lorrie Wilson in the Police Department for her leadership in organizing the event, and recognized event sponsors.

**8. CONSENT CALENDAR**

<b>MOTION:</b>	<b>APPROVE OR DENY AS RECOMMENDED</b>
<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Sam Storey, Council Member
<b>SECONDER:</b>	Kristen Petersen, Vice Mayor
<b>AYES:</b>	Brooks, Bottorff, Storey, Petersen, Bertrand

A. Consider the July 25, 2019, City Council Regular Meeting Minutes and the August 1 and August 13 Special Closed Session Minutes  
RECOMMENDED ACTION: Approve minutes.

B. Planning Commission Action Minutes  
RECOMMENDED ACTION: Receive minutes.

C. Approval of City Check Registers Dated July 5, July 12, July 19, and July 26, 2019  
RECOMMENDED ACTION: Approve check registers.

D. Liability Claim of James Devereux on behalf of Spartan Recoveries LLC [Claims Binder]  
RECOMMENDED ACTION: Reject liability claim.

**9. GENERAL GOVERNMENT / PUBLIC HEARINGS**

- A. Conceptual Review for a Hotel at 120 Monterey Avenue  
APN: 035-261-10, 035-262-02, 035-262-04, 035-262-11  
Conceptual Review to receive guidance on a preliminary development concept for an 88-room hotel including meeting/banquet space, bar/lounge, swimming pool, and 92 onsite parking spaces in the C-V (Central Village) Zoning District. Conceptual hotel design varies in height from two to five stories  
This project is a conceptual review; therefore, a Coastal Development Permit is not required.  
Owner: Green Valley Corporation  
Representative: Swenson Builders, Filed: 05.03.2019  
RECOMMENDED ACTION: Receive the presentation by Swenson Builders of its conceptual plan for a hotel in Capitola Village and provide feedback on the project prior to submission of a formal application.

Although no permit was under consideration at this time, Council Member Petersen recused herself out of an abundance of caution since she lives within 500 feet of the site.

Associate Planner Matt Orbach presented the staff report, including previous discussions during the General Plan to address a possible hotel at the site and the process and requirements to allow additional height and expanded floor area ratio (FAR).

Jesse Bristow of Swenson Builders walked through the proposed project and potential benefits.

Council Member Storey asked for clarification on underground uses and impact on FAR, and was told non-visible areas do not count. He asked how the project planned to address flooding. Mr. Bristow acknowledged that there are concerns about where pumped water would go and said perhaps it can be filtered and sent into the sewer.

Council Member Brooks asked when flooding and traffic concerns would be addressed by specialists. Mr. Bristow said studies would be undertaken once support for a project is given. She floated the idea of working with the City to start this process and allow more informed feedback.

Council Member Bottorff questioned whether the project has sufficient water credits.

Mayor Bertrand asked if there was a way to replace parking loss. Mr. Bristow said the private parking would be replaced with hotel parking. Swenson could optimize use of the City's upper lot and charge a premium to park on site.

The following members of the public spoke during public comment:

Anne Marie Weiss  
Dave Fox  
Sean Fyouk  
Amy Forrest  
Paul Elerick  
Ann Sullivan  
Eric Anderson  
Bruce Jaffe

Bud Bartz  
Larry Abitbol  
Gayle Ortiz  
Bruce Arthur  
Stephanie Harlan  
Ron Graves  
Michael Clark  
Shanon Grannis  
Molly Ording  
Marilyn Garrett  
Bob Edgren  
Monica McGuire  
Karl Schubert  
Ted Burke  
Kathi Howard

Members of the public shared the following concerns about the project:

- the combined impact of hotel and event guest parking
- the number of rooms and overall size
- impact of climate change and flooding on the underground parking
- possible increased traffic
- impact of the construction time period on Village businesses and traffic
- impact of a tsunami
- impact on views, especially from El Camino Medio and the Depot Hill bluff
- project style does not match Village character
- impact on sanitation district
- water availability
- infrastructure costs to City

Members of the public expressed the following support for the project:

- would help other Village businesses
- attractive project
- provides needed meeting rooms as an off-season attraction
- provides regular income stream for city

Council Member Brooks said she supports a hotel in the village but shares the community's concerns about size, water, and flooding. She would like a transparent economic feasibility study with a consultant chosen by the City.

Council Member Storey focused on the General Plan and pending Zoning Code findings needed to grant the height and FAR expansions and said the current project falls short. The Spanish revival design does not meet the historical context of Capitola. He does not feel the project provides substantial public benefits. The massing toward El Camino Medio has a negative impact on the residential area. He believes parking needs to be offsite to achieve the goals and the benefits should include a parking structure in the City lot.

Council Member Bottorff supports a hotel and thinks this plan meets many General Plan goals, but does not think public benefits meet the standards for incentives yet. He would support a slight extension of two-way traffic on Monterey to allow access to the hotel entrance.

Mayor Bertrand agrees that he would like to see an economic feasibility study. He is concerned about the loss of parking. He warned that the hotel cannot change the Village character and expect to succeed. He also noted that the Coastal Commission feedback expressed concern about the size.

<b>RESULT:</b>	<b>DIRECTION PROVIDED</b>
----------------	---------------------------

B. Report on the Draft Mid-County Groundwater Sustainability Plan

RECOMMENDED ACTION: Receive report.

Darcy Pruitt, senior planner for Mid-County Groundwater Agency, presented the report focusing on the agency's establishment along with the development and implementation of the sustainability plan. She noted that the draft plan is currently open for public comments and explained that future projects related to the plan with need to comply with the California Environmental Quality Act (CEQA). Collaboration among water providers in the basin, which serves a population of about 92,000, predates the state requirement and agency formation. Significant public participation is required, including a public advisory body. With current efforts and upcoming projects, including Pure Water Soquel, water transfers, and Santa Cruz infusion, the agency believes the basin can reach sustainability.

Council clarified that the agency works as a planning entity and does not implement the plans, only evaluates them.

In public comment, Maggie Steinbrenner noted she has challenged Soquel Creek Water District's CEQA decision for the Pure Water Soquel Project and she is worried about injecting water into the aquifer.

<b>RESULT:</b>	<b>RECEIVED REPORT</b>
----------------	------------------------

C. Consider Contracts for a Planning Consultant and Economic Consultant for Capitola Mall Redevelopment

RECOMMENDED ACTION: Authorize the City Manager to award a contract to JHS Consulting for \$206,000 and Kosmont Companies for \$63,000 to establish the City's technical team to review the application to redevelop the Capitola Mall.

This item was moved and heard first on General Government ahead of 9.A.

Community Development Director Katie Herlihy presented the staff report. As part of the review process for the large redevelopment of the Mall property, the City needs to hire consultants to serve as extensions of staff. She shared the selection process for the planning and economic consultants and the services they will provide.

Council Member Storey confirmed the contract and application timing. He also asked to clarify payment on a monthly basis on a not-to-exceed amount within the contract language.

Steven Logan of Merlone Geier Partners, which will pay the consultants as part of its application, confirmed that it plans to submit its redevelopment application August 27.

In response to an audience question about outreach for the recent public forum, he said

Merlone Geier bought newspaper ads, listed it on the City website, and posted flyers.

<b>MOTION:</b>	<b>AUTHORIZE CONTRACTS AS RECOMMENDED</b>
<b>RESULT:</b>	<b>ADOPTED AS CORRECTED [UNANIMOUS]</b>
<b>MOVER:</b>	Sam Storey, Council Member
<b>SECONDER:</b>	Kristen Petersen, Vice Mayor
<b>AYES:</b>	Brooks, Bottorff, Storey, Petersen, Bertrand

- D. Consider a Resolution To Subdivide City of Capitola Undergrounding Utilities District No. 6

RECOMMENDED ACTION: Approve **Resolution No. 4157** amending Resolution No. 3098 and subdividing a district within the boundary map for Undergrounding Utilities District No. 6.

Project Manager Kailash Mozumder presented the staff report, providing history of the underground utility district and the requested update of the district map to make two smaller sub-districts, for a total of three. The new districts will permit funding of undergrounding in the Bay/Capitola Avenue intersection area and allow engineering of that project to continue to move forward.

In public comment, in response to feedback from PG&E that lower Monterey will be very difficult to underground, resident Lynne DeSpelder said she thought pipes had been placed for future undergrounding on lower Monterey. Staff explained that utility providers have said the challenge is a number of properties are served from different locations.

<b>MOTION:</b>	<b>APPROVE RESOLUTION AS RECOMMENDED</b>
<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Ed Bottorff, Council Member
<b>SECONDER:</b>	Sam Storey, Council Member
<b>AYES:</b>	Brooks, Bottorff, Storey, Petersen, Bertrand

- E. Designation of the Voting Delegate and Alternate for the 2019 League of California Cities Annual Conference [150-50]

RECOMMENDED ACTION: Designate Capitola's voting delegate and alternate(s), if desired.

<b>MOTION:</b>	<b>DESIGNATE MAYOR JACQUES BERTRAND AS THE CITY'S VOTING DELEGATE</b>
<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Kristen Petersen, Vice Mayor
<b>SECONDER:</b>	Ed Bottorff, Council Member
<b>AYES:</b>	Brooks, Bottorff, Storey, Petersen, Bertrand

- F. Consider a Contract with Burke, Williams, & Sorensen, LLP, for City Attorney Services

RECOMMENDED ACTION: Direct the City Manager to enter into a five-year, hourly-rate contract with Burke, Williams, & Sorensen, LLP, for Samantha W. Zutler to provide City Attorney services beginning September 1, 2019.

Mayor Bertrand read the required statement regarding the contract.

City Manager Jamie Goldstein presented the staff report, reviewing the selection process.

The Council thanked Interim City Attorney Reed Gallogly for his service.

Ms. Zutler thanked the Council.

<b>MOTION:</b>	<b>APPROVE CONTRACT AS RECOMMENDED</b>
<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Sam Storey, Council Member
<b>SECONDER:</b>	Yvette Brooks, Council Member
<b>AYES:</b>	Brooks, Bottorff, Storey, Petersen, Bertrand

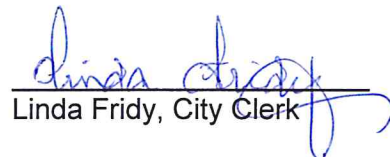
**10. ADJOURNMENT**

The meeting adjourned at 11:15 p.m.



Jacques Bertrand, Mayor

ATTEST:



Linda Fridy, City Clerk

**MINUTES APPROVED SEPTEMBER 12, 2019**

