



California

CITY OF OCEANSIDE

JOINT MINUTES OF THE: CITY COUNCIL SMALL CRAFT HARBOR DISTRICT BOARD OF DIRECTORS COMMUNITY DEVELOPMENT COMMISSION

MARCH 18, 2009

REGULAR MEETING 4:00 PM COUNCIL CHAMBERS

**4:00 PM - OCEANSIDE CITY COUNCIL (COUNCIL),
HARBOR DISTRICT BOARD OF DIRECTORS (HDB), AND
COMMUNITY DEVELOPMENT COMMISSION (CDC)
- REGULAR BUSINESS**

**Mayor
HDB President
CDC Chair**
Jim Wood

**Deputy Mayor
HDB Vice President
CDC Vice Chair**
Vacant

**Councilmembers
HDB Directors
CDC Commissioners**
Rocky Chavez
Jack Feller
Esther Sanchez
Jerry Kern

**City Clerk
HDB Secretary
CDC Secretary**
Barbara Riegel Wayne

Treasurer
Gary Felien

**City Manager
HDB Chief Executive Officer
CDC Executive Director**
Peter Weiss

**City Attorney
HDB General Counsel
CDC General Counsel**
John Mullen

For this regular and joint meeting, the Council sat as all 3 governing bodies [Council, HDB and CDC] simultaneously but took action as the respective agency for the jurisdiction covered by each item. Council titles only will be used for brevity throughout the entire meeting.

4:00 P.M. – ROLL CALL

No Councilmembers were present based on an earlier notification by the City Attorney that no closed session was needed. City Clerk Wayne called the meeting to order at 4:00 pm, March 18, 2009, and recessed the meeting to 5:00 pm.

CITY COUNCIL, HDB, and CDC CLOSED SESSION ITEMS

Closed Session to discuss litigation, property acquisition, labor relations and personnel matters

- [CONFERENCE WITH LABOR NEGOTIATOR ON STATUS OF NEGOTIATIONS PREVIOUSLY AUTHORIZED IN OPEN SESSION (SECTION 54957.6)]**

CONFERENCE WITH LABOR NEGOTIATOR – Negotiator: City Manager; employee organizations: Oceanside Police Officers’ Association (OPOA), Oceanside Firefighters’ Association (OFA), Oceanside Police Management Association (OPMA), Management

**NOT OFFICIAL
UNTIL APPROVED AT SUBSEQUENT
MEETING BY CITY COUNCIL**

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Employees of the City of Oceanside (MECO), Oceanside City Employees' Association (OCEA), Oceanside Fire Management Association (OFMA), Western Council of Engineers (WCE), and Unrepresented]

No closed session was held.

2. **[CONFERENCE WITH REAL ESTATE NEGOTIATOR (SECTION 54956.8)**

Property: Property bounded by Pacific Street, Myers Street, Seagaze Drive, and Civic Center Drive (APN 147-261-01 through 12; 147-076-1, 2, 3, 10, 11, 12); Negotiating Parties: SD Malkin Properties; Negotiator for the City: Jane McVey, Economic and Community Development Director, Delmar Williams and Paul Marra; Under Negotiations: Terms of Disposition Agreement and Lease]

No closed session was held.

5:00 PM – ROLL CALL

MAYOR WOOD convened the meeting at 5:01 PM. All Councilmembers were present. Also present were City Clerk Wayne, City Manager Weiss, City Attorney Mullen and City Treasurer Felien.

INVOCATION – Pastor Carl Souza

PLEDGE OF ALLEGIANCE – Nichols Elementary School students

PROCLAMATIONS AND PRESENTATIONS

Presentation – Mayor's Youth Sports Recognition and Appreciation Award – Oceanside Girls Softball team

Presentation was made.

CLOSED SESSION REPORT

3. **Closed Session report by City Attorney**

No closed session was held.

PUBLIC COMMUNICATIONS ON OFF-AGENDA ITEMS

No action will be taken by the City Council/HDB/CDC on matters in this category unless it is determined that an emergency exists or that there is a need to take action that became known subsequent to the posting of the agenda.

Advance written request to reserve time to speak: *None*

4. **Communications from the public regarding items not on this agenda**

JIM SULLIVAN, 900 N. Cleveland #159, representing the Committee to Recall Mr. Kern, stated their committee asked for and received the emails of Mr. Kern and his Council Aide and expressed concern with their communications with Steve Jepsen, current City Manager of Yuba City. Mr. Jepsen's views are being solicited and his advice is being given, which is then restructured and sent on to our current City Manager, which is disturbing to us.

CONSENT CALENDAR ITEMS - [Items 5-9]

All items listed on the Consent Calendar are considered to be routine matters or formal

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documents covering previous City Council/HDB/CDC instructions. The items listed on the Consent Calendar may be enacted by a single vote. There will be no separate discussion of any Consent Calendar items unless requested by members of the City Council/HDB/CDC or the public through submittal of Request to Speak form prior to the commencement of this agenda item.

The following Consent Calendar was submitted for approval:

5. City Council/Harbor/CDC: Acceptance of Joint Minutes of the Small Craft Harbor District Board of Directors, Community Development Commission and City Council of the February 4, 2009, 9:00 a.m. Adjourned Meeting
6. City Council/Harbor/CDC: Approval to waive reading of the text of all ordinances and resolutions considered at this meeting and provide that ordinances shall be introduced after a reading only of the title(s)
7. City Council: Approval of Amendment 3 in an amount not to exceed \$45,000 to the master banking services agreement with Bank of America, NA, of Los Angeles for City banking services, extending the term of the agreement from March 4, 2009, to December 31, 2009; and authorization for the City Manager to execute the amendment
Document No. 09-D0151-1
8. **Removed from the Consent Calendar for discussion [trailed]**
9. City Council: Acceptance of the Treasurer's Report for the quarter ended December 31, 2008

COUNCILMEMBER SANCHEZ removed item 8 from the consent calendar for discussion and **moved approval** of the balance of the Consent Calendar. [Item 8 trailed].

COUNCILMEMBER CHAVEZ seconded the motion. **Motion was approved 5-0.**

GENERAL ITEMS

General Items are normally heard after any 6:00 p.m. Public Hearing Items. However, if time permits, some General Items may be heard prior to any 6:00 p.m. Public Hearing Items, following the Consent Calendar.

11. **City Council: Approval of the Integrated Waste Commission's FY 2009-11 Workplan**

COLLEEN FOSTER, Solid Waste and Recycling Division, introduced the 2009-11 Integrated Waste Commission's workplan. She wished to mention a couple of items before the Chair reviews the workplan. There are some significant changes in this workplan: under the Specific Goals and Tasks section, it adds direct references to research and possibly making recommendations on waste-to-energy technology, transfer station recycling center analysis and siting, pay-as-you-throw programs, and plastic bag reduction programs.

Other changes go into the Structure section, which goes into a little more detail on how the subcommittees are made up per the recommendations of the Commission.

She reminded Council that the solid waste contract ends in July 2012. Unless Council directs otherwise, the City will have to give notice to Waste Management of North County by June 2010 that we intend to competitively bid the solid waste contract. If going to competitive bid is Council's direction, staff will need to start this process immediately to give notice by July 2010.

JOE GALLAGHER, Commission Chair, is here to discuss the Integrated Waste

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Commission workplan for 2009-2011. The workplan is a working document; not all the goals and tasks are easily achieved; and many may not be feasible. However, we do want to discuss them. As with any workplan, it is more guide than gospel. Many goals have been acted upon, and the results have been recommendations to Council or staff. Progress may be noted in many areas as we seek to fulfill the big three R's: reduce, reuse, and recycle. The fourth big R is rates, and the Commission continues to work with staff and our waste contractor to contain costs for ratepayers while seeking to maintain the quality of services.

Of the big 3 R's, recycling is probably one of our most primary and achievable goals. We have not only met but exceeded the AB 939 requirement for 50% diversion; we are at 59%, and we lead the region with that. A big part of that success is our green waste diversion program. Due to the efforts of the Commissioners, staff and the Council in extending the life of the El Corazon green waste recycling facility, we can now look forward to continuing this program and hopefully maintaining and increasing our diversion rates.

We continue to seek to capture all manner of recyclables through our commercial, residential, multi-family and public recycling programs. Working with staff, the Commission approved the installation of additional recycling receptacles at our beaches, not only promoting recycling but encouraging clean beaches and clean oceans.

Regarding reuse, reusing materials to reduce waste remains a focus of the Commission, and they have worked with staff on reuse awareness by promoting the use of reusable shopping bags with the hope to eliminate the use of plastic bags that too often plight our landscape and pollute our oceans. This has been a great step for awareness.

Regarding reduction, the issue of waste reduction is probably the most challenging, and it has to begin at the production level. We daily find ourselves with over-packaged goods/materials that cannot be recycled or reused. One of the Commission's goals is to find a way to encourage manufacturers/businesses to reduce packing and make packaging of products out of, or with, recyclable materials. The Commission also continues to address construction and demolition debris recycling reduction, and we will have an upcoming joint session with the Planning Commission to discuss smart and green building in Oceanside.

Our Budget subcommittee will be meeting more often as we approach the end of our current contract with Waste Management in 2012. Our Futures of Solid Waste subcommittee has been very active, and the need for a transfer station has been clearly identified and a potential site located. The vision of a fully encompassing waste-to-energy facility reflects the visionary outlook of that subcommittee. The Commission recognizes that forward movement on a transfer station is the most viable option to contain rates while improving collection, sorting, recycling and disposal technologies as the transfer station will afford. The vision of energy to waste may be a prospect for the future, but practicality must prevail in the present; we must go with that which we can achieve.

The Commission remains in solidarity in our opposition to the siting of any landfill at Gregory Canyon. We do not support placing a landfill on top of an aquifer.

JIMMY KNOTT, 127 Sherri Lane, brought up the issue of 'sharps' containers for used needles, etc. This is an issue seniors brought to him recently since if you do not have transportation, how do you get this container to Waste Management's hazardous waste site. Without that, some hide their needles in the trash. Some communities provide a pick-up service.

KEN RYAN, District Manager, Waste Management, stated that since December, 2007, Waste Management (WM) has had numerous meetings with City staff, the Integrated Waste Commission (IWC) and their ad hoc committee relative to our proposal to develop a transfer and processing station in the City. The type of facility under discussion is one where materials from trash and recycling collection trucks are off-loaded and then in turn reloaded into larger vehicles for shipment to a final disposal site or an end-market recycler.

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The City needs such an asset to move materials most efficiently from the point of collection to more distance landfills and end-market recyclers. Such a facility would provide the City with access to multiple disposal locations, thus gaining access to the most favorable combination of disposal plus transportation rates. Disposal plus landfill transportation is, by far, the single biggest component of waste and recycling collection rates. Simply put, this type of facility is the only way for Oceanside to fully control its own disposal destiny and related collection rates over the long term.

The ad hoc committee has recently shown a strong interest in pursuing alternative disposal technologies, specifically gasification, which at this time is not a proven technology for handling municipal solid waste in our opinion. WM is not opposed to viable disposal alternatives in the field of waste to energy. In fact, we have a sister company who is a leader in that business. In our opinion, however, the likelihood of obtaining such permitting for such a facility in California to handle municipal solid waste is very remote. We have stressed that, should viable alternative disposal processes emerge in the future, those alternatives should always be an option.

In 1994 WM and Oceanside worked together to avoid a solid waste crisis, which was precipitated when severe financial stress in the County of San Diego resulted in the doubling and tripling of landfill fees. At that time the potential impact to Oceanside rate payers was measured in the millions of dollars on an annual basis. Our collaborative solution then was a fleet of specifically designed collection and transport trucks designed to service Oceanside without a transfer station. Commonly referred to as the 'pod' system, that fleet has been on the streets of Oceanside for 15 years now. With that system, Oceanside has been insulated from the threat of excessive disposal and transportation costs. Unfortunately, that fleet is reaching its operational life span, is no longer manufactured, and there is no similar equipment available.

As in 1994, WM is prepared to again partner with Oceanside. Transfer and processing infrastructure located in the City is, in our opinion, vital in protecting the ratepayers' best interest over the long term.

COUNCILMEMBER SANCHEZ did talk with Mr. Gallagher in depth about some of the issues that the IWC has been looking at and met with WM in terms of their vision for service to the City and the costs that we would have to discuss if there were to be a transfer station sited in Oceanside. In discussions with WM there were 3 critical issues: 1) the vehicles used to transport waste are now obsolete; as the years go by, there are stricter rules for recycling of waste (AB 939); and the City should lead everyone else in a true recycling program; 2) the 12-year contract, which has a 2-year requirement for termination; otherwise it goes on from year to year; and 3) planning for the future, and in terms of IWC suggestions, regarding locating a transfer station in Oceanside.

She would like to see a competitive bidding process for this contract. We have been with WM for years. We need to do what is best for the City, so we need to know what is out there. We need to insure that this is a public and transparent process. This workplan is very important.

She moved approval of the workplan but, as requested, also gave direction to give notice as to the contract with WM. In speaking with City Manager Weiss, the recommendation from staff is that we go out to public bid. She referenced Portland's requirement that everything be on recycled paper and duplexed, which is a savings. There are a lot of things we can think about doing, such as recycling electronics. This is big. In terms of the contract, be it for something that will include a transfer station or alternatives, this needs to be very transparent. What would a transfer station cost to the ratepayers; how long would such a contract be. If at the end of the contract, if a transfer station were included, who owns the transfer station afterwards, etc. These are things that need to be answered before and not at the last minute.

CITY ATTORNEY MULLEN responded that the only thing on this agenda is the

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approval of the workplan and not the direction to staff on the contract. He would recommend that item come back at the next available Council meeting to properly place it on the agenda.

COUNCILMEMBER SANCHEZ then stated that her motion is to **move approval** of the workplan.

The IWC will be one of the premier commissions these next couple years and beyond, and IWC may be renaming themselves to include recycling, etc. and to make sure we maximize the recycling efforts. She wants to see the item come back to give notice.

COUNCILMEMBER KERN **seconded** the motion.

COUNCILMEMBER FELLER arrived here in 1987, and the need for recycling was just coming into play with a little box on the trucks. Recycling has come a long way. At the time there was a fully functional material recovery transfer station planned for North Avenue, and it was shot down by councilmembers at the time. It is too bad it was not implemented because we wouldn't be in the fix we are in now. With AB 939, the goal we have reached is probably one of the leaders in the State for recycling.

Responding to input on syringes, etc., they can do it, but it won't be done for free. IWC has a tough job. There was a fully approved trash to energy plant at San Marcos, and now it is a movie studio because someone stood in the way. Now we need it for many reasons. WM has served the community well. We shouldn't wait too long on the transfer station because the trucks are running out of life. He supports the workplan and urged them to keep moving forward toward the continuing effort of recycling.

CITY MANAGER WEISS stated that, although it would be premature to actually give notice to WM, because of the process, he would recommend that, if Council wants to pursue that, they could add a sentence in the workplan under specific goals and tasks Item B that states that, in addition to the Commission monitoring the City's contract, that the Commission also develop an RFP for Council consideration for a public competitive process for the City solid waste contract. That would modify the workplan, and the IWC would then develop the RFP that Council would have to approve to go out. Once that occurred, then we would have the ability to give formal notice. That way the Commission can actually start the process of developing the criteria that Council wants to see in this public process. If that is Council's direction, then he would recommend the amendment to the workplan to include that.

COUNCILMEMBER SANCHEZ **so amended her motion** to include that modification to the workplan.

COUNCILMEMBER KERN **seconded the amended motion.**

COUNCILMEMBER CHAVEZ feels that the larger issue will be the transfer station as a component of the contract. Further conversation was held on the Green Fair this week.

COUNCILMEMBER KERN stated that, as we move forward with the transfer station idea, there has been a change in the law that anything over \$1,000,000 in general law cities can actually be a design/build project. Prior to this year, cities had to go out with an RFP for design and another RFP to build. With the change in the law, general law cities have the advantage of doing a design/build and perhaps operate. He reminded the IWC that, if we go out for an RFP for a transfer station, it can be a design/build project.

COUNCILMEMBER SANCHEZ reiterated she wanted to give notice to WM about terminating the current contract. We need to know the deadline for giving the proper notice. She wants to make sure we explore all alternatives including not building a transfer station and using, for example, Carlsbad's transfer station, and what is best for the City.

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She thinks we can do better, and the goal is to do better with recyclables.

COUNCILMEMBER FELLER needed further information. If we don't have a transfer station until 2012 if no one has the contract, how does this move forward.

JOE ARRANGA, Deputy Director of Public Works, responded that we do not need a transfer station right now to haul our trash. This is something that WM would like to see for better control of rates. There would not be one until 2012, but we are entering into those discussions.

COUNCILMEMBER FELLER responded exactly. He is not sure we can wait that long; we have already waited 20 years. He will not support the change in the workplan; it completely distorts the purpose of the IWC. We have to get to a point where we are taking the trash issue seriously; the more that can be put into a material recovery facility, the better the recycling is going to be. He will not support this if it means the trash transfer station/trash material recovery facility that is a recycling facility will not be coming forward soon.

COUNCILMEMBER KERN stated the pod system is fully supported until 2012, and we have a year from this July to send out that notification, which is enough time to come up with ideas and report back on the progress.

MS. FOSTER stated that, if notice was given in July 2010 and it takes a year to do the full analysis and put together an RFP or decide on what we want, it gives Council that opportunity.

MAYOR WOOD stated we have to be very diligent on this issue because this is one of our largest contracts. More and more from the State and Federal level we better be on top of this issue since the problems and fines are astronomical. We need to know all the details. He has seen the transfer station in Carlsbad. We need to have all the details, and that is what the IWC and staff is for.

Amended motion was approved 4-1, Councilmember Feller voting no.

12. **CDC: Approval of a purchase order in the amount of \$82,097 to Wyndham Resorts for the installation of several decorative street lights and the installation of the directional sign including all of the electrical and the urban art tree; and authorization for the Financial Services Director, or designee, to execute the purchase order**

KATHY BAKER, Redevelopment Manager, gave the staff report. Back in 2004 when the Wyndham (then called Fairfield) project was processing their improvement plans, they had proposed putting in cobra-head lights and the City preferred decorative street lights, especially on Pier View Way; however, at the time the City had no standard for decorative street lights. The City needed to come up with a standard. We signed off on their plans with a handshake agreement that, at such time as we had a decorative street light standard, they would install them, and the City would make up the cost difference.

The City has a landscape committee that was working on creating a standard. At that same time we were also coming up with a standard for the Sunset Market street lights, so we came up with the new street light standard. The cost of \$65,322 is for the cost differential between the cobra heads and the decorative street lights.

Also at that time, we had an old wooden directional sign at the base of the pier with a map of the downtown that was used for advertising. We wanted a nice, new sign. So the architect we use for our street façade program, Laura Warner, came up with a decorative, attractive directional sign. In addition to the design, she had the great idea of incorporating an urban art tree. In downtown San Diego along the boardwalk, there are urban art trees, and they swap those out every year. After they have been up for a year,

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they are available for purchase. She came up with about 6 decorative urban art trees, and we came up with one that looks like a sail. Then the problem was how we will fit this new directional sign and the urban art tree at the base of the pier. That is when we approached Wyndham to give us a little of their property to incorporate the new directional sign and urban art tree. They thought it was a great idea and participated but wanted it in before they opened. We were able to pull it off with the directional sign and the art piece. So we are asking to reimburse Wyndham for that cost also, which is \$16,775.

We do have a sizeable amount in our walkable communities capital improvement account out of redevelopment funds, so staff is requesting the CDC's approval to authorize payment/reimbursement to the Wyndham for these costs.

COUNCILMEMBER CHAVEZ moved approval [of staff's recommendations].

COUNCILMEMBER FELLER seconded the motion; **motion was approved 5-0.**

6:00 P.M. – PUBLIC HEARING ITEMS

Public hearing items are "time-certain" and are heard beginning at 6:00 p.m. Due to the time-certain requirement, other items may be taken out of order on the agenda to accommodate the 6:00 p.m. public hearing schedule.

10. **City Council: Introduction of an Ordinance for Zone Amendment (ZA-5-07); adoption of a resolution certifying the Final Environmental Impact Report; and adoption of a resolution for General Plan Amendment (GPA-5-07) to change the land use and zoning designation of ten parcels (196 acres) of land to enable opportunities for additional open space land and to bring properties into conformance with the existing uses located north of State Route 76, east of Canyon Drive, west of Benet Road, and south of Camp Pendleton; project is situated in the Eastside/Capistrano and Airport Neighborhoods – Gallant & Cassan Zone Amendment – Applicant: City of Oceanside**

- A) Mayor opens public hearing – hearing was opened
- B) Mayor requests disclosure of Councilmember and constituent contacts and correspondence – disclosures were reported
- C) City Clerk presents correspondence and/or petitions -- none
- D) Testimony, beginning with

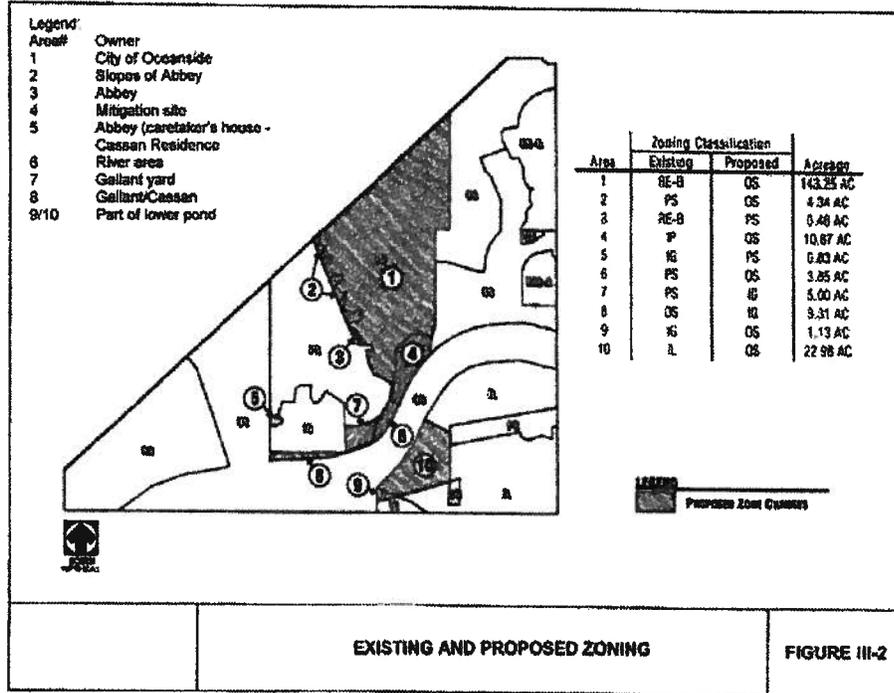
JERRY HITTLEMAN, City Planner, gave the staff report, stating the reason for these General Plan Amendments (GPAs) and Zone Amendments (ZAs) is because of the flood control project. In the 1980s there were a number of land exchanges that occurred to facilitate the building of the levees, especially on the north side, the south side and also the lower pond on the south side of the river. Properties north of the river are used for industrial purposes with wrecking yards and other associated type uses and the Hanson concrete patch plant that was approved around 2004.

He displayed a historic 1980 aerial photo, noting that we had a bridge crossing made out of railroad cars. That has since been replaced with the Benet Road bridge, which was the only access to this area. Then a road was developed and used for access to industrial areas, and the Abbey had an access.

The 2006 aerial shows a total change to the area. Previously the Gallant yard was in the river and was moved north through a land exchange, and the levee was built just south of the uses. The levee came further out into the river area for good directional flow of the water. This left a gap. The old access was a little bit to the north so the Cassan yard gained a little bit of property, as well as Gallant, but he lost some river area property. That

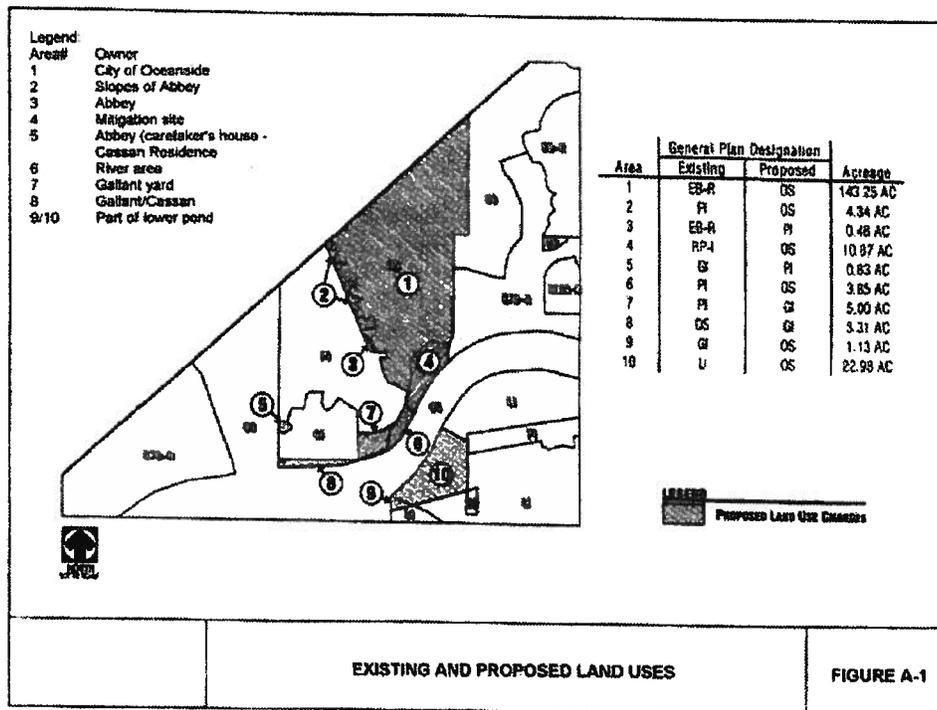
lead to some open space zoning adjacent to the industrial zoning. Hence, we are moving forward with the GPAs and ZAs as follows:

(Maps)



EXISTING AND PROPOSED ZONING

FIGURE III-2



An EIR (Environmental Impact Report) was prepared that addressed the issues. For a project like this, no issues were found to be significant. Biology was a concern because we are close to the river with industrial uses. Staff met with California Fish and Game and U.S. Fish and Wildlife Service, and they did give us an okay on this.

Staff feels these changes will clean up the zoning in this area and allow some uses to go forward under the proper zonings. Staff would ask Council to certify the EIR and then adopt the resolutions and introduce the ordinance.

Public input – none; public hearing closed.

COUNCILMEMBER FELLER stated this is just clean up that should have been done years ago. We are overall gaining 183 acres of open space out of this that previously could have been used for other things.

He **moved approval** [of staff's recommendations including:

--**Resolution No. 09-R0153-1**, "...certifying the Final Environmental Impact Report for the Gallant and Cassan General Plan Amendment and Zone Amendment (City of Oceanside – Applicant);

-- **Resolution No. 09-R0154-1**, "...approving a General Plan Amendment (GPA-5-07 for certain real property located north of State Route 76, east of Canyon Drive, northwest of Benet Road, and south of Camp Pendleton – Gallant and Cassan General Plan Amendment (Applicant: City of Oceanside); and

-- **introduction of an Ordinance**, "...amending the Zoning District Map from Residential Estate-B to Open Space, Public and Semipublic to Open Space, Residential Estate-B to Public and Semipublic, Industrial Park to Open Space, General Industrial to Public and Semipublic, Public and Semipublic to General Industrial, Open Space to General Industrial,

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General Industrial to Open Space, Limited Industrial to Open Space for ten properties located north of SR-76, east of Canyon Drive, northwest of Benet Road, and south of Camp Pendleton – Gallant and Cassan Zone Amendment (ZA-5-07) (City of Oceanside – Applicant)”).

COUNCILMEMBER CHAVEZ seconded the motion.

Following further discussion on the process and the titling of the ordinance, **motion was approved 5-0.**

GENERAL ITEMS (cont.)

13. **City Council: Consideration of an appeal of the Planning Commission action to adopt a Mitigated Negative Declaration (MND) for Melrose Station, a commercial center proposed on vacant land located on the southeast corner of Oceanside Boulevard and Melrose Avenue; and adoption of a resolution overturning Planning Commission Resolution 2008-P76 and rejecting the MND – Melrose Station – Appellant: Briggs Law Corporation [Applicant: Market Place Ventures, LLC]**

JERRY HITTLEMAN, City Planner, reported that on December 15, 2008, the Planning Commission approved a Mitigated Negative Declaration (MND) for the Melrose Station project, an approximate 49,000 square foot commercial development. The Planning Commission then denied the project without prejudice due to design issues; they did not feel it met the proper design for a transit-oriented area. The applicant is currently working on a redesigned project that could go back to the Planning Commission. Since the project was denied without prejudice, they have one year-- until December 2009 -- to return with a redesign.

However, on December 22, about a week after approval, the MND was appealed by the Briggs Law Corporation. Since the project has not been appealed but only the MND, that is all that is before Council tonight. He pointed out that any redesigned project that comes back to the Planning Commission will have to have a new environmental document associated with it. In addition, the California Environmental Quality Act (CEQA) states that no environmental action is required for projects that are denied.

Therefore, staff recommends that Council overturn the Planning Commission decision and deny the MND.

Public input

MEKAELA GLADDEN, with Briggs Law Corporation representing Citizens for Responsible Equitable Environmental Development (CREED), said that currently our main issue is the segmentation of the environmental review from the project itself. That is our main concern, and we hope Council overturns it. She submitted written comments to the City Clerk.

MAURICE "Moe" ROSENBERG, Rosenberg Development Services, San Diego, representing the Oceanside/Vista Residents for Compatible Development, has been actively involved with the development of this project and supports the staff report. Regarding the project, he has provided staff with correspondence. They hope when the project comes back that it will be a more intense use and appropriate development there, which they support.

COUNCILMEMBER SANCHEZ attended the Planning Commission hearing on this project, and the project presented was not transit-oriented as laid out. There is a lot of potential for this site as a transit-oriented development that would qualify for funds. She is glad the developer is going back to work with the community on this project.

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In response to Councilmember Sanchez, **CITY ATTORNEY MULLEN** further explained the 2 appeals filed. The appeal for the project entitlements was withdrawn, and the denial stands; that leaves an MND for a non-existent project. The MND as it stands is moot, especially in light of the fact the applicant has conceded a new environmental document is necessary.

COUNCILMEMBER SANCHEZ moved adoption of the resolution (**Resolution No. 09-R0156-1**, "...overturning Planning Commission Resolution No. 2008-P76 and rejecting a Mitigated Negative Declaration on certain real property in the City of Oceanside").

COUNCILMEMBER KERN seconded the motion. He noted this is an opportunity for transit-oriented development and affordable housing close to a Sprinter station.

COUNCILMEMBER FELLER felt this needs thought into rezoning as well since it is not residential.

Motion was approved 5-0.

Item removed from the Consent Calendar for discussion:

8. **City Council: Approval of the continuation of an agreement for a two-year period, effective July 1, 2009, through June 30, 2011, with Bloomberg, LP, of New York in the amount of \$61,380 for access to live market pricing and information services used by the Treasurer's Office in managing the City's investment portfolio**

COUNCILMEMBER SANCHEZ stated that, in reading the staff report, the City entered into this contract back in 2001. She questioned if this was appropriate at the time the budget is adopted and whether this is a monopoly on this one source.

MICHELE LUND, Treasury Manager, stated the original contract was for 2 years, but there is a stipulation that it automatically renews on the anniversary date unless we give them notice. The reason it is before Council now is the timing prior to the automatic renewal period, since we have 60 days to give notice if we are not going to continue the service or else there are fees to terminate the contract, amounting to up to 50% of the total contract price. It is truly a sole source. The type of service is a live market pricing and, for the size of the City's portfolio, it is a tool that is recommended by the professional organizations. There have not been any other vendors. The broker community uses this widely. They communicate with our office using the system, i.e. offers of securities, etc. We get up-to-the-minute news information on the market, etc., which helps us make our decisions. She has not seen a system comparable to this.

COUNCILMEMBER SANCHEZ moved approval [of the agreement - **Document No. 09-D0152-1**].

COUNCILMEMBER CHAVEZ seconded the motion.

CITY TREASURER FELIEN stated in relation to the Bloomberg contract is the fact that over the life of the contract we anticipate to generate \$15,000,000 to \$17,000,000 in interest income, which makes the price of the contract less than one half of one percent of the income generated; it is well worth the price.

He pointed out one change that was recently made in the Department is for more transparency, and we have placed the investment guidelines, the Treasurer's Report, and the Investment Advisory Committee report on line.

He pointed out on page 2 of the Treasurer's Report that the general trend is that the investment income has gone down as a result of the financial crisis, and investors going

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into the treasury market has driven down yields. An inverse impact of that is we get the benefit of an unrealized gain on the capital side as the price of securities is bid up. You will also see that our average dates of maturity have declined slightly, which is an effort to position ourselves somewhat for when the yield curve dramatically goes positive, as it is in the process of doing, so then we can go back to the longer-term maturities and hopefully make a few extra dollars for the City. Those are the highlights of what is happening.

Motion was approved 5-0.

MAYOR AND/OR COUNCILMEMBER ITEMS – None

CITY COUNCIL REPORTS

14. **Mayor Jim Wood** – reviewed events of the opening of the new Surf Museum and the grand opening of the new Smart and Final at I-5 and Oceanside Blvd. He announced the passing of George Molfua and Donna Arnold, who recently retired from the Library.
15. **Councilmember Rocky Chavez** – stated at the last Council meeting there were comments from the dais about my use of taxpayer money and there was a request made by Councilmember Sanchez to the Financial Services Director to report on what councilmembers had spent through the years. He is happy to report that in the 6 years he has been on Council, he has not once overspent and has always been within budget. In fact, the report shows that my office turned in over \$11,000.

He reported on various events and the Art-Centric Developers visit.

16. **Councilmember Jack Feller** – reported on events and Father Michel's one-year memorial service.
17. **Councilmember Jerome M. Kern** – reviewed changes in the City and losses and wished to adjourn this meeting in memory of Donna Arnold.

He attended the Utilities Commission meeting yesterday to give them a briefing of what he did Monday, which was to go to the Bay Delta Conservation Plan EIR/EIS meeting in San Diego. We cannot fix our water problem until we fix the Delta, so the State Department of Water and Power was in San Diego doing a scoping meeting for the EIR/EIS for fixes for the Delta. He offered to have a meeting here in Oceanside to let people know what is happening to the Delta. It will be a long, complicated and expensive process as further explained.

He also reviewed events.

18. **Councilmember Esther Sanchez** – stated the City just received information about the 2009 Federal appropriations, and the City received \$400,000 for the Community Safety Partnership Collaborative. For the San Luis Rey River flood protection, \$383,000; for harbor maintenance dredging, \$1,500,000; for shoreline special study, \$96,000. This is for a total of \$2,300,000 for the past year, and we are just now receiving it. We were hoping for more for the San Luis Rey river flood protection.

She announced the upcoming budget workshop and invited all to attend.

Regarding Councilmember Chavez's comments about the budget, her statement was that the Mayor and she have consistently been the lowest spenders. She proposes that we spend the money we need to to insure communication to our constituents and maintain that communication, especially at this time, and not spend on frivolous things.

She further commented on an internal incident and emails and expressed her concerns.

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She also reported on events.

[Councilmember Chavez left the meeting at 7:01 pm]

MAYOR WOOD noted that sometimes personalities flow over into other issues and politics, which is not uncommon. Sometimes we have gotten beat up by the press for being an outspoken or combative council. He has gone to other councils, and they seem to be the same way, although some not as much so at council meetings. He does not think it is his duty/job to stop representatives of the City from speaking, and they have a right. He wished we could all be more receptive to other issues and be polite to everyone, but it is sometimes difficult.

INTRODUCTION AND ADOPTION OF ORDINANCES -- None

ADJOURNMENT

MAYOR WOOD adjourned this joint meeting of the Oceanside City Council, Community Development Commission and Small Craft Harbor District Board of Directors to a Mayor/Council Workshop at 2:00 p.m. on Wednesday, March 25, 2009. Following a moment of silence in memory of Donna Arnold, this meeting was adjourned at 7:04 PM on March 18, 2009.

ACCEPTED BY COUNCIL/HDB/CDC:

Barbara Riegel Wayne
City Clerk, City of Oceanside