ITEM NO. 5

NOT OFFICIAL
UNTIL APPROVED AT SUBSEQUENT
MEETING BY CITY COUNCIL

California

CITY OF OCEANSIDE

MINUTES OF THE

CITY COUNCIL

December 10, 2003

ADJOURNED MEETING 2:00PM COUNCIL CHAMBERS

Mayor
Terry Johnson

Deputy Mayor
Esther Sanchez

Councilmembers
Jack Feller
Rocky Chavez
Jim Wood

City Clerk
Barbara Riegel Wayne

City Treasurer
Rosemary Jones

This adjourned meeting of the Oceanside City Council was called to order by Mayor Johnson at 2:00 PM, December 10, 2003 for the purpose of a Mayor and Council Workshop. The Pledge of Allegiance was led by Deputy Mayor Sanchez.

ROLL CALL

Present were Mayor Johnson, Deputy Mayor Sanchez and Councilmembers Chavez and Feller. Councilmember Wood was absent - sick. Also present were City Manager Jepsen, City Attorney Willis, and Assistant City Clerk Hughes. City Clerk Wayne and City Treasurer Jones were absent.

WORKSHOP ITEM:

1. **Update on Regional Fire Services**

ROBERT OSBY, Fire Chief, reviewed what would be presented today:

--a brief video clip regarding his involvement on Regional Fire Protection;
--a short PowerPoint presentation; and
--discussion.

By way of introduction, he stated that consolidation is not a new concept in the fire service. In fact, California has set the pace in the first step to shared resources because we have the model mutual aid operational plan in the entire world. This is accepted by other fire agencies, particularly, throughout the United States. Not only does California have a plan for mutual aid, but we have applied it because of our many wild land conflagrations over the years, probably more than all of the other mutual aid operational plans put together. We have refined and improved it. We have progressed from the 1970s when we could not communicate with each other over the radios because there was no common frequency. We have reached the point now that there are numerous frequencies to communicate, with relative ease, between agencies.

Also, we have developed the Incident Command System so that the resources that have come together from so many agencies, on so many occasions, are under a command

that allows coordination and organization. This process minimizes confusion. He has seen it at its worst and at its best. Even at its best there are glitches and opportunities for improvement.

Because of limited resources and the challenges that government has had over the years, we have from time to time explored consolidating fire services since it is one of the more expensive responsibilities of local government. Each time, the situation has improved; the economy has improved; and there have been infrequent major events. Therefore, we aren't reminded so the fire service kind of "drops the ball" and goes back to business as usual.

Now we have a combination of challenges. Not only do we find fire service in general coming up short, in particular in the southern California region, but we have now combined not being able to do the job adequately with the challenge of budget implications. He believes the time is right to pick up the ball, get back on center court, and move judiciously from a position of knowledge and understanding of what we need to do to get from point "A" to point "B", and to make sure that point "B" is where we want to go and not point "C," etc.

He is very concerned that we engage in the type of progress that leads us on a path where we don't have to retreat and find ourselves having to change our position and create more problems than we solve.

A video clip was shown of an interview with Chief Osby, San Diego, from 1993, which stated his position on consolidating fire services in Southern California.

He restated that consolidation is still in his vocabulary, and he thinks we will all live to see that happen; however we will have to move in that direction and deal with many challenges that do not meet the eye right now. He suspects future workshops will identify and describe some of those obstacles so that Council will have an opportunity to foresee them and give the appropriate direction. In his opinion, none of the obstacles are insurmountable.

Using a PowerPoint presentation, he stated Council is aware that there are a lot of concurrent discussions of this sort going on as we speak. Within San Diego County alone, there are a number of committees and task forces that are assigned to explore consolidation. Whether it happens in just North County, which is our focus, or if it happens Countywide or Statewide, none of the work we have embarked on is going to go to waste. In fact, in a portion of this workshop, we can discuss those things already done in Oceanside in collaboration with our neighboring jurisdictions.

He displayed a map of North County, showing the major players regarding the 13 jurisdictions that will be involved in this upcoming regionalization/consolidation study.

The next map showed the regionalization/consolidation as being discussed by the entire County as well. It would reduce another set of interfaces if the entire County were consolidated.

In 1993 he was assigned as the chair of the San Diego County Fire Service Consolidation Study Committee. In the 18-months of being involved in that assignment, working with other Fire Chiefs and having discussions and interfacing with elected officials, many of the obstacles surfaced. Those obstacles are still there. But the engine that will direct us toward overcoming those obstacles is loud and clear. Budget situations are not going to get any better in the foreseeable future; they may worsen. The challenges in Southern California, as well, are not going to get any better. Yes, we have burned a lot of the existing fuel, but there is more yet to burn. More importantly, unlike conflagrations of the past, there are a lot more homes and people in the path of those potential conflagrations.

Even though we describe the recent fires in many ways, such as 'career fires', he has seen several 'career fires' such as the Malibu Fire of the 1960s that burned all the way from the San Bernardino Mountains to the sea. It didn't burn as many homes, and not as many lives were lost because there was only chaparral in the way to burn. This has dramatically changed throughout Southern California and other areas in the State. Even though fuel doesn't burn as ferociously, it still burns and still exceeds our ability in terms of resources, tactics and strategy to prevent having future problems with major property loss and loss of life

unless we do something soon to meet the challenge.

When you look at consolidation, the big picture includes more than just North County. Even though the staff report focuses on North County exclusively, the budget connection goes beyond Oceanside and San Diego County. The budget connection goes up to Sacramento. The responsibility for fire and life safety protection resides in Sacramento as well. The fires that have recently burned the biggest and longest were located in wild land areas, which is, for the most part, a State responsibility. Were it not for the mutual aid system, the State would be pretty much on their own; and we would be protecting our own jurisdictions in the disorganized, disjointed form that we once did. It worked pretty well then, but it won't work now. When consider what we could regionalize statewide; and how we could share the responsibility and resources; and we could all be involved in managing the monies for the fire service on a Statewide basis, that would suit us just fine.

If we were all players and had consolidation, consider how it would work if each County were a jurisdiction for those purposes. It works in the United Kingdom. At least 20 years ago there were several hundred fire brigades. Now they have in the neighborhood of 64 or 56. Throughout the United Kingdom, from the northern tip of Scotland to the white cliffs of Dover, every engine looks like every other engine. Every firefighter gets the same training. Every compartment on each piece of equipment is standardized. There won't be any communication problems because everyone is on the same wave length, and it is all managed and under the direction of the home office. Each jurisdiction has its own Fire Chief so that there can be accountability at a level to focus on the person whom you need to hold accountable for protecting the citizens and their property.

So it's not like this doesn't work. It's not like we need to have 13 jurisdictions in north San Diego County. This is an encouraging statement.

Being on the Request for Proposal (RFP) committee, along with Captain Hebert, (our union president) the Chair of the Consolidation Committee for North San Diego County, we represent Oceanside on the RFP Committee. We will be able to have the input and ask the questions that need to be asked of the consultant so that we can get the answers and recommendations from a neutral source.

For the purpose of the Request for Proposal, certain terminology will be used and defined as it is defined in this PowerPoint. So, for purposes of this study, the definition of:

Functional Consolidation will mean: merging of resources which remain the property of the parent organizations yet are used by the "functionally consolidated" departments as though they were the property or function of a single department;

Partial Consolidation will mean: separate fire departments are retained, and special agreements are formed to handle specific challenges. An example is shared staffing of a fire station that effectively serves more than one jurisdiction; and

Operation Consolidation will mean: Separate fire departments that have similar staffing configurations combined into one unified department.

All of these terms are presented because we don't know what the recommendations are going to be. There are advantages and disadvantages to being totally consolidated.

If you recall the recent tragedy that we suffered collectively, the most homes were lost in a concentrated area in the City of San Diego in Scripps Ranch. Others homes were lost in close proximity to Scripps Ranch. Some homes were quite a way from the interface with the brush. The fire jumped Interstate 15 and burned all the way down to Highway 805 in leaps and bounds. The pathway did not necessarily follow the canyons and the brush. Many areas think they are relatively immune to this type of fire catastrophe, and they are not. This includes Oceanside.

The City of San Diego did not have any problems with being consolidated and fighting those fires within its boundaries. They were all on the same wave length; they all had the same training and uniform leadership and were still overwhelmed. No matter how we configure our protective forces, unless we provide firefighters with the resources that they need, we are wasting our time in terms of dealing with our mission. We can do it more

efficiently, but we will not be effective unless we have the resources to apply to the most efficient configuration.

There is other terminology, as displayed, and other ways to configure this with mergers, contracts (such as in Los Angeles County), etc. The reason he is cautious in pursuit of consolidation is that there are a lot of examples even under contract when they revert back. An example is Santa Clarita which contracted with Los Angeles County—who did not get the same level of service as their fire service and so wanted out of the contract, but it is not that easy to revert back, etc.

One thing we will get out of this study, if nothing else, is we will stay Oceanside. We will focus on improving our operation. We like local, direct control over what our public safety people do because that is our No. 1 priority. At the very least, we will get a good comprehensive strategic plan or the basis for us to develop a strategic plan. And having the advantage of not having term limits here is refreshing to him because he is not looking at elected officials that in 8 years will be gone. So your long-term plan maybe gone with them. That is not the case here, so we will get a strategic plan.

He reviewed some current consolidation examples. There has been a lot of activity going on in north San Diego County, and he believes it has been in the right direction. Current examples of pre-existing consolidation are our neighbors to the east—San Marcos Fire Protection District; contracts between Escondido and Rincon Del Diablo Water District is a model and it is seamless and flawless; contracts between the Vista Fire Department and the Vista Fire Protection District—there are issues on that; and then there is Rancho Fire Dispatch where everyone wants to go quickly—Rancho presents a lot of opportunity to improve communications and to make it seamless; their dispatch works on fire and medical emergency response.

For Oceanside, we are an example, since we are a customer of Police dispatch. We reside with Police dispatch; all dispatchers are police employees; and we are a customer. With their resources, they treat us pretty well. Escondido is dispatched out of their police dispatch as well. So there are numerous advantages of considering Rancho, and we are exploring that now. Several of our elected officials have expressed an interest in that, and they want to look it over and make decisions for themselves. We will facilitate the visits to Rancho and our dispatch center.

He looks at Rancho and sees perhaps the need to expand their physical facility. In the very near future, there will be a need for them to increase their staffing. If Council considers that direction, then you will be aware of what that entails. One thing concerning him is that you pay for participation by your call volume, and we have the highest call volume in North County. Our call volume will go up considerably as we bring Oceanside into fruition, with a lot more activity and more people and higher density. Call volume will increase significantly, which will require more staff and the need to expand, with Oceanside paying its share, which will be proportionately high.

Regarding the chart on comparisons of North County fire departments, this is to show you what North County looks like with the various agencies: their square miles, fire stations and personnel in each. They range from fully paid professionals, like Oceanside, to a combination like Rancho Santa Fe (more than 50% paid; and the rest volunteer) and Del Mar (less than 50% paid), to Elfin Forest/Harmony Grove (100% volunteer at this time). All will, at some point, be paid professionals, and the number of personnel listed [at 789 for all North County fire departments] will likely grow significantly. The City of San Diego has 1,133 personnel. Excluding Camp Pendleton, we would be the biggest fire department in North County [110 personnel and 7 stations]. He praised the presence of Camp Pendleton and included them in his concept of what North County should look like.

The number of personnel is distorted. Certainly we do not have the density or high-rise buildings like San Diego [with 331 square miles]. He does not look to see a lot of mid-rise and high-rise development here in the near future. But on the other hand, when you look at the square mileage and the traffic with major arteries going through North County, there may not be that much of a difference in terms of future demand for staffing in North County and

the City of San Diego. Consider that San Diego is significantly understaffed; they are among the lowest per capita in the nation at .88 firefighters per 1,000. Does that mean anything; probably not because there are a lot of other factors that determine how many firefighters you need rather than a comparison between the numbers of people you serve. However, it does give an understanding of how it compares with other jurisdictions. Even looking at that, it may not be a target we want to shoot for. It may be too low.

That concludes his presentation.

Public Input

THOMAS DEMPSEY, 3641 Esplanade Street, wanted to talk about response time. The opening of the Quarry Creek shopping center will be very good, and we will probably remove the barricades on College Boulevard Right now they are widening College Boulevard, which is needed because the drivers of response vehicles need the opportunity to get through traffic.

JIMMY KNOTT, 124 Sherri Lane, stated that over the years he has supported regionalization of training and police and fire services. The cost savings alone would be beneficial because you have a bigger pot of money coming from the County and State. Standardization of professional training would have everyone operating in the same way to anticipate certain standards. We could follow the feds by establishing professional strike teams—equivalent to police SWAT, etc. These professional teams require different training and specialized equipment, which is too much to bear for one city. If done regionally, we could have that. We also need to consider separating the ambulance and medical services from firefighting. As an example, in an Oceanside response, they send out the fire truck and 6 people when normally what is needed is the ambulance vehicle and 2 people. That is a lot of money being wasted every time because rarely, if ever, there is a fire associated with a medical emergency. We should also consider privatization of that. Another thing is to transfer code enforcement-type fire inspections to code enforcement with a professional fire inspector hired on for those duties. Another is to transfer the police activities associated with fire investigations to OPD as it involves criminal activity, and let them hire a professional fire investigator and transfer those duties.

Public input concluded

DEPUTY MAYOR SANCHEZ stated that in the staff report it recognized the importance of the City's ability to provide "an acceptable level of safety services to our communities." Is the measurement in response times?

CHIEF OSBY responded that response times are one component; there are many other components to consider to say that we have an acceptable level of service.

DEPUTY MAYOR SANCHEZ has been listening to the media discussions, and one statement was that response times had gone from 6 minutes to 20 minutes in some areas of North County, which is of great concern to her in our ability to control a fire that might come to Oceanside. When was the last time Oceanside did an analysis of response times?

CHIEF OSBY did not know; it pre-dated his tenure. He believes that in the 2001 budget, response times appeared on that document, so it is likely it could have occurred in that area.

DEPUTY MAYOR SANCHEZ would like to see an analysis done to give her a sense of how we are providing services, especially to the eastern parts of our City, which would be from the time someone makes the 911 call to the time that an emergency vehicle arrives.

CHIEF OSBY stated that if that is Council's direction, we will do so, but that will be a major component of the consultant's responsibility that would be costly. As the staff report indicates, we are hopeful to have them on board by July 2004 or sooner. If we were to start on those types of studies and divert from some of the priorities we are doing now, you would probably get the information about the same time.

DEPUTY MAYOR SANCHEZ would like to know how we are going to be able to compare. If this is a duplication of effort and if she could get the report from the last time we did an analysis, then perhaps the department could provide best estimates without spending much time; she wants to know how we are doing in response times. If this is one measurement/component, what are some others?

CHIEF OSBY stated one is the cost/loss index—the formula for determining and comparing the fire loss with the money being spent for fire protection, etc., which is a common way of measuring effectiveness. Since 80% of our emergency responses deal with medical, then we have to determine our effectiveness by perhaps a survey of the customers.

DEPUTY MAYOR SANCHEZ noted that in southern California we have had a strike where one of the issues is the provision of health care and whether the private or the public sector pays for it. Sometimes people call paramedics because they have no health insurance, etc. It will hit us hard in the next few years, so we will probably see an increase in the use.

The analysis in the staff report talks about the Zone 1 Fire Chiefs meeting over a year on the evaluation and analysis and how to get to the study of consolidation.

CHIEF OSBY stated that with the Zone 1 Fire Chiefs, it has not been an area of a lot of focus over the last year. There have been a number of other discussions, even though consolidation has been agendized. There were many things to be done to define their purpose so that they could do whatever they were organized to do. That has taken about 4-5 months. Other things have come up that are vital and current, such as the strike teams and how we did to make sure in the future we do not repeat previous mistakes, etc. We talk about personnel issues, labor management, etc. The consolidation study just came to the forefront in the last 3 months. Now we are moving on it.

He is on the RFP Committee. The position paper that the Zone Chiefs developed some months ago was presented to the coalition, which is the labor organization that spearheaded this issue. There was a lot of dialog regarding the paper. Some are uncomfortable with consolidation; some jurisdictions are affluent in their ability to finance their fire protection that were not anxious to consolidate but that would consider a regional cooperation level that is advanced over what it is now. So there has been a lot of activity and discussion in the last several months, but prior to that point there was more focus on posturing and the daily/monthly business that fire chiefs engage in.

DEPUTY MAYOR SANCHEZ stated it sounds like there was a lack of consensus and now there is more of a consensus on what the issues are and framing the issues for a consultant to address.

CHIEF OSBY stated that is correct. The issues involve a number of things including costs, will it provide a higher level of service for Oceanside, etc. There are areas where response times do exceed 20 minutes, and he lives in one of those areas—Deer Springs Fire Protection District; it is common knowledge and public record. A question is whether Oceanside will subsidize that. That would be part of the study since one thing will affect something else. This is a complex issue. It is like trying to make things uniform throughout the U.S. There is sparring in other areas, such as who will be the chief, who will lead, turf issues, elected officials involvement, how will it work in local authority, the finances, the MOUs for every labor organization that resides in the region, salaries, standards, etc. This is the reason we need a consultant to study these things.

DEPUTY MAYOR SANCHEZ wants to know what our level of service is, i.e. response times, so that when these discussions are held, we are clear on what we have as an existing level of service.

CHIEF OSBY stated in response to the emphasis on response times, the quality of service that is provided once our people arrive may be a higher concern and priority than the response times in their raw form. Our paramedics provide excellent quality of care. The quality of service and the way the firefighters handle themselves at emergencies are all

components of this department's performance. It will not be difficult for us to get the requested information, and we will provide it. We hope the Council will allow us to let the consultant do the other work.

DEPUTY MAYOR SANCHEZ stated a high priority for her is the quality of our firefighters; we have high standards in the department.

COUNCILMEMBER CHAVEZ stated that in his prior career he was involved in regionalization at a national level in moving thousands of people and moving millions of dollars. He received a copy of the book on Regionalization of Fire Assets around 6 months ago and thought Councilmembers would find useful information in the book. In regionalization, basically it is a balance between money—how much you will pay and the services you are going to provide.

He would recommend that we go forward with regionalization and come back with a timeline as staff sees this happening so that we know it is going to happen. The reason is because it is easy to say we will proceed forward, but we will hit resistance at all levels, everything from management to unions to individual jobs, etc. He provided 5 bullets:

- define the terms is part of knowledge and understanding – we need a common terminology/language which is critical to communication.
- the process – in the public sector we call it regionalization; in the market sector we call it acquisition and mergers. The difference between an acquisition and a merger is that a merger jointly benefits for a reason; an acquisition is where you come to a point where you have to buy them out or break them over. He says that because, as you start regionalizing multiple groups, you will find in the public sector some cities will say okay and others will say no, and at that time is the acquisition portion. There is a point where you go past merger and into acquisition, so we need to have a vision of where we are going and understand that regionalization is a nice way of saying acquisition and merger.
- benchmarking – before going forward with this, we need to clearly define and benchmark what we are going to be measuring and what we want to get out of this is, i.e. saving money, increasing services, etc. Do not allow politicians to input new benchmarks because it would skew the whole thing.
- Regionalization reduces overhead/reduces jobs – it reduces management overhead but it reduces jobs because that is where the money is; so all the stakeholders need to be involved in understanding the issues
- General support/direct support – at the local level we are dealing with trucks, etc., but at the State level it could be aircraft, and if moving air assets across the state, he is intrigued by that.

So his recommendation is to go forward with regionalization and come back with a timeline. Let's balance the services out, have a common language, understand the process, benchmark, and get everyone involved in this, because when it happens jobs will be lost. Let's not restrict it to just San Diego County.

COUNCILMEMBER FELLER questioned if we regionalized, whether we would need to build more fire stations, etc.

CHIEF OSBY stated that in the 4 months he was retired between March 2002 and August when he started in Oceanside, he was consulting. If we were to do our own study, it would save a lot of money over paying our share for this consultant. However, what the consultant is going to do is not only answer the question just asked but also whether to regionalize, acquire, merge, consolidate, etc. That will determine whether we need to build more fire stations. If we are consolidated, then we may not need additional fire stations and may do some combined staffing. He does not have the answers to those questions now.

COUNCILMEMBER FELLER noted there were not a lot of other agency fire stations along our borders. We may be required to be first in to a lot of places under regionalization.

CHIEF OSBY stated that could be handled in any number of ways. We could have a joint purchase; some developers should be required to build these fire stations. If

consolidated, it would make that easier because things in Fallbrook or Bonsall could impact Oceanside in such a way that the developer would be paying for that fire station, and then we could jointly staff it. So there are a lot of opportunities.

COUNCILMEMBER FELLER agreed with Councilmember Chavez about going forward and benchmarking. He feels staff is the professionals and need to deal with this. We just will need to know if we have the money for it at the end of the process. During this process he does not want to sacrifice the quality of people or service, although he knows there are some constrained areas throughout the City now. He would not want to jeopardize the quality. When the borders of the 6 cities were announced, we should have been in this process. What are the things we can do to tell people we are pursuing/looking at regionalization.

CHIEF OSBY stated we are doing the same thing as the cities that announced the drop of the boundaries. We respond outside of our borders a lot more often than our borders are responded into. We already do automatic aid now. Just because we do not belong to the regional dispatch, we are still involved. He is not so much concerned about that type of posturing as he is about what we are doing, and what we are doing is the same thing. Different dispatch systems can be made to interface with other dispatch systems so that there are seamless communications. When 911 calls come in to our dispatch center, they don't come in directly to the police department; they come into the Sheriff's Department, and the Sheriff's Department interfaces with police. No matter what we do, we will always have that point where we are interfacing with adjacent, contiguous jurisdictions that are not part of our unit, whether we are North County Fire or whatever we are. There is no reason that you cannot have a dispatch that interfaces in such a way that you operate as though the political boundaries were not there.

COUNCILMEMBER FELLER mentioned that in his ride-alongs, the experience gives him more understanding of how the system works. It seems there is a definite problem at times in other parts of the City that prevents our radio system from working through the OPD dispatch system. He wants to make sure we are looking at this in the best way for the public.

MAYOR JOHNSON commented that he has always been supportive of regional public safety, particularly regional fire protection. He recalls Supervisor John McDonald always talking about it, and we would talk about why our surrounding cities would not work with us and do regional fire protection. He is glad we are moving in that direction. However, he will only be supportive of it as long as it does not cost the City of Oceanside money and provides us with more coverage. He was glad to hear about the media issue of dropping the borders because we do have an excellent agreement with cities regarding mutual aid.

We have an excellent fire department, but there was a time between 1990 and 1992 when politics really hurt the department. We had a Council majority at that time playing political hardball with the fire department, and much of it had to do with the issue of response times. In 1992 I came on Council, and we still have to deal with the issue of 'dead zones'. As the City revenue stream increased, we were able to have more stations, equipment and firefighting personnel. Response times covers a lot, and he would like to know where we are today from where we were 10-12 years ago. He would like Council to focus on what we have to do to address this issue of regionalization, and do not allow ourselves to slip back into playing politics with people's lives and the department. We will do right for our employees and residents. When it comes to regional fire protection, we need to make sure that it is the best for Oceanside because we do not want our resources to be drained to other municipalities/districts, particularly when looking at the fiscal constraints we will be facing in the coming years as a direct result of the inept Sacramento legislature.

He supports what staff is saying.

DEPUTY MAYOR SANCHEZ fully supports our City's participation in this study for regional fire to see if, in fact, this will provide our residents with a level of service that is either equal to or higher than what we have. She fully supports looking into the opportunities for joining the Rancho Santa Fe JPA to see if that would be to our benefit.

MAYOR JOHNSON thanked staff for the presentation and noted that this item was

for information only.

2. **Public Communication on City Council Matters (Off Agenda Items)**

THOMAS J. DEMPSEY, 3641 Esplanade Street, wanted to give Council a heads-up on the Quarry Creek one-access bottleneck snafu. He reviewed concerns on this item and the work needed on the box culvert and the widening of College Boulevard.

ADJOURNMENT

MAYOR JOHNSON adjourned this adjourned meeting at 3:32 p.m., December 10, 2003, to an adjourned Mayor/Council Workshop at 10:00 a.m. on Wednesday, December 17, 2003.

ACCEPTED BY COUNCIL:

Barbara Riegel Wayne
City Clerk, City of Oceanside

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MEETING BY CITY COUNCIL

California

CITY OF OCEANSIDE

MINUTES OF THE

CITY COUNCIL

DECEMBER 17, 2003

ADJOURNED MEETING 10:00 AM COUNCIL CHAMBERS

Mayor
Terry Johnson

Deputy Mayor
Esther Sanchez

Councilmembers
Rocky Chavez
Jack Feller
Jim Wood

City Clerk
Barbara Riegel Wayne

City Treasurer
Rosemary Jones

Due to prior notice that two Councilmembers would be unable to attend and in light of Council Policy No. 100-50, requiring that 4 members of the Council shall be present to hold a workshop, the City Clerk adjourned this meeting at 10:01 AM, December 17, 2003.

ROLL CALL – No Councilmembers were present.

[WORKSHOP ITEMS:

1. Discussion concerning priorities for the Redevelopment Area and the vacant Redevelopment Manager position

2. Public Communication on City Council Matters (Off Agenda Items)]

ACCEPTED BY CITY COUNCIL:

Barbara Riegel Wayne, City Clerk
City of Oceanside

NOT OFFICIAL
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California

CITY OF OCEANSIDE

MINUTES OF THE

MAYOR AND COUNCIL/CDC WORKSHOP

January 7, 2004

ADJOURNED MEETING **10:00 AM** **COUNCIL CHAMBERS**

10:00 AM - OCEANSIDE CITY COUNCIL (COUNCIL), AND COMMUNITY DEVELOPMENT COMMISSION (CDC) - WORKSHOP

Mayor
Chair
Terry Johnson

Deputy Mayor
Vice Chair
Rocky Chavez

Councilmembers
CDC Commissioners
Jack Feller
Esther Sanchez
Jim Wood

City Clerk
CDC Secretary
Barbara Riegel Wayne

Treasurer
Rosemary Jones

City Manager
CDC Executive Director
Steven Jepsen

City Attorney
CDC General Counsel
Anita Willis

For this workshop meeting, the Council sat as 2 governing bodies [Council 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.

Mayor Johnson called the adjourned meeting of the Oceanside City Council to order at 10:00 AM, January 7, 2004 for the purpose of a workshop. Deputy Mayor Chavez led the Pledge of Allegiance.

ROLL CALL

Present were Mayor Johnson, Deputy Mayor Chavez, Councilmembers Feller, Sanchez and Wood. Also present were City Clerk Wayne, City Manager Jepsen and City Attorney Willis. City Treasurer Jones arrived at 10:21 AM.

WORKSHOP ITEM

1. **Discussion concerning: 1) parameters for hotel development on two City-owned blocks at Mission Avenue and Pacific Street; 2) establishment of priorities for the Redevelopment Area; and 3) criteria for the vacant Redevelopment Manager position**

JANE McVEY, Economic Development and Redevelopment Director, noted that this workshop would be done in 3 parts:

- To discuss the development requirements for the 2 hotel blocks that the City owns on Pacific Street;
- To discuss and prioritize public projects in the Downtown Redevelopment area; and,
- To discuss the skill sets needed for the new Redevelopment Manager.

She encouraged as much dialogue as possible. Staff would like to get everybody's ideas on the table.

To put this into context, she wished to share a few figures. The boundaries of the Redevelopment Area were created in 1975 and will expire in 2015. There are 42 square miles in the City and the Redevelopment Area represents 1.3% of the total land mass in the City. This is a relatively small but extremely important geographic area. She showed sales tax figures taken off some quarterly reports that the City gets by geographic area from the City's Sales Tax Consultant. This is for the 4 quarters ending in the second quarter of 2002-2003. What is interesting to note here is that while the Redevelopment Area represents 1.3% of the City's land mass, it actually represents 3.2% of the City's sales tax, so the Redevelopment Area is giving the City's General Fund $379,000 per year earned by companies in the Redevelopment Area.

On the hotel rooms, we have 1,150 hotel rooms Citywide. In the Redevelopment area there are 516 hotel rooms or 44.8% of the total. But, the really striking thing is that of the $1,600,000 in Transient Occupancy Tax (TOT) that the City gets, only 28% of the revenue comes from the rooms in the Redevelopment area. So, while Redevelopment has 45% of the rooms, we only have 28% of the revenue, so the relative price point is lower in the Redevelopment Area. That may have some significance to Council as they proceed to review the types of hotels they would like to see in the Redevelopment Area.

Regarding the CDC's bond proceeds, in Part 2 of the Workshop we will discuss how to spend the remaining dollars we have because we have issued out the last bond. We have $7,900,000 left from the 2002 bond issue, and we just netted into an escrow account approximately $13,600,000 that needs to be spent as our revenues accumulate based upon the projects that materialize. So as a project is built, tax increment comes in, and then we have the cash flow to pay back the debt service and can draw down on the escrow account.

Parameters for hotel development

Director McVey said that in the 1st part, we will be discussing the parameters of the downtown hotel project. As staff proceeds with issuing a Request for Proposal (RFP), we wanted to get direction from Council and discuss what the physical development of the project would look like. In the staff report, based upon extensive discussion internally with City staff and our experience with the Coastal Commission, she will walk through what staff believes would achieve a successful project at the Coastal Commission level and then will ask for Council discussion and input to amend, modify or change these. These would be the things staff would put in an RFP:

- Meet all of the requirements of the Local Coastal Plan and any specific regulations for the 2 blocks
- Be consistent with the bulk, height and scale proposed by the adjacent pier resort project (Watkins Project)
- Provide a high quality, full-service hotel/full service containing restaurant, with price point no less than $150 per night
- Contain a minimum of 240 rooms, which meets the requirements of the 9 block Master Plan of the Local Coastal Plan
- Provide banquet/meeting space to serve the community's needs
- Based upon the Local Coastal Plan 9 block Master Plan, the hotel would need to provide a minimum of 18,000 square feet of visitor-serving commercial uses (retail space such as restaurant, gift shop, etc.)
- Needs to be economically viable
- The developer should assume that the site is clear and free of all existing structures
- Not require the closure of Pacific Street
- Not require building on Mission Avenue
- Not require to bridge Mission Avenue to connect the 2 blocks
- It may be possible to create a connection under the street between the 2 blocks. Staff cannot guarantee that, but it is something staff believes should be pursued
- Meet all of the required setback regulations

- Meet all parking requirements
- Meet all storm water rule requirements

This is the minimum criteria that staff is proposing to include in the RFP to a developer. Also is the request that staff, thw City Manager, herself and others refine the proposal, dialogue it as necessary with interested parties and groups to make sure that it include all of the requirements that the community likes and wants to see happen.

Public Comments [no requests to speak submitted]

RICK WRIGHT, Chairman of the Redevelopment Advisory Committee (RAC), reported that the RAC looked at staff's proposal this morning and voted unanimously to recommend approval of staff's proposal on the hotel RFP.

BOB KLINE, 4520 Alana Way, suggested that the City keep their options open in terms of bulk and space. He recommended conducting a financial study on these properties. They should look at 7 stories and there is a lot of interest in keeping it to 7 stories, but, the option should be open to look at more stories, maybe as high as 12 stories and see what the financial impact is to the City. Perhaps the developer will need more than 7 stories to make the project financially viable. In terms of mass, it is in the eyes of the beholder, whether it is 7 stories or 12 stories. The number of stories does not matter if the structure is attractive. He urged Council to take a look at options other than 7 stories.

LARRY SOSNA, President of Oceanside Coastal Neighborhood Association, (OCNA) applauds the efforts that Council has put into doing this because it is really needed for revitalization and will be a real shot in the arm to the City's economy and downtown. He questioned the proposed timeline for this project from start to finish, and the estimated cost for completion. He also asked if a study has been done to estimate the gross economic impact to the community with spin-off businesses.

CHRIS VONBRASA, 1551 David Street, San Marcos, manager of one of the downtown businesses, asked what impact this project would have on the skateboard park.

HEIDI FRANSIC, 810 Leonard, OCNA Board of Directors, spoke in support of a downtown skate park and wanted to know the plans for that.

JOHN DALEY, 631 South Coast Highway, hopes the City encourages innovation for the hotel site. Lately in the press, they have indicated that the City is doing some restriction of things to size, mass and height and things like that. It is really important to recognize that this is a premier site in the community and needs to be innovative. He is not suggesting that it needs to be 13 stories, etc., but the City needs to make sure that they do not put so many controls on this piece that it lacks innovation. A premier thing that happens in communities is someone with a vision builds something incredible. Those people are not usually bound by a lot of restrictions. He is very concerned that the City may get too restrictive in their RFP. Oceanside has always been a visitor community. Oceanside was named by visitors. No one lived here at all when the name "Oceanside" started being used. So, it is a visitor community, primarily. It started that way and will always be that way. Oceanside has a number of historical properties on that site and the City should be very careful regarding how they deal with those. There has always been talk about moving all of them or demolishing them. Clearly, the community, and a larger community than just Oceanside, sees the importance of some of those historical site, and they should be treated very carefully. This is the type of a project that can afford to treat them with a little more respect than just knocking them down. The City needs to be innovative enough to realize that developers may want to use some of that historic fabric in that project. The City needs to leave as many opportunities for innovation as possible in the RFP request. He applauds Council for moving forward on this as quickly as possible because it takes forever to get things done.

DAVID NYDEGGER, CEO of the Oceanside Chamber of Commerce, stated one

thing we need desperately in the City is conference facilities. He wants to make sure that when we look at the hotel projects down there, we look closely at getting as much conference facilities as possible. It is not possible to hold an event in Oceanside for 500 people, with the exception of the Serra Center. The City needs something downtown that would be a good draw. He knows it is tough to get these projects done, and it takes a tremendous amount of time, energy and a lot of work. However, the City needs to look at these things and try to go forward as quickly as we can to make it happen.

CAROLYN KRAMMER, Chair of the Citizens for the Preservation of Parks and Beaches (CPPB), supports staff's recommendations. She is glad that Ms. McVey mentioned past experiences so that the City does not go down that path again. The City spent too many years on something that we knew would not comply and would not be approved by the Coastal Commission. We have something here that will be a benefit to the City and to the citizens. It is something that we can all be happy with, so she supports staff's recommendations.

MARCO GONZALEZ said that staff's proposal is a good start. Trying to frame this project within the context of what would likely pass the Coastal Commission is a smart way to go about it given the 2 large projects in the City's recent past that did not pass the Coastal Commission after passing the City Council: the Aquarium and the Manchester Hotel. He urged the City to maintain the height, bulk and scale of the Watkins Project. What you will find is that if you let the door open even a little bit, the next developer that comes in will in fact try to do a Manchester project and try to take advantage of a 12- to14-story high building. As the City saw with Manchester, there really is no way to design that size a structure on these parcels without violating various portions of the Coastal Act and the Local Coastal Plan (LCP). The LCP, being a 1991 document, is grossly out of date. It hampers the City's ability to get funding from additional sources. Those coastal communities with updated LCPs have the ability, when there are bond propositions at the state level and also federal funding, to go in and say that we have a strong, consistent and updated coastal zone management plan and LCP. While the City may not have to update the LCP before this project is built, it should be on the board as a Redevelopment priority, because ultimately that will be a great mechanism to infuse cash into the district. As the RFP develops, we look forward to being involved and will submit more comments in writing as more information is had.

[Public input concluded]

DIRECTOR McVEY reviewed the developer criteria for selection. Listed in the staff report are some of the criteria that would be used to evaluate the proposals:

- experience and a track record in completing successful projects in the coastal area. California Coastal Commission experience is very critical.
- the financial capacity of the development team-even to put together an RFP is a costly venture. Then to put together all of the consultants that they need to get a project entitled is very expensive. The City needs to make sure that the developer has the depth financially.
- a letter of interest (not a letter of intent) from either a corporate flag or a franchisee of a known corporate flag, so that the City would have the marketing potential needed. That would also be indicative of their ties to the hotel market.
- assemblage of a development team with proven experience in Coastal area development that would be the engineers and the entire staff that they put together on their side.
- letters of reference from governmental agencies that the developer has worked with. Doing a project with City-owned property that involves a Disposition and Development Agreement, etc. is different from just buying a privately held piece of property, getting it entitled and building a hotel. This is a sensitive, important project. The City needs to know that the developer has a great record with other government entities.
- strong ability to work with staff. These are very labor and time intensive projects. The City wants someone who works well with staff, and
- ability to work effectively with the public, including the business community, particularly in the downtown area i.e. merchants, MainStreet, etc. Obviously,

staff will be looking at architecture, innovation and some of the things mentioned earlier because staff does want creativity. We do want to maximize the revenue stream from this project. We want the most rooms at the highest price type of thing.

This is the beginning of the list that she would recommend to Council.

MAYOR JOHNSON asked for Council comments and questions.

COUNCILMEMBER FELLER stated it is fortunate that the City had a settlement [with Manchester] that allowed Council to talk about this. It was a business decision that is going to get Council to where we want to go sooner. He too would like to know the timeframe on the development. Concerning the RFP, he would like staff to think with innovation and out of the box. He wanted to know the possibility of handling all the undeveloped blocks downtown, not just these two blocks. It seems there are possibilities the City might overlook by just simply going for 2 blocks. Mr. Nydegger mentioned conference facilities. Those facilities in many hotels with ballrooms, etc. are underground. They go down 2+ stories where the facilities can serve a large convention. When he saw "banquet meeting space," he hoped it was convention-type, visitor- serving for the large corporations, etc. That is the kind of thing that he hopes the City is looking for. While we are doing all of these items, we need to look at how we treat the band shell. It is going to be very visible, and it should probably fall in place as one the priorities that go along with this particular part of the area.

MAYOR JOHNSON supports staff's recommendations. He is very appreciative of the support of Council in doing the right thing. There is enough praise and congratulations to go around to everyone in this room and to those who are not here in support of what Council is speaking on today. This is a new year. The slate is clean and we have an opportunity to do something historic and beautiful for our community. He does not like looking back on the negatives. He likes to look at the positives before us today and the wonderful opportunities that will be happening in the very near future. When he looks back over the last 10-12 years, there have been many opportunities to do hotel development in the pier area. Watkins was one of the 1st in partnership with other people in the late 1990's, and he still is here and needs to be congratulated for having the fortitude and courage to go through the situations. This is going to happen. Everyone needs to congratulate each other and themselves for what Council is about to do today.

COUNCILMEMBER SANCHEZ said it was really hard the first couple of years because we had Manchester on the table. She appreciates all of the comments made this morning. Staff worked really hard on a project that, in the end, we knew was doomed to failure. That is because the developer had complete reign. It was a decision by Council where there was some public perception that there was support for it. Unfortunately, there are things that we need to take into consideration. If we really want to get this built and have a project, we need to know what the rules are and get it done that way. A developer who paid very close attention to the Local Coastal Plan and to the Coastal Commission was Jim Watkins. She would rather go in the direction that he has provided for the City than go in a different direction at this point.

The City has been in redevelopment since 1975; it has been 28 years. We have experimented enough. These discussions are very reasonable, and what the City wants is very attainable and will be very beautiful. This has been something that split our community and, as the Mayor said, that is in the past. She is looking forward to our future to something that we can do within the next few years to actually build something that is positive with broad support and that is also beautiful. She does support staff's recommendations, especially with respect to bulk and height for the other 2 parcels.

She would like at some point to discuss the Catellus properties. We need to have a plan. Council has had before them some pie charts talking about what the income is from Redevelopment. We know that redevelopment is where property taxes have been frozen since 1975. Any homes that have been built, the tax increment from 1975 has actually gone into redevelopment. We are looking forward to redevelopment

and the downtown area really picking up and doing what it should. That is helping to provide services to the rest of the City. At this time, the rest of the City is supplying services to the Redevelopment Area through taxes, such as police, fire and other public services. Those services are not being paid by Redevelopment at this point. So, she looks forward to that. The City needs to have this go in as positive a way as possible, without delays. With that, she knows that in doing this, everyone may not be happy. It may not be 100% of what we want, but it is pretty close. Because of that, the City is doing a great job here.

COUNCILMEMBER WOOD thought we were taking this in categories of 3 and would probably waive his speaking until the end.

DEPUTY MAYOR CHAVEZ believes a strong balance can exist between economic development and a caring for our environment. This is not a matter of either business interest or environmental interest lowering expectations. It is not a contest. It is about doing what is right for the community. The City has spent over a year working with the Watkins Timeshare project to reflect a project of scale, bulk and character that is keeping with the community's expectation. It is consistent with this Council's prior reference to project these developments standards forward not because we have to, but because it is the right thing to do for our community.

He restated the memo that the City Manager gave Council and the 3 bullets for this project. The 3 bullets are:

- Prepare an RFP for City Council for approval/issuance in February 2004.
- Include development criteria from the workshop to a minimum. He highlighted 3: economic viability, quality construction and architecture, and scale and massing of buildings consistent with the Watkins timeshare project
- Staff to meet with interested community groups and individuals in preparing an RFP for the City Council's consideration and approval. He thinks this public communication is critical.

What this Council approves will set the character of our community for years to come. This project needs to reflect an expectation for qualit, and a caring for the environment. We have an obligation to future generations to be good stewards of what the children will inherit.

MAYOR JOHNSON noted that Council is on the verge of doing something historic. Just for the record, he reminded the public and media that from February 1998 through the summer of 2000, he was the only elected person on this Council and the past Council that argued, debated and supported the Catellus hotel proposal, which at that time was in the 7- to 8-story range. He also wanted to say, especially for the media, that he hopes as they write their story that they might want to check back with staff on the hotel proposals that were before the City Council back in 1994-95. At that time, it was a partnership between Jim Keenan and Jim Watkins and they had a proposal before the City in the 12- to 13-story range based on what prior Council was able to get approved from Coastal staff. That Council, led by Melba Bishop, was able to get approval from the Coastal staff and the State to build a hotel up to 12 stories. At that time, there was a push by the Council even before he came on in 1992 and Coastal Commission support to do that type of development. He commends Mr. Watkins and everyone involved because this has gone full circle from originally seeking that type of height development to where the City is today. It has been a long task to get here. We all have learned a lot; he especially, being the only person in the room who has served as a Coastal Commissioner, having served for 2 years as a Cruz Bustamante appointee. We have all learned from this, and we will all be that much better as a community as a result of it. So, once again, he strongly supports staff recommendations. This is going to be a great year for Oceanside.

DIRECTOR McVEY noted that the way the agenda is written, staff is asking for Council's recommendations to refine the RFP to bring back to Council for submission out in February. She is hearing that staff has direction to do that.

Establishment of priorities for the Redevelopment Area

The 2nd part of the workshop is to discuss priorities for the public projects that will take place over the next few years, to make sure that staff has all of the ideas. The list she provided to Council yesterday were those projects that she is aware of that may be of interest to Council. However, there may be others that Council wants to get out.

CITY MANAGER JEPSEN asked as a point of procedural clarification if staff is taking direction on these things as Council goes through them, noting that staff would need to get closure on the item Council was just discussing (parameters for hotel development). He is interested in direction relative to the memo he handed out with the 3 bullet points.

MAYOR JOHNSON agrees, but if Councilmember Wood chooses to hold his comments to the end, that is fine.

Continuing, **DIRECTOR McVEY** stated Councilmembers received a memo listing a variety of projects. Staff would like to get any additional items that Council may have so that staff has a complete list of what Council is interested in doing over the next few years. If Council has any questions about them, staff is present to answer questions. The numbers in the memo are best guesses at this time because they are future projects; many of them have not had analysis or studies done. That will give Council some indication of ballpark numbers. Then, at that time, there are voting mechanisms for Council to do so that staff can get some prioritization. Since the City has limited resources and time issues, staff would like to get as clear as we can about what Council would like staff to be working on. She asked if Council had any public projects that are not on the list.

MAYOR JOHNSON said before hearing from Council, he would like to hear from the public to see if they have any comments/suggestions.

Public Comments

RICK WRIGHT, Redevelopment Advisory Committee (RAC) Chair, stated that RAC had an opportunity to engage in this process on December 12th. The RAC spent 3 hours doing what Council is about to do here as far as trying to figure out some priorities for spending the bond proceeds - the last money that the City will be able to borrow before the end of the project. Council received a report of the RAC results, but he wanted to summarize for Council today that RAC felt that the bond proceeds should be spent on infrastructure items that will sort of set the stage for the future development of the Project Area. They specifically called out addressing the drainage and Clean Water Act responsibilities, implementing the Walkable Communities to include streetscape, improvements on Mission Avenue and possibly the 1-way couplets and that type of thing, and building the 2nd parking structure. Those would be among the RAC's top projects.

There is another thing that was on the RAC's top 6 items. It is a relatively minor item and maybe should not be addressed in this discussion, but the RAC would like Council to fund a study regarding creating a Business Improvement District (BID). It is a self-assessment district and can include business owners, property owners or a combination. There is no cost to the City other than funding the initial study and consultant. The RAC would like to see a "Clean and Safe BID." That is where the business owners and property owners get together and, through economies of scale, can hire steam cleaning of the sidewalks and possibly private security for the downtown area. This will provide services over and above what the City is able to provide to the Project Area.

JOAN BROWN, Rockledge Street, said about a month ago she had a call from some study that asked her what she thought the 3 things were that Oceanside needed. She said landscaping, landscaping, and landscaping. As a realtor, she knows the fastest way to dress up a house is landscaping. It is the cheapest and makes the house

look better. She feels that way towards Oceanside. Maybe there is a water problem, but more things should be planted than palm trees. When she saw Mr. Watkins' plans for his hotel, she wanted to see more landscaping and more specific things that are going there. So, she would like to see more landscaping involved with all of these structures.

DAVID NYDEGGER, Chief Executive Officer, Chamber of Commerce, said that the priority list is outstanding. So many wonderful things can be done in the downtown. We do need more parking in the downtown area, and he asked Council to consider parking. Landscaping is important and the work that has started on the Walkable Communities is great. It is just that the City only has a certain amount of dollars. Trying to do a little bit of everything would not be as productive as trying to do a few things really well. Parking is important for downtown; it will help lease some of the empty spaces in the Regal area; and we can move forward from there.

KIM HEIM, Executive Director of MainStreet Oceanside, recommended paying particular attention to several items that MainStreet is very interested in promoting. The need for downtown parking is going to be critical. The hospitality industry that will eventually nest downtown will drive a whole number of service industries, i.e. businesses, entertainment and dining that will need parking for Oceanside's residents to come down and participate in as well. Not to mention that Oceanside is located along the coastal plain and access to the beaches and activities surrounding the beaches will be critical over time. He hopes that Council will consider parking structures that are multi-purpose, such as retail on the ground floors, and encourage underground construction to maximize the space and really create pedestrian-friendly buildings, since we will be putting them around highly oriented entertainment areas. He would love to see an energy directed in that way. The Walkable Communities Program is obviously key to the MainStreet program downtown. The infrastructure of downtown has aged, and many parts of it are at the end of their useful life. The theater downtown is very important; it sends a tremendous message and provides key opportunities to change physically the look and presentation of the downtown. With a high quality presentation of certain areas downtown, investor confidence will buoy up; there will be a lot of participants that want to come in and reinvest in their private property as the public spaces improve.

With that comes an issue of drainage. In downtown we do not handle water well. There are going to be issues that need to be solved for all new development that comes downtown. This gives the City a chance to solve it now, take some of the burden off the back of small and individual investors and perhaps develop a technique to cost recover those expenses over time through future development.

His key elements on the list are to make long-term investments in the future of this town and then reap benefits that will come over the next 15-20 years by doing that.

LAWRENCE SOSNA, Wisconsin Avenue, President of Oceanside Coastal Neighborhood Association, (OCNA), heard 1 key thing that has always struck him in successful business projects: do 1 thing at a time and do it well, 1 project at a time. He really would support that idea. The hotel is such an important project in itself that we should focus on 1 thing at a time and get it all the way through to completion. He knows more than anyone how tempting it is to juggle 5 or 6 projects at 1 time. But, he would really encourage them to focus totally on the priority. He also supports what staff said about finding someone in the corporate field to be like a flagship or whatever, developers who have proven track records that have been successful in completing similar projects and who have the financial wherewithal to pull something like this off. Getting letters of recommendation and really finding out who these people are and opening up to getting the best bang for the City's buck is important. This means opening it up to more people and more diverse groups than the City has already experienced. They are all over the country. The City should really be able to do something great here.

With no additional speakers, public input concluded.

COUNCILMEMBER FELLER said the one thing he does not see on the list is

improvement on North Coast Highway. Besides the landscaping and a couple of new hotels, North Coast Highway is probably the City's most visible corridor with so many cars going by every day. He would like to see North Coast Highway as a higher priority because it has such visibility, not only the landscaping but everything. He would be amenable if there is a way to move that place across the street from the Chamber of Commerce [Main Attraction]. That is a big lot up there that could host a 1st class development that is highly visible. That probably comes under property acquisition, but that is one of his priorities.

If Council throws a little bit at each priority, then there is no focus. All of those things need to be done eventually, but the highest priority needs to be identified. Parking is one. He would like to see the North Coast Highway developed a little more. On the list, he asked for some of the things that Council could do after the flurry of the next couple of years in redevelopment. He wanted to know the least expensive things that Council can put off until other things start happening on the list. He threw that out to think about.

COUNCILMEMBER WOOD stated he can bring up some of these things later in the closing aspects. However, he wanted to speak up because we all understand a couple of things. This has been almost 30 years of projects and processes through the Redevelopment area. Many Councilmembers and many staff members have been involved over the years. This is where we stand as we get close to the end. Quite a few of these items listed by staff and the public are very important. We need to do those. However, this Council and any future Council can change any of this. No matter what Council does today, it can be changed. We understand that and are trying to do the best we can for the community with leadership, development, economic development and quality of life for the citizens.

He has concerns in the economic development there for over the 30 years that he has seen it. As a long-time City employee, he certainly saw that parking was a big issue. He is glad it is one of the priorities. However, we have to have a balanced community down there. He sees more and more row houses and condominiums. The City is making it a residential area near the beach. This has to support itself, and he goes back to the Redevelopment charts for the tax revenues. A small percentage of this tax comes from the Redevelopment Area compared to the City. The City has really subsidized Redevelopment over these 30 years. With that in mind, they want to see in the future when Redevelopment is done that this many acres can pay for itself and not have to be subsidized by the rest of the community. When we keep building residential areas downtown, there has to be some land set aside for some sort of tax-producing base. By that, he means there is not even a grocery store west of Interstate 5. The City is making a residential area, and we do not even have a grocery store down there. Anybody living there now would have to get into their car and drive somewhere else to go shopping. He wants to make a balanced community and wants those people to survive there.

At all of the meetings he goes to, he hears about multiple use in Downtown or along the rail lines. In other words, these people have to be there, live there, and be able to get on the train lines. But they also live in that community because they do not have cars, and that is the problem in Southern California. The City wants to make it a livable, quality of life community down there. He sees a lot of things that are not down there, with no plans for them. So when he looks at the tax base, he sees concerns besides just what he sees in the charts. He would like to see a livable community with some sort of balanced community, putting something down there that is more feasible for the living community that seems to be going down there like condominiums, row houses or whatever.

He would like to see more involvement by the Planning Commission and Planning Department in the Redevelopment Area. They seem to have a good knowledge about what is going on in the rest of the City, and it certainly would transfer over into this section. In other words, use the staff the City has to make sure that it is a very balanced community down there. Everything else named on the list is Council's priorities, and he agrees with that and the staff recommendations. He looks at the TOT

tax, and it does not cover it.

The other question he has for staff, and maybe they can answer now or give him a spreadsheet later, is that most of the breakdown of debt service is the Civic Center lease payments. He would like to know when some of this debt would be paid off. Obviously, when all of this debt in Redevelopment is paid off, that is going to be wonderful. He would like some sort of spreadsheet regarding the feasibility of the taxes paying for themselves; a balanced community for the residents down there, including the supermarket; and if TOT tax is not going to cover it, what else should we put down there. He would like to see some feedback on that debt service and when it might be paid off. That would really make a big difference.

Regarding some of the other issues for just the Redevelopment Are, he asked if the City had put any kind of a survey out to the business community. We always talk about the business community and the people who make the tax base for the City to pay for themselves. With that in mind, he would like to see a survey go out from Redevelopment to the business community; not just downtown, but to the rest of the community that makes this town what it is for a tax base to see what they would like to see downtown in the Redevelopment Area. Council has a list of things here, but he would like to get some input from people that do it on a daily basis: businessmen out in the industrial park area, out in any of the main sales concessions. The City could get some sort of survey out there and get their input. He would really like to see that. If that could go on the list, he would appreciate it.

MAYOR JOHNSON stated that before 1999 and before the Regal Theater was built, the City had a number of social and economic issues facing the City regarding the Downtown Area: crime, drugs, prostitution. The City did not have a parking problem because no one wanted to come downtown. Even after the Regal Theater opened in 1999, it took a while for people to feel comfortable in coming downtown to be entertained and have a meal. As a result of a lot of hard work from individuals and organizations, the Regal Theater is doing what the City thought it would do. The City is getting new restaurants, a whole lot of new homes and condominiums, and people feel safe and comfortable in coming to the downtown area during the day and in the evening. Now what the City is experiencing 4 years later is something that he considers a very good problem, and that is a parking problem.

It is good for businesses when a city has a parking problem whereas before they were really struggling, especially when the troops were deployed. Now businesses are becoming more diversified and working toward being able to make it during the times when a lot of the military folks are gone and their dependents have returned home. So when he looks at this list before Council, he wishes the City had the money to do everything there is on the list. However, the City does not. To address the City's immediate needs and needs that will soon need to be addressed once the resort and the hotels are built and restaurants come in, and in light of what has happened in Sacramento, Council really needs to look at the parking issue first. It is very likely that the City will lose the $4,000,000 coming from Sacramento to assist with the construction of the parking structure to be built in partnership with North County Transit District. Therefore, his number 1 suggestion is that if the City loses the money from Sacramento, Council allocate $4,000,000 to complete that parking structure, which the City badly needs to assist in the use of the train, etc.

Secondly, he would look at Lot 23, which used to be the old Oceanside Lumber Company that burned down 20+ years ago and now is a surface parking lot. The City can deck that over and maybe even lease out some air rights for private enterprise. Then he would say the City needs to look good along with feeling good. That is what the Walkable Communities Project would do for Oceanside. The Walkable Communities Project includes landscaping, which the City badly needs; it includes fixing up the sidewalk, curbs and gutters and dressing up our downtown.

If he had more money after spending $15,000,000 ($4,000,000 for the parking structure, $4,000,000 for the Walkable Communities; and $7,000,000 for the parking structure on Lot 23), he would look at the North Coast Highway end and see if there are

any possibilities of working with the ownership of the Main Attraction like the City did with the ownership of the Playgirl. It took the City 20+ years to secure ownership of the Playgirl business and land. He certainly hopes it does not take another 20 years plus to work out some type of business deal with the ownership of the Main Attraction. As the City looks at how valuable that piece of property is and in conjunction with the development that needs to and will take place on the north end of North Coast Highway, the City really should be considering some type of friendly acquisition with that property. If the City has any resources left after addressing the 2 parking structures and the Walkable Communities, which he would strongly support, he would like to look at some possible business agreement with the ownership of the Main Attraction.

COUNCILMEMBER SANCHEZ stated that parking is definitely a priority, and that would be the downtown parking garage - make sure it is built - and then the second parking garage on Lot #23. Those are her priorities. She is interested in the comments about doing a study on a Business Improvement District (BID). That sounds like a great idea. She understands there was a parking district before and that somehow we have not been able to follow up on what happened with some funds collected. A BID certainly does sound like a great idea.

Regarding security, she went to the Regal Theater on Thanksgiving evening and had some kids with her, including a 19-year old who drove his own car. His car got broken into along with 3 others. She found out that it is not unusual for the parking area across from the Regal Theater. She got a very angry call from his dad asking who is responsible for parking at the theater. These are things we need to address. Security is definitely an issue. It was really dark there, and perhaps better lighting would improve people's feelings for safety, as well as having those that would want to break into a car not being able to hide in the dark.

It is important to do the infrastructure and drainage studies. She understands that the drainage study is underway. It is something that the City needs to do. Regarding the amphitheater restrooms and the Strand area, she is looking at the infrastructure and especially targeting visitor serving. The last 10 years the City has spent a lot of effort in residential and that has been good. The City needs to now, towards the end of the Redevelopment phase, focus on bringing people to the Downtown Area, keep them there, and make it as easy as possible for people to come. When people think about downtown San Diego, what really has caused people to come to the Gaslamp is the parking; it is Horton Plaza and if you buy something for a dollar, you can park free for 3 hours and go to the theater, Croce's, etc. It is parking. It is being able to park, having a Ralph's and being able to drive down into the grocery store in downtown San Diego. Oceanside needs a grocery store downtown.

In going along with visitor serving, one of the real exciting things happening in the City is the Art Museum and their plans for expansion and really recapturing the building and making it to what it was intended to be. People come from all over to the Museum. That is visitor serving. The City needs to address that as well. The City needs a new fire station. Those are necessities as well as ensuring that people will come. Let's get people to come and make sure they have parking, make sure they spend their money here and see what the businesses need to be able to attract more people to their stores. What does the City need to do to attract more stores to the City? She does not like the idea of people living in the downtown area and having it easier to just drive down the street to Carlsbad and do some of their shopping. She wants to capture what we have here, i.e. people living here, people spending their money here. Her priorities are parking, infrastructure and drainage study, Business Improvement District study, and the Art Museum.

DEPUTY MAYOR CHAVEZ would first like to address Councilmember Wood's comments and the statement he made that expenditures were exceeding the revenue. That was originally the chart that staff had that was pulled out. Maybe the City Manager could discuss this. He noticed that another chart was passed out last night that showed different numbers that were originally in the document because it shows the expenditures and revenue more in line with each other. That may clarify a point for Councilmember Wood.

CITY MANAGER JEPSEN stated these are 2 different issues. The issue of the charts that were handed out in the material Council received was the budget that included some capital funds. He had asked staff to clarify that because what was handed out made it appear that the City was spending more than it was taking in, which is not the case because the City has issued some bond and is paying back the debt service on the bond as time goes on. Councilmember Wood's comment was relative to the tax increment that accrues back to the Redevelopment Agency, and that tax increment actually froze the property values in 1975. So the property tax that would have been available to pay for all City services goes back into the enhancement of the Redevelopment Area. He thinks that was Councilmember Wood's comment relative to the Redevelopment Area not paying into the property taxes that support all community services to the same level as all of the other properties do in Oceanside, which was a correct statement. The solution is to get other tax generators downtown such as TOT - hotels or other sales tax generators that would help provide a more positive cash flow into the General Fund, instead of back into the Redevelopment Agency.

DEPUTY MAYOR CHAVEZ just wanted that clarification because those are 2 different things. When we look at a summation across the entire City, the Redevelopment Area, which formed in 1975, was actually a good economic engine for the City.

CITY MANAGER JEPSEN stated that ultimately it will be. At this point in time, we still have some work to do to make the Redevelopment Area an economic engine for the community for the longer term. That is the whole reason the State created the mechanism of Redevelopment Agencies, so that Council can take that tax increment and reinvest it for future years.

DEPUTY MAYOR CHAVEZ stated there have been changes in the law and, if the City tried to do another redevelopment area, there are a lot of different ways to look at the tax increment and impact on school districts and other systems.

CITY MANAGER JEPSEN stated that, given the changes in the law that has set the formula, since that does not have to be negotiated, this body may want to consider either expansion or looking at additional areas for consideration of Redevelopment, such as Mission on the hill or Oceanside Boulevard or even industrial areas in the valley, South Oceanside, etc. There are a number of areas that could use assistance that need a careful look at.

DEPUTY MAYOR CHAVEZ agrees with that. As far as this issue, there are a lot of good projects that staff has depicted. For the number Council is looking at, he has been using $14,000,000. He noted that Page 3 of Council's back-up material states, "Therefore, the CDC has a $21,500,000 to expend on projects to meet the goals of the Redevelopment Plan." Of that amount $7,900,000 is available immediately. So, $21,500,000 is what we anticipate to receive. The back-up material talks about how the rates increase over the years to get to that $21,500,000.

He has taken the time to meet with the Chamber of Commerce, MainStreet Oceanside, Redevelopment Advisory Committee (RAC) Members and a number of business owners in the Redevelopment Area. In his different discussions, it became very clear that there was a consensus on where they would like to go. The priorities that he is going to be laying out are what he received from those meetings. The No. 1 issue is parking. We have 2 Downtown parking areas: 1 is at $4,000,000 and the 2nd parking area at Lot 23 is at $7,000,000; these are anticipated costs and he used the high end. The Walkable Communities is at $5,000,000, and the drainage is $2,000,000, which is out to $18,000,000. He shares the concerns of the citizens talking about landscaping. They have all seen some very nice landscape that really enhanced the area. It is a good idea to look at. In his meetings there was discussion that the 2nd parking structure have some sort of retail or business so that it has a daytime draw, but it also needs to provide movement when the businesses close in the evening so that people can park there and go to restaurants and shops. If the 2nd parking structure could meet those needs, that would help. That comes out to $18,000,000. That still

leaves $3,500,000.

His other priorities would be the gateway entry enhancement and the fire station relocation. There are no numbers because the projects are being studied. The reason he says the fire station relocation is that he has spent some time talking to the Oceanside Museum of Art and a concern of theirs is that if the City provides Redevelopment dollars, then there could be a prevailing wage issue. So, they would rather see the City assist in a separate item, and probably that separate item is relocation of the fire station. That is why he is leaning that way. But he also agrees with Councilmember Sanchez that the Museum of Art is a great addition to the community. The question is how does the City do that without hindering the Museum of Art efforts.

His priorities are the downtown parking, 2nd parking structure with retail use, Walkable Communities, infrastructure and drainage for $18,000,000, Gateway Entry, and the fire station to use the other $3,500,000.

MAYOR JOHNSON had mentioned the friendly acquisition of the Main Attraction and did not see it on the list. Staff replied that it is included in the general category of property acquisition.

COUNCILMEMBER WOOD noted that developers are interested in acquiring the Main Attraction property, and the price is approximately $5,000,000. Developers would like to build on that property, which is certainly a great location. It might be a tough sell, but it should be on our priority list for addressing.

In response to Deputy Mayor Chavez, Councilmember Wood said his point for downtown was fairly well answered by the City Manager. His concern was that even with a secondary pier resort down there with TOT tax, the City should not overlook the fact that it needs a tax base for the Redevelopment Area. It is turning into residential. Regarding the tax base, we want to make sure it covers itself for the future plus making it a quality of life for all the residents. It is not that that area does not have a tax base; it is under Redevelopment, and we understand it is a separate entity. However, we still have to look at the future when Redevelopment is over and it can still support itself. He remembers years ago that the idea of Redevelopment was down the road. When it was done, the Redevelopment Area was going to take care of the rest of the City; that was the original plan. It was going to do so well that it was going to have a tax base for the rest of the City. We do not see that happening per se. He wants to make sure that everyone knows that Redevelopment has to pay for itself, and it was supposed to help pay for the rest of the City. We need to go forward. He just wants to make sure that we can get some commercial area, tax base, economic development in there too, besides TOT tax.

He agrees that having the banquet facility in downtown Oceanside is a great idea.

Going down the list, it is kind of hard when he looks at the figures and the money. He does not have a problem with any of these. Parking continues to be important. The pier resort project is a separate entity. We all want it. We also understand that with some State law changes, the pier resort project cannot be a partnership with the City. If the City does that, we will be talking about prevailing wages to build. Most developers will shy away from that. So developers will purchase the property and build on it, and the City will have to hope for the best. Certainly with the guidelines Council gave earlier, the City will get a project that is great for the community. but the City cannot have a partnership anymore and/or subsidize it.

COUNCILMEMBER FELLER wanted clarification on whether everything in the Redevelopment Area needs to be paid off by 2025.

DIRECTOR McVEY replied in the affirmative. The Redevelopment Agency ends in 2015, but to the extent that the City has outstanding debt service, we will continue to receive increment. To the extent that the increment exceeds the amount of debt service required, that tax increment would come back to the City even while it is being paid off.

If the tax increment exceeds the debt service, that amount will come back to the City.

COUNCILMEMBER FELLER has also spoken with all the entities involved with the downtown businesses. A reason there is no market in downtown is because there are not enough people to shop at a market and because the ocean is there. Markets want to be more centrally located and he is sure that is one of the reasons that there is not any type of market downtown. He knows that representatives of markets have looked at locating downtown.

MAYOR JOHNSON stated that in 1985 he worked for a company called Berg Electric, and he worked downtown at Horton Plaza for about a year. At that time, downtown San Diego had issues with drugs and prostitutes and unsavory issues. Hardly anyone wanted to go down there. After completion of Horton Plaza, it struggled for a number of years. What really helped to change downtown San Diego was after the City spent approximately $30,000,000 to kick off Horton Plaza, then the CCDC started working with the City, then developers started coming in and developing all these high-end condominiums. Today there are approximately 25,000 new people living downtown that were not down there 15-20 years ago. What really helped to promote downtown San Diego's restaurants, boutiques and Horton Plaza was the downtown population - folks who not only worked there, but also lived down there day and night. In a small way, Oceanside is doing the same thing.

When Parcel B breaks ground within the next 60 days next to the movie theater in Oceanside, that 6-story mixed-use project of commercial, retail, and 4 levels of high-end condominiums, along with Ocean Village across from the Star and the ongoing development of row houses and condominiums throughout the whole Oceanside downtown area, it will really do a lot to assist with what we are talking about today. What we are talking about today is nothing new. These items have been on the drawing board long before he came on the Council. He is very pleased to hear what he is hearing today in support for what we need to do. We just need to be a little more patient. Within the next 6-36 months, Oceanside is really going to shine. All of the hard work that was done before any of the current Council was in office, we are going to be successful at doing what many people have said would never happen in Oceanside. That is when the image of Oceanside will change. Either businesses will change with new development flow or they will be eliminated. Many small businesses in Oceanside were pushed aside when the mall opened in Carlsbad. Now, people want to come back to downtown Oceanside to shop, live and work. The Transit Center is making it happen, and the City's proximity to the freeways and the Marina are all part of the puzzle that is finally nearing completion. This is the year. Council needs to be a little more patient and a little more cohesive as a team in working towards the goal. We will get there.

In response to Council's input, **DIRECTOR McVEY** summarized Council's priorities that parking is a key issue. Secondarily, Walkable Communities including the Gateway and all of the landscaping as mentioned is very important. Third, the infrastructure issues, including the drainage problems are key. Fourth, looking at moving the Fire Station for expansion of the Art Museum is important to Council.

We may be able in the pier resort hotel project, as we proceed and we do have tax increment coming in annually, for staff to include in some of the capital projects to begin addressing the amphitheater. As far as the BID study, staff might look at their own internal operating budget to see how much that would cost. Staff may be able to just do that out of the routine budget, if that is something Council would be interested in. The BID is where the property owners and businesses themselves agree to pay a fee for activities they choose to conduct. There is a process to go through to get it started, and it is with the agreement of the property owners and the businesses. It would take some consultant work to do it, but staff might be able to handle that internally.

Those are the priorities that Council has discussed.

COUNCILMEMBER WOOD concurred with these priorities for the information we have today. They certainly could change. But, for right now with the information

Council has available, he would say yes.

DEPUTY MAYOR CHAVEZ concurred.

MAYOR JOHNSON concurred.

COUNCILMEMBER FELLER agreed. However, Council has to think about the North Coast Highway area, too. It is not downtown, but it is the entrance to the community and is visible to thousands of cars everyday.

DIRECTOR McVEY asked if staff could include the North Coast Highway area in the definition of the Walkable Community. Part of that is to connect the Harbor and Downtown.

COUNCILMEMBER FELLER stated that is fine.

COUNCILMEMBER SANCHEZ agrees with the list. But, she would like to add the beach amphitheater and the restrooms. The restrooms are really a necessity.

DIRECTOR McVEY suggested that another thing staff might be able to accomplish is to evaluate their ability to fund a study to define the scope of the problem (water lines, sewer lines, bathrooms, etc.). Maybe staff can use funds from the current capital budget to accomplish a small study to define the scope of work for improvement.

COUNCILMEMBER SANCHEZ replied that would be good.Then maybe the City can do some facelift kind of things to the amphitheater without spending a whole lot of money. It really needs it.

DIRECTOR McVEY said perhaps with Council's permission, another thing that staff might talk about would be maybe creating some sort of interested party input into what the various community groups would like to see that utilize the amphitheate, with input from the Parks and Recreation Department to see what really needs to happen, and ask the community what they would like to see.

COUNCILMEMBER SANCHEZ stated that is good, and Betty's Lot is parkland and is multi-use; people use it for putting up booths, races and all kinds of other things.

COUNCILMEMBER WOOD would like to add to the list some sort of survey, either in the water bills and/or if not, strictly to the business community (industrial and commercial). It does not have to be only in the Redevelopment Area. He would like to see what the business people around the community are interested in downtown.

DIRECTOR McVEY stated staff can accomplish that.

MAYOR JOHNSON asked for the next item.

Criteria for the vacant Redevelopment Manager position

DIRECTOR McVEY stated that in Council's package she gave Council a list of qualities that are needed in a Redevelopment Manager. She has a very strong vested interest in getting a good Redevelopment Manager. Joyce Powers did a great job for the City, and having someone carry on that work is a very important part of the community. It needs a lot of attention and direct focus. Staff would like to have somebody who can just really focus on the Downtown Area. She has listed out the qualities she believes should be considered.

She introduced the consultant, Melody Kessler, a Human Resource Consultant and resident of Oceanside, who has 23 years of public sector Human Resources experience and is very experienced with public sector classifications. She has done analysis of both salary levels and public sector Redevelopment Manager positions and some of the common characteristics and then has imposed on top of those the fact that

we are in a coastal area, which does create different requirements.

CITY MANAGER JEPSEN would like to make a comment about one item as Council goes through this and considers the quality and characteristics of what we are looking for in a Redevelopment Manager. A large issue that Redevelopment deals with is the 20% set aside for housing. Low- to moderate-income housing has been a priority for Council and continues to be. The Redevelopment Agency continues to serve as an economic resource. Those funds can be used for multi-use projects, but they typically have been set aside and prioritized for use by Council and implemented by the Housing Department Staff. Although, there may be a desire to have housing experience in this position, the focus of that historically has been in the Housing Department. He would expect that it would continue to be there. He did not want Council to think that it was not something that was going to be handled or continued to be handled or necessarily the priority focus for the Redevelopment Manager position.

MELODY KESSLER, Human Resource Consultants, has lived in San Diego County for 31 years, chose to move up to the Oceanside area about 1½ years ago and truly enjoys it. The work that Council has done today needs to be carried out by a very competent person. It is important that the Redevelopment Manager has the skills and attributes that Council is looking for to make sure that Council's goals and priorities are accomplished. She referred to the list of some very basic things that we are looking for in a Redevelopment Manager. She asked Council to review the list and then decide collectively how they would like to prioritize the list, if Council feels strongly that the person have these characteristics. If there are characteristics that Council would like to add or delete, they can go through that process right now.

In terms of experience, project management is a strong, typical skill of this position, as is developing long-term projects and fiscal plans. Coastal Commission experience is very needed. Public agency experience is very important because of the knowledge of the State of California laws of all the different rules and processes that the person needs to be very familiar with. Preparing, reviewing, processing development proposals and being familiar with State and Federal Redevelopment laws and regulations, and working with public officials, community, businesses and commissions are important skills.

She asked Council if there is anything else that they would like to modify, add or delete from this list.

MAYOR JOHNSON said the list was fine with him.

COUNCILMEMBER FELLER said the list is great. He spoke to the City Manager and said it is really his job. The City needs somebody who is strong in project managing because the City is going to be in a real flurry for the next 2 or 3 years. However, this is really the City Manager's job, along with Director McVey's position, to hire the most qualified person to handle what Council will be asking them to do.

COUNCILMEMBER SANCHEZ would like to add some housing experience to have perspective.

MS. KESSLER stated looking at the personal characteristics: the successful candidate should have the ability to interact and execute assignments within this position. This includes the ability to maintain a high degree of integrity, provide strong leadership, remain apolitical, maintain a sense of humor, communicate and work equally with all concerned, be decisive, have the ability to resolve issues, and possess excellent public relations and marketing skills and strong negotiation skills. Again, there is that additional list that the RAC put together, in conjunction with what Director McVey has provided Council. She asked Council if there is anything else that they would like to modify, add or delete.

COUNCILMEMBER WOOD felt it was covered completely. If we find someone like this, we would be thrilled. The ability to build a coalition with the community and citizens is important. It seems every project in Oceanside has 2 sides. With that in

mind, the successful candidate needs to be someone who can deal with and build a team with both sides to get the project done with the citizens.

DEPUTY MAYOR CHAVEZ said this is a very good list, and he has no problem with it.

MAYOR JOHNSON is pleased, also.

COUNCILMEMBER FELLER stated that the list says strong negotiation skills, and he would add acquisition negotiations.

COUNCILMEMBER SANCHEZ stated that community outreach is very important. The City has a diverse community, so someone who could communicate to all groups and has had some level of success in doing so.

CITY MANAGER JEPSEN stated one of the reasons that the City lost the previous Redevelopment Manager had to do with compensation for the position. He hopes that we can remain flexible with regard to both the title and compensation for this position. It is very important, given the priority needs for the City, to hire somebody who can hit the ground running. They are not going to require time to come up to speed or to get familiar with the various requirements and details involved in this kind of work. When we identify this person, we need some flexibility in negotiating this position with that individual. So, hopefully that would be a consideration and direction back to staff.

MAYOR JOHNSON agreed.

COUNCILMEMBER SANCHEZ stated it is critical to hit the ground running and not have to take time to learn on the job. She would like someone experienced and assumes that the compensation would be coming out of the Redevelopment Fund.

MAYOR JOHNSON said as in the past, that is correct.

COUNCILMEMBER FELLER said it is the City Manager's responsibility to find the right person for this position.

MS. KESSLER recapped what we have so far. We want to keep things in perspective; someone who has negotiation skills, community outreach skills, substantial experience, strong communication skills, and someone who could build coalitions and be a team builder, in addition to the items already listed. She asked for confirmation.

MAYOR JOHNSON replied in the affirmative. He noted that there was one item we failed to address regarding the concern of the skateboard park and what is going to happen to it. He asked staff to touch briefly on that.

DIRECTOR McVEY stated that at some point the City would have development on all of the 9 blocks of the 9 Block Master Plan in the downtown. She would need to confer with Ana Alvarez to see what alternative sites are being reviewed.

ANA ALVAREZ, Director of Parks and Recreation, stated the skate park in the downtown area has gone through several transitions. At the inception of the plan to develop the skate park, staff had agreed that it was a temporary park since it is on leased property currently owned by Catellus Properties. Staff has looked at several alternatives to keep it within less than half a mile of the downtown area, and at this point the only property they have not completely explored has been the old Oceanside Police Station on Mission Avenue, which would be relatively a smaller site than what they currently have.

DIRECTOR McVEY stated this concludes the workshop for today, except for Councilmember Wood's comments. We are trying to balance the needs of the community, the City's need for revenue stream, Coastal Commission requirements, limited amounts of money, and long lists of projects. This is not an easy thing to do at all. This is so very important. Staff appreciates Council taking the time to provide staff

direction so that we can spend the remaining money on public projects in a way that is what Council wants to see happen.

MAYOR JOHNSON noted that on behalf of the City Council they are very appreciative of the hard work that staff puts in to doing what needs to be done. This is a new year. The slate has been wiped clean. Council is committed to being a cohesive, working unit and getting the job done right this time.

COUNCILMEMBER WOOD stated the pier project hotel should have a completion bond.

DIRECTOR McVEY will add that to the list.

2. **Public Communication on City Council Matters (Off Agenda Items) – None**

ADJOURNMENT

MAYOR JOHNSON adjourned this meeting of the Oceanside City Council at 12:00 PM January 7, 2004. [Next regularly scheduled meeting is at 2:00 PM today.]

ACCEPTED BY COUNCIL/CDC:

_____
Barbara Riegel Wayne
City Clerk, City of Oceanside