

**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, May 17, 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: Acting City Manager, Jim Benson
City Attorney Morgan Foley
City Clerk Linda Hascup

Councilmember Frank Tierney and City Manager Mark Ochendusko were in Sacramento meeting with the State Delegation regarding Airport Land Use issues.

2. INVOCATION AND PLEDGE OF ALLEGIANCE. Chuck Howe provided the invocation and Mayor Smisek led the Pledge of Allegiance.

3. MINUTES: The minutes of the Special Meeting of April 26, 2005, and the Regular Meeting of May 5, 2005, copies having been provided Council prior to the meeting, were approved as amended. The reading of the minutes in their entirety was unanimously waived.

MSUC (Tanaka/Downey) moved that the City Council approve the minutes of the Special Meeting of April 26, 2005, and the Regular Meeting of May 5, 2005, as submitted.

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

4. CEREMONIAL PRESENTATIONS:

4a. Proclamation: National Public Works Week. Mayor Smisek presented the Proclamation to Director Jim Benson as the representative for the Engineering and Project Development Department and the Public Services Department which both carry out the public services functions in for Coronado.

5. CONSENT CALENDAR: The City Council approved, adopted and/or accepted as one item of business Consent Agenda Items 5a through 5d and 5f with the addition of Item 11c.

Councilmember Tanaka requested that Item 5e be removed from the Consent Calendar.

Councilmember Monroe commented regarding Item 5c that the Public Art Murals for the new City Hall have turned out beautifully and congratulated the Public Arts Committee for their work.

MSUC (Downey/Tanaka) moved that the City Council approve the Consent Calendar Items 5a through 5d and 5f with the addition of Item 11c – Introduction of an Ordinance Repealing Section 40.30.040 of Chapter 40.30 and Adoption of New Sections 40.30.040 and 40.30.045 of Chapter 40.30 of the Coronado Municipal Code Prohibiting Hosting of Parties at Which Underage Minors are Consuming Alcoholic Beverages.

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

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. 10043506 thru 10043817 audited and approved by the Audit Committee, provided there are sufficient funds on hand. **The City Council approved the warrants.**

5c. Approval of the Design of the Public Art Murals for City Hall. The murals are composed of historic photos of Coronado. The artist’s use of composition, fading and overlapping of images also gives an opportunity for visitors to discover additional images, providing continual visual interest. Staff projected a sample of the work onto the actual wall in City Hall and found that the image, approximately 19 feet wide by 9 feet tall, could easily be seen from the lobby area. The murals will be mounted within a shallow alcove which includes accent lights. Furniture and wing walls will protect the work from accidental damage. The artwork itself has a protective film to allow for cleaning and to protect it from fading. The attached photocopy shows the mural designed for the north wall. The mural designed for the south wall is not yet in reproducible format. It will be comprised of different images with a similar style and theme. **The City Council approved the two murals by artist Todd Stands for the new City Hall.**

5d. Consideration of a Resolution Approving the Submittal of a “Used Oil Recycling Block Grant” Application for Fiscal Year 2005-2006 to the California Integrated Waste Management Board. Local governments in California must make a concerted effort to reduce the amount and toxicity of their solid waste streams going to land disposal and of their urban runoff transported to the San Diego Bay and Pacific Ocean. Coronado Municipal Code 61.04 certifies that the City’s storm water management program is pursuant to and consistent with the San Diego Regional Water Quality Control Board Order Number 2001-01, which constitutes National Pollution Discharge Elimination System (NPDES) Permit CAS0108758 as amended. Coronado’s successful Household Hazardous Waste Program is an important part of this effort. These funds will be used for a public education and outreach program directed towards the citizens of Coronado which helps the City in its efforts to reduce water pollution, and for equipment for collection at City marina facilities. **The City Council approved A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORONADO, CALIFORNIA, AUTHORIZING THE SUBMITTAL OF AN APPLICATION TO THE CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD FOR THE USED OIL RECYCLING BLOCK GRANT, FISCAL YEAR 2005-06. The Resolution was read by Title, the reading in its entirety unanimously waived and adopted by Council as RESOLUTION NO. 8063.**

5e. Adoption of a Resolution Authorizing the Destruction of Certain Documents Located in the City Clerk’s Office, Administrative Services Department, Engineering and Project Development Department, Community Development Department. Councilmember Tanaka stated that his request to remove this item from Consent was because he is concerned that, even though the law allows the City to destroy certain documents, he thinks some may have historic value or might be of interest some time from now; that the records shouldn’t be discarded just because it is allowed. In particular Mr. Tanaka felt that categories such as: Citizen Concerns/Requests – General; Correspondence – Mayor/Council - General; Economic Interest Filings for Public Officials and Designated Employees; Elections – General Working Files; Petitions; and, Proclamations/Commendations/Memoriums. These files may be destroyed after a period of from one year for Petitions, two years for correspondence and working files, to 7 years for Economic Interest Statement. He suggested a change to allow for destruction after ten years or longer, and that he would even prefer the term “ten year review”.

Councilmember Downey said she agrees with Mr. Tanaka that some items may have interest even if the project is over and the case is settled. She wants to be sure that “City Attorney Opinions” are reviewed by the City Attorney and City Manager prior to destruction, but she doesn’t have a problem with the retention period.

City Attorney Morgan Foley explained that currently he does review the records in a general sense; however he would be happy to look at the opinions prior to destruction to make certain they are not applicable for future events or hold some sort of precedence. He added that the City Council adopted a retention schedule in conformance with California law. If the Council agrees with Mr. Tanaka and wants to amend the retention period of certain records, he suggested that Council direct staff to come back with a change to the schedule to coincide with those time periods.

Mayor Smisek suggested withholding the seven items Mr. Tanaka mentioned and that the Council vote on the remainder of the list at this hearing. Staff can then come back with a recommendation for a revised retention schedule on a future agenda.

MSUC (Monroe/Tanaka) moved that the City Council approve A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORONADO AUTHORIZING THE DESTRUCTION OF CERTAIN DOCUMENTS IN THE CITY CLERK’S OFFICE, ADMINISTRATIVE SERVICES DEPARTMENT, ENGINEERING & PROJECT DEVELOPMENT DEPARTMENT, AND COMMUNITY DEVELOPMENT DEPARTMENT. The Resolution was read by Title, the reading in its entirety unanimously waived and adopted by Council as RESOLUTION NO. 8064. The documents requested for further review were removed from the list and an amendment to the retention schedule is to be reviewed by Council at a later date.

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

5f. Adoption of an Ordinance of the City of Coronado to Amend Title 12, Chapter 24, of the Coronado Municipal Code to Allow the Business Licenses for Taxicab and Sightseeing Businesses to be Issued on an Annual Basis Rather than a Quarterly Basis. This ordinance was introduced at the City Council meeting of May 3, 2005.

A public notice and summary of the proposed ordinance was published in the *Coronado Eagle Journal* on May 11, 2005, noticing that the City Council would consider adoption of the ordinance at the May 17, 2005 City Council meeting. **The City Council adopted AN ORDINANCE OF THE CITY OF CORONADO AMENDING CHAPTER 12.24 OF TITLE 12 OF THE CORONADO MUNICIPAL CODE ADDRESSING TAXICAB, SIGHTSEEING BUSINESSES. The Ordinance, having been placed on First Reading on May 3, 2005, was read by Title, the reading in its entirety unanimously waived and adopted by Council as ORDINANCE NO. 1970.**

6. ORAL COMMUNICATIONS:

- a. Ed Lehman, Business Representative for AFSCME Local 127,** commented that even after another meeting with the City team, the City still has failed to deal with the fact that their members have gone without a contract for the current year. AFSCME believes that the current proposal the City has on the table constitutes aggressive bargaining and they will be pursuing that issue with the Public Employees Relation Board. He said it is positive that the parties did begin a discussion to study new mechanisms in the law dealing with how to finance retiree health insurance, but the problem is that the City of Coronado currently provides only about \$13 a month to retirees for their health insurance, with no increase over the term of the proposed three year contract. AFSCME has tentatively agreed to a meet on Wednesday of next week to begin studying the mechanisms that the parties have identified. He said on behalf of the Union, that it might be very helpful if one or two of the Council members would attend that meeting. He said this matter will not be resolved until the City Council realizes that AFSCME needs them to begin sharing information.
- b. Ginger Raaka, Coronado Historical Association and Visitor Center,** told everyone about the very successful Historic Homes Tour the previous Sunday. More than 500 people showed up to

go through five magnificent homes. She publicly thanked Florence Draper and Daphne Brown for their efforts.

- c. **David Brienza, President of Grand Caribe, Inc.**, addressed Item 13a. He said he had not been notified that it was on the agenda and wanted to make a quick statement. He requested that the City not review the item because there has not been enough time to explore all of the facts and only CCHOA's viewpoint is represented. He said their statements are misleading and incorrect and self-serving. There is not sufficient information for the City Council to make an accurate decision. He explained that the GCI submitted a proposal to the Port District and in turn received a letter stating that the Port does not have objections to the proposed commercial recreation uses which appear to be in conformance with the lease. The Port also advised that the project would be reviewed and processed according to CEQA requirements. Many opportunities would be provided during the CEQA process for input from all stakeholders and identify and mitigate any potential issues in a fair manner. He requested that the Port process be allowed to continue in a fair and appropriate manner.
- d. **Councilmember Monroe** asked Mr. Brienza if he is prepared to talk to the City and the CCHOA about the project. Mr. Brienza responded affirmatively.
- e. **Richard Ledford, employee for City of Coronado**, said he said he has spoken with the Union representatives about the contract negotiations and isn't really clear about all the actions that have taken place between the negotiating parties. But he wanted to address the City Council to put a face on the employees who are involved. He brought forward some letters of appreciation the public services employees have received over the years to remind the negotiating parties of the types of services and dedication to their work provided by Public Services employees at all hours of the day and under difficult conditions.
- j. **Armando Moreno, heavy equipment operator and lead worker in the Beach Maintenance Division of the Public Services Department, and is the Union Steward for AFSCME Local 127**, spoke regarding the labor negotiations. He stated the membership has gone without a contract since June 26, 2004. He also said the union has tried to negotiate a one-year contract and the City is trying to negotiate a three-year proposal. He stated the three-year contract is not feasible for the workers and the offer of the two percent raise versus the three percent that is offered to the Self-represented workers is a slap in the face for the union workers. He stated the City wants to treat all employees equally, however, the union workers do not feel that is the case. He also stated the City negotiators want the union workers to accept the offer that the Self-represented group receives. He stated the Self-represented group does not have any negotiating power. They are told each year what they will receive without any negotiations. He stated the union does not want to tie into a contract like the Self-represented group. The union is willing to look at a multi-year contract, but the contract must have something worth negotiating. The City's stand on salary has always been to be the median in San Diego County. The union's stance is that the City should be in the top tier. Out of twenty agencies, we don't have to be number one; however, we should be in the top six or seven, and show the department the respect they deserve. He stated the department is understaffed, they work a lot of overtime and the workers come out on the weekends, late at night, on all holidays and it doesn't matter what time of day or night, they do the job, because every one of the employees cares about this community. He stated a lot of the individuals are going above and beyond at times, and the service that is provided to this community is impeccable. He stated the City of Coronado has the top beaches and the best parks. The Council is aware of the award for the Top Ten Beaches in the world.
- g. **Linda Stanton, Public Art Committee**, thanked the City Council for their comments on the Public Art murals for the new City Hall. She requested that the introduction of the murals be included in the ribbon cutting event.

- h. Councilmember Monroe** commented that now it is summer there is a growing concern regarding the noise from concerts held across the bay at the Embarcadero. Even though the Port held a workshop to try to let people know what to expect, there are several concerts throughout the summer with allowed levels of noise and times of operation. It was noticed that a recent concert that was to have ended at 10:00 p.m. went on until the Harbor Patrol intervened. He is hoping that City staff can determine the requirements they are supposed to comply with and work with the Port to control the problem.
- i. Councilmember Downey** announced that the Girl's Golf Club of Coronado is participating in a fundraiser for Becky's House will be held on May 21st. The Girl's Club will be raising money by cleaning clubs. She encouraged everyone to come down.

7. CITY MANAGER:

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

8. PUBLIC HEARINGS:

- 8a. Adoption of a Resolution of the City of Coronado to Amend Permit Fees for the Processing of Paratransit Operators, Drivers and Vehicle Permits.** Mayor Smisek announced that this item was continued to a future agenda.

9. ADMINISTRATIVE HEARINGS:

- 9a. Administrative Hearing – Appeal: Appeal of the Planning Commission's Determination that a Site Containing an Existing Professional Office Building and Residential Units can be Demolished and Replaced with a New Professional Office Building with Residential Units Above in the R-4 (Multiple Family Residential) Zone with a Major Special Use Permit. (PC 8-05 Hutchison, Dr. Dan & Rory).** Tony Pena, Director of Community Development, provided an introduction and explained that the hearing had been continued from the April 19 meeting to allow the City Attorney and staff to discuss whether the scope of the decision to be made by the City Council would be considered precedent setting for the entire R-4 or was more narrowly viewed as being more site specific. After the discussions, the City Attorney agreed that, given the scope of the project outlined by the applicant to the Planning Commission, the City Council could narrow the decision to apply to properties in the R-4 zone that currently contain professional offices combined with residential uses. Staff found two properties in the R-4 zone that currently have these combined uses – the applicant's property at 549-555 Orange Avenue, and the property at 1107-1111 Eighth Street. To take a precautionary measure, courtesy notices were sent to the Eighth Street property as well as properties within 300' of that site, noting that the Administrative Hearing would take place today. Even though only the specified list of witnesses is allowed to testify at this hearing the notice offered information to recipients that they could contact the Community Development Department to have the situation explained. However, no responses were received. Mr. Pena disclosed that he contacted the attorney who has an office at the Eighth Street address to explain the situation to her. Additional notices were also sent to the applicant and appellant to make sure they were aware of this meeting. In terms of the scope of Council's decision making, it can be narrowed down to two properties that could apply for professional/residential combined use with a Major Special Use Permit (MSUP) if Council wants to go in that direction.

Councilmember Monroe asked for clarification if the Council must narrow the decision to just those two properties.

City Attorney Morgan Foley explained that technically the determination applies throughout the entire R-4 zone, but the way the recommendation reads there are only two sites where it could apply, the two sites where professional and residential uses currently co-exist. Mr. Foley responded that if the Council doesn't want to narrow the decision, it could remove that restriction and say that it applies to any property in the zone.

Councilmember Tanaka asked if that were the case, would the City then have to notice everyone in R-4 Zone.

Mr. Foley responded that it wouldn't. He explained that the Coronado ordinance allows someone to make application because they want an interpretation of the code for their property or for the use. It specifically states in the ordinance that the decision applies throughout the zone. Staff has recommended what the Planning Commission seemed to find, which is that it would apply only to those properties that have existing uses with professional offices and residential. That doesn't mean that Council can't open it up, but Council can keep it narrowly construed to just those two identified parcels.

Mr. Monroe said that as he read the record from Planning Commission he doesn't feel the motion quite matches the record.

Mayor Smisek explained that the reason the hearing was continued was because of the notification process. If Council does desire to go to the whole zone, he assumes that there will be a need to continue it again and notice everyone, even if it isn't required.

Mr. Foley pointed out that because this is an administrative hearing, the City's ordinance code does not allow anyone to appear and testify who is not on the witness list. By giving notice throughout the entire zone, it will only serve to frustrate people who will show up and aren't on the witness list. The ordinance could be amended in the future to simply say that anyone can appear and the requirement of a witness list can be stricken.

Mayor Smisek understands that this is about technicalities. He said that whether people could talk or not, at least they would be aware of what was going on in that area. He thinks that this was the compromise and why the noticing was only to the other qualified property under the narrow interpretation of this motion by the Planning Commission. He thinks Council should pursue this and see where it is going. He hopes that it can be resolved to everyone's satisfaction because he thinks that those who have appealed this decision will believe this is an appropriate answer to their questions.

Mayor Smisek read the recommendation: That the City Council uphold the Commission's decision that a site containing an existing professional office building and residential units could be demolished and replaced with a new professional office building with residential units above in the R-4 (Multiple Family Residential) Zone subject to the issuance of a Major Special Use Permit. He said that since there are only two properties that qualify under that motion that the Planning Commission made and that was appealed, the interpretation that was decided on was that Council would just look at those two properties and follow-up with a discussion regarding the entire R-4 zone. That could be done as a separate agenda item with other hearings and a subcommittee.

Mayor Smisek invited the supporters of the decision to testify first.

Rory Hutchison, 543 Orange Avenue, addressed the issues she saw in the minutes that weren't effectively addressed. She said that everyone in this room is in agreement that they want to preserve and continue the charm of Coronado, but believe the professionals have been unfairly perceived as harming that charm. She explained that her husband, a local dentist, does not have a secure lease agreement for his large practice. She has been searching to buy a suitable location for over a year, to assure the future of their dental practice. They entered in escrow to buy the property next door to their current rented office and began the process with the City to obtain all the appropriate permits to replace the old structure with a new, state-of-the-art dental office with condos above to allow the residential renters on that property an opportunity to become homeowners with them. They expressed a desire to do a condo conversion and they were turned down because the property is dilapidated, doesn't have enough parking, etc. Their plan to redevelop the new property was not fully developed but made sure it would meet the requirements set forth in the Zoning Ordinance and the Orange Avenue Corridor Specific Plan. They took their plan to the Planning Commission which said their combined use could be there, however the local neighborhood didn't support that decision, and as escrow dragged on forever the sellers of the property tired of waiting for resolution and sold the property to someone else. She said she and her husband and continuing to resist the appeal for the benefit of the new owner, who will be stuck in this same situation.

She explained that this property is located right next to the VFW hall, next door to a professional building, and one door over from the Masonic Lodge; not an area that is pristine apartment kind of living or prime real estate for residential. It takes a very special person who wants to live there in the first place. She believes that the appellants are really against the Orange Avenue Specific Plan and the zoning ordinance and that it is unreasonable to single her and her husband out, to force changes on the property to unfairly enhance the appellants' properties. She also mentioned a condominium project that was proposed on the same block that the same neighbors have been active for some time in opposing. There are some important misconceptions that are still persisting such as the one regarding density. The appellants believe that combined use would mean greater density. That might be the case in a commercial setting, but not in a professional setting where the workers go home at 5 p.m., and the residents come home at night. The parking places are available every evening, every holiday, and every weekend to the residents. That is why the residents like the idea of sharing with professionals. Another misconception is regarding alley traffic. The appellants have said that although parking is sometimes an issue, they have never complained, but they have surveyed the heavy traffic and found it has been from the professionals during the day. Ms. Hutchison said she isn't sure that an informal survey is very accurate. The VFW hall, the Masonic Lodge, exercise classes, meetings, lunches, trash trucks coming and going; all combine to create traffic in the alley. Another misconception is that moving the dental practice away from the R-4 zone would be an improvement. An improvement for whom? There is another misconception that the new building would be just as massive as the buildings down on First Avenue if this project is built. The zoning ordinances and the Orange Avenue Specific Plan spell out what is allowed in the R-4 zone which is not the same as is being built on First Street. She said someone owning this property should be allowed to do whatever anyone else in R-4 is allowed to do. If they want to change the R-4 zone, that is fine, but don't single them out. A comment that complaints near First Street are due to professionals is quite vague. Not everyone who puts on a suit has a nice haircut and a business card is truly professional.

Ms. Hutchison said that it is more expensive to develop an R-4 site. The developers don't want anything to do with them because when they build in a commercial zone and combine it with residential – that is where they make their money. She said her project would have to pay \$150,000 more in basic construction insurance. They would have to build to commercial standards, not residential standards,

which is more costly. They have to put in more parking. They already have legal bills for the CC&Rs and now the neighbors want to restrict what they build to a stricter standard than what the zoning allows.

Mayor Smisek invited the supporter's witnesses, whose testimony is limited to three minutes each.

Dana Hutchison read letters in support of the decision into the record. A letter from Kerry Kaiser, the new owner of the property being discussed mentioned how difficult the situation is for professionals in Coronado. She said she needs to be able to rely on the development standards contained within Orange Avenue Corridor Specific Plan and the Zoning Ordinance. At the moment she has permission to function under the old permit of the previous tenant of the building she purchased. However, the Council's decision could seriously affect any plans she may want to consider as well as the future of her business practice and her financial security. She said it appears that the Mayor and some members of the Council are considering placing a restriction on this property to protect the interest of the appellants who are owners in the R-1B zone, which is next to the R-4 zone where her property is situated. The appellants knew they were purchasing property next to the R-4. Her property should not be compromised for the appellants' beliefs in a special condition. She respectfully requests that the Mayor and the City Council uphold the decision of the Planning Commission to grant the MSUP that has been requested for this property and she request that it not be burdened with unfair restrictions. She should not be placed in an unfair financial disadvantage as compared to what any condo developer would be granted to do. Why would the City even consider hurting the professionals any more than they already have been harmed? She asked that the please vote no on the appeal.

Ms. Hutchison read a letter from Kathy Applebee, 638 Adella Lane, who explained the situation for seniors who cannot drive who would be losing the availability of easily accessible services of their doctors in the midtown section along Orange Avenue and who do not like to travel far from home. She would be in favor of allowing doctors all along Orange Avenue.

Mark Warner, 414 Pomona Avenue, read a letter into the record from Dr. Paul Potter who asked the City to consider approving such a building. He has been practicing at 575 Orange Avenue, the Park Professional building at 6th and Orange, since 1996. He would have to move to the far end of Coronado, away from this central location he currently occupies if this is not approved. He has many patients who walk to his office that don't drive, or can't drive, and for him to move would make it harder for them to get the services they want and ultimately their quality of life suffers. Professional offices that have been in the area for a long time have been very beneficial to the residents of Coronado. He asked the City to consider granting the land owners the ability to build and occupy professionals in their buildings along Orange Avenue between Fifth and Sixth Streets. Given that most professionals and their businesses are low profile and do not take away from charm and Village appeal, he hopes that the City will include them in the planning process.

Mayor Smisek called for a statement from the appellant.

Kelly Purvis, 560 C Avenue, explained that she is before Council today because there is a lot of confusion about what mixed use or combined use will do to her residential area. It is interesting that the recommendation is going to affect two properties. Those are the only two properties along Orange Avenue, in the R-4, that have the kind of mixed use that is being talked about. If the City opens the flood gates without studying it, without setting standards, the residents in the area are concerned that they will have buildings built out to the max. Even with a Major Special Use Permit, people are saying that they want to be able to build out to what they are supposed to be able to build out to. Major Special Use

Permits are discretionary. People who live in a neighborhood care about what goes on around them and being involved in the processes is beneficial to the neighborhood. She also mentioned the condominium project proposed for the same block and said that the discussions with that developer have gotten the size down and had become a much better project because of input from the neighbors. Her suggestion was that the City Council approve the recommendation to apply the determination to the two sites, and that the Council does a further review of the R-4 zone. The City needs to determine what kind of standards it wants to have on mixed use or combined use. She said that the recommendation states that one use would be above the other and thinks it should also include residential behind and professional in front.

There were no witnesses for the appellant.

Mayor Smisek called for the supporter's rebuttal statement.

Ms. Hutchison there needs to be clarity in what is allowed and that if you propose a project according to the rules it is being a good neighbor to require stricter conditions. There needs to be a game plan that everyone can live with so that this does not continue to happen.

Mayor Smisek called for the appellant's summary.

Ms. Purvis pointed out that there are a lot of misunderstandings about what can and can't be done in the R-4 zone. There is a process when there is a Major Special Use Permit. There is a process whenever you do something next to a neighbor. She would like to think that no matter where you live you care about what is going on in the properties around you and down the street and down on First Street and everywhere. She would really like to see some clarity so that there are not a lot of people investing a lot of money not knowing the rules and not understanding what Coronado wants on an R-4 property, especially with combined uses.

Mayor Smisek announced the completion of the oral presentations the beginning of the Council's deliberation.

Mayor Smisek related that he and the other Council members had testified at the first hearing regarding the outside discussions that were had with the proponents and the appellants. The Hutchison's had located a site and were trying to figure out a way to be able to combine professional offices and residential units. Because of the controversy in the Commercial Zone over mixed use there were different suggestions to avoid more controversy, including one made by Mr. Tanaka, about dividing the lot and putting the professional on one side and the residential use on the other. Maybe when the City takes a look at the R-4 zone some new terms will be coined so that the confusion can be eliminated between mixed use and combined use. To him, mixed use is when a use that is allowed in a zone is mixed with a use that is not allowed in a zone. With this discussion the term "combined use" is beginning to catch on. This is where there are two different uses that are both allowed in the zone on one site. One is by right, which is residential. The other is by Special Use Permit. The Special Use Permit, in itself, has been used throughout the community. Regarding having some clarity to the rules, a prospective developer who looks at the Orange Avenue Corridor Specific Plan and sees the maximums and minimums could assume they can build to the maximums, which could be conceived of as a big box. A SUP is used for uses that aren't inherent to the zone but can be put there because the City feels that there is some kind of linkage, and it is an appropriate type of use they would like to have there, but special circumstances are attached.

Mayor Smisek thinks the Council is trying to resolve the situation that came before the Planning Commission. As a former planning commissioner, he doesn't really ever remember just seeing a determination come before them that applied to the whole zone. He thought it was interesting the way the Planning Commission formulated their motion. It was probably formulated intentionally with the purpose that they felt they were making a determination based on this specific case. Time was of the essence when the issue came up because there was a pending sale at the time. He feels that the recommendation provides a good compromise on resolving that issue, as far as the new owner is concerned. The new owner will be able to have a combined use of a professional building and residential units on a lot that already has a professional building and residential units. There is an opportunity now to resolve this and then the Council can address the R-4 Zone in a more professional manner, and get the word out to people that it is being done. This hasn't been discussed in quite some time. The public has not been involved. And the City now has a new Specific Plan that has other types of restrictions on it. He commended all those who worked on the new condominium complex because he believes they have come up with a very good product. It is appropriate for the community. They have worked within the guidelines of what the neighborhood desires. It is another one of those win-win situations that Council talks about so frequently instead of pointing fingers at each other and arguing. Those are the kinds of things the City is striving for in the community. He is hoping that this is the first step to being able to do that for this project.

Councilmember Tanaka referred to the last line in the recommendation. It says, "...uphold the Commission's decision...subject to the issuance of a Major Special Use Permit." His question was whether the owner must apply for a new SUP when they scrape, or will the existing SUP allow them to build to three stories.

Mr. Pena explained that none of the properties currently have a current SUP. They were developed prior to the existing requirements, so any proposal will have to go through the SUP process.

Mr. Tanaka thinks that a lot of what the Council has heard, the disagreements over what should happen in the R-4 Zone, really pertains to Item 11d. He said he is sensitive to the Hutchison family's problem; that if you purchase a piece of land, there are always certain expectations. The City just finished the Orange Avenue Specific Plan, so he can see the frustration of spending this money and time only to be told that there are different interpretations. He thinks the debate is going to come down to not just what the neighbors in the 500 block of Orange want, but what is the vision of Coronado. He would challenge the people who think the vision of Coronado is three stories and 40', which is not his vision. He would have a problem if the envelope allows that. He doesn't think anyone wants a 40' building near their house, and that is the reason the neighbors are up in arms. He thanked staff for bringing this back in such a very effective, understandable way.

Councilmember Downey said she would make have voted for this recommendation at the previous hearing; what is being recommended by staff is exactly what she said in the record and is exactly what the Planning Commission did. She offered her apologies to Dr. & Mrs. Hutchison in case this means that they can't get the property. She could relate to their issue because she has just been trying to figure out how she is going to find an office space. She looks forward to the discussions on the R-4 Zone. The community needs to have that discussion.

Councilmember Monroe said he feels that he is probably more responsible for the flood gates being open in the last seven years because he chaired the committee that developed the Downtown Design Guidelines that worked out the compromises that were developed for the R-4 Zone, and he chaired the Orange Avenue Corridor Specific Plan Committee. He said he could bring his perception to this discussion of

how some of those decisions and compromises were made and how consensus was reached. He referred to how he learned about spot zoning when he was first on the City Council and commented that the current item seems to reach the spirit of the law of spot zoning regarding two properties within a zone. Now there seems to be support for a relearning process.

Mr. Monroe said a lot of compromises were made when his committee was looking at the R-4 zone previously and he is delighted to hear Mr. Tanaka say that he doesn't want 40' buildings in this town. Mr. Monroe said in the discussions over the Specific Plan there were people who wanted 3, 4, and 5-story buildings allowed on Orange Avenue. They looked very hard at the 40' issue when the R-4 Zone was done and decided that the 40' height limit could be retained, but would force the second and third story setbacks back in graduated tiers from Orange Avenue and not allow an internal atrium. The effect was to reduce the mass and volume presented to the Village. That was the consensus point that was reached. Another compromise that was made was the parking situation. Underground parking was encouraged and if the entrance and exit was from the alley, a protrusion of 6' into the 25' setback was allowed. It was assumed there would be a deck, or landscaping on top, which would be something nice for people in the Village to see as they walked by. It allowed a complete parking package with handicap parking, a place for an elevator, no tandem parking, and all the residents could meet the parking requirement. One of the worst parking plans is right across the street in the pink building. It has tandem parking and cars in the alley.

Councilmember Monroe explained that the Downtown Design Guidelines have very firm recommendation as to what can and can't be done and it was worked out with consensus in the group. He explained that when they were deliberating it was never his intention to dedicate the entire lot to professional uses; that would violate the entire idea of R-4. The idea of combined use, a very appropriate term, was always in his mind and putting a professional office in there reduces the density. Lastly regarding the talk of an SUP for a professional office, he can't see the logic that would require a doctor's office to be allowed a different height than a condo. The use inside is immaterial. The City wants lawyers, doctors, and dentists in town. Why should we restrict them or make them pay some kind of a price for doing what they do. He wouldn't change height, FAR, setbacks or any of the things that are in the Design Guidelines based on the use that the City might permit in a building through the SUP. If it can be built one way today as condos, it can be built that way with any other approved use as far as he is concerned. Having said all that, he is worried that the City is trying to spot zone. He would approve this for the entire zone and he would also strongly support putting together a team of people with diverse view to look at the R-4 area.

M (Monroe) moved that the City Council uphold the Planning Commission appropriate for the entire zone.

Ms. Downey said she theoretically agrees with Mr. Monroe, however, she agrees with the Mayor that the people in the R-4 zone have not been given their opportunity to participate. She remembers when a limit was put on demolition permits and she didn't know about it when it was voted on. The City decided not to notify people and told everyone that they didn't need to be here for the R-4 zone. Because of that she can't second the motion, but she agrees with Mr. Monroe that what is being done today should apply to the entire R-4 Zone. She also agrees wholeheartedly with Mr. Monroe and Ms. Hutchison that the Specific Plan was worked on very hard and as long as the applicant complies with it, they should be able to build under those rules.

MS (Tanaka/Downey) moved that the City Council uphold the Commission’s decision that a site containing an existing professional office building and residential units could be demolished and replaced with a new professional office building and residential units above in the R-4 (Multiple Family Residential) zone subject to the issuance of a Major Special Use Permit.

Mayor Smisek requested to amend the motion to remove the word “above”, as suggested by Ms. Purvis.

MSUC (Tanaka/Downey) moved that the City Council uphold the Commission’s decision that a site containing an existing professional office building and residential units could be demolished and replaced with a new professional office building and residential units in the R-4 (Multiple Family Residential) zone subject to the issuance of a Major Special Use Permit

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

10. COMMISSION AND COMMITTEE REPORTS:

10a. Report from the Port Commissioner Concerning Port Activities. Port Commissioner Robert Spane announced that the Port last week decided to receive four RFPs from hotel developers for the area where Lane Field and the ship terminal were located. The submissions include hotels in the quality range from Ritz Carlton to Doubletree. The Port also selected three contractors - SAIC, Lafayette Nichols and another company - to work with the Port on port security. All three contractors were put on contract but the Port will only use them when they are needed. Regarding the Grand Caribe proposal, the Port has scheduled an outreach meeting for June 31 at Loews. It is scheduled to be discussed on the Port agenda on June 21. Adm. Spane clarified that the letter mentioned by Mr. Brienza during public communications contains a paragraph basically says that since 1977 the Port has informed the developer that it is important to get buy-in from the Cays Homeowners and the City of Coronado. Adm. Spane said he thinks it is appropriate for the City to make a decision one way or the other, although he is not trying to influence that, but the decision of this administration will be needed when the proposal comes before the Port.

11. CITY COUNCIL BUSINESS:

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

Councilmember Monroe along with Mayor Smisek met with the Tunnel Team, attended the Commissioners Dinner, a SANDAG Transportation Committee meeting, a Metropolitan Transit System meeting, a meeting with Joe Colegian, chairman of the Transportation Committee of SANDAG, the Navy Complexes meeting and the first meeting of the Tennis Advisory Committee about the extension of the current pro’s contract.

Councilmember Tanaka attended the open houses for Willis Allen and SBC, an RSIP meeting, chaired an HCFA on fire dispatch, the League dinner at Petco, met with Cecily Kelly of SAFE, with Chief Hutton

and Chief Raddatz to discuss the protocols for notification of Council members about accidents, attended the Commissioners Dinner, met with Jeff Tyler of Lambs' Players, briefed the Chamber Board on City issues, where he learned that there is a new look being proposed for Coronado Plaza.

Councilmember Downey attended the celebration for San Diego's 50 Greatest Moms where Coronado resident Mary Humphrey's daughter won the essay contest for her age category, attended the Commissioners Dinner, the Glorietta Bay Opening Ceremony committee meeting where July 15th and 16th were confirmed as the ribbon cutting and open house days, the Mother/Daughter Coronado Golf Club Golf Tournament, the SANDAG Environmental Mitigation Subcommittee meeting for the money raised in the recent TransNet tax revenue, met with Jeff Tyler from Lambs', and met with Cecily Kelly from SAFE. Councilwoman Downey stated she had been invited to chair the new SANDAG Environmental Mitigation Subcommittee.

Mayor Smisek met with the Tunnel Action Committee, with Doug Metz and Jerry Mitchell to discuss the upcoming CCHOA position on the proposed project for Grand Caribe, the Commissioners Dinner, the Hospital ER Groundbreaking, the opening day for the Cays Yacht Club, the Library Board meeting where the Grand Opening was set for June 10th with an Open House on June 11th, met with Sandy Boyce from SAFE several times as well as Cecily Kelly, met with Tom Stickle about Greater California Chamber's participation, met with Carvill Veetch about Flower Show funding, Jeff Tyler for Lambs' Theater, and the Navy Complexes Coordinating Group meeting where BRAC was discussed.

11b. Information Item: Supplemental Geotechnical Seismic Investigation Related to State Route 75/282 Transportation Corridor Project (Tunnel); No-Cost Consultant Change Order; Public Outreach; and Schedule. Jim Benson, Director of Engineering and Project Development, explained that information being presented is regarding the SR 75/282 Transportation Corridor Project and the need for some supplemental geotechnical investigation. He explained that the Project Manager for the Tunnel SR 75 project Brian Pearson from Parsons Brinkerhoff, and Rick Larson who is the Senior Engineer and Project Manager for Kleinfelder, Inc. were available to answer technical questions. Mr. Benson presented a Power Point presentation reviewing the location, purpose, and description of the additional work, the process and schedule, the City process that will be used for oversight, and the public outreach plan which is very important.

Mr. Benson began by explaining that determining the level of design and the strength that is needed for the tunnel, more site specific geotechnical seismic data is needed, which will be gathered through geotechnical and seismic studies done by Kleinfelder. In 2003, the California Geologic Survey reclassified the activity level of three faults running through Coronado; the Spanish Bite, the Coronado Fault, and the Strand Fault. There is now a law that says that any time a public building is built on top of or close to a fault certain steps have to be taken. all come under that. This discussion is specifically related to the Coronado Fault. The preliminary designs for various tunnel alternatives need more precise location and characterization of the Coronado fault. To be able to get the data, the first step is to drill 3 30" diameter holes down to the water table. Geologists will literally go down into the holes to look at the circuitry of the underlying dirt and sand to see what indications there are for faulting. If that is successful they will then open a long 5' wide, 750' long trench (done in three 250' increments) and will go down to the level of the water table. If that doesn't provide enough information they could do a penetrometer test for additional analysis data. He said that last year's tests, done by Kleinfelder, identified with more specificity the location of the fault. He showed the assumed line that the California Geologic Survey mapped out in 2003, but added that it is anything but precise. Mr. Benson used a map of the area to point

out where the testing would be done and explained some of the logistics. He said that testing would be done on 5th Street, going down the hill and crossing Pomona and about half way to Glorietta. Depending on the result of the auger tests, the decision would be made whether to trench. One of the parameters is that that all work on the trenches will be done before the 4th of July. In the event that it is determined that trenching would not be useful, the CPT tests will be moved up on the schedule. Mr. Benson noted that if the Council agrees with the plan, staff will release a Notice to Proceed immediately. Kleinfelder is geared up and ready to go.

Mr. Benson explained that the work can be accomplished through a no-cost consultant change order that will reduce task 9.0, the Project Delivery Study. If the City wants to do that study at the end of the environmental study the City may end up having to fund it then, but for the time being task 2.03, Geotechnical Report, can be increased by reducing that Project Delivery Study. That is a no-cost increase to the overall project. The environmental process is being reviewed now with Community Development Dept. Staff expects a categorical exemption for this work. The encroachment and all the trench permits go through the Engineering and Fire Departments. The Fire Department serves as the confined space rescue group. One of the issues that was raised by the Tunnel Commission was the underground service alert. They are aware that they may have to move around in those trenches based on the utilities that are in the ground.

Staff will use a public outreach program very similar to what was done last year when the borings, drillings, and CPT tests were done. A project fact sheet and point of contact information will be made available. There will be news releases, the first of which will go out to the *Eagle/Journal* for next week's paper, and there will be information on the City's website. There was a briefing last week to the Tunnel Commission. Fifth Street will be labeled "Construction Area. Residential Traffic Only." That is difficult to enforce, but it will at least encourage people to stay off of Fifth while the work is being done.

Mayor Smisek asked how long staff anticipates that each 250' piece of trench will be open. Mr. Benson responded that each section will be open about a third of the two week period, or about 5 or 6 days.

Councilmember Tanaka asked if the City will be shutting down Pomona or any other major thoroughfare. Mr. Benson explained that Pomona will be done on a weekend and will be plated so that Pomona will only be closed for a little while on one weekend. Right turns on Pomona will be restricted. Staff also knows to anticipate, based on prior history, that there is a very good chance that there are old railroad rails down the middle of the street. Kleinfelder is prepared for that. They will have to be cutting the rails in order to get through and trench.

Councilmember Monroe asked about the 4th of July. Mr. Benson reiterated that they will be done with the work in the street by the 4th of July weekend. It will not interfere with the 4th of July.

Mr. Monroe also asked what is expected to be seen or not seen. Rick Larson, Kleinfelder, Inc. explained that the layering of the soil will tell about the fault zones. The reason this has to be done is because Caltrans came back and said that they wanted something more specific along this line. There may be shifting that is defined. If the fault is there, they expect to see it.

The City Council accepted the report.

11c. Introduction of an Ordinance Repealing Section 40.30.040 of Chapter 40.30 and Adoption of New Sections 40.30.040 and 40.30.045 of Chapter 40.30 of the Coronado Municipal Code Prohibiting Hosting of Parties at Which Underage Minors are Consuming Alcoholic Beverages. The proposed changes address the legal issues the court noted with ordinances of this type. If the City Council approves the changes, the ordinance would limit enforcement action against a parent, adult or other person unless they were actually present when three or more minors were consuming alcoholic beverages and it could be shown that the parent, adult or other person knew, or should have reasonably known, that unlawful underage drinking was occurring. This is a substantive change from the existing ordinance which does not require that the responsible person be present in order for police to take enforcement action. **Under Consent, the City Council introduced AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CORONADO, CALIFORNIA, REPEALING SECTION 40.30.040 OF CHAPTER 40.30 OF THE CORONADO MUNICIPAL CODE AND ADOPTING NEW SECTIONS 40.30.040 AND 40.30.045 OF CHAPTE 40.30 OF THE CORONADO MUNICIPAL CODE PROHIBITING HOSTING OF PARTIES AT WHICH UNDERAGE MINORS ARE CONSUMING ALCOHOLIC BEVERAGES. The Ordinance was read by Title, the reading in its entirety unanimously waived and placed by the City Council on FIRST READING.**

11d. Direction to Staff Regarding the R-4 (Multiple Family Residential) Zone Development Standards and Land Use Regulations. Tony Pena, Director of Community Development, introduced the discussion item.

Mayor Smisek reviewed some of the previous discussions and thoughts on the topic. He said that as Mr. Monroe stated, R-4 Zone was addressed prior to the Specific Plan being developed for downtown corridor. During the Specific Plan discussions of the R-4 was included in the document, but no modifications were really made. What has engendered the idea to bring R-4 back for consideration was the Planning Commission Determination of Use and some confusion that was engendered over what a Special Use Permit (SUP) means, and comments about heights, etc. The whole idea was not to go through the whole R-4 zone again, but he thinks that there are a few items that need to be looked at. One of his objectives is not to involve a lot of staff time. They have been put through the ringers and need to get on with other business. He envisions a very small subcommittee that would work through these issues as Council presents them. They can come up with some ideas and thoughts and can go to staff for professional help on that. Then go through a large public outreach program as has been discussed to get a lot of other people involved. The items that need to be addressed are first, a review of the R-4 current requirements so that the subcommittee can know what it is talking about. Second, the height limit of 40' and 3 stories needs to be discussed. The ideas of Major and Minor SUP uses need to be defined. The idea of combined uses is something that needs to be looked at in a couple of ways. One would be the number of combined uses that would be allowed with residential on one piece of property. The details need to be ironed out. He thinks the City really needs to address the specific situation of an R-4 site with R-1 right behind it. There might be some special rules on either height or setbacks or something else in the alley. That may only involve apply to one block. Parking requirements need to be looked at. Right now the parking requirements say that if there is a professional office the formula for professional office parking will be used and the formula for the residential will be used for that. There may be some opportunities here for shared parking. Mayor Smisek sees this is a very pointed set of topics. The key is going to be in the presentation on the compromises that have been made in the past on R-4 and whether they were harmful or not. He was thinking that the committee would consist of a Council member, a Planning Commissioner, a Design Review Commissioner, a contractor, an architect; five or six people to work on putting the package together to get it out to the public.

Councilmember Monroe commented that he likes everything Mayor Smisek said. With respect to the combination of uses, he thinks the specific uses should be reviewed as well. All the meetings should be open and public meetings and have public comment. He just wants to make sure the meetings are publicized. He suggests that he not be on this committee because he has his stamp on it already.

Councilmember Tanaka agrees that the City needs to make sure that to avoid a conflict of interest the professionals being considered are not applying for Major Special Use Permits. He also thinks the City needs to clear up the roles of Design Review and Planning Commission in the approval process. The better this subcommittee works the more clear it will be to the established commissions. He suggested that Mayor Smisek be on the committee and that perhaps there be a second member such as Councilmember Downey.

Councilmember Downey said she had only one request. One of the reasons the City has the R-4, and the City is required by law to keep the density that exists, may mean that there needs to be minimum housing requirements on those lots.

Mayor Smisek commented that he would like to be on the committee. He would like to work with Mr. Pena over this next two weeks to map out a strategy and plan of attack to bring back to Council at the next meeting.

Mr. Monroe questioned whether they could convince Jim Strickland to chair the committee.

11e. Consideration of an Emergency Traffic Management Plan to Re-Route Traffic During Extended Closure of the Silver Strand Highway (SR 75) for Accidents or Other Unscheduled Critical Incidents. Councilmember Monroe commented that it is interesting that this item is on the agenda because there was an accident on the Strand and there was some concern whether he would be able to get to the meeting. He told a story about President Nixon and how he could never seem to get the tennis courts removed from the White House lawn because his staff had many tennis players. Mr. Monroe said he can relate because he has never felt a lot of enthusiasm for this project since it started. The problem is that when there is an accident on the Strand the road is shut down. In one instance it was closed from 6 a.m. to 2 p.m. and another time it was a five hour closure. On major freeways all over the County and in Los Angeles the accidents are cleared within 45 minutes. He needs to know that there is someone on the scene who is trying to determine what to do to get traffic moving again. He was personally involved one night when there was an accident. The idea that the City needs to keep the highway blocked for six hours for investigations is abhorrent to him. He is disappointed that the recommendation is to not do anything other than think about it.

Bob Hutton, Chief of Police, said he realizes that when there is an incident that blocks both lanes on the Strand in one direction that it can be a major event for everybody. It happens on the Bridge as well. He said it can result in additional problems and additional accidents and they try to stay sensitive to that. He has given some direction on the priorities to get scenes clear. Often the first effort is to render first aid, medical and rescue, and everything else of comes after. Safety is paramount. These scenes are dangerous for law enforcement and rescue workers and they tend to be very cautious about how the situations are handled. Also, they have found from experience, that in spite of their best efforts, the best barricades are driven through. What staff looked at, as directed by the Council, is the utilization of a plan where traffic is routed head on, opposing each other. The concern is the inability to enforce it, which is a real concern.

Staff looked at the frequency and duration of closures and found that on average it is once a year where the highway is really closed down. The length of the closures range from 15 minutes to over 5 hours. Staff realizes that they must do everything they can to get the road open, which isn't always apparent to the driver who is sitting in line and who is late for dinner or late for work. He said that staff is requesting that the Council allow staff to continue to look at their procedures, to fine tune them, and to look at what available technology that might be helpful.

MSUC (Monroe/Tanaka) moved that the City Council accept the staff recommendation. Staff does not recommend using a pre-determined plan that requires traffic to cross over the median into oncoming lanes.

Councilmember Tanaka commented that he appreciates the Chief's point of view and certainly appreciates the difficult job Police and Fire Services have when controlling an accident scene. He is also aware that a lot of the rules are out of their control at times. He also shares Mr. Monroe's concern and thinks that all the residents expect a reasonable effort to be made, if possible, to reroute. He is very comfortable leaving that at the discretion of the Department on that. He is glad to hear Chief Hutton say that there are obviously certain times where traffic routing is going to be more of a concern. It is important that the City at least have the ability to have command staff able to make decisions like that.

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

12. **CITY ATTORNEY:** None.

13. **COMMUNICATIONS - WRITTEN:**

13a. **Discussion of City Support of Coronado Cays Homeowners Association Position Regarding Proposed North Grand Caribe Isle Project.** Mayor Smisek announced that the proposed resolution has been updated and copies passed out that are a little different than what was provided in the agenda packet. Additional information was also provided in the appendices. He asked for a presentation from the Cays representatives.

Doug Metz, 14 St. Christopher, President, Coronado Cays Homeowners' Association, explained that on three occasions beginning in 1998 the current leaseholder has submitted proposals to the Port District for hotel development, spa development, and timeshares for Grand Caribe Island, which is located entirely within the center of the Cays residential community. On three occasions the Port District has denied those proposals. On three occasions the Port District has told the leaseholder that he must obtain approval from the City of Coronado and the Cays neighborhoods for any project have any possibility of a project approval. This time the proposal is for a hotel of reduced dimensions in comparison to what has been proposed before, but nevertheless a hotel. There appears to be no attempt to heed the Port District's admonition to talk with and gain the support of the City and the neighborhoods. The CCHOA thought it might be helpful and save time for the City and the Association to craft a resolution that provides background information and the history of the recent proposals that can be used on an "evergreen" basis whenever a proposal comes to Council and the HOA that is of the type that has been rejected. This resolution could be used as an automatic response to that particular proposal. The resolution itself recites

the residential character of the Cays community. It does affirm the right of the developer and the leaseholder to submit proposals. It affirms the longstanding policy of the Port that requires the approval of the City and the surrounding neighborhoods. And, it opposes specific types of developments enumerated in the resolution; specifically hotels, timeshares, hotel spas, convention centers, destination resorts and the like that are incompatible with the residential character of the community. It also authorizes automatic use of the resolution in instances where there is submission of proposals that meets the designated uses that are not considered consistent with the residential character. And finally, it calls upon the Council of the City of Coronado to concur in this position and express without reservation to the Port District. Included in the three appendices, is one called "Economic Feasibility", that is very important. He supposed the situation where a hotel is located without a separate road into it, in the center of a residential community, and the hotel fails. The impact on the surrounding community would be devastating. He thanked Council for the opportunity to present the CCHOA's position.

Mr. Metz responded that a committee has been developed with three purposes. One is to look at possible uses that the Cays community would agree with for development purposes. Second was to react to any proposals such as this. The third purpose is to attempt to monitor the situation at all times. There was one meeting to discuss alternatives uses for Grand Caribe Isle that could be compatible, but they didn't get very far until they heard about this proposal. At the Friday meeting, which Councilmember Monroe attended, the representative of the developer did object disclosure of some of the financial information. The HOA indicated that it was a telephone call from the Port asset manager, indicating that Council had cleared it. They later learned that the City's Director of Community Development had also requested and received a copy. The HOA did, however, ask that the subject be withdrawn, allowing the proponent of the developer to investigate with the Port whether an error had been made. Today they have heard nothing from the Port.

Mayor Smisek asked if the Board has passed this resolution.

Mr. Metz explained that the major change is that, on the bottom of the page, it says that it is unanimously approved by the Board. Then there was Appendix C under review of their counsel, so that wasn't available to Council at the first iteration.

Councilmember Downey asked if the subcommittee developed alternatives that could be supported on Grand Caribe.

Mr. Metz explained that there wasn't enough time. There have been a lot of discussions over the past seven years. People have ideas about boat launch ramps, some mixed use mitigation usage. The Council came down to the Cays and answered all the questions. Council strongly urged that the community get together to try to come up with some alternative use that would be supportable. That is what he has been trying to do.

Councilmember Monroe commented that it was a good meeting. There was no real controversy at all. It was just "here we go again." They did approve the resolution. He is delighted that the Committee is looking for alternatives. He said he really wants to encourage the Cays to be a part of the process to figure out if there is something that would be acceptable. He is a little conflicted because the EIR process is a public process and has ample opportunity for the public. But he does come down on the side that the developer should have worked with the neighbors. He talked to the Port Commissioner at the last Council meeting and asked him specifically about the paragraph in the three Port letters advising the developer not to come back to the Port or the Coastal Commission without support of the neighbors. It surprised him

that the developer, and Mr. Monroe was told this by his representative, made the conscious decision not to engage the neighbors this time. Faced with the paragraphs that directly tell them to do so makes that decision a fatal flaw. Just like the bridge, projects like this that are going to increase density and traffic through the town and the City needs to say it doesn't want this to happen. That is why he likes this density argument here in the resolution. He would support Council having its own resolution and maybe harp on the idea of the engagement of the neighborhood before they come forth rather than just parody what is in the HOA resolution.

Councilmember Tanaka commented that he largely agrees with Mr. Monroe. It is hard for him to support a project that deliberately avoids the public process. He would be willing to support a resolution of the Council supporting the Cays homeowners. He would however, rather have resolutions that deal with issues as they arise. He doesn't necessarily want to make this ongoing language. He can see why the HOA wants that, but he thinks the City needs to be a little more prudent. The reason he supports the HOA is because what they are saying is that they have been bypassed. To him it is obvious that this leasehold has a unique situation that whatever is on the leasehold is going to have to go through and by all those neighbors.

Councilmember Downey said she appreciates the background information that the HOA has put together. She the proponents of the project haven't gone to the neighbors yet, but she hasn't seen anything saying that they have no intention of doing so. She is wondering if there is a time frame the Council is missing. But the Council needs to make its opinion known. She just doesn't want to assume that the developer doesn't intend to get the public involved. Maybe they wanted to wait until the get the Port to agree with what they want to do it and then go to the HOA.

Mr. Monroe responded that he talked to both Mr. Brienza and Pete Litrenta, and they clearly decided not to do it. They felt that it wasn't beneficial because it gets too many people against them. Mr. Brienza did say that the EIR is a very public process with a lot of chance for public input. If the public has concerns it is up to the public to go and make their concerns known.

Ms. Downey reiterated her question, addressed to Mr. Brienza, if there is a plan or a timeframe where he plans to go to the City's and the HOA for their opinions.

Mr. Brienza responded that of course there is a plan and that this discussion is premature. There is a process for the Port to go through and there is a process for CEQA. They fully plan to address the public as time permits. Right now they are following the process and they will address the community.

Ms. Downey asked if it was going to be part of the CEQA process.

Mr. Brienza nodded in the affirmative.

Mayor Smisek referred to the letter that was written by the Port to the proponent of the project the first time a development was proposed back in 1997. He responded to the comment that the City was not handling this in the proper order is not quite correct. There is some history that comes into play here. The initial lease goes back to the 1960s when the entire Cays project was started. The current lease owner purchased it in the late 1990s. The Council has the ability to make zoning changes when the impacts of density are seen, etc. but that has happened as far as this lease is concerned. In discussions with the City's past and current Port Commissioners, he knows their desire is that the proponents of the projects go through the HOA first, the City second, and then present it to the Port. Granted, that is not the easy way

to go because the HOA has on the last two occasions marshaled their troops of over 400. Historically the sentiment is 90% against the project. Mr. Smisek talked about what happened when the Loews Hotel was built. They were going to use the same entrance that is currently being used by the Cays, but it was modified because they saw what kind of traffic the hotel was going to generate. He said he finds the discussion of economic impact to be very interesting. The project has gotten a little smaller and he is worried about the white elephant concept. He worries about how a small hotel, that is not going to be convention oriented, can survive within the residential area of the Coronado Cays out of the mainstream. The Loews hotel is a typical example. It was teetering on bankruptcy at the time it was rescued. He has been told by an inside source that the prime function of Loews is its meetings and conventions. That is what employs close to 70% of their personnel. Mayor Smisek feels that this may be an attempt to make something out of something that may not be functionally possible. It would be the City's responsibility in this case is to take a look at a project. It is a mistake in trying to circumvent going to the public and to the City before trying to get it approved. It also isn't fair to the Port when you consider the amount of staff time it takes for the environmental work. They want to know how the City and the HOA feels before getting involved. One of the things that everyone has been very proud of over the years is that the Port doesn't usually force something down a member city's throat that they don't want. He agrees with Mr. Tanaka that this is a very valuable document from the Cays HOA and it will probably be modified as the new committee comes up with ideas that are acceptable or even desired approaches for the leasehold. As far as the City is concerned, he thinks that it behooves the City to take them on an individual basis and provide comments and endorsements or non-endorsements of a project as they come up.

Mr. Monroe said it appears that Council is united in wanting to support the Cays, but he thinks it is critical that it be done with findings. He wonders if this should be continued to be brought back with a resolution or a decision to further consider this. Right now there is compliance with the lease and if the City takes a position other than that, it should be done with findings.

Mayor Smisek the Port will discuss this item in the later part of June, so the City will have the next meeting before then. He added that there will be a May 31st open hearing which will be another opportunity to hear how people feel. The Port won't have heard it at the board and won't want for us to wait until the EIR process starts. The City could at this point say that it is unanimous in support of the HOA and a resolution will be drafted to follow the public hearing on May 31st.

Mr. Tanaka agreed with that plan because there is time before the Port's meeting to see a resolution at the Council's next meeting on June 7.

Tom Felde commented that he moved to the Cays this last September and was quite surprised to read in the paper that the Grand Caribe development would be on today's agenda. It hadn't been mentioned by the CCHOA. He said that if the HOA members were aware they would be quite disturbed. It appears to him that they are purposely trying to circumvent the head on collision by approaching Council first. He said the area of the project, to him, is residential. Right now large groups use the soccer fields and the traffic from that use isn't bad. However, the single entrance to the entire Cays is fairly congested even now. He would hate to think what would happen with a large development on the point. He hopes there will be a public hearing with advance notice and enough information out to the homeowners so they can attend and voice their disapproval.

A gentleman who identified himself as Jester, 1415 Buccaneer Way, said he and his wife Francis are concerned because they thought the height limit in the Cays was 35'. From reading the responses to Grand Caribe, Inc.'s proposal it appears they are proposing something over 45'. The second thing is that

in the bowels of the Port’s directive, it says that the financial background of the proponents of anything for the Port shall be thoroughly investigated. During the entire time he has not seen or heard of any financial investigation of the backers of this project who may or may not be the same as the years go by.

MSUC (Monroe/Tanaka) moved that the City Council support the CCHOA with a single resolution to follow.

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

The City Council recessed into closed session at 5:51 p.m.

14. CLOSED SESSION:

14a. CLOSED SESSION: CONFERENCE WITH LABOR NEGOTIATORS

AUTHORITY: Gov. Code §54957.6
CITY NEGOTIATORS: Mark Ochendusko, City Manager; Pam Willis, Assistant City Manager; Leslie Suelter, Director of Administrative Services
EMPLOYEE ORGANIZATION: American Federation of State, County and Municipal Employees (AFSCME) Local 127

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

AUTHORITY: Gov. Code §54956.9(b)(3)(C)
NAME OF CASE: Claim for Damages (City Claim No. 05-015)
Claimant: Ronald L. Stewart

The City Council adjourned from closed session at 6:03 p.m. Mayor Smisek announced that directions were given to the City’s negotiators on Item 14a and there was no reportable action on Item 14b. The Council then adjourned at 6:03 p.m.

15. ADJOURNMENT: The meeting was adjourned at 6:03 p.m.

Approved:

Tom Smisek
Chair

Attest:

Linda K. Hascup
City Clerk