

**MINUTES OF A
REGULAR MEETING OF THE
CITY COUNCIL OF THE
CITY OF CORONADO
Police Facility – Emergency Operations Center
700 Orange Avenue
Coronado, CA 92118
Tuesday, February 1, 2005, 3:00 p.m.**

Mayor Smisek called the meeting to order at 3:00 p.m.

1. ROLL CALL:

Present: Councilmembers Downey, Monroe, Tanaka,
and Mayor Smisek

Absent: Councilmember Tierney

Also Present: City Manager Mark Ochendusko
City Attorney Morgan Foley
Interim City Clerk Mary Clifford

2. INVOCATION AND PLEDGE OF ALLEGIANCE. Anne Rebuffattee, St. Paul's Methodist Church, gave the invocation and Mayor Smisek led the Pledge of Allegiance.

3. MINUTES: The minutes of the Regular Meeting of January 18, 2005, copies having been provided Council prior to the meeting, were approved as corrected. Councilmember Downey corrected, under Item 11a, page 354, that she did not attend a Street Tree Committee meeting, but rather spoke to members of the Street Tree Committee. The reading of the minutes in their entirety was unanimously waived.

MSUC (Tanaka/Tierney) moved that the City Council approve the minutes of the Regular Meeting of January 18, 2005 as corrected

AYES: Downey, Monroe, Tanaka, Tierney and Smisek

NAYS: None

ABSENT: None

4. CEREMONIAL PRESENTATIONS: None.

5. CONSENT CALENDAR: The City Council approved, adopted and/or accepted as one item of business Consent Agenda Items 5a through 5d.

MSUC (Tanaka/Monroe) moved that the City Council approve the Consent Calendar Items 5a through 5d

AYES: Downey, Monroe, Tanaka, Tierney and Smisek

NAYS: None

ABSENT: None

5a. Approval of Reading by Title and Waiver of Reading in Full of Ordinances on this Agenda. The City Council waives the reading of the full text of every ordinance contained in this agenda and approves the reading of the ordinance title only. **The City Council waived the reading of the full text and approved the reading of the title only.**

5b. Approval of Warrants. The City Council ratified payment of warrants Nos. 10041182 thru 10041514 audited and approved by the Audit Committee, provided there are sufficient funds on hand. **The City Council approved the warrants.**

5c. Approval and Acceptance of the Fire Department Headquarters Emergency System Upgrade Project. Rancho Santa Fe Technology-MCS, Inc. was issued a Notice to Proceed on August 9, 2004. The project was completed in accordance with the project plans and specifications on January 20, 2005. **The City Council accepted the Fire Department Headquarters Emergency System Upgrade Project and directed the City Clerk to file a Notice of Completion.**

5d. Consideration of Request to Approve Award of Contract for the Emergency Replacement of the Air Conditioning Unit Servicing the Police Facilities Building. There are two situations needing resolution in order to maintain the proper temperature control in the Police Station. The first and most critical situation is to replace the deteriorated 75-ton roof-mounted air conditioning unit, which, as indicated above, needs to happen immediately to protect vital equipment and maintain services. The estimated cost to replace just the deteriorated parts is \$50,000 to \$55,000, while the cost for an entirely new roof-mounted unit is approximately \$68,000. Staff is recommending replacement of the entire unit, thus avoiding a continual, piecemeal replacement of other components as they reach the end of their life cycle. The new packaged unit would be more efficient, and, in the long run, cheaper than the piecemeal part replacement. Also included in the \$68,000 price are measures to coat the coils to protect them from the salt air environment, which will help extend their life cycle.

The second situation (not an emergency item) is the need to provide additional, smaller air conditioning units to support the communication equipment room and dispatch room needs. These areas operate on a continuous basis, 24 hours a day, and place a large demand on the existing system. Adding smaller, supplemental air conditioning units to these areas will reduce demands and wear on the larger unit, allowing it to operate more efficiently. It also builds in redundancy by protecting the emergency communication equipment.

California law requires that, before emergency construction may occur, the Council make a finding that the emergency will not permit a delay resulting from a competitive solicitation of bids. This finding is supported by the evidence presented in this staff report, and must be approved by a four-fifths' vote. The resolution, also by a four-fifths' vote, may delegate the City Manager the authority to order any action to

respond to the emergency. **The City Council adopted A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORONADO FINDING THAT AN EMERGENCY EXISTS AND AUTHORIZING CERTAIN WORK TO RESPOND TO THE EMERGENCY. The Resolution was read by Title, the reading in its entirety unanimously waived and adopted by Council as RESOLUTION NO. 8042. The City Council also awarded the emergency contract to Jackson & Blanc, the lowest quote. The City Council directed staff to proceed with an additional project to provide additional air conditioning to the communication equipment room and the dispatch area.**

6. ORAL COMMUNICATIONS:

- a. **Ginger Raaka, Coronado Historical Association and Visitor Center**, provided Council with the mid-year report for FY 2004/05. She referred to page 5 and explained that they are tracking on their visitor visits about the same as last year but are quite a bit higher on informational requests and website visits. She pointed out that February is museum month.
- b. **Deborah Schwartz, 1228 Churchill Place, Human Relations Commission**, shared a brief history of the Commission. The Commission is more than four years old. She invited Council to the third annual celebration, "Take My Hand, Coronado", a week-long celebration of peace in human relationships. This is a project of the HRC and this year will be March 7 through March 11. There will be programs in all the schools, both public and private, in Coronado. It is so important that the community supports these kinds of activities. She invited Council, in particular, to attend the event on the evening of March 10 at the Village School at Village Hall. She invited the community at large as well. The highlight of that evening is the Peacemaker Award, which will be given out to eight citizens of the community who are nominated by their neighbors, friends, colleagues and families. She encouraged Council and members of the community to nominate people who live the vision of the HRC and who support peaceful resolution of conflict and peaceful communication. There are eight categories of winners. People can pick up nomination forms at the offices of the schools in Coronado, the City offices, the Recreation Department, the Police Department and Coronado SAFE.
- c. **Pete Fagan, 379 F Avenue**, asked the City Council to consider a protest or objection to the issuance of a liquor license he recently became aware of. An establishment, known as Island Market on Fourth Street, in the residential neighborhood has applied for a liquor license. Island Market has sold beer and wine in the past. The land that it sits on is zoned R1-B, single family residential dwelling. Because it has been there so long and has been selling beer and wine for a long time, it has been continued to exist on a nonconforming use. However, there is new ownership. They have applied for a liquor license. It has been posted. Some of the residents have received notices. There are a number of methods to object to the issuance of a liquor license. One is that individual residents can object to the ABC. Also, the City can do so. He is urging the City to take such action. There are a number of criteria that the ABC can use to deny a liquor license. One of the reasons for denial is that the establishment is too close to school. It is a one block, straight shot down the alley to school. There is a legally marked, legally signed school crosswalk within 150'. If it is too close to a playground, that is another reason. It is 45' from a playground. If it is too close to residences, that is another reason. It is 20 or 30' from residences. Changing the nature of it from beer and wine, which has had its own difficulties, and now turning it into a liquor store in the middle of a residential community with R1-B zoning is inconsistent with the intent of the zoning. He requested that Council take action in that regard.

Councilmember Monroe asked if the date of the hearing is known. Could Council agendaize this for the next Council meeting for a Council discussion and decision or would that be overtaken by the event of the hearing? Mr. Fagan responded that it has to be posted for 30 days. Governmental officials have extra authority, so they can go to the ABC and ask for additional time. Mayor Smisek commented that the City Manager will look into it. The City Council should be able to take some kind of action without worrying about a deadline.

Mr. Fagan added that some City officials are aware of the issue. Chief Hutton received a notice and Community Development is aware of it. They look at it from a legal point of view. There is a provision in the California Business and Professions Code, Section 23790, that may be relevant.

7. **CITY MANAGER:**

7a. **Update on Council Directed Actions and Citizen Inquiries.** No report.

8. **PUBLIC HEARINGS:** None.

9. **ADMINISTRATIVE HEARINGS:** None.

10. **COMMISSION AND COMMITTEE REPORTS:**

10a. **Report from the Port Commissioner Concerning Port Activities.** Port Commissioner Robert Spane reported that the Port is about to fund an advertising campaign for the City of Coronado along with the other member cities. It is an ad that will run in April in the *San Diego Union-Tribune*. It is an idea for the Port to provide at least some financing for advertising the Port cities and some of the Port facilities. The other major issue is the Art Committee. Three of the Art Committee members have connections to Coronado. There is about \$1 million in the Art Fund and there are two projects approved for Coronado.

10b. **Status Report from the Historic Resource Commission Regarding the Formulation of a "List" of Potentially Historic Properties to be Used as the Trigger Mechanism for the Notice of Intent to Demolish Permit Process Rather than Current 75-Year Age Criteria.** Tony Pena, Director of Community Development, introduced this item by saying that the City Council adopted the Historic Demolition Permit ordinance last June. Council, at that time, provided direction to the Historic Resource Commission to develop a list of historic properties to be used more ministerially to let people in the community know whether their properties were going to be facing a bureaucratic process. The HRC has administered this program for some time. They have stepped up their meetings. They have accommodated property owners going through the process to the point where the HRC feels that a list is not warranted. There are several reasons for having a list. Staff has put a lot of time and effort into this process. Almost a full time staff planner position is dedicated to the support of HRC efforts. Staff is looking forward to having a list so that it can possibly cut back the amount of staff effort required to service this ordinance. However, the chief goal is to serve the community in the best manner possible.

Councilmember Downey understands that this appears to be a little time intensive, but part of the goal of this was not just to protect the historic homes but also to provide the research to those people who believe their homes are not historic. If this list is so hard, is there ability then to have people come in and get a determination? Mr. Pena responded by saying that currently the only way one knows if they are not going

to have a problem is if the property or home is less than 75 years old. If that standard changes, there may be a larger list that is compiled, not based solely on the 75 year initial standard. There may be many properties that are 65 or 70 years of age that have historic qualities to them that may be added to a list that is longer than what is included in the packets today.

Susan Keith, 801 Tolita Avenue, Chair, Human Resource Commission, commented that the consensus of the Commission is that the system is working very well. A number of people have come in and have been approved for demolition permits. There has been one home that was historic. The owners have since gone back and worked with an architect and come in with an alteration permit that has been approved. They are currently waiting for the appeal process to be complete. It seems to be working well. They are trying to streamline the system for those people who want to find out if their homes are historic. There have been preliminary reviews taking place. The HRC is still adjusting with staff to try to learn which projects the Commission wants to see and which ones staff can handle. Council asked the HRC to come up with a list. They have completed about 225 homes which are the most historic in town. There are cracks that the HRC is concerned that might not be filled by just a list. They are also concerned that every house is treated equally. Once there is a list it can pit neighbor against neighbor. They are in favor of keeping the 75 years of age standard. If Council still wants a list, the HRC would like more time to complete it. In the end there will likely be about 400 homes on the list.

Councilmember Tanaka asked if six months is enough time. He recognizes that this is an incredible amount of work to ask of a volunteer board. Ms. Keith explained that the Commission has doubled the number of meetings it holds and it now meets twice a month. There have been two field trips. Each commissioner has spent hours at City Hall going through records. Staff has been extremely helpful. They are asking for six months because they think it can be finished in six months.

Mayor Smisek provided further background on this issue. The idea of a list was something to try to help the community get through the idea of a grey area. Another criterion was that the City would strive to make this a voluntary designation. Once the list was established, the HRC would go to the owners and try to get them to voluntarily submit. If they didn't, there would be a discussion that would ensue after that. The other thing that was discussed at length on the Council was what if the house had someone famous who lived in it but it wasn't 75 years old. Or, what if it was designed by a very well known architect in the forties or fifties? There would be no reason for those properties to come before HRC. This was an attempt to get out of the grey area; to put the onus on the current owners. It would be an evolving list as time goes on. The 75 years could be a part of it, but there are several other criteria in historic designation.

Mr. Tanaka thinks a list would give the community greater clarity. The 75 year age criteria may be working right now, but the point Mayor Smisek is making is valid. The list puts the information out there in the open. Having a list is a cleaner process and it takes some of the guess work out of it. He also commented that he is very sympathetic to the amount of work this is creating. He feels that Council owes it to the Commission to give as much time as they need.

Ms. Downey commented that it just makes it easier when one knows what they are getting into. She would like to see this made easier and cleaner one way or the other. She supports the idea of a list.

Councilmember Monroe feels that there is an area that is unclear right now. That is the houses that are over 75 years old. If an event happens, they now have to start a process. He wonders if Council could even consider looking at those 200-230 that are over 75 years old to determine which the City deems to be historic rather than wait until someone wants to tear it down. That would be a quick way to bring clarity

to a large number of property owners. He was a little worried that the number 400 came out because he wondered if it really is historic preservation.

Page Harrington, Coronado Historical Association, 1100 Orange Avenue, suggested tabling the idea of a list for perhaps one year. The Historic Demolition Permit ordinance is only six months old. HRC has been very good in working with people to make sure there is a conclusion that works for everyone. One of the biggest problems she has with a list in this capacity is that it is not a survey. It is simply looking at building permits, the age, how many alterations may or may not have taken place over time. It doesn't take into consideration who lived there, how significant they were to the community, any events that may have happened there. Those are all qualifications that HRC has to look at when designating a home. That aspect is completely being missed. If there is a list, it can be used in a very black and white way. People are going to be upset that their house is on the list. People are also going to be upset if their house is not on the list. Making the list the way it is being talked about is going to serve as a lightning rod for people. She thinks there could be an opportunity for everyone to figure out the best way for this process to work for Coronado.

Gerry MacCartee, 836 D Avenue, wants to assure Council that this process, so far, is working. Most of the people in town aren't interested in saving a building. They are interested in saving the character of the village. She urged Council to rethink this for a while, to give the HRC a chance to let this go the way it is going. Another look can be taken down the line. Mr. Tanaka asked if Ms. MacCartee is confident in the ability to compile a list. Certainly the list will need to be reviewed and updated periodically. Ms. MacCartee explained that if Council wants the HRC to produce only a list they would do so and it would be time intensive and comprehensive. Ms. Keith added that the list is not saying these houses are historic. The list says that to be demolished, if one is on the list, you have to come before the Commission.

Ms. Downey asked for further clarification of the list of homes in the agenda packet. Ms. Keith responded that it is the HRC list.

Mayor Smisek commented that Council said it would do a list. He has asked the City Manager if the City has the resources to do it and he has said that staff does. Mayor Smisek would like the list put together and see what it looks like. It is an evolving situation. It is a good start. It makes the process less bureaucratic. He would entertain the idea of extending the six months and continue with the list.

MSUC (Smisek/Tierney) moved that the City Council direct the Commission to proceed with the development of a list and authorized an additional six months to complete the project

AYES: Downey, Monroe, Tanaka, Tierney and Smisek
NAYS: None
ABSENT: None

11. CITY COUNCIL BUSINESS:

11a. Council Reports on Inter-Agency Committee and Board Assignments.

Councilmember Monroe attended the Regional Chamber of Commerce installation dinner, a meeting of the Tunnel Team, a meeting with the Hotel Del representatives, met with Paul Vergeaux regarding traffic on Fourth with Councilmember Tanaka, attended SANDAG Board meetings, the South Bay SANDAG

reps got together and selected committee chairmen, met with Bill Seager (a new School Board member), met with Greg Cox and three members of the Coastal Conservancy, a meeting of the MTS Board, the League of California Cities dinner, and a meeting of the South County Economic Development Council.

Councilmember Tanaka met with the Hotel Del representatives, met with Paul Vergeaux about traffic on Fourth Street, met with Dr. Wheeler, Mrs. Visnick and Kathy Vienna to discuss the last Redevelopment Agency meeting, attended the Special City Council meeting, the Cays HOA meeting, and the Fire Dispatch JPA meeting.

Councilmember Tierney attended the Conservancy meeting with Greg Cox and a meeting with the Hotel Del representatives.

Councilmember Downey attended a meeting that morning, with Councilmember Monroe, of the South County EDC, the League of California Cities dinner, and a meeting with representatives from the Hotel Del.

Mayor Smisek met with the Hotel Del to discuss their presentation to Council, had a Trant Manor walk through, a South Bay Mayors meeting in Chula Vista, the Special City Council meeting, presented a Proclamation to Ruth Suter for her 100th birthday, a meeting of the CHA Board, a Human Relations Committee meeting, a meeting with Kathy Vienna to discuss the issues in the CDA, a Library Board meeting, the Coronado Cays HOA meeting, the MainStreet meeting, and a meeting with Chamber of Commerce President Scott Grimes.

11b. Consideration of Appointment to Fill One Vacancy on the Coronado Parks and Recreation Board. Mayor Smisek announced that there are two applicants, Lou de Beer and Nils Stephen Sandberg. He suggested the use of the “Schmidt” method. Each Council member may vote for either, both or neither applicants for the first round. Any candidate receiving three or more votes will move on to the second round of voting. If there is a clear winner after one round, that is the only voting that is necessary.

The City Clerk read the names and recorded the votes as follows:

Louis de Beer	Downey, Smisek, Monroe
Nils Stephen Sandberg	unanimous

MSUC (Tierney/Tanaka) moved that the City Council appoint Nils Stephen Sandberg to a term on the Parks and Recreation Board to expire January 31, 2008

AYES:	Downey, Monroe, Tanaka, Tierney and Smisek
NAYS:	None
ABSENT:	None

11c. Review of the Hotel del Coronado’s Proposed Project Details and Construction Schedule for Phase One of Their Master Plan Which Includes Both Private and Public Improvements. Tony Pena, Director of Community Development, introduced this item. The Hotel del Coronado is now considering entering into Phase 1 construction. This is a very broadly planned development. It is not a vision that was to be built in one day in one phase. In the Development Agreement, the City provided some flexibility for the property owner to develop it in smaller phases.

Mayor Smisek commented that Brian Bilbray, a very good friend to Coronado, is in the audience.

Councilmember Monroe disclosed that he had met privately with Mr. Shallen, Mr. Dodds and Mr. Bilbray. The Hotel has made individual presentations to all the Council members and Mayor Smisek.

Todd Shallen, Vice President and Manager, Hotel del Coronado, began by saying that they are very excited to have the opportunity to present an update on the implementation of the Master Plan. He is joined by Bill Dodds, Vice President of Development, and Mark Hornberger, principal with Hornberger and Worstell. Over the past several weeks they have met with all of the Council members, many of the staff within the City, and leaders of various community organizations including Save our Heritage Organization, the Chamber of Commerce, MainStreet Coronado, Coronado Historical Association, the Historic Resource Commission, Coronado Schools Foundation and several neighbors in the residential areas around the Del.

They have spent the last year since they have owned the Hotel evaluating not only the customers and how they relate to the Master Plan, but also the Master Plan itself. They have come up with several highlights. First, they believe that the Master Plan is extremely well thought out. They give kudos to the predecessors in the ownership and management of the Hotel along with the Council and community for putting together such a well thought out plan. They are before Council with the intent to implement this Master Plan over the next, hopefully, 15 years. They would also like to review the overall plan. Competitively, the Hotel needs to enhance many within the overall property. Guest rooms are one that is actually being done today. Over the past 14 months they have spent over \$10 million enhancing and restoring both the Victorian building guestrooms and the guest rooms in the Grand Building and the Ocean Towers. They also propose to add new guestrooms. The first phases will be in the North Beach area. Also planned is to enhance the spa and fitness area which they believe should be a world class spa. Once this is done, that will set the Hotel in a competitive position for the next decades and even centuries to come.

Mark Hornberger, architect, distributed booklets to Council representing the seven slides in the presentation. The first slide depicts overall improvements as outlined in the Master Plan. He moved on to show the Phase 1 improvements which include the entry garden at R.H. Dana and Orange, the North Beach quadrant which has the new 78 keys in 11 villa and cottage buildings, and the revised location for the spa and underground fitness facility and pool. He moved on to discuss the spa. The spa is to be located in the northwest corner of the Victorian building. The proposal is to build a spa in the existing space, where the current spa and fitness facility is, remove the salon and fitness facility and place them in an underground facility below the esplanade and terrace level where it is not seen and where it does not block view corridors and where it can be adjacent to the pool for the North Beach Village. The spa will be a world class, state-of-the-art spa. They will increase the number of treatment rooms, changing areas, steam and sauna and retail support all in the roughly 10,000 square foot space. They will continue to have the esplanade and public access corridor and view corridor to the beach, which is specified in the Master Plan. There will be access at grade level from the terrace to the new spa in this location.

The level below this will be accessed by a stair and single level elevator taking one from inside the spa to the fitness facility. It is approximately 9,000 square feet in size and includes the salon and a new fitness facility that originally was planned to be in the cabanas building. For planning and adjacency purposes, it is much better to be near the spa but by putting it underground and not visible, it allows the campus of the Master Plan to be realized as envisioned. There will be a service tunnel which allows them to bring

service to activities on the beach and allows them to bring storage below grade so that the beach storage that is in the chain link fence area behind the tennis courts now can actually be removed.

Mr. Hornberger commented that the site plan of the North Beach Village itself envisioned 11 buildings. They have the same 11 buildings and the same footprint configuration as was approved. The ones in the rear are the villa buildings and the ones fronting the beach are the cottage buildings. These buildings range, as approved by the Master Plan, from two stories to three stories, two stories down to one to one and a half in height. They are maintaining footprint, number of buildings and the overall height that was approved in the Master Plan.

Councilmember Tanaka asked if it is possible for someone on Paseo del Mar (the public access area) to wander in between the villas and the cottages or are they fenced off? Mr. Hornberger responded that the intention is, for security reasons and safety, to actually fence with a perimeter fence that will be hidden in the landscape. There will be access points. It would be a picket-style fence that would discourage people from wandering into the cottages.

Mr. Hornberger referred to renderings of the site elevations for the North Beach villas and North Beach cottages. Mr. Monroe asked for further clarification on the height of the buildings. Mr. Hornberger responded that the buildings are to be, at midpoint of the roof, 32' off of grade. These are 31'6" as measured by the Master Plan. They are actually three stories but are using the roof shape to create a one bedroom loft area in those units within the overall height. Mr. Monroe asked if those loft units were in the original plan. He was informed that they are new. Mr. Hornberger mentioned that these are Victorian buildings that will be painted white wood with red asphalt shingle roofs. Many of the details will be the current version of what is seen on the Victorian Building. Secretary of Interior standards required them to be compatible with and in the same family of materials, forms and shapes as the historic building, but clearly not to be mimicking the historic buildings. He would call these contemporary Victorian buildings. They will have absolutely the feel of the family of the historic building. They will be a proud addition to the Hotel campus.

Bill Dodds, Vice President of Development, moved on to discuss the public benefits. Included in the first two phases of construction are the Paseo del Mar improvements. The goal would be to start that construction in late spring or early summer of this year. Other public benefits include the entry garden and some type of connection down to the Paseo del Mar. Two other items of public benefit in the first phase of their construction will be some additional striping of parking and the cash payment of \$750,000 to the City. In terms of public improvements, there are quite a few to be made in these first phases of development. The planned concept to fund the construction of both the North Beach area and the public improvements of the Paseo del Mar and Century Garden is through equity financing. It is essentially individual ownership of units in the North Beach area. The owner would have use of the property for a restricted period of time during the year. It would be a 90-day maximum use during the year, with a 25-day maximum consecutive use. Whenever the owner is not occupying the unit it would be mandatory that the Hotel have it be available for rental to the public. The Hotel continues to operate the rooms.

In terms of an owner occupancy, there will be no negative impact on the City's TOT collection. Even though the owner owns the units, because it is a transitory use, the owner will be required to pay the TOT. In terms of utilization, the owner would actually come to the front desk of the Hotel to gain access to a key card. The owner does not actually have a key to their own unit. This is not a new type of equity financing concept. They operate several properties similar to this. The equity financing allows them to reinvest their development dollars faster into implementing more portions of the Master Plan. The Master

Plan is a 15 year plan with a 5 year extension. In reality, that is a very short period of time for a plan that is as aggressive as this overall plan is in terms of construction. This will be one way that will allow the Hotel to develop more of that program in a more timely manner.

Mr. Dodds moved on to discuss parking. They have reviewed the parking agreement that will be required to be submitted to the City that will provide an analysis to demonstrate their compliance with the City's parking ordinance not only for this phase of construction, but through the entire build-out of the Master Plan. In terms of timing for construction, they are working toward starting construction on the spa and fitness center and the North Beach area in September of this year. They plan to start Paseo del Mar in late spring, early summer. The other on-site improvements are scheduled for September '05 and they will start being delivered back in the end of May – through the summer of '06. There will always be public access across the property such as there is today. Mr. Dodds reiterated that they are very excited about the Master Plan. They spent quite a bit of time analyzing both their customers at the Hotel as well as the Plan. It is a well thought out plan. They would like to start implementing these first two phases and start this Master Plan process.

Mayor Smisek asked about the TOT and the responsibility for the TOT to be paid to the City rests for with the Hotel. Mr. Dodds responded by saying that the Hotel would actually be the vehicle to collect the tax from the owner. If owners are delinquent, that will not affect the City.

Mayor Smisek asked for an explanation for the public of the difference between a time share and what the Hotel is proposing. Mr. Dodds explained that the proposal is for a whole ownership – it is one owner, one person on deed. They have basic ownership of the property for 365 days of the year. In terms of the owner's use, they are restricted by deed or CC&Rs that they can only utilize the property 90 days. Even though they own it, they only have use rights for those 90 days. The balance of the time, when the Hotel is actually operating it as a hotel and collecting rents or occupancies for the units, the Hotel actually splits the income with the owner. A time share situation has multiple owners of the same unit. People purchase a fraction of time. There is no trading with the proposed situation as there is with time shares. The Hotel is responsible for all of the rentals.

Councilmember Monroe suggested that the phrase “one person on deed” is not quite right. There could be a partnership or a company that bought it. Mr. Dodds clarified that it is “one entity” that is still restricted to a total of 90 days. Mr. Tanaka added that it still operates like a hotel and it is not transferable as a timeshare is.

Councilmember Downey clarified that the Hotel will treat these as it does other hotel rooms. The Del will provide the maid service and will have all liability for the maintenance of these cottages. Mr. Dodds explained that there will be a Homeowners' Association associated with the buildings. The Hotel Del controls that. The way they have handled that in other locations is whether the building needs to be painted or not, every three years or four years it gets painted. That is built into the CC&R so it is not an issue. One of the things they are working on is to control the landscape areas so that the Hotel is actually the owner of the landscape area around these buildings so that the quality and level of maintenance and the appearance is always to the standard of the Del.

Ms. Downey asked about the front entrance. Once the front entrance is redone she assumes there will be some kind of fence along the property or will people literally be able to walk off the streets onto Hotel property? Mr. Dodds explained that there will not be fencing along that area. The connection between the Village and downtown area will be opened up.

Mr. Shallan added that there is a fence as one gets down behind the Oxford Building to the edge of the property. That is a further phase and they really haven't gotten into the design of that, but there are grading differences and some security issues in that area.

Susan Keith, 801 Tolita, thanked the Hotel for meeting with her. She noted that she had spoken against this Master Plan in the past and in particular the Paseo del Mar piece. She thinks they have done a fabulous job with the relocation of the spa. She thinks it makes much more sense than before. She is very pleased to see they are keeping the integrity of the historical building.

Nancy Helsper, 274 J Avenue, asked how resale works with the cottages and villas. Mr. Dodds responded by saying that resale is similar to any owned real estate with the same deed restrictions passing on to the new owner. Ms. Helsper asked who sets the price. This is prime beach property. Mr. Shallan responded that the Hotel sets the initial price.

Page Harrington, Coronado Historical Association, 1100 Orange Avenue, thanked the Hotel Del for speaking with them. She thanked them for being as sensitive as they have been to the historicity of the Hotel and making sure that they haven't disrupted any historic elements.

Jim Strickland, 1048 Olive Avenue, commented that when this Master Plan came through the Planning Commission and City Council one of the most contentious issues was parking. The presentation today said that the parking commitment will be met. As he recalls, the only way to meet that in the North parking lot was to have two levels of underground parking. It appears to him that the area where the North Beach villas are is where current parking is. When will that underground parking be started?

Mr. Dodds responded that, in terms of the Development Agreement and the analysis that was done, the analysis indicates the parking for the first two phases of this North Beach area and those rooms can all be accommodated on the existing property. It would appear to them that the third phase of development will require some type of structure parking. Their intention is to get the first two phases going then, once they make sure the first two phases are working well in terms of construction, they will start looking at the third phase in terms of what makes the most sense for the parking structure.

Florence Draper, 460 E Avenue, asked if they have taken into account the water table with the undergrounding of the fitness center. Mr. Hornberger responded that they have had civil engineers look at it. This is located at 6' above sea level. They are waterproofing the base and engineering it so that as the water table moves up and down the building won't be affected.

Mayor Smisek clarified that the recommendation is for Council to consider the presentation and provide appropriate comments and direction.

Councilmember Tierney asked what happens if someone buys one unit and then buys a second and third unit. They could then move from unit to unit. How does the Hotel keep that from happening? Mr. Dodds explained that they build into the deed a right of first refusal for the Hotel. The Hotel has the option to buy back units. Could someone in a free market acquire multiple units? It is conceivable that they could. Would they be able to take over enough units to stay a full year and move from unit to unit? The likelihood is very limited and the Hotel has a mechanism to prevent that type of ownership due to the right of first refusal. Historically, in their other properties, he can think of one buyer who bought two units. Typically, because of pricing, multiple acquisitions are not economically feasible.

Mr. Tierney stated he is worried that this is not clear. Mr. Shallan explained that an owner could have multiple units. In Phoenix they did have a person who owned five units. They never stayed in the units, but had them strictly for investment purposes. In theory, it really doesn't matter from the City standpoint. The City will always get the TOT. If they move from unit to unit, that is more an issue from the Hotel's revenue standpoint. The Hotel will not, at first, restrict those sales because their history has shown that will not be an issue where people move from unit to unit after 25 days.

Mr. Monroe began by saying that the public improvements to this plan are fantastic. His only concern is that it seems to him that the North Beach Villas, particularly three, four and five are larger than they were previously. He asked Mr. Pena if the addition of those loft units, in staff's view, come under the definition of minor deviations. He sees more than a minor deviation. Mr. Pena commented that is the reason for this item coming before Council. Staff looked at the number of units, consistency in the numbers. There are still 78 units. The height of the buildings is as approved or lower. They lowered the elevation grade somewhat. The bulk and massing is the same or less. The loft in the roof area is simply utilization of space. The square footage is roughly the same as well. Generally, this is a duplicate of what was approved in the Master Plan with some minor modifications.

Councilmember Tanaka agreed that it does appear from the elevation that it is four stories. Mr. Dodds explained there is a limited amount of square footage within the building. That is what they must conform with. They are within that conformance. Council should also know that they come back before Design Review as part of this process, too, so this is not the last time that this design will be looked at. In terms of the dormers, it is one of the elements, in talking with Save Our Heritage in terms of roof massing and the concept of a dormer to break up the roof mass on those back units, which actually mimics the Hotel itself, so that there would not be a constant roof line look. In terms of keys, it is the same amount of keys. They reduced some square footage within one of the rooms, created a staircase in the unit itself to go up to a one bedroom/small bathroom loft-type of environment.

Mr. Hornberger added that one of the key approval points of the previous Master Plan was the appearance of those buildings along the parking lot as viewed from the adjacent residential R.H. Dana viewpoint. These match those levels precisely. The first two villa buildings are two stories; the second two are three; the third is three and two. In terms of the elevator that serves the single elevator buildings one and two and the single elevator that serves buildings three, four and five, the first is two elevator stops as approved in the Plan, the second is three elevator stops as approved in the Plan. Access balconies are on grade plus one above for a two-story building, just as in the Plan. In buildings three, four and five there are two access corridors – one on grade and two above, just as in the Master Plan.

Mr. Monroe commented that the explanation has been very helpful to him. He recalls the comment about matching the Del and the roofline. He missed that these are not separate new units but rather just loft spaces for the underneath unit with a staircase up.

Mr. Tanaka is happy to understand that this is a funding mechanism. He is confident that this doesn't jeopardize the historical integrity of the Hotel or the City. The selling point is that the Hotel is controlling all access to these and that they basically are hotel rooms.

Mayor Smisek thanked the Hotel representatives for the presentation.

12. **CITY ATTORNEY:** None.

13. **COMMUNICATIONS - WRITTEN:**

13a. **City Council Review and Comment on Written Communication Received Regarding Conceptual Proposal for Bay View Lodge Located at the Former Trant Manor Site Addressed as 1401 Ynez Place and 1054 Adella Avenue Located in the R-3 (Multiple Family Residential) Zone.**

Tony Pena, Director of Community Development, explained that this is another informal presentation to the City Council for comment only. This is a proposal for the redevelopment of the Trant Manor site.

Dave Gillingham, 649 Pomona, managing partner for this project, thanked Council for allowing them to make a presentation. The goal is to restore the Bay View Lodge and to reinstate a lodge operation on the property. They hope to obtain Coronado Historic designation for the property and will try to get national historic designation as well, Chris Ackerman is the architect, and Russ Prentice is the contractor who works for Tekton Master Builders. Nancy Helsper is the former Vice President of the California Lodge Association. She currently runs Heritage Park Bay Bed & Breakfast in San Diego and they are hoping she will guide them in the right direction. He is pleased that, up to now, what they have conceptually doesn't involve modifying the exterior of the main building at all. To make it economically feasible, they need to add some additional units on the perimeter of the property. They are hoping that the City will permit them to do that. They are also planning for underground parking, which will be accessed by car elevators. From the street it will look like a plain garage. Finally, at the intersection of Adella, A and Ynez, they will narrow the street and create a pocket park.

Councilmember Monroe commented on a letter from Save Our Heritage Organization that was in support of the project.

Chris Ackerman, 765 C Avenue, principal of the Ackerman Group, showed photographs of the original Bay View Lodge. It was built in 1909, designed by Hebbard and Gill. It was built as a lodge. One of its defining architectural features is a central stair hall with all the rooms radiating off it. They propose to return it to use as a lodge. They will clear off all non-historic buildings that are surrounding it on the property, some of which has already been done. They will create a series of small, two-story bungalow buildings around the perimeter of the property, opening up the view to the historic lodge. The bungalows scattered around will look like a miniature version of the historic building. The entrance to the auto lift is on the side of the property. There will be another lift to go out. The property has about 10 ½ grandfathered parking spaces based on the existing uses that were there. They propose to not use any of the grandfathered spaces and provide complete parking as if it were all new construction today. The proposal will be to retain the typical width of A Street that goes through the entire Village, which means that they could push out the existing curbs, create a 90 degree intersection between A and Ynez, and essentially make two intersections out of a very awkward existing intersection, creating a public pocket park that will continue to be City property.

Mayor Smisek asked how this will operate, as a hotel? Mr. Ackerman responded that it is for transient use. It will be called a lodge. It is similar in operation to a hotel or motel. Guests will come in the front entrance, check in, go to one of the units and check out.

Mayor Smisek further asked that, due to the cost structure, if they are anticipating that this won't be for long term residents. Mr. Ackerman replied that is correct. The Mayor questioned if this will require a Special Use Permit. Mr. Ackerman thinks that is something that needs to be worked out with the City.

That type of use is allowed in the R-3 under an SUP, but this is the existing historic use of the building. The property is large enough for eight condominiums. Usually there would be three bedrooms per condominium which would mean 24 bedrooms. When it was purchased, the property had on it five kitchens and sixteen rooms. They are proposing one main kitchen, a second kitchen for the manager's unit, and approximately 17 rooms.

Mayor Smisek referred to the Save Our Heritage Organization letter. It states, in the last paragraph, that bed and breakfast operations are good and quiet neighbors. Mayor Smisek asked if it is not anticipated that this will be a bed and breakfast operation. Mr. Ackerman responded that a bed and breakfast is defined by City code as something that is six or less common rooms served by one kitchen. This is not that. There will be a restaurant that serves only the number of people staying there. It will have the number of seats to match the number of guests. Mayor Smisek asked about the parking. The number of parking spaces will comply with the number of units that will exist. There will be approximately 17 spaces, depending on how they read the ordinance. They will provide whatever is required.

Councilmember Tanaka asked if the guests are paying separately for the meals or is that part of what they are paying for when they stay at the lodge. He hasn't seen any floor plans for the bungalows. Do they have their own kitchens or is eating in the lodge optional? Mr. Ackerman explained that the intent is for the bungalows to have rooms similar to hotel rooms. They do not have full kitchens or anything like that. The guest will eat in the dining room. The only guest room that would have a kitchen is the manager's room. Mr. Tanaka commented that the floor plan for Trant Manor is very clear. He thinks the rooms are on the small side. He asked if the bungalows will be more upscale. Mr. Ackerman responded that hopefully the rooms in the bungalows will be a little bit larger. They haven't been designed yet. Mr. Gillingham explained that they haven't gotten to the point where they have put together a business plan. Conceptually, they are thinking that the restaurant will only serve breakfast. Mr. Ackerman added that the two dining rooms is a reflection of keeping the historic dining room in the front building and providing enough space for the guests. Mr. Gillingham commented that they wanted to err on the side of it being nicer rather than less nice. There will be plenty of room downstairs for sitting areas and possibly a sun room.

Councilmember Tierney commented that he didn't see in the package what the benefits to the City are for this economically, this floor plan vs. condominiums. Is there an advantage of TOT versus property tax? Can the advantages and disadvantages of both of these outcomes be outlined?

Mr. Gillingham explained that they have not done an analysis that says if eight condos are built the property tax revenue to the City is x, as opposed to what the potential TOT is. It would be more lucrative to tear it down and start over and build what it is zoned for. They have talked to a lot of the neighbors and a lot of people in town. This is something people are interested in seeing. This is not the most prudent or immediately lucrative investment, but they do think there will be an eventual return on investment, it will be consistent over the long term, it is good for the City. Mr. Tierney asked what the occupancy rate was figured as. Mr. Gillingham understands that Coronado is historically in the 70% range in the winter and in the summer it is into the 90s. Mr. Ackerman pointed out that another benefit to the City is the creation of the pocket park. It solves a traffic problem the City has had with that intersection. Mr. Ackerman has met with a lot of people and had a number of open houses for the neighbors. They have met with a lot of support. They have letters of support from Coronado Historical Association, Coronado MainStreet, former Councilmember Patty Schmidt, and from SOHO.

Susan Keith, 801 Tolita Avenue, commented that this is exactly the project that she would like to see come forward. This is an owner of an historic piece of land who is voluntarily coming forward seeking designation with a plan for restoration. They want to use it the way it was intended to be used. It will be a great addition to the community.

Doug St. Denis, 710 Adella Avenue, stated that they are constantly pleading with developers and home owners to please think of something besides the highest and best use of the property and to think of Coronado's ambience and character. Here it is. The neighborhood is thrilled at the possibility of what this could be. She supports the project.

Barbara Sturgeon, 1100 Adella Avenue, has been to a presentation. She thinks that all of the people who attended were extremely excited about it.

Page Harrington, Coronado Historical Association, thanked Mr. Gillingham for bringing this type of project to light and for seeing that there is something else to do besides tearing it down.

Mayor Smisek thanked the Hotel Del representatives for the presentation.

13b. Written Communication: Request from Councilmember Tierney to Direct Staff to Study the Possible Relocation of the Animal Services Facility. Councilmember Tierney read an excerpt from his letter and explained that the current location of the facility is roughly at the corner of Sixth and Orange, sitting between the Fire Station and the old police station. It was built in 1984. It is not a particularly great building to remodel. There are more suitable areas within town. In order to maximize and to give a plot of land to a developer to develop for senior housing, Mr. Tierney believes it is necessary to look for potentially other sites that are available. He thinks it is imperative that Council move in that direction.

Mayor Smisek commented that one part of the City's project, as it looks at the senior housing, was to inquire about this animal facility as being a part of that. The subcommittee is beginning its process of evaluation in February. The RFQ is already out. Mayor Smisek would like to dovetail that into Mr. Tierney's request with the City Manager. Depending on what comes out of the evaluation, Council can then make a further determination as to the idea of including or not including the animal service facility. Depending on what we get out of that part of the evaluation, if the developer says we will get two or three more units by getting rid of the facility and the Council likes that idea, we could have the City Manager come back to the Council with a methodology on how he would approach your request as far as looking for an alternate site. If the developer says we won't get much out of it by giving them the little piece and they can incorporate it in, then we need to evaluate that to see if we want to pursue that or pursue moving it. Mayor Smisek felt we needed to take the first step and find out what it will do for the City.

Mr. Tierney thinks that, right now, the City should be looking for sites. That is not a big project and it brings it in line with the fact that there will be a solidified project at this site. He thinks it is really important to add to that and ask that the City Manager and staff locate some suitable areas. Once the City comes to the point where it is determined that the facility cannot remain at that location, there is a shorter timetable for moving forward on the limited areas we've designated a potential sites. It is going to require some involvement of the public in so far as discussion of the areas that the City will be looking at. He envisions a potential workshop being put together. This could take a lot of time.

Councilmember Monroe feels that Mr. Tierney has come to a lot of conclusions in his memo especially where he notes it doesn't lend itself to being remodeled. The conclusions he has given are the conclusions that Mayor Smisek was going to ask his committee to investigate and come up with. That is exactly what the City needs to hear from the Committee. He supports Mayor Smisek's recommendation to continue with the Committee efforts to see what can be done at that location. He asked Mr. Tierney if he has one or two locations in mind in Coronado. Mr. Tierney explained that there are a number of areas that he has discussed with members of the public. One is alongside the Amphib Base. Another is behind the Fire Station in the Cays. The third potential area is the area where the Engineering Department is currently. He thinks looking at all of these areas will save a lot of time.

Mr. Monroe feels that the report from the Committee that is studying this is not a long way off. Mr. Tierney has no objection to what the Mayor has asked for, but he would like to add one other item, which is to look at potential sites.

Councilmember Downey noted that she had said previously that she would be surprised if a developer would say that he would build a smaller senior facility because of a dog run. The Committee was told to come back to Council with a report on how it sees this. The result will be exactly what Mr. Tierney is requesting, but she feels Council can wait until the Committee gives its report.

Mayor Smisek thinks that the City is aware of the potential sites, since it has to be City-owned property. This isn't a big hurdle. He doesn't want to see an extensive evaluation of cost to do each one before this first step is taken. Mr. Tierney agreed with Mayor Smisek and would waive the portion regarding costs. City Manager Mark Ochendusko commented that there won't be a lot of sites in Coronado that would be acceptable for this use, so it would be easy to identify those.

Mr. Tierney recalled that the last time this was discussed one of the sites selected was to put the animal control facility underneath the Police Station. That set off a storm within the City. He is trying to show the public that the City is working on this and is not working for its own concerns, but rather for the betterment of these animals and the facility itself.

Louise Shirey, 828 Guadalupe, president of PAWS, stated she thinks a dog run would be very important in this new facility. The present one only has small outdoor cages. Some of the volunteers cannot walk some of the larger, heavier and untrained dogs. She can throw a ball or a Frisbee if there is a dog run to exercise them. To rebuild on the present site and to rebuild a worthy animal control facility with a dog run and all the other necessary features would seriously impact the senior housing that is being planned. In making your decisions, please keep in mind that both the animal facility and the senior housing will be there for a long time.

John Nyquist, 685 Margarita, commented that he grew up on the Navy staff. The first thing they did was set requirements. It seems to him that the requirements for a modern animal care facility, including exercise areas for animals, needs to be set forth and gauged in the collective mind so that it will be known if it will fit or will the competing structures squeeze out the minimum requirements. The City needs to know how big a modern animal care facility is, sized for Coronado. Knowing that, then trade offs can be made with other areas or with the area at Sixth and Orange.

Mayor Smisek pointed out that there is very limited land in Coronado. Because of that, the City tends to work the other way around. For example, the City Hall and the Community Center were developed

around the long strip of land that was available for them. He feels that determining what an acceptable animal control facility is will probably be a controversial issue in and of itself.

Councilmember Tanaka referred to page 127 and the whole concept of what is a feasible alternative. The only location that sounded interesting to him was the Cays one. It is the only one where he could imagine a scenario where it would both meet the needs of the animal community and meet the City's needs without upsetting the residents. He also agrees with Mayor Smisek's suggestion of letting the Committee do the work first. A possible compromise for Mr. Tierney might be a little bit of policy direction for staff in the sense of maybe authorizing them to consider the alternatives. His biggest concern would be that staff is at capacity in terms of work load. He is not comfortable with throwing another task on them. There is still a lot of conceptual work to be done. He is very comfortable with letting the City Manager use his discretion on whether or not he thinks the Cays is a feasible alternative or not.

Mr. Tierney clarified that he has only asked that staff look for sites. Mr. Tanaka felt that is a very vague direction. It doesn't give staff any more clarity than it has right now. This is a complicated issue.

Mr. Monroe is aware that animal control and animal care means two different levels of what will be provided. The City is not really sure yet what it will provide. He would like to encourage Council to agendaize, in the next three to four months, the level of service and the minimum requirements for that level of service.

Mayor Smisek assured Council, as the Chair of the new committee on Senior Housing, that the Committee will discuss the alternative requirements for this animal facility. This will be coming to Council fairly rapidly.

Mr. Tierney has no problem with that as long as the Committee is moving in that direction and it will take into consideration the time table to ensure that the City moves smartly and smoothly on this thing.

13c. Written Communication: Request from Councilmember Tierney to Consider Establishing Parking Restrictions for Recreational Vehicles Within the City of Coronado.
Councilmember Tierney read his letter for the record. There is a conflict with the City ordinance governing this issue and the signage announcing the restrictions of the ordinance. Mr. Tierney suggests that Coronado use some of the practices of Santa Barbara, Del Mar and Fountain Valley on this matter. He has noticed that people will come to Coronado with their RV and park for a period of time. They park for three days and then they move. It is a cheap way to utilize the City services.

Councilmember Tanaka thinks this might need to be explored a bit further. He would be supportive of that.

Mayor Smisek asked if it is the wish of the City Council to pursue some kind of parking restrictions. He also asked Chief Hutton to define the current situation.

Robert Hutton, Director of Police Services, explained that there is an ordinance on the books that restricts RV parking as well as the parking of non-motorized vehicles. It makes a distinction in the vehicle code between a commercial vehicle, oversized, and an RV, not necessarily commercial. There are some interpretations that the City needs to get, from a legal sense, about the City's ability to do this. Other communities have done it and have had success with it. This is an issue that needs to be addressed. What

are the signage requirements? He needs the assistance of the City Attorney. There are restrictions surrounding sleeping in vehicles.

Miles Harvey, 1099 First Street, is the owner of motor coaches. He is a national director of the Family Motorcoach Association. This issue is not peculiar to Coronado. It is an issue that almost every community in the United States faces. The Family Motorcoach Association acknowledges that. He provided Council with a little information. The Family Motorcoach Association has a Legislation and Governmental Affairs Committee that has developed a 60-page guideline for these types of ordinances. He suggested that, if Council elects to pursue this further, he or someone else contact the Family Motorcoach Association to get the benefit of what has transpired and the position of these national associations. The national associations are not opposed to reasonable regulation. There are some much defined legal issues. The municipality has to deal with the safety, health and welfare of the community. The municipality has to make sure that the ordinance is reasonably related to what is trying to be regulated. In California there is a very peculiar situation with the Vehicle Code taking away so much of the jurisdiction of the municipalities. There are a tremendous number of legal issues. There is assistance that is available through the national associations.

Mayor Smisek asked if Mr. Tierney is talking about commercial vehicles, also. Mr. Tierney stated he is simply talking about RVs in residential areas.

Mayor Smisek liked Mr. Harvey's offer and stated the City Manager can pursue this by getting some more information.

Mr. Monroe asked what defines a residential street. Cays Boulevard is a residential street. Chief Hutton believes that the Vehicle Code leaves it to the local definition of residential area. The Vehicle Code defines business and residential streets within the Code, but it also allows, for the purposes of restricting parking of commercial vehicles, to use the local definition of residential area. Mr. Monroe thinks this should be done to include commercial vehicles, also.

Councilmember Downey would like the public to know that RV parking is allowed at the state beach.

Mayor Smisek reviewed that the direction would be for the City Manager and the Police Chief to work with Mr. Harvey and the City Attorney to find out what the City can do and bring some recommendations back to Council.

The City Council recessed into Closed Session at 5:58 p.m.

14. CLOSED SESSION:

City Manager Mark Ochenduszko recused himself from both Closed Session items as his residence is within 500' of both issues.

City Attorney Morgan Foley explained that Councilmember Monroe will be disqualified from discussing the item 14b.

- 14a. CLOSED SESSION: CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
Significant exposure to litigation pursuant to subdivision (b) of Section §54956.9
Fifteen (15) potential cases

**14b. CLOSED SESSION: CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED
LITIGATION**

Significant exposure to litigation pursuant to subdivision (b) of Section §54956.9

One (1) potential case

The City Council returned into open session at 6:45 p.m. and reported that direction was given to legal counsel on both item 14a and 14b.

15. ADJOURNMENT: The meeting was adjourned at 6:46 p.m.

Approved: February 15, 2005

Tom Smisek, Mayor

Attest:

Mary L. Clifford
Interim City Clerk