MINUTES OF A
REGULAR MEETING OF THE
CITY COUNCIL OF THE
CITY OF CORONADO
Coronado City Hall
1825 Strand Way
Coronado, CA 92118
Tuesday, November 21, 2006

Mayor Smisek called the meeting to order at 3:03 p.m.

1. ROLL CALL:

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

Absent: Councilmember Downey

Also Present: City Manager Mark Ochenduszko
City Attorney Morgan Foley
City Clerk Linda Hascup

2. INVOCATION AND PLEDGE OF ALLEGIANCE. Russ Johnson, layperson from Sacred Heart Church, provided the invocation and Mayor Smisek led the Pledge of Allegiance.

3. MINUTES: Approval of the minutes of the Regular Meeting of November 7, 2006, a copy having been provided Council prior to the meeting, were approved as submitted. The reading of the minutes in their entirety was unanimously waived.

MSUC **(Tanaka/Monroe) moved that the City Council approve the minutes of the Regular Meeting of November 7, 2006, as submitted.**

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

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 5j with the addition of Items 11c and 11d.

MSUC (Tanaka/Tierney) moved that the City Council approve the Consent Calendar Items 5a through 5j with the addition of Items 11c – Adoption of a Resolution Requesting the San Diego Association of Governments (SANDAG) Add State Route 282 (SR 282) to the Regional Arterial System (RAS) for the 2007 Update of the Regional Transportation Plan (RTP), and 11d – Consideration of Increasing the Term of Appointment to Three Years for Representatives to the Serra Cooperative Library Advisory Board and to Extend the Terms of the Current Appointees.

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

5a. **Approval of Reading by Title and Waiver of Reading in Full of Ordinances on this Agenda.** **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. 10054571 thru 10054868 audited and approved by the Audit Committee, provided there are sufficient funds on hand. **The City Council approved the warrants.**

5c. **Filing of the Quarterly Treasurer's Report on Investments with the City of Coronado City Council for the Quarter Ending September 30, 2006.** This report is for the three-month period July 1, 2006 through September 30, 2006 respectively. The summary page identifies all investments including those not under management with PFM. These include LAIF, Union Bank and CAMP funds. The report also highlights the year to date interest earned relative to budget. For the quarter ending September 30, 2006, the City's investment portfolio has earned $714,487.88 in investment earnings compared to an annual budget of $1,514,800.00. The portfolio earnings have exceeded budget by 22%, which reflects the longer duration of the portfolio and the rise in interest rates. **The City Council examined the quarterly Report on Investments and ordered it filed.**

5d. **Authorization for Renewal of the Agreement with the San Diego Unified Port District for $20,000 in Funds to be Used for Recreation Special Events Jointly Sponsored by the Port District and the City of Coronado.** The funds would allow the City Recreation Department to continue to provide community special events. The term of the agreement shall be from July 1, 2006 through June 30, 2007. Funds are expended from Recreation department budgeted accounts and reimbursed by the Port District upon submission of required paperwork and documentation. Events eligible for reimbursement are submitted to and approved by the Port District through an application process each year. **The City Council authorized the City Manager to execute the agreement with the San Diego Unified Port District.**

5e. **Approval of an Amendment to the 2006-2007 Personnel Authorization and Compensation Plan (Salary Resolution) Authorizing a Reclassification of One Maintenance Worker III Position to a Lead Maintenance Worker Position.** The size of City facilities has

grown steadily over the past decade. The most recent increases, including the renovated and expanded Library, the new Community Center and the new City Hall, have increased the square footage of City buildings over 14%, or by approximately 30,000 square feet, to a total of more than 235,000 square feet. This increase, as well as the complexity of dealing with upgraded technology, has resulted in an increase in responsibilities for staff required to maintain the facilities. In response to this increase in demands on maintenance staff, the Director of Public Services requested an analysis of the duties and responsibilities of the Maintenance Worker III (Facilities) in order to ensure that the incumbent was properly classified. **The City Council approved A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORONADO ADOPTING AN AMENDED PERSONNEL AUTHORIZATION AND COMPENSATION PLAN (SALARY RESOLUTION) FOR THE FISCAL YEAR 2006-2007. The Resolution was read by Title, the reading in its entirety unanimously waived and adopted by Council as RESOLUTION NO. 8185.**

5f. Annual Review and Approval of the City of Coronado Investment Policy. As part of the services provided by PFM Asset Management, LLC, the City's investment manager, an annual review of its investment policy is conducted. PFM recommends any changes and updates necessary to ensure that the policy conforms to current law as well as meets the overall intent of the City's investment guidelines. The policy was last reviewed and approved by City Council on October 18, 2005. **The City Council approved the investment policy.**

5g. Approval of a Resolution Authorizing the City of Coronado to Receive and Expend FY 2005 Urban Area Security Initiative (UASI) Grant Funds and FY 2005 State Homeland Security Grant Program (SHSGP) Funds. The receipt of these grant funds will greatly improve the City's ability to respond to large-scale emergency incidents as well as increase our capabilities for domestic preparedness. The UASI funds will be utilized for 10 satellite phones, 3 hands-free car kits, pre-incident planning software for Mobile Data Computers, a Smart Board, projector and a base radio. The SHSGP funds will be used for EOC design planning services to identify the most efficient arrangement for the room to keep it ready for immediate activation as well as maximal utilization year-round for purposes such as training. Funds for a consultant to provide EOC exercises and a radiological addition to the Emergency Plan will also be obtained through this grant. **The City Council adopted A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORONADO APPROVING AND AUTHORIZING THE CITY OF CORONADO TO RECEIVE AND EXPEND FEDERAL GRANT FUNDS (FY 05 UASI AND SHSGP) FOR EMERGENCY OPERATIONS CENTER (EOC) EQUIPMENT, SATELLITE PHONES, DESIGN PLANNING AND TRAINING. The Resolution was read by Title, the reading in its entirety unanimously waived and adopted by Council as RESOLUTION NO. 8186.**

5h. Recommendation from the Traffic Operations Committee to Adopt Resolutions to Install a 25-Foot White Curb Zone on the North Side of Sixth Street Between Orange Avenue and D Avenue and Remove an Existing Green Curb Zone. The proposed location for the mail enclosure is along the north curb of Sixth Street between Orange Avenue and D Avenue just east of the alley. At present, there is a 25' green curb zone that was utilized by the former animal care facility which is recommended to be removed. The white curb zone will be located at approximately the middle of the half block. No net parking loss will occur along this curb line due to the existing green curb zone. Per the City of Coronado Municipal Code, the white curb zone will be operative 24 hours a day and allow vehicles to stop

for a period not to exceed three minutes. **The City Council adopted A RESOLUTION DESIGNATING A 25-FOOT WHITE CURB ZONE ON THE NORTH SIDE OF THE 1000 BLOCK OF SIXTH STREET and A RESOLUTION TO REMOVE A 12-MINUTE GREEN CURB ZONE IN THE 1000 BLOCK OF SIXTH STREET. The Resolutions were read by Title, the reading in their entirety unanimously waived and adopted by Council as RESOLUTION NO. 8187 and RESOLUTION NO. 8190.**

5i. Adoption of a Resolution of Intention to Approve a Contract Amendment Between the Board of Administration of the California Public Employees' Retirement System (CalPERS) and the City Council of the City of Coronado and Introduction of an Ordinance of the City Council of the City of Coronado Authorizing a Contract Amendment Between the Board of Administration of the California Public Employees' Retirement System and the City Council of the City of Coronado (Military Service Credit Purchase for Miscellaneous Employees). Under this benefit option eligible employees may purchase up to four years of service credit upon corresponding to their time in the US military. Service credit is one of the variables upon which final retirement benefits are determined. The cost to the employee is determined by a CalPERS actuarial report based on each individual's age, length of service, current salary, etc.

The contract amendment process established by CalPERS includes the adoption of a Resolution of Intention and the first reading of an ordinance authorizing the contract amendment. The second reading and adoption of the ordinance is scheduled for the second meeting in December. **The City Council adopted a RESOLUTION OF INTENTION TO APPROVE AN AMENDMENT TO CONTRACT BETWEEN THE BOARD OF ADMINISTRATION CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND THE CITY COUNCIL OF THE CITY OF CORONADO. The Resolution was read by Title, the reading in its entirety unanimously waived and adopted by Council as RESOLUTION NO. 8188.**

5j. Approval of Holiday Time Off for Employees Consistent with Prior Years. For a number of years, the City Council has approved additional holiday time off for City employees during the Christmas to New Year's period. Use of this additional leave has been accomplished without interruption of normal City services, although typically during the week between December 24 and January 1 the City operates with a skeleton crew. Police and Fire personnel, as well as employees working a 9/80 schedule, have spread the time off generally over the month of December to ensure necessary staffing is maintained. City employees have appreciated this gesture of holiday good will. The additional time off allows employees to more fully enjoy the holiday season with their friends and families. **The City Council authorized an additional eight hours leave to City Employees in conjunction with the Christmas or New Year's holiday as in past years.**

6. ORAL COMMUNICATIONS:

a. Wayne Strickland, 854 A Avenue, retired 32 year Coronado firefighter, said he had previously requested that fire safety be placed on today's agenda. He feels very strongly about public safety and mentioned the issue that the City's fire truck is not

capable of reaching the new buildings that are being built and that the firemen aren't given the tools to put out the fires. The City is taking a risk and is not being safe for the community. He would also like to see a second ambulance for the Cays.

b. Steve Bruce, 560 C Avenue, spoke about a new great hope. He informed the public about the upcoming Annual World Summit for Children and provided a website – thecount.org.

c. Brandon Matey, Coronado Firefighter, asked the City Council to pay more attention to public safety and the professionals who work for the City and mentioned that there will be an impact on future retention and quality of new hires. He hopes the City Council will pay attention to what is going on within the department now and that they will work hard to keep the quality people in the department and be able to recruit more valuable employees.

d. Councilmember Monroe commented that he recognizes Mr. Strickland's expertise and distinguished service; however, he does not think that Council meetings are the proper forum. A workshop on public safety, or something of that nature, might be more appropriate. The City has a great staff working for the City Manager. They bring to the City Council the issues they think need to be considered and approved for the City. Mr. Monroe does not appreciate Mr. Strickland's saying that the City Council is not considering the community's safety. For anyone to stand at the podium and say that the City Council is not being safe for the community is a personal affront to him and to the City Council and does not get his support. Mr. Monroe also does not agree with the statements that the City has let the Cays become. He hopes the language in the future can be tenured to much more reasonable comments.

7. CITY MANAGER:

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

8. PUBLIC HEARINGS:

8a. Public Hearing: Selection of Proposed Affordable Housing Residential Rehabilitation Project for Community Development Block Grant Funding Fiscal Year 2007-2008. Andrew Potter, Sr. Management Analyst, provided the staff report. He explained that a public hearing is required to approve the FY 2007-08 Community Development Block Grant funding. The project identified for the funding is rehabilitation of CDA owned affordable housing properties, specifically at 840 G Avenue. Over the next year staff will finalize some of the items to be rehabilitated. The funding is approximately $95,000 and is expected to be received in the fall of 2007.

Mayor Smisek opened the public hearing and seeing no one wishing to speak on the item, the public hearing was closed.

MSUC **(Tanaka/Monroe) moved that the City Council approve the selection of "Affordable Housing Residential Rehabilitation" as its proposed project for CDBG funding, Fiscal Year 2007-2008.**

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

8b. Public Hearing to Review Requests for 2006 Historic Preservation (Mills Act) Agreements for Properties Addressed as 629 A Avenue, 1033 Adella Avenue, 350 D Avenue, 1710 Visalia Row, and 1244 Alameda Boulevard. Tony Pena, Director of Community Development, provided the staff report. The Historic Resource Commission (HRC) is recommending the five listed properties be included in the Mills Act program, with staff's full support. He said the City Council might recall that the methodology of the selection of projects has changed somewhat. It started off where the Mills Act contracts were given to the properties chronologically in order of historic designation. However it has evolved into trying to choose the most historically significant properties in the program as well as fit in as many properties as possible under the annual fiscal cap. The properties mentioned accomplish that. He thinks the HRC worked diligently to make this selection.

Councilmember Tanaka asked where 629 A and 1033 Adella were chronologically.

Mr. Pena responded that 629 A was considered last year but there was not enough room within the fiscal cap. Council direction was to hold it over until this year and it would have fallen close to the top. Ann McCaull, Associate Planner, explained that 1033 Adella was moved ahead because it could be accommodated within the cap.

Mayor Smisek opened the public hearing.

Nancye Splinter, 1027 G Avenue, owner of the first Mills Act home on Coronado, spoke on behalf of herself and her husband. She applauded the City staff and the City Council for their support of historic preservation. The City has come a long way in a short length of time. All the houses being discussed are definitely Mills Act worthy. They are magnificent and need to be saved. Many people support historic preservation and the Mills Act in Coronado. The real sticky issue before the City Council is that there is consideration of leap frogging some homes ahead of other homes that were approved earlier and had been told they would be funded starting in January 2006. Putting ahead homes with lower property taxes or that have been in the family for a long time is wrong in her and her husband's opinions, and could possibly put the City in a legally tenuous position. Other cities they are aware of in California go by the date. She suggested that there is one fairly simple solution to this problem. Take the cap off the Mills Act. She said she had spoken to the City Council about this before. She said there is a maximum of about 200 homes in Coronado that may be Mills Act eligible and quite a few of those owners don't want it.

Karen Smith, 605 Tenth Street, said she agrees with Ms. Splinter. On September 15, 2004, she and her husband were informed that their house was going to be up for Mills Act prioritizing. They took time out of their schedule to make it to that meeting. At that meeting they were told that the remaining properties would receive contracts in the following order: 2005 – 1313 Tenth

and 526 A; 2006 – 605 Tenth Street and 625 A; 2007 – 1504 Glorietta; 2008 – 629 A. Approximately one year later the HRC met again and came up with two lists. The City Council had given them an idea to try to prioritize the homes based on significance and not just chronological date, so they prepared one chronological list and one based on significance. They put those two lists together and came up with the list that was presented at the 2004 meeting. In 2005 they looked at the list that just showed the prioritized points, not taking into account the chronological list at all. She didn't know about that meeting, only finding out about it when they called Ann McCaull in January 2006. They then went to two meetings of the HRC. She gives the HRC credit because they agreed with her and her husband and realized they had made a mistake in looking at the wrong list in 2005. However, the HRC said that the damage has already been done for this year, 2006, and that they weren't sure what could be done. Maybe they could be put on for 2007 which would give the tax reduction in 2008. She said that there is a little bit of misinformation here and some of the houses were looked at in the wrong order. She urged the City Council to please take this into consideration. By not going in chronological order there will be some people who feel they were not given proper consideration.

Councilmember Monroe asked about the idea of chronological order versus priority. He said he almost feels a little sandbagged by this. He thought the City Council and HRC came to a consensus that the applications for the Mills Act would be prioritized by historical impartance. He asked if he was wrong with that understanding. He would like to know why the City Council is hearing all this today about priority versus chronological.

Susan Keith, 801 Tolita Avenue, HRC Chairperson, responded by saying that there were people who got in between a rock and the hard place. The HRC did exactly what the City Council wanted it to do, rate the houses using historic significance criteria, versus using purely chronological date; it was subjective.

Mr. Monroe questioned the 'Council direction' Ms. Keith's referred to.

Ms. Keith explained that the City Council directed the HRC to use the value of the historicity of the home in addition to the chronological date. The HRC was to take those two points of information and marry them together to come up with a list. Up until that time the date of historic designation had strictly been used. It has been working fine.

City Manager Mark Ochenduszko added to Ms. Keith's comments. Based on the direction the City Council gave at the last discussion where there was one property that was widely discussed and was carried over to this year, it was his understanding that the Council's direction was to look at the priority and to evaluate the homes as they came in, in light of the fact that there was a limit of funds that can be used annually in terms of granting Mills Act applications. In fact, he met with Commissioner Keith himself and discussed that matter and suggested that they look at priority, in essence to get the most bang for the buck if possible, in implementing the program. That was his understanding of the Council's direction and he thinks that the HRC did its best to carry that out.

Ms. Keith agreed and said she thinks that they were on exactly the same page and did exactly what the City Council asked them to do. HRC's only request would be that the City Council give the Mills Act to everyone who has requested it. She asks for that every year. The Commission does its best to get as many houses under the cap as possible so that as many people

as possible will get the benefit of the Mills Act. And there are some problems with that. It is subjective and whenever there is subjective information going back and forth there will be disagreement on positions. In this particular case, one house got between the rock and the hard place and got pushed back again.

Mayor Smisek asked if since it was directed that 629 A be put on the list in the #1 position, then 1046 Tenth didn't fit under the cap? Ms. Keith responded in the affirmative.

Councilmember Tanaka understood that, the last time the City Council met about this, most of the discussion was toward the cap being $10,000 and how different homes fit under it. It was his understanding that the City Council did give direction that 629 A was to be at the top of the list. The HRC complied with that request. That didn't leave much money and Adella was selected as the next house that could fit. Ms. Keith added that there were funds from previous years that were able to come in to cover the additional cost. Mr. Tanaka recalled the City Council giving direction that the HRC could use its discretion in how it prioritized the list. He asked if the order in which the applications were turned in were irrelevant to the HRC now. Ms. Keith responded that it is not. Mr. Tanaka said he thinks the chronological order is important but the HRC may need to exercise discretion to move something up. Ms. Keith knows that the date is involved but she said she honestly doesn't remember where it was placed relative to the importance of the architecture, the type of architectural style, etc.

Mona Wilson, 60 Half Moon Bend, member of the HRC, gave some background on the origins of the HRC and that it appeared that of all the houses in town about 500 to 600 could potentially be considered for designation, but said the program is voluntary. She feels that the misunderstanding comes when some people who apply for historic designation think that when they are designated that the Mills Act goes with it automatically and that is an entitlement. And it isn't; it is a privilege. Each city can decide how it will implement the Mills Act and each city does it differently. This City Council decided that $10,000 was a good cap. The HRC tries to work within that in terms of how it moves the houses around. She doesn't believe that the HRC did anything wrong other than trying to fit houses in to the cap.

Mr. Tanaka said he isn't trying to suggest that the HRC did anything wrong but rather he is trying to understand the logic the HRC used. The first set of logic in the Mills Act priority list is whoever turns in their Mills Act application is submitted and complete, that is what created the list of who applied first. When the Mills Act first started, the first homes that applied were the first ones considered. He wonders whether there is credence to the order that the applications were received.

Ms. Keith explained that what they took into consideration with the houses before the City Council today was both the historicity of the houses and the dates of their application. She said the houses on page 86 of the agenda still pending (there are 18 not including 1043 Ocean) are all in chronological order and have not yet been rated as far as significance.

Mayor Smisek closed the public hearing.

Mr. Tanaka clarified a few things. He thinks the City Council might want to take the lead on the Mills Act because he thinks it is creating confusion for the public. Since the City Council has to be the final authority on this anyway it might be better to agree on what is going to be approved

this year and then direct the HRC for next year's actions. It will make things easier if every year the City Council does that. He supports the HRC's recommended list of five homes. There is a lot of talk about the cap. He wants to make it clear that he does support the cap because he is concerned about the impact the Mills Act will have on the City's future income streams. His suggestion is to designate the homes listed as #1 and #2 on the list on page 86, 1313 Tenth Street and 605 Tenth Street as intended for next year. He also thinks the City Council should go back to the old system of having the HRC determine whether a home is eligible for the Mills Act but that the City Council take the lead on figuring out which ones can be included in the Mills Act and what dollar amount it wants to use. $10,000 should still be used as a cap, but sometimes the numbers just aren't going to work out. In this case he would rather add one more home and be a little over the cap then to leave one home out and be a little bit under.

M (Tanaka) moved that the City Council approve today's recommendation but also include 1313 Tenth Street and 605 Tenth Street as next year's recipients of the Mills Act.

The motion failed for lack of a second.

MSUC (Tanaka/Tierney) moved that the City Council approve the staff recommendation.

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

M (Tanaka) moved that the City Council designate 1313 Tenth Street and 605 Tenth Street as next year's recipients of the Mills Act agreement.

Councilmember Tierney explained that he could not support that motion. He would support taking 1313 Tenth at $8,799 and then would go down to 930 I Avenue, which would keep the City within the ballpark of $10,000. He does not wish to see the City Council exceed this cap at this time. If the City is in a fiscal situation where additional funding comes in, then it might be time to review this, but at this time he thinks the more prudent course is wise and will stay within the cap. His recommendation for 1043 Ocean Boulevard would be a special exception, which would come later another agenda.

Mr. Tanaka withdrew his motion.

Mr. Monroe commented that he agrees with Mr. Tierney that the City needs to keep a cap. Whether or not that cap can move off of $10,000 remains to be seen. He thinks the cap, for City planning, is really important as the City looks ahead. He asked the City Manager to provide for him the increase monies that the City has received from property taxes over the years from 2000 on since the Mills Act has started in Coronado. He asked the Director of Administrative Services, Ms. Suelter, if the increase is over prior years and if the property tax revenue is the revenue to the City's General Fund. In FY '05 the property taxes to the City's General Fund increased $1,305,167. That is a substantial increase in property tax. In FY '06 the increase was $1,541,930. He thinks that, within that knowledge, there might be some movement to say that,

as long as the increase in property tax revenue increases 'x' number of years, the City might be able to change the $10,000 cap and pick up a few more houses. He would be willing to look at that in the future. He does think that the City needs to keep a cap for long term planning.

Mr. Tierney pointed out that is very valuable information but he counseled that the City Council be very careful because property values are not sustaining themselves at this point. They are dropping down. He does not think there will continue to be $1.5 million in increases in the future. He would like to err on the side of conservative action.

8c. Public Hearing to Consider a Request for a Special Exception to Exceed the Fiscal Cap Established for the Mills Act Program with the City for the Year 2007 for the Dwelling Addressed as 1043 Ocean Boulevard and Located in the R-1A (Single Family Residential) Zone. Tony Pena, Director of Community Development, explained that this fairly large property is pending a sale in 2007 and the broker for the property came before the HRC under the special exception procedure to look at historically significant projects that may not really be consistent with the typical program in terms of the amount of money involved or some other consideration. The HRC is recommending to the City Council that, under the special exception clause, the Mills Act be granted to 1043 Ocean Boulevard. That would affect only the front, major house. There is a system that the County assessor can use to assess the rear of the property separately. The rear of the property would be under the regular tax role in which case the City would not really be losing anything monetarily. In fact, the City would be gaining $36,000 once the property is sold, which is greater than the $10,565 currently received for the property. The HRC is also recommending, as an adjunct to the regular motion on this item, to waive all of the regular Mills Act requirements for the 18 properties that were previously discussed. In other words, eliminate the fiscal cap for those. Staff is not supporting that. Staff feels it is inconsistent with the program that has been specified by the City Council. The City Council may want to consider that as part of this request.

Mayor Smisek clarified that this would only be put into effect upon a sale or there would be the 1% rule that would go into effect for the market value. There isn't going to be anything that is going to impact the current amount of property taxes that the City is receiving. Mr. Pena confirmed that this is the case. The trigger mechanism would be, if it is going to through escrow and it is going to be sold, then the property owner would come back in 2007 and the City Council would act upon this particular property at that time. The purpose of today's meeting is to commit the City Council to doing that.

Councilmember Tanaka referred to page 133 and the very end of the staff recommendation portion of the staff report. It says that a minimum annual income rental value established with the front dwelling is $14,000. That would mean that the house rents for less than $1200 per month. He wondered what the criterion is. Ann McCaull explained that the amount is $14,000 per month.

Mayor Smisek opened the public hearing.

Susan Keith, 801 Tolita Avenue, Chairperson, HRC, spoke in favor of the special exception and added that she would again make the request to remove the cap.

Mayor Smisek said that the only reason he is even considering supporting the special exception is because there will not be a decrease in the amount of money that is coming to the City and that the cap is not being removed. This is potential income and there are many places in the City with that potential income.

Nancye Splinter, 1027 G Avenue, gave further information on how the Mills Act formula works. She applauds the fact that there is the possibility for a property such as this to be considered for the Mills Act. It is ironic and unique that these decisions made by the City Council seem to be driven by the dollar and ability to sell this house. It could be torn down and divided into three lots. There would be an uprising if anyone tried to do that.

Story Vogel, 350 D Avenue, recalled when the Requa house at the corner of Tolita and E Avenue was torn down, which he said Mr. Aurich was involved with. The house under discussion today is about one of the most prominent houses in Coronado and the City is being asked to bust the cap for this very prominent home. He thinks that if someone can afford to buy that home they can afford to pay the property taxes. He said he is personally offended, given the list of folks who are one this list and the discussion that just took place, that this prospective owner is asking for assurances that the City Council will give this home the Mills Act. He doesn't see why the owner wouldn't buy the house and wait in line like the other 18 people. He also thinks it is offensive that Mr. Aurich, who played a huge part in the tearing down of a Richard Requa mansion, the Wallbridge, would now find himself to be a newly found proponent of historic preservation. If Mr. Aurich was willing to forgo the HRC and donate the money to the Cottage Conservancy he is sure that most people in town would be more than happy to support the designation out of order from all the other houses. He would also like to find out who is Red Slipper Holdings, the potential buyer who is referred to in the Gafcon report regarding the potential repairs. He does not think the City should make exceptions for realtors who bring forth potential buyers just because the house is as significant as Claude Spreckels' home is.

Scott Aurich, 1037 Loma, said he could not sit quietly and let people falsely accuse him of tearing down the Requa on the corner of Tolita. Mr. Aurich had nothing to do with tearing it down. He did more than anyone in town to try to save the house. He is the only one who spent any money trying to save it. He has been accused falsely of it being torn down Mr. Vogel for five years. It is an absolute lie. It is slanderous. It is liable. It is hurtful. He said he would be happy to tell anyone who wants to know about what went on with the house at Tolita and E. The issue today is the Spreckels Mansion, which is clearly the most historic, or one of the most historic, houses in the community. There has been a deal structured to add to the City tax collections. The Mills Act designation will only apply to part of the house, not the whole house. The $14,000 a month number is being identified in the report so that the revenue to the City doesn't decrease because it is an extraordinarily high rental number. It is a protection for the City to continue to get rental revenue so a new owner doesn't come in and say that the house is only worth $10,000 a month and decrease the revenue to the City. This was thought through when the City Council, back in 2000, adopted this ordinance to have an opportunity to deal with special, historic, and significant properties such as this. This certainly meets the criteria. The structure of the deal in front of the City Council is a fantastic opportunity and will secure the house. No one wants to see the house torn down. The fact is that the house is on three underlying lots that are more valuable as the real estate and what the house is being sold for. This is a way to secure, for the City, so that it doesn't come in jeopardy down the road. He is

also an advocate of removing the cap. He understands the reasons for the cap. It might be a good idea to increase the cap if the dollar revenues are there to support that. In any case, the dollar amount should be continually reviewed. With that said he hopes this item goes forward. He apologized for being a little irritated and outraged but he has had enough.

Jeff Alison, 1057 Ocean Boulevard, said he is the only neighbor present for this house. He strongly urged the City Council to support what is before it. This is the essence of preserving what exists in this community. He is a life long Coronado resident and he does not want to see the Spreckels house gone. The arrangement that Mr. Aurich has worked out with the buyer is more than reasonable, particularly for that type of property. He urged the City Council to approve this.

Judy Kelly, 353 D Avenue, asked about the ability for the back of this house to be torn down.

Mayor Smisek explained that the historic designation is on the entire property and the Mills Act will only apply to the front part. Anyone who would want to demolish the back of part of the property would have to go through the same type of process that anyone who is historically designated would have to go through.

Suzanne Ramirez, 449 D Avenue, had the same question as Judy Kelly. If someone wants to come in for a special benefit it would seem fair to encumber them to have to not allow the tearing down of the back property. Or there could be a requirement that they can never break the property into more lots. They are asking for something and the City could ask for something in return.

Florence Draper, 460 E Avenue, former HRC member, explained that once a home has been designated historic, which in this case it has been, they can't tear it down. They can remodel it or alter it as long as they come before the HRC and receive approval for any of the revisions they want to make. This lot splitting thing is not possible. The home has been designated historic.

Karen Smith, 605 Tenth Street, the owner of the house that is between the rock and the hard place proposed that when the funds come from the sale of this home next year, the City go ahead and use those funds and exceed the cap and allow for both her home and the 1033 Tenth Street home to be put into the Mills Act for next year. The HRC goofed. They looked at the wrong list. They put her home back and the City Council proposal today will put them back another year. This is wrong. The wrong needs to be righted and this is a proposal to try to make as many people happy as possible.

Mayor Smisek closed the public hearing.

Mayor Smisek commented that the City Council does have the ability for special consideration for large, historic properties that have special significance because they could never qualify under the cap. The way this is being structured is a potential loss of extra funding but the City will receive more money if the home sells. That is the good news. There is no decrease in property taxes. The only decrease is in the higher potential property taxes the City would get. Therefore, it doesn't appear to him to be in violation of the cap and it falls under the special exception process.

Councilmember Monroe congratulated Scott Aurich on the work he did on this and the City staff for working with him and the potential buyer to come up with a really great recommendation.

MSUC **(Monroe/Tanaka) moved that the City Council: 1) give an advance commitment to a potential future owner of property at 1043 Ocean Boulevard to enter into a Mills Act Agreement for the front dwelling only during the calendar year 2007; 2) grant a special exception for the Mills Act Agreement which would exceed the City's annual fiscal cap for 2007; 3) recognize that this request would be treated independent of the other Mills Act Agreements waiting to be approved during 2007 and that the fiscal cap would not be eliminated for remaining Mills Act Agreements waiting to be approved; and 4) the future property owner would return to the City Council for formal approval in 2007 with a minimum annual income (rental value) established for the front dwelling of $14,000.**

Councilmember Tanaka said he is pleased with the way this was structured; having it structured on when the house sells allows its assessed valuation to go up. Crown Manor was the first home that the City Council made an exception for and it did sell after the Mills Act was approved and it sold for $16 million. That jump in assessed value the City lost. He thanked Mr. Aurich and thinks this is a good deal for Coronado. The structure is being saved up front and it is being done in a way that is saving the City money that it would not ordinarily save.

Councilmember Tierney explained that, in the authorization, an exception was made for extraordinary circumstances. It says that, "The City council further finds that extraordinary circumstances may arise such as an extremely unique, valuable and important historic resource in jeopardy of being demolished and in these rare cases the City may raise the fiscal cap due to the significance of the resource and the overwhelming community impact and loss that would occur if that resource were demolished." It is very important that the public understand that the City Council is not going past what the City Council had already approved and put in place. This is, indeed, an exception to the rule. He will be supporting the motion. He would also like Mr. Pena to explain more about the Mills Act designation for the front and back of the property.

Mr. Pena explained that the Mills Act does preclude typical development where someone would apply for a disassociation with the Mills Act and a demolition permit through the HRC and possibly to the City Council. It is so encumbered right now with the Mills Act involvement that any move to demolish the building, either the front structure or the rear structure, would be caught up under CEQA, probably an EIR, and many discretionary hoops that it would take years for anyone to go through any kind of a process to try to do that and the outcome may very well be negative and it would be under the control of the City Council.

Mayor Smisek disclosed that he had met with Mr. Aurich to have this explained to him.

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

8d. <u>Public Hearing: Approval of a Resolution for a One-Lot Tentative Parcel Map to Allow for Condominium Ownership of 2 Residential Units at 266 C Avenue in the R-3 (Multiple Family Residential) Zone (PC 16-06 Halloran, Mike).</u> Tony Pena, Director of Community Development, explained that the Planning Commission and staff are recommending approval of this map. There are findings and conditions attached to the staff report. He pointed out that the front dwelling on the property will be retained and the two dwellings on the rear of the property will be constructed. Everything will be in compliance with the zoning ordinance as well as the Map Act and the subdivision ordinance.

Mayor Smisek opened the public hearing and seeing no one wishing to speak on the item, the public hearing was closed.

MSUC **(Tierney/Tanaka) moved that the City Council adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORONADO APPROVING A ONE LOT TENTATIVE PARCEL MAP FOR DEVELOPMENT OF TWO CONDOMINIUM UNITS FOR A PORTION OF LOT 4, BLOCK 152, MAP 376 CBSI, ADDRESSED AS 266 C AVENUE, CORONADO, CA. The Resolution was read by Title, the reading in its entirety unanimously waived and adopted by Council as RESOLUTION NO. 8191.**

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

8e. <u>Public Hearing: Approval of a Resolution for a Two-Lot Tentative Parcel Map to Allow for Condominium Ownership of 4 Residential Units at 717-723 G Avenue in the R-3 (Multiple Family Residential) Zone (PC 17-06 Falleta, Tony and Koop, Robert).</u> Tony Pena, Director of Community Development, explained that there are currently four dwellings being constructed on this site. Two are on each lot that will be created. This is to allow for condominium ownership. The Planning Commission and staff are recommending approval.

Mayor Smisek opened the public hearing and seeing no one wishing to speak on the item, the public hearing was closed.

MSUC **(Tierney/Tanaka) moved that the City Council adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORONADO APPROVING A ONE LOT TENTATIVE PARCEL MAP FOR DEVELOPMENT OF TWO CONDOMINIUM UNITS FOR A PORTION OF LOT 4, BLOCK 152, MAP 376 CBSI, ADDRESSED AS 717-723 G AVENUE, CORONADO, CA. The Resolution was read by Title, the reading in its entirety unanimously waived and adopted by Council as RESOLUTION NO. 8192.**

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

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 pass the No Smoking Act which will stop smoking in all parks and port properties. He announced that the Environmental Fund received $5 million. The first $400,000 will be obligated at the Board meeting on December 5th. Those are items that are beyond compliance in the environmental area, but from Coronado's perspective watching what goes on in the environmental part of the Port could be of interest to the City. The Port stopped the exclusive negotiating agreement with Manchester and Company on the Lane Field project and is with Sam Hardige and his group now. The next issue is the noise issue. There was a great meeting with Coronado residents at the last Port meeting. On December 5th the Port will see that issue again. The Port will negotiate with Sycuan and the symphony that if the noise level is violated there will be a 'huge' penalty. The issue is what the number of the violation. At what dB level or what noise level do they violate the contract? The idea is to turn up the amplifiers at the park and come over to First Avenue to someone's home and find out what is painful. He hopes that will happen. On December 11th, the State Lands' Commission is having its meeting here. One of its issues is the timeshares of the hotel on Harbor Island. The Port is supporting this. If that is to pass it will change the investment opportunities in San Diego, which will affect Coronado in the long term.

Councilmember Monroe hopes that the symphony isn't being penalized by what is caused by other groups. Admiral Spane responded by saying that he thinks there is a bigger issue. The Port rents to the symphony because it is a non-profit and the Port likes the symphony. The symphony then subs it out to Sycuan and the Port loses whatever control it might have. He has tried to say that is illegal to rent to a non-profit who then turns around and rents to a for-profit. He can't find a lawyer to agree with him. The Port's view would be to put enough teeth in the contract so that if it is too noisy, Sycuan will have to pay $10,000 or $20,000 or enough money that they care. There is some difficulty in getting to the right dB number.

Councilmember Tierney asked about the Grand Caribe project and whether it is completed. Admiral Spane thought there was a meeting yesterday about Grand Caribe in Coronado. There is difficulty in the cap. The cap at the Hilton Hotel construction is a state of the art cap to cover the contamination. There is trouble with it and there are a few lawsuits being discussed. This will all delay the Grand Caribe piece. He doesn't think the taking of the Grand Caribe dirt is much of an issue. The next issue for Grand Caribe is how to fix it so that it looks nice when it is over. Mr. Tierney also asked about the status of the additional buoy points. Admiral Spane explained that there will be more boats south of the Coronado Bridge. The A8 anchorage is going to go away in some sense. $50,000 is going to go into 8A anchorage to clean it up. He thinks that the Port should keep the 8A anchorage. The 8A anchorage people are probably going to sue the Port. He thinks this is a long way from happening but it is still going to happen in some people's minds. Admiral Spane has talked with Admiral Herring who has talked to the Port about the security issues and the training issues that an anchorage in that part of the Bay would cause.

11. CITY COUNCIL BUSINESS:

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

Councilmember Monroe met twice with the Full Access Coordinated Transportation Group and the Group for Fiscal Sustainability. He attended an MTS Board meeting and then a Special Board meeting regarding an issue between National City, which has its own bus company, and MTS. He attended the MTS Winter Pops concert and met and introduced Marvin Hamlisch. He met with Todd Hainey of Nado Gelato and Doug St. Denis regarding trucks in the street unloading with their engines running. Mr. Monroe will also work with the Design Review Commission and the Chamber of Commerce to bring signage on Orange Avenue for the Crown Shops. He met with the Tunnel Team and Mayor Smisek and attended a SANDAG Board meeting and a SANDAG Borders Committee meeting.

Councilmember Tanaka attended the Homecoming football game, chaired a meeting of the HCFA Fire Dispatch, briefed the Chamber of Commerce, met with Liz Forsyth Lovell regarding the First Street end of Orange Avenue and attended the CIP subcommittee meeting with Mayor Smisek.

Councilmember Tierney went to an audit committee meeting of the JPA regarding San Diego turning over the Metro system to all members, attended the League of California Cities monthly meeting, the Legislative Briefing by Ben Clay, a Metro TAC meeting with Scott Huth, and a PUC Advisory Commission meeting.

Mayor Smisek attended a monthly Library Board meeting where the discussion centered on the Wizard of Oz portal, a Coronado Historical Association meeting, the Special City Council Legislative Briefing meeting, met with the mayor of Yamato, Japan to discuss US Navy relations with a neighboring city where the focus was on dealing with loud aircraft noise associated with the homeporting of an aircraft carrier in Japan (this is the home of the Atsugi Navy Base), attended a Tunnel Action Team meeting, attended with the City Manager and Port staff the CCHOA meeting regarding South Grand Caribe and the removal of sand there, attended hearings conducted by Senator Kehoe in regards to the future of the Airport Commission and met with the City Manager and Jim Benson regarding some of the upcoming CIP projects.

11b. Consideration of the Recommendation from the Oversized and Non-Motorized Vehicle Working Group Amending Coronado Municipal Code Sections 56.01.030, 56.30.200 and 56.30.210 Regarding Parking Penalties and Parking Restrictions of Oversized and Non-Motorized Vehicles (Including Recreational Vehicles). Paul Crook, Director of Police Services, provided the staff report. He explained that, the last time he was before the City Council on this item, April 4, 2006, the City Council approved the introduction of a draft ordinance regarding an amendment to the municipal code regarding oversized and non-motorized vehicles. The draft ordinance was then sent to Caltrans as required by the Vehicle Code. On May 2, 2006 Caltrans advised him that they had approved the ordinance. Coincidentally, on that same day, at the City Council meeting, Mr. Eckert and Mr. Johnson advised the City Council that they would like to see some more dialogue. Meetings were scheduled with Mr. Eckert and Mr. Johnson in July and September. Their greatest concern was the length of the vehicle. The recommendation was up to 20’ and they both wanted to see it

extended to 24'. The existing ordinance that the City has now defines oversized vehicles as any vehicle that exceeds 18' in length, is more than 95" in width or has a gross weight rating in excess of 10,000 lbs. Also, the existing ordinance allows for oversized and non-motorized vehicles to park unrestricted for three hours and then they must be moved 200'. Vehicles can remain in one location for 24 hours and there are exemptions from this code if the vehicle displays a handicap or disabled veteran placard, is parked for emergency repairs or if a Coronado resident uses the vehicle to go to and from work. Currently the fine is $18. Staff's recommendation at this time is to accept the working group's recommendation as presented at the April 4th City Council meeting with the addition of an exemption for pick up trucks. This recommendation increases the fine from $18 to $75, increases the loading and unloading time from the current 24 hours to 48 hours via a permit process administered by the Police Department, requires vehicles to be relocated at least 500' instead of just moving them 200' and exempts pick up trucks without campering units and allows for the towing of vehicles in extreme cases. Alternatives would be to retain the existing codes, retain the working group recommendation as put forth April 4th, or modify any of the recommendations to extend the length of the vehicles.

Councilmember Tanaka clarified that the staff recommendation for the definition of an oversized vehicle as any vehicle that is 20' or over. He asked if this take care of the boat issue, if they will qualify under this ordinance.

Chief Crook explained that they qualify under this ordinance also.

Mr. Tanaka pointed out that the staff recommendation also adds an exemption for pick up or light trucks (10,000 pounds gross weight or less).

Chief Crook stated that was correct as long as they don't have a camper unit of any kind on the back that would allow for sleeping in the vehicle. The language about using the vehicle on a daily basis was removed. He has never used it in the years he has been on the Force.

Mayor Smisek opened the public hearing.

Fred Eckert, 675 I Avenue, provided a few photos for the City Council. He thinks that the City should 'keep it simply simple' and not do things that are discriminatory. He thinks this is not a KISS principle. The exclusion for pick up trucks is not fair. His motor home is 21' and there are many vehicles that will be allowed that are now much bigger than his motor home. This should be extended to 24'. It should be kept at 20' for non-motorized vehicles. Then there is not a need for the exotic language that exempts pick up trucks.

Mayor Smisek asked about the Excursion in a picture provided by Mr. Eckert. It measures a little over 20' and that does not include a bumper. Any bumper should be included in the length.

Bruce Johnson, 760 Balboa, thinks that this issue was studied by people without RVs or children at home. He uses his RV all the time. There is a big difference between an RV and a motor home. He doesn't have a problem with any of the recommendations other than the length. RVs are built on a van chassis – they can't be that big or that tall. State and national parks make the delineation at 24'. He would like to see, even if it is a permit process, to give the people here a permit. The problem is the big, huge, motor homes.

Miles Harvey, 1099 First Street, explained that he is a member of the working group and over 27 years he and his family has had nine motor homes or RVs of varying sizes from 18' to 36'.

Mayor Smisek closed the public hearing.

Mayor Smisek stated that he has never been excited about this whole thing. He understands why this has come up, that it is an attempt to stop the very large motor homes from camping out on the streets. He also understands, though, that when he sees an Excursion that is over 20' that the City is using a definition of so many feet to try to define what the City is trying to get rid of. If it can be defined as a large, Class A vehicle, that is a much meatier type of ordinance. He has no objection to the smaller vehicles that Mr. Eckert and Mr. Johnson are talking about. With the concurrence of the City Council, the Police Group, and the working group, if 24' solves the problem and will allow for the elimination of the exceptions, then the ordinance could go to 24'.

Councilmember Tierney agreed with going to 24'.

Councilmember Tanaka also agreed. When something exceeds 24' it won't fit in any of the City's parking spaces and then it clearly is oversized. At 24' there won't be the need for an exception for trucks. He thinks 24' does the job the City is looking to do.

Councilmember Monroe asked Mr. Johnson where he parks his RV.

Mr. Johnson responded that he parks his on the street and moves it on the street. It is probably in his driveway 50% of the time. He has never had a complaint.

Mr. Monroe said he has supported this all along as a means of getting RVs off the residential streets of Coronado. He has spoken with many people who do not like RVs parked in their neighborhood. It does not help the quality of life in the neighborhood, whether it is 20', 22', or 24' it is an RV and generally is parked there for a consistent period of time. He would prefer to keep it at 20'.

Mr. Johnson said that this is why they said the 72 hours should be enforced. If a permit makes it easier for the Police Department to enforce this, then so be it. They want it to be the right way, too. They agree with everything on this except what constitutes a big vehicle.

MSUC **(Tierney/Tanaka) moved that the City Council: (1) Accept the Working Group's past recommendations regarding the stopping, standing, or parking of oversized and non-motorized vehicles and amend Municipal Code sections 56.01.030, 56.30.200, and 56.30.210 to increase the violation penalty from $18 to $75, establish a 48-hour permit process for residents to load or unload their vehicles and a 48-hour parking permit process to allow for residents' out-of-town guests, amend subsection E of 56.30.200, to allow certain oversized vehicles that are driven on a daily basis to go to and from work to be exempt from this section; extend the distance that a vehicle must be relocated to at least 500', and authorized the towing of vehicles in violation of these sections; and (2) direct staff to return with a final**

draft of the revised Ordinance for introduction and first reading at the December 19, 2006 City Council meeting. The length of the vehicles must exceed 24'.

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

11c. Adoption of a Resolution Requesting the San Diego Association of Governments (SANDAG) Add State Route 282 to the Regional Arterial System (RAS) for the 2007 Update of the Regional Transportation Plan (RTP). SANDAG is preparing for the 2007 update of the Regional Transportation Plan. As part of that update, SANDAG has issued a call for jurisdictions to provide modifications to the RAS based on the updated RAS screening criteria. In order to qualify for the updated RAS, arterials must meet at least one of four criteria.

1. The arterial is already included in the existing RAS.
2. Provides parallel capacity in high-volume corridors to supplement freeways, state highways, and/or regional arterials. (Corridor)
3. Provides capacity and a direct connection between freeways, state highways, or other regional arterials, ensuring continuity of the freeway, state highway, and arterial network throughout the region without duplicating other regional facilities. (Cross-corridor)
4. Provides all or part of the route for existing or planned regional and/or corridor transit service that provides headways of 15 minutes or less during the peak period.

State Route 282 meets the qualifications of the fourth RAS screening criteria with the existing and proposed future transit Route 901 operating at fifteen-minute frequency during peak periods. Inclusion of SR 282 in the RAS may offer opportunities to seek future funding specifically intended for regional arterials. **Under Consent, the City Council adopted A RESOLUTION OF THE CITY OF CORONADO REQUESTING THE SAN DIEGO ASSOCIATION OF GOVERNMENTS ADD STATE ROUTE 282 AS AN ARTERIAL IN THE REGIONAL ARTERIAL SYSTEM (RAS). The Resolution was read by Title, the reading in its entirety unanimously waived and adopted by Council as RESOLUTION NO. 8189.**

11d. Consideration of Increasing the Term of Appointment to Three Years for Representatives to the Serra Cooperative Library Advisory Board and to Extend the Terms of the Current Appointees. Historically the Serra Cooperative Library Board appointments were made for two-year terms. The length of term was not mandated by the Serra Administrative Council, to which the Serra Cooperative Library Board makes recommendations on system services and programs. The term length was left to the discretion on the appointing authority for each City. Research of City documents from the mid-1970s does not explain the reasoning behind the choice of a two-year term. The change to three-year terms is proposed so that the term of the Serra Library Board is consistent in length with other City board assignments.

Violet Wagener and Elizabeth Ingram were appointed to the Serra Cooperative Library Advisory Board in December of 2004 for two-year terms to end December 7, 2006. They are both eligible

to be reappointed for another full term. Ms. Wagener and Ms. Ingram have both indicated they are willing to continue to serve, whether in an extended term or for another full term. **Under Consent, the City Council increased the term of appointment to three years for representatives to the Serra Cooperative Library Advisory Board, set the end date of the terms to be December 31 for all appointments, and extended the appointment of the current appointees, Violet Wagener and Elizabeth Ingram, to terms to expire December 31, 2007.**

12. CITY ATTORNEY: No report.

13. COMMUNICATIONS - WRITTEN: None.

14. CLOSED SESSION: None.

15. ADJOURNMENT: The meeting was adjourned at 4:59 p.m.

Approved:

_____
Tom Smisek, Mayor
City of Coronado

Attest:

_____
Linda K. Hascup
City Clerk