

**CAPITOLA CITY COUNCIL  
REGULAR MEETING ACTION MINUTES  
THURSDAY, JUNE 27, 2013**

**CLOSED SESSION – 6:00 PM  
CITY MANAGER’S OFFICE**

**CALL TO ORDER**

Mayor Harlan called the meeting to order at 6:00 p.m. and announced the items to be discussed in Closed Session, as follows:

**CONFERENCE WITH LABOR NEGOTIATOR (Govt. Code §54957.6)**

Negotiator: Lisa Murphy, Administrative Services Director  
Employee Organizations:  
Capitola Police Officers Association and the Capitola Police Captains

**PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Govt. Code §54957)**

City Council’s Performance Evaluation of the City Manager

**LIABILITY CLAIMS (Govt. Code §54956.95)**

Claimant: David Curry  
Agency claimed against: City of Capitola

Mayor Harlan noted that there was no one in the audience; therefore, the City Council recessed at 6:02 PM to the City Manager’s Office.

**REGULAR MEETING OF THE CAPITOLA CITY COUNCIL – 7:00 PM**

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

Council Members Dennis Norton, Sam Storey, Ed Bottorff, Michael Termini and Mayor Stephanie Harlan

City Treasurer was absent.

**2. REPORT ON CLOSED SESSION**

Assistant City Attorney Paterno stated that the City received a letter dated June 26, 2013, from Wittwer & Parkin, LLP, regarding ***Item 8.B.*** (Senior Housing Project located at 1575 38th Avenue). The letter claims that the proposed project does not meet certain land use requirements under state and local law. In addition, the Council received a report from the City’s labor negotiator, Administrative Services Director Murphy, regarding negotiations with the Capitola Police Officers Association and the Capitola Police Captains; there was no reportable action. Assistant City Attorney Paterno stated that the City Council did not discuss the City Manager performance evaluation, or the tort claim from David Curry (this item is agendaized for the regular meeting this evening).

**3. ADDITIONS AND DELETIONS TO AGENDA (None provided)**

4. PUBLIC COMMENTS

Marilyn Garrett, local resident, stated she opposes wireless radiation.

Molly Ording, local resident, suggested renaming the Pacific Cove parking lots to *Beach Park One, Beach Park Two, Upper Beach Park, or Lower Beach Park.*

Paul Pelkey, local resident, stated various concerns.

Steve Parish, local resident, stated that the pavement on Kennedy Drive and a large portion of Monterey Avenue are in poor condition.

5. CITY COUNCIL / CITY TREASURER / STAFF COMMENTS

City Manager Goldstein stated that he plans to attend the June 28<sup>th</sup> Santa Cruz Metro Board of Directors meeting where a discussion will take place regarding the development of an alternate site for the Transit Center at the Capitola Mall.

Council Member Termini stated that the Capitola Vintage Motorcycle event will be held at the Capitola Mall on Sunday, July 1<sup>st</sup>.

Mayor Harlan stated that on August 6<sup>th</sup>, National Night Out will be held at Jade Street Park from 5:00 p.m. to 7:30 p.m. In addition, Community Television will hold a live fundraising telethon to raise money for community-supported local programming on June 28<sup>th</sup> and 29<sup>th</sup> at 6:00 p.m.

Council Member Norton recommended that City Council have a future discussion regarding steps to address pollution issues along the coastline.

6. BOARDS, COMMISSIONS AND COMMITTEES APPOINTMENTS (none provided)

7. CONSENT CALENDAR

Council Member Norton requested that **Items 7.C.** be pulled from the Consent Calendar discussion.

- A. Consider approving the City Council Minutes of the May 30, 2013, and the June 6, 2013, Special Budget Sessions.
- B. Approval of City Check Register Reports dated May 17, 2013; May 24, 2013; May 31, 2013; June 7, 2013; and June 14, 2013. [300-10]
- C. Consider approving a consultant services agreement with Rincon Consultants, Inc., in an amount not to exceed \$142,295 to prepare an Environmental Impact Report for the proposed Monarch Cove Hotel Project funded through a developer deposit. [730-10/500-10 A/C: Rincon Consultants]
- D. Consider denying liability claim of David Curry in the amount of \$49.52 and forward to the City's liability insurance carrier. [Claims Binder]
- E. Consider approving an Amendment to the Joint Exercise of Powers Agreement establishing the Santa Cruz County Library Financing Authority. [230-10/500-10 A/C: SC CO Library JPA]
- F. Adoption of **Ordinance No. 983** adding Chapter 10.38 of the Capitola Municipal Code specifying parking meter rates and zones [2nd Reading]. [470-30/740-30]

- G. Consider an agreement with New World Software Systems for Payroll/Human Resources software. [300-30/500-10 New World]

**ACTION** Motion made by Council Member Termini, seconded by Council Member Norton, to approve the following Consent Calendar items: 7.A.; 7.B.; 7.D.; 7.E.; 7.F. and 7.G. The motion was passed unanimously.

**THE FOLLOWING CONSENT CALENDAR ITEM WAS PULLED FOR SEPARATE DISCUSSION:**

- C. Consider approving a consultant services agreement with Rincon Consultants, Inc., in an amount not to exceed \$142,295, to prepare an Environmental Impact Report for the proposed Monarch Cove Hotel Project funded through a developer deposit. [730-10/500-10 A/C: Rincon Consultants]

Council Member Storey stated that due to a conflict of interest he will recuse himself from participating in this item because he resides within 500 feet of the subject property. Council Member Storey left the dias.

Council Member Norton suggested that the applicant consider going through the preliminary review process with the City so that the Council and the public can provide comments.

Charlie Eadie, Hamilton & Swift Project representative, stated it seems premature to go through the preliminary review process at this time.

**ACTION** Motion made by Council Member Bottorff, seconded by Mayor Harlan, to approve a consultant services agreement with Rincon Consultants, Inc., in an amount not to exceed \$142,295, to prepare an Environmental Impact Report for the proposed Monarch Cove Hotel Project funded through a developer deposit. The motion was passed unanimously.

Council Member Storey returned to the dias.

**8. GENERAL GOVERNMENT / PUBLIC HEARINGS**

- A. Consider a Resolution to levy the Capitola Village and Wharf Business Improvement Area (CVWBIA) Assessments for Fiscal Year 2013/2014. [140-05]

Finance Director Hannah introduced this item. She provided information related to sales tax trends within the Village, as well as costs for accounting and Public Works services.

Carin Hanna, representing the Capitola Village and Wharf Business Improvement Area (BIA), stated that the BIA assessments remain that same as the previous year.

Gary Wetsel, representing the BIA, was present to answer City Council's questions.

**ACTION** Motion made by Council Member Storey, seconded by Council Member Bottorff, to adopt Resolution No. 3960 to levy the Capitola Village and Wharf Business Improvement Area (CVWBIA) Assessments for Fiscal Year 2013/2014. The motion was passed unanimously.

- B. Appeal of the Planning Commission denial of a Planned Development Rezoning, Conditional Use Permit, and Design Permit for a three-story, 23-unit residential senior housing project located at 1575 38th Avenue. [730-10]

Community Development Director Grunow presented this item. He provided background information regarding the proposed development.

Council Member Termini asked the Assistant City Attorney if the City has the ability to deed restrict the property to maintain it as residential senior housing.

Assistant City Attorney Paterno responded that the Covenants, Conditions and Restrictions may contain an age restriction provided that it does not exceed 62 which is the limit set by state law. In addition, the City could request that the applicant enter into a Land Use Agreement with the City that gets recorded against the property.

Maureen Romac, proposed development property owner, provided historical information of the application process to date, and reviewed the Planning Commissions' conditions of approval.

Mr. George Ow, Kings Plaza property owner, stated his commercial property (Kings Plaza) is located near the proposed project, and he supports the project.

Nathan Schmidt, RBF Consulting, provided a brief report of the parking analysis for the proposed project.

Richard Hyuck, Project Architect, reviewed the proposed plans.

Steve Thomas, Capitola Freight & Salvage (1575 38th Avenue), provided information regarding truck delivery times at the proposed development.

John McLucas, Project Structural Engineer, stated that any required project modification can be made.

Mini Scarpantoni, Project Certified Arborist (Nature First), stated concerns regarding tree preservation on the property of the proposed project.

The following stated they supported the proposed development:

- Kim Allyn, local resident
- Chuck Huddleston, local resident
- John Leopold, Santa Cruz County Supervisor, who also asked that the Council consider impacts to adjacent residents who live in the unincorporated County.

Marilyn Garrett, local resident, stated concerns regarding a cell tower located near the proposed project.

Kim Fry, 1530 Bulb Avenue, stated her residence is directly behind the proposed project and she opposes this project.

Nancy Hyuck, Project Architect, stated reasoning for not wanting to shift the development forward towards 38th Avenue.

Tatyanna Teeuwisse and spouse, 1595 38th Avenue, stated they oppose this project.

Josh Snyder, Slatter Construction, stated the reasoning for the large front setback is to address the Planning Commissions' recommendation to allow more landscaping.

Mayor Harlan stated that she does not support this proposed development because it does not follow the City's Planned Development Ordinance.

**ACTION**

**Motion made by Council Member Termini, seconded by Council Member Norton, to deny the appeal of the Planning Commission for a Planned Development Rezoning, Conditional Use Permit, and Design Permit for a three-story, 23-unit residential senior housing project located at 1575 38th Avenue. The following conditions were included in the motion and shall be incorporated into the construction documents:**

- **Covenants, Conditions and Restrictions (CC&R) are to address the potential tenants regarding existing and continued noise from commercial uses, and establish specific decibel levels for roof top equipment;**
- **Minimum age for tenant occupancy of the project shall be 62 years of age;**
- **Submission of a lighting plan, drainage plan, and the final landscape plan to be reviewed and approved by City staff;**
- **Work with the adjacent property owner regarding the height of the wall along the western property line adjacent to residential properties;**
- **Submission of a detailed arborist report prior to any grading, arborist to monitor the excavation, confirm the setbacks and the endangering of the existing trees;**
- **Construct a lighted pedestrian crossing on 38th Avenue from the project to King's Shopping Center;**
- **The building as shown in the existing plans shall be moved forward five feet;**
- **Two compact parking spaces shall be added;**
- **Comply with all requirements of the Santa Cruz City Water Department for current and best practices regarding entrapment of rainwater and the use of grey water;**
- **Green zone along parking curb in the front for dropping off/picking up of passengers;**

**The motion carried on the following vote: AYES: Council Member Norton, Council Member Storey, Council Member Bottorff, and Council Member Termini. NOES: Mayor Harlan. ABSENT: None. ABSTAIN: None.**

**The City Council took a five minute break.**

- C. Report on opportunities for experimental closing the Esplanade. [490-75]

The following opposed experimental closing the Esplanade:

- Gary Wetsel, former resident
- Glenn Hanna, former resident

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The following supported experimental closing the Esplanade:

- Molly Ording, local resident
- Carin Hanna, Village shop owner
- Robert Doles, Village shop owner
- Harleen Singh Rana, Village shop owner

**ACTION** Motion made by Council Member Norton, seconded by Council Member Termini, to experimentally close the Esplanade on Sunday, October 13, 2013, and for Council Member Norton, Police Chief Escalante and Public Works Director Jesberg to bring back to the City Council a draft plan for the closure of the Esplanade. In addition, to provide spaces for Village merchants to erect tents to sell merchandise on October 13, 2013. The motion carried on the following vote: **AYES:** Council Member Norton, Council Member Storey, Council Member Termini, and Mayor Harlan. **NOES:** Council Member Bottorff. **ABSENT:** None. **ABSTAIN:** None.

D. Presentation providing an update on the new City of Capitola website. [160-80]

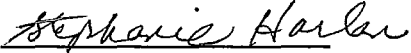
City Council received the report.

**9. CITY COUNCIL COMMENTS**

Mayor Harlan stated that City Manager Goldstein and she met with Soquel Union Elementary School (SUESD) Superintendent Castaniada and Board President McGooden to discuss issues such as the Community Center lease with the SUESD.

**10. ADJOURNMENT**

Mayor Harlan adjourned the meeting at 11:45 PM to the next Regular Meeting of the City Council on Thursday, July 11, 2013 at 7:00 PM, in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

  
Stephanie Harlan, Mayor

ATTEST:

 CMC  
Susan Sneddon, City Clerk

**MINUTES WERE UNANIMOUSLY APPROVED ON JULY 25, 2013**