



California

CITY OF OCEANSIDE

MINUTES OF THE

CITY COUNCIL

June 4, 2003

ADJOURNED MEETING 10:00 A.M. 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

Mayor Johnson convened the meeting at 10:00 A.M. June 4, 2003. Councilmember Wood led the Pledge of Allegiance.

ROLL CALL

Present were Mayor Johnson, Deputy Mayor Sanchez and Councilmembers Chavez, Feller, and Wood. Also present were City Manager Steve Jepsen, City Attorney Anita Willis, and Assistant City Clerk Charles Hughes

WORKSHOP ITEM

1. **Consideration of the FY 2003-04 Budget**

CITY MANAGER JEPSEN stated last week's workshop was a preliminary introduction of the concepts to the Council. Hopefully the Council has had an opportunity to look through the information for more discussion today.

MAYOR JOHNSON noted that representatives from the Police, Fire and City Employee Unions were present in the audience.

CITY MANAGER JEPSEN thanked staff for all their efforts on putting this budget together and noted Council's receipt of on-going new/updated items. He thanked the Directors who have been diligent in holding the line during this long road of uncertainty with the State. We have managed to hold our costs while retaining services. He also thanked Council for their leadership and direction and also holding the line on vacancies which gives us the flexibility this year to move forward.

CAROL SWINDELL, Financial Services Director, presented an overview of the economic forecast that is similar to what was presented at the last workshop session. The purpose is to give the public who was not at that last session an opportunity to see the information, and give Council a chance to react to information from last week.

The revenue projections for this year appear to be on target despite the sluggish economy and troop deployments. For next year we are projecting an overall 3½% increase in overall General Fund revenue; that is without any additional State cutbacks other than those proposed by the Governor in his May revised budget. The City is continuing to see strong valuation increases in property taxes. We are expecting a total for this year of \$19,000,000, which is an 8.4% increase over last year's total revenue. We are expecting moderate growth in sales tax at 3%, with total revenue of \$14,700,000. We only

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have actual information for 2 quarters so far because the State is more than a quarter behind in its reporting, which is a regular cycle pattern for them. We will be getting the first quarter sales for calendar year 2003 soon, but we will not know the full year impact until October.

The Permit and Plan Check revenue is trending down from last year; we will continue to look for ways to refine those revenues forecasts and get some more sophisticated information to try to help us in predicting what future permit and plan check revenue will be. Investment earnings are following the trend in interest rates. They are coming in at 30% under budget. We expect \$1,800,000 in investment revenue for this year.

Several years ago, Council implemented a phased transfer plan where interest from the General Fund would begin to accrue to the Utilities Fund in a phased pattern. As of 2003/2004, next fiscal year, that cumulative shift represents about \$1,300,000 in annual revenue. The Water Fund will retain 95% of total interest next year, and sewer funds will retain 45%. Vehicle License Fee revenue is also one of our faster growing revenue sources, and we are expecting it to come in at \$9,700,000 which is 7½% above last year. That revenue source has been growing at more than 7% over the past several years. Right now the State budget anticipates that the VLF trigger will be pulled, and that cities will get the additional tax from the increased rate, which is still being debated as far as the State budget discussions. We, right now, are budgeting that revenue at what we expect to get this year pending the outcome of the State budget. We have projected from this amount forward; however, if anything changes it will have a significant impact on our total revenue for the out years.

Looking at the expenditure trends, Council approved the second year of a 2-year budget last year. Included in the 2nd year is a 4% overall merit increase in addition to step increases. PERS was budgeted based on rates that are lower than recent information received from PERS. Health insurance will increase \$143,000 with no increase in the City contributions if the rate trends continue. We saw a 25% increase in rates last year, and unless something changes, that double-digit increase is predicted to continue.

There are several unbudgeted commitments that we will be facing over the next 2 fiscal years. One is the additional operating cost for the 800 MHz Radio system that will be \$100,000 for 2003/2004 and an estimated \$104,000 for the following year. We expect to have to begin paying for the San Luis Rey River maintenance in 2004/2005 at \$325,000. We have estimated the operating cost for the new Senior Center at \$350,000 beginning in 2004/05, and finally the additional landscape maintenance cost that Council approved recently that will cost \$123,000 next year and \$128,000 the year after that.

The PERS rate increase is going to have the most significant impact on the budget particularly in 2004/05. Rates for PERS have increased for the employer share for Public Safety over 50% per year projected for 2003/04 and 2004/05. These rate increases are driven by poor investment performances at the PERS level and by benefit enhancements that have been granted both by the State and by the City's increased benefit of 3% at 50. She reiterated that the Public Safety rate increases by over 50% a year for the next 2 years. The Miscellaneous Plan that covers all employees other than Public Safety had been super funded and the rate was therefore 0%. That was because of investment returns that were better than average during the boom market years. PERS is expecting that plan to no longer be super funded and our rates increased to 5.9% of total salary for the fiscal year after next. PERS will release its final rates for the following fiscal year in October and at that time they are also expected to provide details regarding a hardship program where they are proposing to take our unfunded pension liability and amortize that over 30 years instead of 20 years which is the current case. We will have to review that information and decide what would be in the best interest of the City to recommend to Council. That information will be presented to Council once we get the information later this year.

The impact of the PERS rate increase is an additional \$1,000,000 in City costs for next fiscal year and if the PERS rates come in at what the State has recently projected, it would be an additional \$3,500,000 the year after that for a \$4,500,000 cumulative total.

She displayed a chart showing our 5-year projections which reflect revenue trends, include Vehicle License Fees, so if anything happens to that revenue source, our revenue will be lower than projected. The gap between revenues and expenditures in the out year without any adjustments is \$4,900,000. Mr. Jepsen will be reviewing his proposed adjustments to expenditures to reduce the gap.

Last year Council established several fund equity reserves. Staff is proposing for the following year a couple of changes in the reserves. We had previously had a Healthy City reserve of 7%; Best Practices call for between 8-10% balance, and we are proposing an 8%, which would put the fund at \$6,500,000. There were 2 Capital Project Fund Reserves and we have been combined those into one at \$5,500,000. Because of the economic uncertainties and the possibility that once the State adopts their budget we may have to have some time to react and develop a thoughtful proposal for Council, we have included a revenue and economic stabilization reserve of \$4,100,000. There is an infrastructure maintenance reserve of \$8,000,000. We developed a financing plan for the San Luis Rey debt fund last year, and we are proposing to transfer that to that fund to be used as part of the financing mechanisms so that would go to 0. We proposed establishing a workers' compensation reserve of \$2,000,000 that will help to offset some of the unfunded liability. As of last year's Actuarial Report we have almost \$7,000,000 in unfunded workers' compensation costs. Those will not have to be paid all at once but the Actuary recommended that reserves be set up for approximately half of that and that plus the fund balance in the workers' compensation fund will get us more than half of the way there. This leaves an estimated unreserved balance of approximately \$1,400,000.

Regarding the timeline, we will be bringing the budget back to Council for adoption on June 18. She passed out a list of reclassifications and some errata items for Council consideration. The resolution will include those reclassifications if they are approved. The errata items are relatively small adjustments to the General Fund and some of the other funds that the City has. In addition, the resolutions will include any adjustments that Mr. Jepsen proposes that Council approves. The State budget process will probably extend into the Fall. Again, we expect the PERS information giving the final 2004/05 rates as well as details on a hardship program in October. When staff has had time to review the information, we will bring forward any additional modifications to Council.

COUNCILMEMBER FELLER questioned the presentation stating \$2,000,000 in workers' compensation when the handout from the City Manager's office it was \$1,500,000.

DIRECTOR SWINDELL responded that the original figure was \$1,500,000 but we are expecting, with the adjustments that Mr. Jepsen is proposing, to have an excess of revenue over expenditures for next year only, we are proposing to go ahead and fund that at \$2,000,000 to get us closer to the unfunded liability total.

CITY MANAGER JEPSEN made some observations regarding Mrs. Swindell's presentation, referring to the total reserve funds at \$27,000,000, which is a substantial amount of money, is the money used for building things such as the Senior Center in the community. One of the things that did not show is our commitment to pay for the radios. The plan was to sell the Collins property and use that money to offset additional costs beyond any grants that might be received. Any money that would be left over from that sale would then come back and be part of this reserve fund.

COUNCILMEMBER SANCHEZ asked if that was the Collins property that was located on the eastern side of Rancho Del Oro Drive?

CITY MANAGER JEPSEN answered affirmatively. He would expect that there would be more reserve after the radios are paid for, pending the sale of the Collins property. This money is only available for one-time expenditures. If it is spent, it is gone; there is no way to replenish it. Those are the reserve funds. With regards to the projections that Mrs. Swindell put up and the model that we put together, there are a number of assumptions that go into that. It can get better than what is projected but it can also get appreciably worse depending on what happens primarily in the area of PERS

benefits and the Vehicle License Fee at the State level. Those are probably the 2 big risk areas that we have in front of us.

He went through some of the specific recommendations. These are what are being recommended for reduction through the Governor's proposed budget. Regarding the Vehicle License Fee, all indications are that it would be restored; however, we do not know the timing of. There is some talk now that there may be a short funding gap for 2003/2004. The City could survive that, however if the State Legislature were to come back and go after the Vehicle License Fee for the following years, we would be back with a whole new concept and budget for the Council to consider. Regarding Public Library Funds (PLF), the State is proposing practically the elimination of the PLF funds. Last year they reduced the PLF funds to the library some \$105,000. The total for 2 years (not shown) is the reduction is about \$250,000. State mandated reimbursements for meetings and booking fees—the loss to our budget is \$100,000 per year. The booking fees were not included in the budget previously because we thought it was an "at risk" funding source so we do not show that as a reduction; however, those funds will be lost and will not be coming back. The Redevelopment Agency is going to have a property tax shift which will reduce our discretionary fund in Redevelopment by \$500,000 per year; that is most of our discretionary funding beyond the commitment to debt service and operations.

Regarding Transportation Capital Fund – For the parking garage, the funding has been put on hold by the State; we are still optimistic that we will get it but he does not think that we will receive it in the time frame that it is necessary to fund the Parking Garage and we would be looking to loan money from our General Fund reserve to go ahead and complete that construction or the funds could be borrowed out of Redevelopment. Regarding Street Reconstruction -- they are proposing to take an additional \$400,000 per year out of our Gas Tax Funds for street reconstruction.

He presented a summary of the budget modifications. The base budget is \$81,100,000. Some changes to the projections -- we will increase the revenue projections by \$536,000. The State is taking \$100,000 away which will revise the revenue projections for 2003/04 (to \$81,536,000). We balance that against the expenditures, same as the revenues -- \$81,100,000 for next year. The general reductions will be determined; however, all that we can quantify right now is \$30,000 (general reductions). We have quantified about \$2,000,000 in departmental reductions, another \$281,000 in internal service reductions. We have unfunded liabilities (\$1,100,000 for 03/04 and \$5,279,000 for 04/05)--those are the extra costs that have been shown for the river maintenance, the Senior Center operation, the radio system and the extra cost for retirement benefits. The total revised budget is \$79,868,000 (03/04), which will actually create a surplus of what will be recommended next year of over \$1,500,000. However, if projected out for the following year, it shows up as a \$1,900,000 deficit primarily because of the PERS costs; we are getting \$4,500,000 loaded on to us in the second year.

DEPUTY MAYOR SANCHEZ asked that in terms of the fiscal year 2004/2005 and projected revenue streams, has the projected streams from the Quarry Creek Shopping Center, IDEC and other new industrial park businesses been included?

MRS. SWINDELL responded that we look at historical trends over an extended period of time. We have not isolated project-by-project because we have had projects in the past that are part of the overall increases that we have seen in the past. Most of the projects that are currently on line won't have an impact until several years out. As we get closer to that point when we are doing the next 2-year budget cycle we can try to isolate some of those but this is based on overall trends that we have seen over the past several years and based on what we know about the economic conditions that we are facing over the next several years.

CITY MANAGER JEPSEN indicated that Deputy Mayor Sanchez raised a good point. The Council has done a good job of focusing on economic development in the community and as a result, the City is in a favorable position in relationship to a lot of other communities in San Diego County and most of the communities in California. One of the areas where we have done well is in growth and sales tax revenues. He would expect that

to continue and Quarry Creek would enhance that. It could help close the gap for the second year depending on when it comes on line as will several other projects that are in the pipeline that Council has been working on. We will be watching that closely because we do not want to have to reduce any services unless it is absolutely necessary.

DEPUTY MAYOR SANCHEZ stated she was addressing items such as the new Senior Center and other things; that reserves are one-time expenditures and then we would not be able to fund anything after that. For example, our contracts are coming up with the employees but there are other revenue sources that are coming in and that is something that we can look at.

CITY MANAGER JEPSEN did not want people to confuse the reserves with our ability to meet funding needs for the bargaining units. The reserves are there primarily for capital expenditure opportunities such as building a facility. Again, once we use those, they are gone unless there is a year when the revenues are appreciably greater than expenditures. Otherwise, there is no way to replenish those.

COUNCILMEMBER FELLER referenced IDEC and that his recollection is that they won't be in production probably until 2005 in the small building and 3 years after that for the rest. Does that mean that property tax would be the primary benefit that the City would get from IDEC in the next few years.

CITY MANAGER JEPSEN responded that the direct benefit would be primarily property tax from IDEC; however, the fact that there are several hundred high-paying jobs should provide some spin-off in terms of the increased capacity for people to buy consumer goods in our community and that will be reflected indirectly in the tax base. He did not know what that would be.

The proposed General Fund modifications are things that we have been hanging on to for some time; they are:

1. Continue City Manager authorization for overnight and out-of-City travel.
2. Continue selective filling of non-essential vacancies.
3. Reduce part-time benefited positions to half time or less (through attrition).
4. Place all capital budgets on hold pending review. These are the capital line items, not the projects that Council previously approved although there is one that needs to be brought back to Council to move forward and that is the Gateway enhancements in front of Oceanside High School.
5. Review facility rental fees for cost recovery. This is relatively minor but we have not been recovering all of the costs for renting public facilities.

Regarding the General Fund modifications Department by Department (using computer slides with some dollar amounts):

Public Works - recommendations would include offsetting the General Fund contributions to transportation related issues with Gas Tax money in the second year (\$100,000). Review residential street-tree maintenance--this is a contract where we spend about \$350,000 per year maintaining trees in the public right of way, some require a higher level of attention than others. Consolidating summer work programs with Harbor/Beaches is relatively minor. The major cost savings that will be seen all the way through these modifications are holding positions open. What we are talking about is leaving positions in the budget but not funding them on all departments. For Public Works these include Administrative Analyst, Administrative Secretary, Senior Transportation Engineer and 2 Public Works Lead Inspectors.

Building Department -- services will be pegged/ set at what is necessary to support the level of activity. We will be watching closely the Building Department revenues which are down 16% although the service demands remain high. He thinks that there has been a shift in the types of building permits that are coming in, although it does seem as if there is a never-ending supply of new houses being built in Oceanside.

Economic/Redevelopment – reduction in broker events. One of the things that need to be reviewed is a reduction in contract services with North County Convention/Visitor Bureau. They have indicated that they are going to provide justification for continuing them at some level based on the services that they provide to the City. He will be interested in seeing what increment of increased business and tax revenues the City gets as a result of the services provided by this organization that is over and above what we would have been achieved without them. He will probably bring that back on the 18th.

Planning -- there have been 2 positions vacant for over 2 years and we are recommending that they be held open.

Fire Department and Police Department -- have had a hold placed on a position as a tickler to the Fire and Police Chiefs that there is an expectation that they will prioritize within their department and come back with some level of recommendation within the administrative services for reduction in their budget. In the Fire Department that is equivalent to a Battalion Chief position.

Police Department -- review the custody transport--those costs have been escalating; it may be time to bring that function back in-house. Civilianize administrative functions, which is the coordination where we may have duplicate functions within the City and then look at the long-term implication of actually having that civilianized. Shift contingency funds to the City Manager control; they actually have \$71,000+ in contingency funds and he is recommending that half - \$36,000 be shifted over-- it shows as a savings because if it is shifted to the City Manager's office it won't be spent. Upon retirement a Lieutenant's position will be a tickler notice with the expectation that there will be a reduction in management ranks or administrative services. We have already implemented the change in the Communications Manager by prior Council action.

Harbor and Beaches -- have converted 5 part-time benefited part-time sergeants to 3 full time sergeants, are consolidating the summer work program with Public Works; reducing part-time lifeguard hours with a focus on peak time of day (TOD)/days of week, especially with special events. The positions on hold include a part-time clerical that has never been filled and a Lifeguard Lieutenant.

COUNCILMEMBER FELLER said that he noticed that the dollar amount goes up for most of the positions in 2004/2005.

CITY MANAGER JEPSEN responded that it does. There is a 4% increase built into the budget that normally occurs through the bargaining unit agreements; in some cases it is higher for Police and Fire. In addition, there are some positions that we are targeting in the 04/05 budget that are not recognized in the 2003/2004 budget. There would be about \$400,000 or \$500,000 in savings in 04/05.

COUNCILMEMBER FELLER questioned why there was no dollar increase in the Harbor and Beaches conversion of five part-time benefited sergeants to three fulltime.

CITY MANAGER JEPSEN responded that it looked as if there was a mistake and it should be \$52,000 and that it would be corrected.

Parks & Recreation Department -- they will outsource the management of the Sunshine Brooks Theater by finding a production company that has a great deal of experience and backing; reduce General Fund support to special events--this will be seen again in the City Council budget; consolidate the after school programs from the schools to the Recreation Centers which is a big thing-- we were short \$98,000 of being able to continue the after school program at the level that was enjoyed last year. That combined with the fact that the transportation was eliminated from the school district budget, there was no way to get the children home after the after school care so it are recommending a consolidation of these programs into the Recreation Centers which will actually save the City \$73,000 instead of having to look for an additional \$98,000 to fund that program. It had been a good program for the City; it would be a shame to cut it back. This is the best we can do given the circumstances between the schools and the City. Look for a private

sponsor/operator for the downtown Skate Park--it costs \$65,000 per year to operate the Skate Park and there are people that are interested in operating it. Two positions that are being left vacant are an Aquatics Specialist and a ¾ time Sports Recreation Specialist. The total for Parks and Recreation is \$244,000 for 03/04 and \$247,000 for 04/05.

Library -- The computer slide does not tell the whole picture but the first 3 items--the combination equals the \$143,000 that the State is cutting back on funding to the library [items a. reduce computer operation to 6 days per week; b. reduce support/reference services, and c. reduce purchase of books and materials are being cut to make up that difference]. On those reductions, that money will be converted to offset the \$143,000 in State funding loss. In addition to that, the library also lost \$105,000 last year. Their total reduction is the \$248,000 for the current year in funds and the \$105,000 that was lost last year needs to be added to that. They will be down about \$350,000.

Housing/Code Enforcement -- reduce the hours and management time at resource centers and consolidate services at the new Libby Lake Center. This has the potential of saving \$40,000 per year, although it will limit access in some of the resource centers. Also hold vacant 2 Code Enforcement Officers positions that are currently vacant.

City Manager -- eliminate the state lobby contract, which is a \$40,000 contract, half of that is General Fund money. The positions that will be left vacant are the Deputy City Manager, one Administrative Secretary, and the entire Public Information Officer but half of that is funded under the Water budget.

City Attorney -- leaving vacant an Administrative Secretary position and an Attorney's position --which would hold as long as Council leaves the City Attorney's position filled as it currently is. Should the City Attorney's position be filled, then everything would bump back and the vacancy would no longer exist.

City Council -- has \$80,000 in special events money and it is recommended that be reduced by 25% back to \$60,000; and recommending elimination of support to the Sister City events in the second year of the budget, which would be \$6,000.

City Clerk -- reduce contract services by \$20,000 and hold open an Administrative Analyst position that is projected for retirement later in the Fall.

City Treasurer -- reduce contract services by \$15,000, the first year and \$25,000 the second, with the ultimate goal to get that down to a retainer contract.

Financial Services -- by consolidating accounting functions that seem to be in several departments, we can save at least half a position but probably not until 04/05; eliminate the retainer for the financial advisor and eliminate, not just hold open, the ASD Director position with that pending retirement.

Personnel -- reduce contract services by \$20,000 per year although he does feel that the City needs to maintain the emphasis on training, especially when there are cut backs. Regarding positions, the Personnel Manager is in an interim and acting capacity, the same as the City Attorney. If someone other than who is currently in it fills that position, people bump back and the savings would no longer exist. Hold open the Administrative Secretary position that has been vacant.

The total departmental adjustments are \$2,281,000 (03/04; \$2,473,000 for 04/05), we have taken out the non-general fund portion making the total adjustments \$2,021,000 for the next fiscal year and approaching \$2,473,000 for 04/05.

Next are Internal Services which are separated because they are not all General Fund supported; they are about 75% General Fund supported.

Information Technologies -- reductions total about \$170,000 per year.

Fleet -- eliminate some under-utilized vehicles. There seems to be a need for

under-utilized vehicles that he never knew existed. Hold open a Mechanics position and Fleet Manager--the position has been vacant for a couple of years so there have been savings realized from Fleet.

Building Maintenance -- review the security contract at the Civic Center but we will need to be very careful because he understood that a vehicle was broken into last evening during an evening meeting so we want to make sure that everything possible is done to ensure security at the Civic Center. Consolidate building maintenance/crafts and are hoping to implement that during 04/05.

The total Internal Services adjustments are \$375,000 for 03/04 and \$433,000 for 04/05 [General Fund impact \$281,000 -- 03/04 and \$325,000 -- 04/05].

A summary of the total savings with the General Fund reductions: General reductions [\$30,000 03-04/\$70,000 04-05]; Departmental Services [\$2,021,000/\$2,473,000]; and Internal Services General Fund adjustment [\$281,000/\$325,000] for a total next year of \$2,332,000 and \$2,868,000 for 2004/05, which substantially closes the gap, but not quite.

Enterprise Funds

Water Utilities -- recommending some additional positions be left vacant since they have been able to get along without. We'll see how that goes over the next year; it may have some affect on their rates.

Municipal Airport -- Council had previously directed staff to increase the rents at the Airport to offset staffing costs on a full time basis and that should be coming back in the near future.

There are some additional items that he would like to go through that are included in the budget consideration for June 18th.

Harbor Rates were last changed in 1991. The recommendations for rate changes in the Harbor are based on a benchmark of other harbors in Southern California. Our slip occupancy is 100% and stable; there are about 300 people on a waiting list. About 1/3 of the people in the Harbor are actually Oceanside residents; the other 2/3rds are outside the City. The average increase projected is 10%. We are also recommending that the rates be kept current by including an automatic CPI adjustment every 2 years starting in January of 2006. This will raise an additional \$275,000 a year in revenue. The revenue is required to be dedicated back to the Harbor or tidelands by State law so that money will go back to enhance and pay for the operating costs for the beach front and the harbor area.

COUNCILMEMBER FELLER stated that since 1991 his house payments have gone up at least 100%. Is a 10% increase adequate?

CITY MANAGER JEPSEN indicated that the Council had some discretion and staff could come back with additional detail. The benchmarking study that was done based this rate increase at the average comparable market rate for other harbors in Southern California. It seemed reasonable but he does think there is a point where we could charge what San Diego charges, which is at the high end of the Southern California market. People would probably pay it with awaiting list of 300. The Harbor serves a lot of interests beyond those people that have boats; this seemed pretty reasonable to him but if Council wanted to look at increasing it further, we could certainly do that.

COUNCILMEMBER CHAVEZ stated that he would like to see those numbers and benchmark across the California coast. He feels that 10% is easy and thinks that it should be increased at a higher rate. He supports Councilmember Feller's thoughts.

CITY MANAGER JEPSEN responded that it would be brought to Council by the end of the week under separate cover.

Solid Waste Rates -- were last changed in 1992. The Council established a rate stabilization Fund in 1995/1996. That fund that was holding off rate increases in now depleted. The fund will have a \$600,000 deficit next year without an adjustment. Staff is recommending that an adjustment be provided for only the Waste Management portion of the contract. According to their contract, Waste Management (WM) is afforded a cost of living adjustment that is tied to the Consumer Price Index (CPI) in San Diego on an annual basis. The Rate Stabilization Fund has absorbed that to the point where that fund is now depleted. If that is not passed through on a regular basis, there will be a point quickly where we will have to do a rate increase that is disproportionate to what is going on with the economy. The proposed rate adjustment for next year is 3.5%, which seems fairly reasonable. Any adjustment to the City services portion of the contract would have to come back to Council for consideration. There is none being proposed for next year; there are actually some reductions in cost there. The contract for WM is benchmarked to the lowest 3 rates in San Diego County every 5 years. They have 2 years left in their contract at which time Council can review their contract at any point in time desired or it can be allowed to continue on the benchmarking program. There are some issues that will need to be dealt with in the future with regard to WM but we are recommending that the Council adopt an annual CPI adjustment that is tied to the CPI in San Diego County and this year it is 3.5%.

Business License Tax Credit -- in 1998 the Council did a reduction in the business license. The goal was to spur additional business which has not proven successful. In addition to that, the administrative fees to cover 2 of the 4 categories are not sufficient to cover the cost of actually processing the license. So we have some recommendations for Council in that regard. He referred to a computer slide stating that the first column is what the costs are currently, Category I [\$25 with or without tax credit] are some smaller business interest, Category II is \$100--the reason that that is higher is because those are the high enforcement businesses, adult businesses, bars, etc. Category III is where most businesses in town fall [\$60 with credit; \$75 without] and Category IV is home businesses [\$35 with or without].

Under Category III with the restoration--without credit this changes from \$60.00 to \$75.00 and the tax per \$1,000 gross goes from \$0.40 back to \$0.50. This is the restoration of what it was in 1998. This is automatically set to sunset July 1, 2003. The last column is a recommendation by staff that the fees be increased for Category I [to \$50] and Category IV [to \$50] so that there is cost recovery. That is the only change being recommended beyond the restoration to what it was in 1998.

If Council does not like staff's recommendations which is the full restoration on January 1, 2004, there is an alternative that would restore 50% of that this fiscal year and 50% next fiscal year. The Economic Development Commission is recommending, although there was a split vote, that there be a flat administrative fee of \$75.00 and the gross would remain \$.40 that we wait and look for any additional adjustments based on gross receipts until January 1, 2005, he does not agree with their recommendation. He highly recommends proceeding with the automatic restoration of the fees back to 1998 and add the \$50.00 to the two categories for cost recovery. If the Council doesn't agree with that, he would recommend that it be phased in over the next 2 years. Those do need to be restored; they are not doing what was anticipated.

COUNCILMEMBER CHAVEZ stated that in the hand out he noticed that the Economic Development Commission recommended that gross receipts be reviewed. He sat in on that meeting and what is not represented are the category IV's that are not paying anything for the \$1,000 gross tax; there were some comments that if there was a better review process, we could find significant funds for the City. He wanted to highlight that.

CITY MANAGER JEPSEN responded that Category IV are the home businesses and while we can spend a lot of time tracking down home businesses, a lot of them do not generate a great deal of revenue. Not very many of them are large home businesses. He feels there needs to be a balance between how onerous the City is in going after these and being friendly to those who are just trying to make a few extra dollars. He is thankful that they are coming in and getting a business license. To the extent that the Code

Enforcement program finds that people are running substantive businesses, such as home repair businesses or auto repair, etc., we need to deal with that in a more effective manner. We need to find the balance. Tracking down the home businesses would be very difficult because of the numbers of them and the level of activity that they have.

Community Services Contracts -- these are the General Fund funded community service contracts. The Animal Control contract was taken off because, even though it is something that needs to be looked at on an annual basis, it is a mandated service per the State. If the City does not do it, we must hire someone to do it.

Mike Arnold is our State Lobbyist, and he previously recommended that that contract be deleted which is 50% General Fund and 50% Water supported [\$40,000].

The Ferguson Group is the national group; they have done a tremendous job of getting additional resources for the City. Every year it seems the City gets between \$2,000,000 and \$3,000,000 of special allocations from Washington D.C. and the Ferguson Group or some other group in Washington D. C. has been really effective so his suggestion would be to keep a presence there [\$451,769].

KOCT is funded both through the General Fund and the Cable Franchise at \$451,769 per year.

MainStreet – this is the third year of a five-year contract that is supposed to take them to self-sufficiency. This year they have \$100,000 and next year they are projected to go to \$80,000, which will wind its way down to 0 in 2 more years.

Welcome Center -- that contract is overseen by the Chamber of Commerce. The City provides \$164,818 a year, \$15,000 is earmarked for the North County Convention/Visitors Bureau and that is the next item, the North County Convention/Visitors Bureau is projected to be funded \$20,000 per year. This year we currently fund at \$5,000 now and it is projected to go to \$20,000 unless we reduce it. He is waiting to see the numbers that rationalize that investment.

Boys and Girls Club – have funded \$50,000 per year in lieu of providing recreational services; this is for their presence at Libby Lake and Club 55, and his personal feeling is that this is money well spent.

Discretionary funding -- things that the Council might want to consider to help close the gap in the second year is we still have \$875,000 in General Fund contributions to the *Community Facilities* Fund which is a capital improvement fund. It includes \$100,000 in deferred maintenance for parks, \$100,000 deferred maintenance for buildings, \$450,000 a year for fire apparatus replacement, and \$250,000+ per year for gateway and landscaping enhancements. A *non-public safety employee costs* -- as was shown in the assumptions that were built into the budget -- there is 4% per year built in to the next year and the year after that for employee pay increases and benefit increases, so that is built into the budget but there is some discretion there with regard to closing the gap. However, some of the costs actually exceed what was built into the budget for prior years, the contracts in Police and Fire in particular, are over and above what was budgeted based on the Memorandum of Understandings (MOU's) that the City has with those organizations. Those are probably going to be 5% for public safety for pay increases and then the retirement on top of that. The *Enterprise Fund Interest rates* will be 100% restored in 04/05. Water interest has been an issue for some time with the Council and the same in the Sewer Fund. A lot of cities use these funds as part of their portfolio revenue--all interest rates accrue back to their General Fund. The Oceanside Council has decided to have those interest rates accrue back to the funds from which the interest was derived. He does think it is important as the fund balances continue to increase in water and sewer that we are diligent about making sure that those fund balances are adequate to cover the costs in future years for capital enhancements to the infrastructure but they are not exorbitant. He feels that we are reaching the point where the cumulated reserve funds in water and sewer need to be scrutinized carefully on an annual basis. That discretion is available if there are difficult economic times to go ahead and have that money accrued to the General

Fund.

Other Budget Considerations --We are working to consolidate duplicitous functions. We are starting with accounting functions. We still have to consider consolidation of departments. However, if there isn't an opportunity to save money by eliminating positions, a lot of times it is not a benefit to consolidate departments since it just ends up with another level of management by doing that. We have a broad flat organization-- there are 15 or 16 departments, which is unusual for a City our size. One of the things that he would like the Council to consider looking at is the consolidation of Council Advisory Groups. There are a number of City Council Advisory Groups. As the City cuts back on services, a lot of these advisory groups have disparate service levels where there is dedicated staff. He felt that they needed to find a way that they are all treated equally across the board, that they receive the same level of support that is adequate but on the other hand he feels that there are advisory groups that currently are out looking for things to do. He felt that there could be some consolidations.

COUNCILMEMBER FELLER inquired about the statement that the City was unusual because it had 15-16 departments.

CITY MANAGER JEPSEN reported that the City was unusual from a benchmarking standpoint. There are very few cities the size of Oceanside that have 16 departments. There is normally a consolidation of development services/economic development functions under one department. There would possibly be a consolidation of Community Services under one department such as Library, Recreation, and Housing. Development Services/Economic Development could include Redevelopment, Building, Planning -- those types of functions tend to get consolidated but what happens is that generally there has to be somebody that is in charge of those functions. Oceanside has flattened out the organization; it creates a little more work on the Manager's office and there are times when the individual departments don't get the attention that they should get. It has not been a problem so far; the Department Directors do a pretty good job so he does not think that there would be a tremendous opportunity to save money through consolidation unless duplication of services is found in the various departments that could be consolidated such as accounting functions or personnel functions; each department seems to need an Analyst, an Administrative Secretary, etc. Some of those things may be benefits through consolidation.

COUNCILMEMBER FELLER asked if that had not already been tried with Parks and Recreation and Library recently.

CITY MANAGER JEPSEN responded affirmatively. We did try that with P & R and Library and Housing, although we did not have a department head in charge. The three were consolidated under a deputy city manager that is no longer here. So they stand alone as departments at this time and you are starting to see some of the problems that you get into in consolidation. Someone still needs to be in charge of the individual functions and then you have to have an overall umbrella. It is not easy.

COUNCILMEMBER CHAVEZ stated that what he would like to see is to continue to flatten the organization out, not build a hierarchy, to continually look at the processes and technology and how money can be saved. Many corporations/businesses now do not have Secretaries any more because of e-mail and technology. He would like the City to continue to go that way with a flat organization, using technology, focusing on the processes; having metrics or expectations is probably a more efficient way to run the City. He hopes that we continue on that. He feels that is the way that there can be savings. The City Manager and staff has done a great job of putting this together and we are close to making the numbers.

COUNCILMEMBER WOOD stated that a couple of points that had been brought up at the last Budget Workshop were things such as the City provides services to the citizens. The labor organizations are certainly a part of that and they make the City what it is. Since most of the labor organizations are in the audience, he has been asked the question over again -- there is \$173,000,000 plus in investments. The interest from that is

high; is that calculated into the budget.

MRS. SWINDELL responded yes, the interest is included in the General Fund and those funds such as Water and Sewer that get interest off of the portfolios so the \$170,000,000 is a cash balance that is invested and the balance varies from month to month but the interest that is accrued from that does get budgeted as an ongoing revenue source so that is already included in the projections.

COUNCILMEMBER WOOD stated that some of the departments have taken hits year after year; as a prime example, the Library. He was concerned that we hadn't seen some of the figures for Police and Fire. We all agree that public safety was a priority, first responders in particular, but there may be some extra fat and he felt that was why some of the labor organizations were there, for some sort of feedback at some point for departments where cuts may or may not be made. That was an issue that he wanted to bring up so that departments such as the Library do not get hit and cut year after year. He realized that was something that was going to be looked into at a later date and it was mentioned that those were going to be reviewed later for individual issues or cuts. There are some pending positions that will be going away which adds to the money that will be coming toward the City for the future years. He asked if that was something that was going to be reviewed by the City Manager/ staff or by Police and Fire; again, he is not trying to touch public safety in any way or first responders but some of the things such as vehicles, etc.

CITY MANAGER JEPSEN responded that we do need to be diligent for the second year of what is showing on the budget for 04/05. As much work as we have done we are still \$2,000,000 short of meeting our projections for balancing our budget 2 years out. There is a lot of work that needs to be done over this next year. He is hopeful that the revenue picture that was presented by Mrs. Swindell will be as good as was projected and he is hoping that this is an economic slump and things will dramatically improve over the next 2 or 3 years and that there won't be something else that happens to the State or Nationally that changes the picture for us. He does believe that public safety, while it is a priority, is going to have to find a way to contribute to closing that gap. We will be working with them diligently to make sure that they are paying something in relationship to closing that gap; however, it is important that keeping uniforms on the street is very important in both police and fire which only leaves us with equipment and admin and management costs to look at. Those are the areas that will be examined in further detail.

MAYOR JOHNSON noted that each month, as they have for a number of years, Council receives monthly reports from the Treasurer's office informing them in great detail of how much we have coming in, interest wise, from the investments. That information is available to the public and all city employees.

Public Input

LARRY BARRY, 3973 Brown Street, said he had anticipated that the budget would be a lot worse than it was. He sees changes in the economy and he sees that trends are starting with Mr. Greenspan's influence and other things in the area. Oceanside is looking good. About 2 months ago the Los Angeles Times had a big write up on Oceanside and

what a nice place it is and that it was a good place to visit. Some of his customers in Los Angeles have made plans to come visit. Things are looking good.

He lives in one of the older neighborhoods -- over 25 years old. There are about 16 homes in the general area and about 4 of the people have moved from Oceanside to Temecula Valley because there are newer homes. A lot of these people paid \$25,000 for these homes and with Prop 13 their taxes on the house were at the \$25,000 rate and they are selling for over \$300,000. He is hoping that this will help the City in revenues and property taxes

He hopes in P & R there will be some sort of trigger. In the monthly meeting for the Recreation Federation he talked with staff and there is a real concern about morale and

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a lot of the staff has been taken from full time to part time employees. He would hope that the Council could assure them there would be a trigger where they could be rehired and get their benefits back so that they can weather the storm. Park and Recreation is the first to be cut and usually the last to be put back on the agenda, so he will be watching and hopes that the Council will be doing the same.

ADJOURNMENT

MAYOR JOHNSON adjourned this workshop at 11:16 am, June 4, 2003. [The next regularly scheduled meeting is at 2:00 pm today.]

ACCEPTED BY COUNCIL:

Barbara Riegel Wayne
City Clerk, City of Oceanside



California

CITY OF OCEANSIDE

JOINT MINUTES OF THE:

CITY COUNCIL SMALL CRAFT HARBOR DISTRICT BOARD OF DIRECTORS COMMUNITY DEVELOPMENT COMMISSION

OCTOBER 20, 2004

REGULAR MEETING 4:00 PM COUNCIL CHAMBERS

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

Mayor
HDB President
CDC Chair
Terry Johnson

Deputy Mayor
HDB Vice President
CDC Vice Chair
Rocky Chavez

Councilmembers
HDB Directors
CDC Commissioners
Jack Feller
Esther Sanchez
Jim Wood

City Clerk
HDB Secretary
CDC Secretary
Barbara Riegel Wayne

Treasurer
Rosemary Jones

City Manager
HDB Chief Executive Officer
CDC Executive Director
Steven Jepsen

City Attorney
HDB General Counsel
CDC General Counsel
Anita Willis

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

The regular and joint meeting of the Oceanside City Council (Council), Small Craft Harbor District Board of Directors (HDB) and Community Development Commission (CDC) was called to order at 4:00 PM, October 20, 2004.

ROLL CALL

Present were Mayor Johnson, Deputy Mayor Chavez, Councilmember Feller and Councilmember Wood. Councilmember Sanchez was absent. Also present were City Clerk Wayne, City Manager Jepsen and City Attorney Willis.

COUNCIL, HDB AND CDC CLOSED SESSION ITEMS

CITY ATTORNEY WILLIS titled the following agenda items to be heard in closed session: 2B, 3A(1) and 3A(2). Closed Session was not required for Items 1A, 2A, and 4A(1). Closed Session and recess were held from 4:01 – 5:00 PM. [See the report out on these items at 5:00 PM, Item 5.]

NOT OFFICIAL
UNTIL APPROVED AT SUBSEQUENT
MEETING BY CITY COUNCIL

5:00 PM - INVOCATION

The meeting was reconvened at 5:01 pm. The Invocation was given by Reverend Gerald Johnson. The Pledge of Allegiance was led by Deputy Mayor Chavez. All Councilmembers were present. Also present were City Clerk Wayne, City Treasurer Jones, City Manager Jepsen and City Attorney Willis.

PROCLAMATIONS AND PRESENTATIONS

The following presentations were made:

Off agenda - Welcome to Webelow's Troop Den 789 – certificates were presented.

Proclamation – Housing and Community Development Day in Oceanside – October 23, 2004 – video and proclamation presented

Presentation by SANDAG Executive Director Gary Gallegos – brief presentation made on behalf of San Diegans for Congestion Relief.

Presentation – Employee Service Awards

20 years of service:

[absent – Marty LaPorta, City Attorney]

[absent – Joe Spurgeon, Harbor]

Sondra Olenho - Harbor

Leonard Mata, Police

Manual Chavez, Public Works

25 years of service:

Lonnie Thibodeaux

30 years of service:

[absent - Dan Foche, Fire]

35 years of service:

Jerry Sanderson, Water

Off-Agenda - El Camino High School gifted music students and event – No one was present at this time. This item was held later in the meeting.

Presentations were made.

CLOSED SESSION REPORT

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

CITY ATTORNEY WILLIS gave the following report on items previously discussed in Closed Session:

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

- A) **CONFERENCE WITH LABOR NEGOTIATOR** – Negotiator: City Manager; employee organizations: Oceanside Police Officers' Association (OPOA), Oceanside Firefighters' Association (OFA), Oceanside Police Management Association (OPMA), Management Employees of the City of Oceanside (MECO), Oceanside City Employees' Association (OCEA), Oceanside Fire Management Association (OFMA) and Unrepresented]

No closed session was held on this item.

2. **CONFERENCE WITH REAL ESTATE NEGOTIATOR ON TRANSACTIONS PREVIOUSLY AUTHORIZED IN OPEN SESSION (SECTION 54956.8)**

- [A) **CONFERENCE WITH REAL PROPERTY NEGOTIATOR** – Property: Property bounded by Pacific Street, Myers Street, Seagaze Drive and Civic Center Drive (APN 147-261-01 through 12; 147-076-1,2,3,10,11,12); Negotiating Parties: Community Development Commission and Pacifica Companies, Faulkner USA, SDC, SD Malkin Properties; Negotiator for the City: Jane McVey, Economic Development and Redevelopment Director; under Negotiations: Price and Terms]

No closed session was held on this item.

- B) **CONFERENCE WITH REAL PROPERTY NEGOTIATOR** – Property: Excess Street Right-of-Way east of I-5 at terminus of Neptune Way; Project: Harbor View (T-10-02); Negotiating parties: City of Oceanside and Greystone Homes; Negotiator for the City: William F. Marquis, Senior Property Agent; under negotiation: Terms and Price

Direction was provided to staff.

3. **PUBLIC EMPLOYEE APPOINTMENT, PUBLIC EMPLOYMENT, PERSONNEL EVALUATION AND DISCIPLINE (SECTION 54957)**

- A) **PUBLIC EMPLOYEE PERFORMANCE EVALUATION**
1. City Attorney
In closed session, Council voted 3-2, with Councilmembers Sanchez and Wood voting no, to approve a new contract for the City Attorney with a \$5,000 salary increase and an 18-month severance package.
 2. City Manager
In closed session, Council voted 3-2, with Councilmembers Sanchez and Wood voting no, to approve a new contract with the City Manager with a \$5,000 salary increase and an 18-month severance package.

[4. **LITIGATION OR OTHER ADVERSARY PROCEEDING (E.G., ADMINISTRATIVE HEARING, ARBITRATION) (SECTION 54956.9)**

- A) **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
1. Significant exposure to litigation pursuant to Subdivision (b) of Section 54956.9: One case]

No closed session was held on this item.

PUBLIC COMMUNICATIONS ON OFF-AGENDA ITEMS

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

6. **Advance written request to reserve time to speak:**

- A) Request by Bradley A. Haywood to speak regarding Municipal Code Sec. 13.7 (Unlawful placement of undiscarded recyclable material for pick-up)

BRADLEY A. HAYWOOD, P.O. Box 1151, has heard from various people that mostly homeless are going through trash, which is City property, retrieving the recyclables. He agrees with recycling; however, if the City is going to recycle, they will

have to do it responsibly without leaving trash laying around the beach for the seagulls to get and the wind to blow around and then pay somebody to pick it back up. The ordinance is already in place, stating that recyclables are not to be salvaged. It is time that the City enforces the ordinance for the simple fact that these people are stealing grocery carts to haul the stolen recyclables. In turn, the grocery stores replace the carts, which in turn the people pay for because the stores raise their prices. At the same time while most of these people are collecting county, city and state financial help, they are not declaring this recyclable income. This summer he has seen people with big pick-up loads of recyclables 2 or 3 times a week. This income, if declared, would definitely disqualify these people from receiving public aid. In addition, this unreported income is not being taxed.

- B) Request by Charles Rosenberg to speak regarding the parking of travel trailers on private property

CHARLES ROSENBERG, 5727 Shetland Court, handed out documents and stated that on November 12, 2003, he wrote a letter to the Mayor/Council, and the City Attorney responded. He wrote to the Mayor again on October 12th with no answer. Mr. Rosenberg's travel trailer is parked in the street, instead of beside his home, as allowed by the Covenants, Conditions, and Restrictions (CC&Rs). Nobody is happy with the situation, including himself. Mr. Manley and he drove throughout the neighborhood a few days ago and found almost 30 violations. Mr. Manley thought 18 of them were flagrant. But, by the Planning Department's interpretation, almost all were flagrant. Their disagreement is whether the setback is different for paved surfaces or not. Mr. Rosenberg does not understand the rationale for motor homes and travel trailers to be treated differently. Why it is illegal to park a pick-up in the garage and the camper shell in the driveway but OK to park the connected unit in the driveway. There are at least 60 neighbors that are not complaining, and he seems to be living next to the only person in the neighborhood that is complaining. This is unfair, especially when his neighbor signed the CC&Rs. If the problem were looked at from a community standard point of view, it would be considered that he is being treated unfairly. He cannot find another City that uses fixed structure setbacks for movable structures. He received a permit to put a travel trailer electrical outlet on the side of his house. The conduit installation and the final permit were approved. That means that 3 people approved an installation that cannot be used. The Good Sam RV Club has a manual showing 8 California cities with ordinances to better accommodate RV's. Using this manual, an ordinance could be written in 1 day to satisfy most people.

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

THOMAS J. DEMPSEY, 3641 Esplanade Street, spoke about the Esplanade Street disposition and discrimination. He expressed frustration that a Council block is delaying opening of the Esplanade Street and College Boulevard pedestrian access.

CAROLYN KRAMMER, 904 Leonard Avenue, gave her opinions on political issues. As chairperson of the Citizen's for the Preservation of Parks and Beaches (CPPB) Political Action Committee, the CPPB will support Jim Wood for Mayor, Shari Mackin (co-founder of the CPPB) for Council and the reelection of Esther Sanchez.

ED DE VALL, 2015 South Nevada, explained why he will not vote to re-elect the Mayor.

ZEB NAVARRO, 1316 Buena Street, read a letter from June Kristapovich stating she will not support the Mayor's re-election; and will vote November 2 for Jim Wood for Mayor and Esther Sanchez and Shari Mackin for City Council.

KEITH McKAY, P.O. Box 356, stated he is one of the Mayor's solid supporters. He is the CEO of Associated Enterprises, a worldwide corporation dedicated to world peace with 16 subsidiary corporations. His company is developing a new system that needs to be tested and has chosen to donate to the City of Oceanside 2 police cars, the people to drive them, the computer systems needed in them and a computer server to serve them. He presented the design, including voice commands and cameras inside and outside the car. He will talk to staff about scheduling an agenda item for this issue. He wished Mayor Johnson well with his reelection bid.

The Mayor determined to consider the following item at this time.

PROCLAMATIONS AND PRESENTATIONS (continued)

Off agenda - El Camino High School gifted music students and event - MARK LAWRY, Music Teacher at El Camino High School introduced Tina Wu and Christina Jasenth, his 2 gifted students who are planning on attending major music conservatories. The Booster Club is sponsoring the Chamber Music Gala at the El Camino Country Club on January 22, 2004 featuring these 2 students. Ms. Wu provided a music piece.

The Mayor determined to hear one more speaker under Public Communications, hear the time certain items and then return to Public Communication to hear the remaining speakers.

PUBLIC COMMUNICATIONS ON OFF-AGENDA ITEMS (continued)

7. Communications from the public regarding items not on this agenda (continued)

KEN LEIGHTON, 1109 South Nevada Street, explained why he will not support the Mayor in his re-election bid.

6:00 PM - PUBLIC HEARING ITEMS [Items 22 - 25]

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

22. **City Council: Consideration of a resolution approving a General Plan Amendment (GPA-3-04) to reclassify Rancho Del Oro Drive from a six-lane arterial to a four-lane arterial between Oceanside Boulevard and Vista Way in the Circulation Element of the General Plan – Circulation Element–Rancho Del Oro Drive – Applicant: City of Oceanside Transportation Division**

MAYOR JOHNSON asked for any disclosures or constituent contacts. **COUNCILMEMBER SANCHEZ** reported speaking with 15-20 members of the Rancho del Oro Hills community and staff. **COUNCILMEMBER FELLER** spoke to a community member and staff. **MAYOR JOHNSON** spoke to a few community members and staff. **DEPUTY MAYOR CHAVEZ** and **COUNCILMEMBER WOOD** had contact with the public and staff.

CITY CLERK WAYNE reported receiving no correspondences.

FRANK WATANABE, Transportation Manager, explained the project is the reduction of Rancho del Oro Drive from 6 lanes to 4 lanes. This item was brought to Council in January; Council directed staff to proceed with a General Plan Amendment; and staff took it to the Planning Commission and gave the same presentation as is being given at this Council meeting.

Staff looked at all of the north/south corridors: El Camino Real, College Boulevard and Rancho del Oro Drive to make sure that the reduction from 6 to 4 lanes on Rancho del Oro Drive does not place any impacts within the adjacent north/south

corridors. In the 1995 Circulation Element, Rancho del Oro Drive is identified as a 6 lane prime arterial. The word "major" is coming out the arterial terms. In the process that staff is going through now, they have 3 classifications: secondary, primary and arterial roadway. Also within the 1995 Circulation Element is the Rancho del Oro Drive Interchange. This project is the link between Oceanside Boulevard to Vista Way. Staff recommends the reduction from 6 lanes to 4 lanes as well as the deletion of the extension of Rancho del Oro Drive south of Highway 78.

Regarding the land use and transportation, staff did the modeling effort to make sure it was valid. Staff looked at the 1995 Circulation Element and they had some changes in the land use. Since 1995 to the present time, they have had some adjacent land use changes and downgrades that changed the intensity of the land use and decreases the traffic volume within the Rancho del Oro Drive, as well as within the adjacent College Boulevard and El Camino Real corridors. That leads to the 'no connection' south of State Route 78 with the change in land use.

In the previous Circulation Element was the extension and some commercial properties in Carlsbad that generated additional 12,000 Average Daily Trips (ADTs). So, that made Rancho del Oro Drive having to stay at 6 lanes at 48,000 trips. With the change in the land use to open space now, we no longer have that connection so the volume drops to 36,000 ADTs, and that could stay as a 4 lane roadway. Based on that analysis and the impacts that do not occur within the 2 adjacent corridors, Rancho del Oro Drive could stay at 4 lanes.

Staff's recommendation is to adopt the resolution approving the General Plan Amendment to reclassify Rancho del Oro Drive from a 6 lane arterial to a 4 lane arterial between Oceanside Boulevard and Vista Way. In addition, the language deletes the extension of Rancho del Oro Drive south of State Route 78.

COUNCILMEMBER FELLER wanted to make sure that the signage was installed for Rancho del Oro Drive regarding the 10,000 pound gross vehicle weight limit.

MR. WATANABE replied that the section of Rancho del Oro Drive right now between Oceanside Boulevard and Vista Way is truck restricted to a 5 ton load limit. The last he noticed the signs were up but if the signs came down, maybe because of the weather, staff will make sure that the signs get back up. That portion of Rancho del Oro Drive is truck restricted as well as the northern portion.

COUNCILMEMBER SANCHEZ recalled that back in January when Council discussed this at a public workshop, we also talked about the extension of Marron Road, or was it into the other side of State Route 78 that we were going to take that off the Circulation Element as well.

MR. WATANABE noted that is what his last statement was. With this recommendation, staff would like to add the wording deleting the extension south of State Route 78 that was in the original City Council staff report. That is what staff is recommending as well.

MAYOR JOHNSON opened the discussion to the public.

Public Input

JIMMY KNOTT, 124 Sherri Lane, said that Rancho del Oro Drive in that whole area is really going to be confusing over the next few years because of the development with businesses that will be using that area, including IDEC, Coca Cola, etc. But, there has been no plan for how trucks and service vehicles will be routed. It is premature establishing something like this until that is developed. If not organized and no pattern is established, they are going to use it whether Council wants it, whether a sign is put up, etc. The City needs to work with the companies and have that plan in hand and

make sure it is part of the General Plan Circulation Element.

Also, if you consider the traffic load right now, it has expanded well beyond what the Interstate 5 load was when there was a reason to develop Interstate 5 for the area. So will the City have times for truck traffic, special lanes, and what about those people that are commuting to that business area to go to work? If this roadway is not being planned and this Circulation Element is not being considered, you are preempting, and it will cause confusion. He asked for organization in this.

SUSIE COKER, 2126 Sorrento Drive, was very upset. On January 21, the City Council voted unanimously to give to the citizens and specifically to the residents of Rancho del Oro Drive things that were very important. Council agreed to reduce Rancho del Oro Drive from 6 lanes to 4 lanes because the specific master plan for their neighborhood says there is not to be any more than 4 lanes. It is not the neighbors' fault that Council did not change the Circulation Element when the plan for their neighborhood was approved. This is an entirely residential area, and there has been a truck restriction on Rancho del Oro Drive since the day it was built. Council agreed to a truck restriction, that the stop signs would stay in place, the road would be 4 lanes, the word "major" would be removed from the Circulation Element, and that Rancho del Oro Drive would never go south because Carlsbad was taking it off their Circulation Element. We want these 5 points. This Council voted unanimously. The staff report from January 21, 2004 spelled out what she just said.

She is distraught that Council agreed to this on January 21, 2004 and the residents were told at that point that the City was going to update the General Plan Amendment. That General Plan Amendment came and went, and Rancho del Oro Drive was not on it again. She contacted City Manager Jepsen's Office and was told it would be in the next one. Then the residents found out that it had to go back to the Planning Commission, and they have to approve it. Now that they have approved it, it is back before Council. They had a unanimous vote from Council. We are residents and deserve Council's protection. They deserve Council's word to be accurate. The next speaker is 1 of her neighbors who has a 3-minute tape just of the highlights of the 5 points, if that is agreeable to Council.

MAYOR JOHNSON recalled that there was a process that Council agreed to go through earlier in the year. It is his understanding that Council is going through that process, and tonight Council is being asked to reaffirm that process.

MR. WATANABE responded that the Mayor is correct. In January, staff presented the issue of the reduction of the 6 lanes to 4 lanes. They had to go through the General Plan Amendment through the Planning Commission. The process took a little longer because of the modeling effort staff had to take to get the Traffic Study done. We had to have a Traffic Study and an environmental document completed. When that document was completed, we took it to the Planning Commission for the General Plan Amendment (GPA) in late fall. The Planning Commission approved the GPA, and staff is here tonight to ask for Council's approval on the GPA, which will then change the resolution for the 6 to 4 lanes, as well as deleting the extension south of State Route 78.

MAYOR JOHNSON was glad for the explanation because he thought this agenda item was for Council to reaffirm the vote from January 21st. There is a process, and that is why staff has presented this item to Council tonight.

DORIS BALSMEYER, 2080 Wedgewood Drive, presented to Council a video displaying the highlights of the January 21, 2004 Council meeting regarding this issue.

SHELLEY HAYES CARRON, residing at the Marron Adobe, requested clarification. Because of the information in the staff report, she and the residents of Rancho del Oro Drive became extremely upset. In the language in the document, they did not have the connection from Rancho del Oro Drive to Marron Road listed and removed and they did not have the truck restrictions. This is a legal document that

Council is going to vote on. She spoke with Mr. Watanabe, who did a great job in fixing this situation because they were upset that this was going to float by as written.

For the Rancho del Oro Drive Interchange, you have a Circulation document that is going to agencies, and that document assumes certain scenarios, one of them being the connection of Rancho del Oro Drive to Marron Road. Since it is being removed from the Circulation Element because of a land acquisition by the Fish and Wildlife Department and it is a highly sensitive area, it needs to be revised on the Purpose and Needs Statement and Traffic Statements that are circulating to these agencies and reviewing this document for the Interchange. She recommends that now that Council is having this item up for codification, that it is done.

MAYOR JOHNSON asked Mr. Watanabe to once again, for the public's clarification, explain the item that Council is addressing and what Council is being asked to do this evening.

MR. WATANABE reiterated that staff's recommendation is the adoption of the lane reductions on Rancho del Oro Drive from 6 to 4 lanes and then the addition of the wording that was not on the document, which is the deletion of Rancho del Oro Drive extending south of State Route 78. That is the additional wording that staff would like to add, and the City Attorney will provide the additional legal terms to make the resolution correct. That wording was not in the original document.

GEORGE MCNEIL, 2153 Anda Lucia Way, spoke in support of what Mr. Watanabe just described. He is very much in favor of this resolution. His only concern at this point is the signs regarding the truck traffic. He does not know if that is the type of thing that goes in this resolution or if it is part of the Circulation Element. He feels strongly that this type of restriction has to be maintained. This is a residential area. He walks this area and feels that truck traffic on this particular road is inappropriate. He supports this staff recommendation with the change but would like to make sure that the signs remain up stating "no truck traffic".

SCOTT MOLLOY, with the Building Industry Association (BIA), 6336 Greenwich Drive, Suite A, San Diego, and National Association of Industrial and Office Properties (NAIOP), said when they saw this item on the agenda, it initially raised some alarm with them. He drove down Rancho del Oro Drive before coming to this hearing and was surprised by what he saw along the road. Generally speaking, it would not seem to be entirely appropriate to have a 6 lane road going through an entirely residential neighborhood. At some point, there was a breakdown in the land planning and transportation planning for this area. Nevertheless, the City does have a Circulation Element road and an economic, industrial and commercial base that they are striving to develop that may be negatively affected by Council's decision tonight to downgrade this road.

We are not convinced, based upon what the staff report says, that there will not be any fiscal impact of downgrading this road. We believe there will be a fiscal impact in the long term to the industrial/commercial base north of Oceanside Boulevard. Some of the traffic relief that was anticipated with Rancho del Oro Drive being a 6 lane road on El Camino Real and College Boulevard may no longer be realized. Those issues should be addressed more thoroughly before Council proceeds on this item.

The City may have overlooked the fact that the City's transportation development impact fees have been developed based on this being a 6 lane arterial. We ask that the City consider that and possibly revise their fees and refund development impact fees that have been overpaid, if that is the case. We hope that Council considers these issues more thoroughly before making a decision on this. It does seem a little inappropriate for it to be a 6 lane road. We would like to see the interchange built ultimately, and we hope that this does not translate into a negative impact on the economic base of the City.

BRADLEY HAYWOOD, P.O. Box 1151, Oceanside, advised Council to consider that speaker's comments as threats.

HELEN DAHLSTROM, 3531 Cameo Drive #97, stated her front door is 20 feet away from Rancho del Oro Drive, and she is 1 of 16 units that directly face that road. It is a well traveled road, and to open it up to truck traffic would incredibly impact the community. This has always been a residential area. The companies moving here know that. Rancho del Oro Drive should remain 4 lanes, and it should not be impacted any further by truck traffic.

With no one else wishing to speak, the Mayor closed the public hearing.

COUNCILMEMBER SANCHEZ stated Ms. Coker has maintained that we did not follow the process when Rancho del Oro Drive was Master Planned, in particular the Rancho del Oro Hills area. Council has been told many times that this was planned as residential; it was rezoned from commercial to residential several years ago. We did not follow procedure. She does recall several times getting a call from Ms. Coker and others and her sending off emails to City Manager Jepsen as per Council's procedure and calling him, and he did not even know. Information she was given was that it is going to be done the next time. If they had just missed that 1st 3 months, that means to her it would have been in 6 months. It was not. This is 9 months. She does not know why we took so long. She has a high respect for Mr. Watanabe. She does not know if it is something that came up; however, a whole community is quite upset at Council that it took 9 months. Council is acting tonight. It is unfortunate that we did not have the language that they spoke of 9 months ago coming in today. But, we have an agreement by the Council and staff that we are going to include this language.

COUNCILMEMBER SANCHEZ moved to adopt the recommendation of staff, which adds the language that is going to be read out by the City Attorney: that we change the General Plan to reflect a reduction from 6 lanes to 4 lanes and that we also take out the extension south across State Route 78. It is her intention to also not go forward with replacing any of the stop signs with traffic lights, not until an appropriate time in the future. But, she does want Council to go forward on retaining the restrictions from trucks. This is a residential area, and it should remain so.

CITY ATTORNEY WILLIS clarified what the Council will be voting on. She referred to Page 1 of the resolution under Section 1 for clarification: "The proposal to reclassify Rancho del Oro Drive from a 6 lane arterial (a 124-foot right of way) to a 4 lane arterial (a 100-foot right of way)...", and deleting the extension south of Highway 78, "...is in keeping with the residential character of the area and would not adversely affect the surrounding roadway system." She pointed out that this is the language that is actually in the Traffic Impact Analysis and Report that was prepared for this General Plan Amendment. She also noted that Councilmember Sanchez made some other recommendations in her motion. To clarify, what is before Council now is the General Plan Amendment.

COUNCILMEMBER FELLER requested information about truck traffic restriction laws.

MR. WATANABE clarified that the weight restrictions on the street system are not actually part of the General Plan process. It is an ordinance they go through and identify certain corridors. They have placed Rancho del Oro Drive as a truck restricted corridor. But, they go through a process; they have certain corridors identified as load restricted, and it is based on the character of the roadway, based on the roadway design to handle the truck traffic, and the City tries to keep trucks off of collector residential streets. But it is through an ordinance process and is not through the General Plan Amendment process.

COUNCILMEMBER FELLER asked about the do's and don'ts of truck access.

MR. WATANABE explained the restrictions on truck traffic when there is a load restricted sign does not mean all trucks cannot go down that roadway. If a truck has a destination such as a moving van, a sanitation truck or a truck that has to go through that corridor for the least distance to travel, it has the right to do so. The ordinance addresses trucks that are cutting through that could take a different route. In other words, if there is a moving van on Rancho del Oro Drive with a destination off of Cameo, it has the right to be on that road to get to that destination. However, if a truck is bypassing that could have gone down El Camino Real or College Boulevard, then the driver could be cited. Roadways are designed based on the thickness of the road known as the "traffic index". The pavement is thicker to handle the truck traffic. Arterial roadways have thicker pavement sections to handle the truck traffic. They try not to have trucks on residential streets because their weight can destroy the roadway.

COUNCILMEMBER FELLER received an email from a resident on College Boulevard who questioned what would happen to College Boulevard if other streets continue to be restricted. It is only fair to consider the communities in this area. At this time, Rancho del Oro helps to alleviate some of the traffic congestion along College Boulevard and El Camino Real. He supports this amendment but noted that Rancho del Oro Drive was designed as a 6-lane street for the future. Someday there will be more traffic on that street. Tonight, Council is only considering reducing the lanes which has been justified because of the studies, traffic modeling and the issue between Carlsbad and the connection to Marron Road south of State Route 78. The traffic load has to be shared throughout the City. Every street has to share the load, and that is what the Circulation Element is about.

He **seconded** the motion.

COUNCILMEMBER WOOD appreciated the neighborhood showing up, sending emails, making phone calls, etc. Traffic is increasing on Rancho del Oro Drive. It will be pedestrian and vehicle traffic, not necessarily commercial trucks. Neighbors spoke up because of the quality of life issues, and Council is going to change that. He too was concerned that this took a long time to return to Council. College Boulevard and El Camino Real over the years have been the traffic corridors. Council needs to try to address some of the residents' concerns and quality of life issues, expansion and movement of traffic on those streets, and they will do that. But for right now, this neighborhood is probably happy that this is going forward.

DEPUTY MAYOR CHAVEZ asked staff to explain to the public the process and the issue of time.

CITY MANAGER JEPSEN said staff wanted to get it in front of Council as soon as possible, as he was hearing from people in the neighborhood with regard to those folks who think that there is another agenda that staff has. He does not believe it is there and does not see it in working with Mr. Watanabe. Some of that suspicion is heightened when staff comes back, and the material put in front of Council has mistakes in it. These mistakes are being corrected by the City Attorney and Mr. Watanabe. He apologized. But staff hopefully will learn from these mistakes and do a better job next time.

With regard to what is being voted on this evening in terms of the General Plan Amendment both going from the 6 lanes to the 4 lanes and the deletion of the extension south of State Route 78, the General Plan does not include traffic control devices. And, it does not include references to truck routes or load restrictions. Those items are addressed by the Council on a case-by-case basis and on a corridor-by-corridor basis. If they were to change a stop sign to a traffic signal, they would have to bring it to Council in order to do that. Council would have a discussion about that, and the public would

have the ability to provide input at that time. So, the action that the Council is taking right now to amend the General Plan does not include a reference to traffic control devices or to restrictions regarding truck traffic. Those are in place, and they would not change unless the Council changed those. On behalf of staff, City Manager Jepsen apologized to the neighborhood for not getting the item here sooner.

DEPUTY MAYOR CHAVEZ replied there was no malicious intent on staff's part. It is important to recognize that Council had previously agreed to review the Circulation Element for the entire City. It is dangerous for Council to look at these individually. In June, Council looked at Melrose Drive and stopped that process. Now we are looking at Rancho del Oro Drive, which had a study.

He read from the Traffic Impact Analysis for the Rancho del Oro Drive Reclassification – Executive Summary, Page 1, it says, "All of the study area intersections are operating at LOS D or better during both peak hours under existing traffic conditions." In addition, "Under build out traffic conditions, 7 of the study area roadway segments are projected to operate at LOS D or worse." He asked staff to explain this for the public.

MR. WATANABE explained that during the Level of Service (LOS) process during the General Plan Amendment, the existing roadways are classified within the C and D range. When it fails, as it goes into the E and F range, that is when there needs to be mitigations and the process continues on into the environmental process. Because we went through the Negative Declaration process and the intersections are within those lower ranges, staff is comfortable with the levels of service within those intersections.

DEPUTY MAYOR CHAVEZ said it is important because it speaks to the question that Councilmember Feller was talking about from the lady who was on College Boulevard. He highlighted this point because what Council is doing on Rancho del Oro Drive is not strictly for that street; it impacts upon a number of other intersections. According to the Executive Report, there are 7 different intersections that they are looking at. It is important for the public to understand the importance and the impact of a decision in one community and how it impacts the whole region.

MR. WATANABE showed an updated map. As traffic patterns change, intersections change. He displayed the most recent map they have, and this is the map presented at the Planning Commission as the Commissioners approved the General Plan Amendment. He explained that on the map the green intersections have a high level of service. Yellow and red intersections are deficient. He noted that this map does not have any yellow or red intersections and that all intersections are in the green. That does not mean it is not going to change in the future. Staff is just looking at the existing projects, and the intersections are not failing at this time. In response to Deputy Mayor Chavez, he said that the map reflects the 4,100 jobs that will be going into Ocean Ranch.

DEPUTY MAYOR CHAVEZ noted that when it gets down to it, the balance that the City has to reach is between the quality of life and providing an environment to allow business to develop. The City has 0.64 jobs per household. A vibrant community would have between 1 - 1.2 jobs per household. The ability to bring jobs to Oceanside, to provide a high economic standard and to provide police and fire services is impacted by the Circulation Plan. The study indicates that lanes on Rancho del Oro Drive should be reduced from 6 to 4 lanes, but there are other issues. Council has been very clear that they would reduce the lanes from 6 to 4 on Rancho del Oro Drive. He does not remember those other 5 items on the tape. He has been very clear in the past that he supports reducing the number of lanes from 6 to 4 on Rancho del Oro Drive and deleting the extension going south into Carlsbad. But we need to look at the Circulation Plan for the entire City so that we can ensure the economic development and the quality of life for the community.

MAYOR JOHNSON explained that the motion on the floor will confirm what they said they were going to do last January. This is a timely process that Council worked through with staff and the public. There will be another process regarding the other issues.

COUNCILMEMBER SANCHEZ stated that we need to do a better job in terms of outlining to the public what the processes are and how long they are going to take. She clarified that what she understands Council is doing tonight is codifying action taken by Councilmembers 10-15 years ago in rezoning this whole area from commercial/industrial to residential and at that time creating a residential street here. Rancho del Oro Drive has never been 6 lanes. She is not here tonight to say that Council is putting any burden on any other community. With respect to the Melrose Drive extension, Council has not taken that off the Circulation Plan. This Council has not done so. This Council said they were not going to do the EIR because it would be a waste of money because State Route 76 is not through--something that was promised to the City 20 years ago. She wants to work better with the community in trying to present the best information. The City may not always have all the information but it is our job to provide the community with the best information available.

The motion [to adopt **Resolution No. 04-R907-1**, "... approving a General Plan Amendment to the Circulation Element of the General Plan in the City of Oceanside (GPA-3-04) (Applicant: City of Oceanside)" with the addition of the language, as presented above by the City Attorney, deleting the extension south of Rancho del Oro Drive to State Route 78] was **approved 5-0**.

23. **CDC: Introduction of an ordinance and adoption of a resolution approving Zone Amendment (ZA-201-04) amending the Downtown "D" District regulations to allow for wine tasting establishment – Wine Tasting Zone Amendment – Applicant: City of Oceanside**

This public hearing was continued to November 17, 2004 at 6:00 PM.

24. **City Council: Approval of amendments to the 2004-05 Action Plan of the Consolidated Plan for Housing and Community Development for use of \$82,000 of Emergency Shelter Grants (ESG) Program funds awarded to the City by the U.S. Department of Housing and Urban Development (HUD); approval of allocation of ESG funding to subrecipients for eligible activities; authorization for the City Manager to execute the agreement between the City and HUD for the FY 2004-05 ESG entitlement funds, and authorization for the City Manager to execute agreements with subrecipients for the use of ESG funds as approved**

MAYOR JOHNSON asked for constituent disclosures. **COUNCILMEMBER SANCHEZ** and **COUNCILMEMBER WOOD** reported no contact. **COUNCILMEMBER FELLER**, **DEPUTY MAYOR CHAVEZ** and **MAYOR JOHNSON** reported staff contact.

CITY CLERK WAYNE replied that no correspondence had been received.

JOHN LUNDBLAD, Management Analyst, Housing and Neighborhood Services Department, noted that this year is the 30th anniversary of the Community Development Block Grant (CDBG) funds, which are 1 of 2 entitlement funds that the City has regularly received for years. The other fund is the HOME Investment Partnership program, which provides funds for the development of homeownership among low and moderate income families. This year, the City of Oceanside has also been awarded a 3rd entitlement fund allotment, called the Emergency Shelter Grant (ESG) program, which grew out of a program called the McKinney-Vento Homeless Act. This money is specifically for issues of homelessness with three priorities: 1) to prevent homelessness; 2) to assist individuals and families to move from homelessness to independent and self-sufficient lives; and 3) to provide supportive services to individuals and families who are homeless.

Staff is requesting that Council accept these funds, even though Congress has not given the funds to the City. Staff is also asking Council to approve the use of these funds. This year staff is recommending 3 subrecipients: 1) Interfaith Community Services, specifically their services in Oceanside; 2) North County Solutions for Change and their new Solutions Transitional Family Shelter; and, 3) Bread of Life Ministries. This year in contrast to CDBG with the quick notification the City got of these funds, staff did not do a formal call for proposals because staff wanted these funds to be available as quickly as possible. So, staff only approached agencies that had received CDBG funds or other City funds in the past. Staff held a meeting with all the agencies, and they were supportive of these 3 particular approaches.

As staff develops the new 2005-2010 Consolidated Plan for Housing and Community Development, staff will be coming back to Council with recommendations and requesting Council's direction as to the best future use of these funds since the City most likely will be receiving these funds in the future, given Congress' continuance to appropriate the funds.

MAYOR JOHNSON opened the public hearing.

Public Input

BRADLEY A. HAYWOOD, P.O. Box 1151, declared that homelessness means a lot to him since he fits in that category because Council would not put rent control in place years ago. Giving him a free meal once or twice a day does not do him a whole lot of good. If they want him to work, pay taxes, vote, etc., they need to provide him a place to live without making him jump through hoops of paperwork because it is a waste of his time. The City is given money from the federal government, which should be put in a fund and loaned out to individuals at a low interest rate and make them pay it back. Forget the agencies paying somebody \$100,000 a year to manage it. It is the City's problem, and the City should solve it. He noted that 20% of homeless people are the working class, and 30% of homelessness is drug and alcohol related. The remaining percentages of homeless people are mentally ill. He does not see Council put any money into Oceanside for any of it. He sees money being given to women and children and senior citizen homes. He is not a senior yet and needs a home now. He is on a waiting list now and will be at retirement age before being on the list does him any good.

CHERI SEYMOUR, 1609 Kurtz Street, staff at Interfaith Community Services, explained that rental assistance is the most effective means of preventing homelessness. Catholic Charities statistics show that after 6 months of receiving rental assistance, 75% of those helped are still in their homes. After 1 year, 80% are still in their homes. On July 1, they received \$7,600 from CDBG. That money is gone now, and we have \$30 left, so Council can see the need is real.

DAWN LEVINE, 1919 Apple Street, with Bread of Life Rescue Mission, explained that they do not have the privilege of transitioning people, but they do offer shelter during the winter months. They are able to do that because of assistance from the City. This proposed money will allow them to provide a better space for women and children so that they are not crowded in next to the men that they house. The funds are appreciated very much.

With no one else wishing to speak, the Mayor closed the public hearing.

COUNCILMEMBER WOOD stated funds are getting tight everywhere, and they are spread out as much as possible. In response to Mr. Haywood, Oceanside does give an awful lot of money to rent subsidies. He realizes that it does not help everybody, but they try more than most cities. The help the City gets from the social service community is outstanding.

He **moved** approval of staff's recommendations [to approve amendments to the 2004-05 Action Plan of the Consolidated Plan for Housing and Community Development

for use of \$82,000 of Emergency Shelter Grants (ESG) Program funds awarded to the City by the U.S. Department of Housing and Urban Development (HUD); approve the allocation of funds to Subrecipients for eligible activities; authorize the City Manager to execute an agreement between the City and HUD for the FY 2004-05 ESG entitlement funds (**Document No. 04-D908-1**); and authorize the City Manager to execute agreements with Subrecipients (**Document No. 04-D909-1** -- North County Solutions for Change and their new Solutions Transitional Family Shelter \$34,000; **Document No. 04-D910-1** -- Interfaith Community Services, specifically their services in Oceanside \$30,000; and **Document No. 04-D911-1** -- Bread of Life Ministries \$18,000).

DEPUTY MAYOR CHAVEZ seconded the motion.

COUNCILMEMBER SANCHEZ expressed concern that they did not have a process for Request for Proposals. She supported the motion because she would rather use the funds that they have just been given versus losing them.

Motion was approved 5-0.

25. **City Council: Approval of amendments to the 2004-05 Action Plan of the Consolidated Plan for Housing and Community Development for use of HOME Investment Partnership funds awarded to the City by the U.S. Department of Housing and Urban Development (HUD); and authorization for the City Manager to execute the agreement between the City and HUD for the FY 2004-05 HOME Investment Partnership entitlement funds**

MAYOR JOHNSON asked for constituent disclosures. **COUNCILMEMBER SANCHEZ** reported no contact. **COUNCILMEMBER FELLER**, **MAYOR JOHNSON**, **DEPUTY MAYOR CHAVEZ** and **COUNCILMEMBER WOOD** reported staff contact.

CITY CLERK WAYNE reported that no correspondence had been received.

JOHN LUNDBLAD, Management Analyst, Housing and Neighborhood Services Department, explained that this item is to amend the Action Plan of the Consolidated Plan for Housing and Community Development. In order to use the federal funds that are allotted to the City, such as CDBG, HOME and ESG, the City must have a local document called the "Consolidated Plan for Housing and Community Development". That document must be approved every 5 years by City Council, and then annually it is updated with an Action Plan as to how the Council decides to use the funds for a particular year.

When the City submitted the Action Plan of 2004-2005, the HUD program representative with whom staff works recommended that those items in the Action Plan having to do with housing objectives be rewritten to be a little more specific about the proposed intent. This is not in any way binding the Council to do something. For example, if staff wanted to use \$60,000 to assist low-income mobile homeowners to repair their homes through grant programs, staff can only do that as Council has approved them. Any use of HOME, CDBG or ESG funds must be approved by Council and may only be approved at a public hearing.

Staff tried to be more specific with the proposed items, partly in response to a congressional approach to the U.S. Department of Housing and Urban Development (HUD) really saying how are these funds being used and in fact are they being used. HOME funds must be allocated within 24 months of being awarded. Across the nation, jurisdictions have had problems with what HUD calls timeliness of use of funds. He showed recommended activities that HUD has asked the City to include in the Action Plan, stating that these are things the City wants to do to make timely use of the funds. What HUD is also telling the City is that if funds are not timely used, there is a risk of losing them. Staff will be coming more and more directly to Council through the Housing Commission with recommendations on the use of HOME Funds, of which the City gets about \$1,000,000 a year. Right now there is approximately \$2,000,000 available, which

must be used. Staff has not lost any funds to HUD yet, and we want to make sure that we never do. He asked Council to approve the activities for submission to HUD, direct staff to go forward, and then staff will return to Council with specific projects on the use of these HOME funds.

COUNCILMEMBER SANCHEZ asked what the deadline is for using the approximate \$2,000,000 that the City has now and what the timeline is for being in a position to receive the next \$1,000,000.

MR. LUNDBLAD replied that HUD funds are awarded annually after July 1st and are dependent upon the appropriations by Congress. This year the City received preliminary notice in April and received the final contract in late July for the use of these funds. The City is entitled to those funds for 24 months after being awarded. Within 24 months of receiving the funds, there must be an action by the City Council specifically allocating those funds to a particular project. Earlier this year, Council allocated \$300,000 of HOME funds to North County Solutions for Change. In July, Council allocated \$290,000 for Brother Benno's for rehabilitation of their group homes. These are examples of what it means by approval for use.

MARGERY PIERCE, Director of Housing and Neighborhood Services, replied to Councilmember Sanchez that at this time there is almost \$1,000,000 that needs to be allocated by July 2005, and they have 3 projects potentially in the pipeline that could utilize those funds. QCS (a daycare facility) would not be eligible for HOME funds because these are housing related funds. Staff has a Request for Proposal (RFP) that they will bring forward in December to issue for a home ownership program at the Libby Lake City-owned site. Also, the Lake Boulevard Senior Affordable Housing Project currently has an application pending at HUD, and HOME funds would be eligible to be used for that project as well. Staff anticipates coming to Council next month for authorization to issue Request for Proposal for Calle Montecito.

MAYOR JOHNSON opened the public hearing. With no one wishing to speak, the Mayor closed the public hearing.

COUNCILMEMBER WOOD asked if Calle Montecito was a manufactured home project.

DIRECTOR PIERCE replied that the City has not designated that as the type of housing. Council's direction was for Calle Montecito to be a home ownership project and certainly, factory built, single-family manufactured homes is 1 type of development that could be considered there.

COUNCILMEMBER WOOD moved approval [of staff's recommendations on the amendments to the Housing Objectives in the 2004-05 Action Plan, and authorize the City Manager to execute the Agreement between the City and the U.S. Department of Housing and Urban Development (**Document No. 04-D912-1**) for the FY 2004-05 HOME Investment Partnership entitlement funds].

COUNCILMEMBER SANCHEZ seconded the motion;

Motion was approved 5-0.

CONSENT CALENDAR ITEMS [Items 8-21]

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

COUNCILMEMBER SANCHEZ pulled Items 18 and 19 for discussion.

The following Consent Calendar was submitted for approval:

8. City Council/Harbor/CDC: Approval of Joint Minutes of the Small Craft Harbor District Board of Directors, Community Development Commission and City Council for the following meetings:

August 1, 2001, 2:00 p.m., Regular meeting
September 29, 2004, 4:00 p.m., Special meeting
9. City Council/Harbor/CDC: Approval to waive reading of the text of all ordinances and resolutions considered at this meeting and provide that ordinances shall be introduced after a reading only of the title(s)
10. City Council: Approval of an annual purchase order in the amount of \$140,000 to Los Angeles Chemical Company of San Diego for chemicals at the Weese Water Filtration Plant; and authorization for the Financial Services Director, or designee, to execute the annual purchase order
11. City Council: Approval of annual purchase orders in amounts exceeding \$50,000 for FY 2004-05 for equipment, supplies, materials and services for the Financial Services Department, and authorization for the Financial Services Director, or designee, to execute the purchase orders
12. City Council: Approval of Amendment 2 [**Document No. 04-D891-1**] in the amount of \$26,708 to the reimbursement agreement with Ivey Ranch Development Company, LLC, for the construction of the off-site 14" brine line for the Ocean Ranch Industrial project, and authorization for the City Manager to execute the amendment [legal fees]
13. City Council: Approval of a three-year professional services agreement [**Document No. 04-D892-1**] with MJS Investigative Services in the amount of \$160,000 for investigative background services for the Police Department, and authorization for the City Manager to execute the agreement [Michael J. Scaramella]
14. City Council: Approval of a license agreement with the North County Transit District Development Board [**Document No. 04-D893-1**] for use of a sewer force main enclosed in a steel casing under the Escondido Branch line right-of-way along El Camino Real between Highway 78 and Oceanside Boulevard, and authorization for the Mayor to execute the agreement
15. CDC: Approval of the revised program description for the Manufactured Home Improvement Program, increasing the grant limits and reducing the number of bids required
16. City Council: Acceptance of improvements constructed by Zondiros Corporation of Torrance for the Mission Avenue Median from Interstate 5 to Horne Street Improvements project, and authorization for the City Clerk to file a Notice of Completion [**Document No. 04-D894-1**] with the San Diego County Recorder
17. City Council: Adoption of **Resolution No. 04-R895-1**, "...declaring a temporary shelter crisis and suspending the zoning ordinance requirement to allow churches to shelter up to 50 persons from December 1, 2004 through April 15, 2005 without obtaining a Conditional Use Permit"
18. **Removed from the consent calendar for discussion**
19. **Removed from the consent calendar for discussion**
20. City Council: Adoption of **Resolution No. 04-R900-1**, "...approving the application for

grant funds for youth soccer and recreation development program under the California Clean water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 for the River Park Project..."; **Resolution No. 04-R901-1**, "...approving the application for grant funds for the State Urban Parks and Healthy Communities Program under the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 for the River Park Project..."; and **Resolution No. 04-R902-1**, "...approving the application for grant funds for the State Urban Parks and Healthy Communities Program under the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 for the Martin Luther King, Jr. Park Enhancements Project..."; and approval of the contract [**Document No. 04-D903-1**] with the California Department of Parks and Recreation for grant funds under the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002

21. City Council: Adoption of **Resolution No. 04-R904-1**, "...ordering the summary vacation of an easement for public non-motorized transportation and pedestrian purposes (Portion of San Luis Rey River Bike Trail from I-5 to Pacific Street)..." and authorization for the City Clerk to accept an easement [from CH Oceanside] superceding the vacated easement and to file a certified copy of the resolution [**Document No. 04-D905-1**] and the easement [**Document No. 04-D906-1**] with the San Diego County Recorder

COUNCILMEMBER SANCHEZ moved approval of the balance of the Consent Calendar [Items 8-17 and 20-21]. **MAYOR JOHNSON** seconded the motion, which was **approved 5-0**.

CONSENT CALENDAR ITEMS PULLED FOR DISCUSSION [Items 18 and 19]

18. **City Council: Adoption of a resolution approving the employment agreement effective December 5, 2004, with Anita C. Willis, City Attorney (\$160,000 a year and 18-month severance package); and**
19. **City Council: Adoption of a resolution approving the employment agreement effective December 5, 2004, with Steven R. Jepsen, City Manager (\$170,000 and 18-month severance package)**

COUNCILMEMBER SANCHEZ commented that items 18 and 19 have to do with an earlier vote that was taken in closed session and reported out. She did not explain her no vote at the time, and she wanted to do it now. She voted against those items because the agreement is basically a \$5,000 increase which was not her objection. She objects to the change to an 18-month severance package for City Manager Jepsen, when he currently has a severance provision of pay for 12 months. She also objects to the change of a 6-month severance package to 18 months for City Attorney Willis. The request by the Mayor and Deputy Mayor was to change the severance package to 18 months, which she thought was highly unusual. So, she voted against it. She and Councilmember Wood did a counter of a 12-month severance package. It certainly seemed reasonable for both. So she just wanted to explain her no vote.

COUNCILMEMBER FELLER noted that a raise in the amount of \$5,000 is not much, considering that City Manager Jepsen has not had a raise in 3 years, but the severance package does not cost the City a dime unless somebody is willing to fire the City Manager or City Attorney. If that is what Council is up against here, then that is one thing. But the City is getting something for literally nothing with the City Manager and the City Attorney agreeing to a \$5,000 raise.

He moved approval [to adopt **Resolution No. 04-R896-1**, "...establishing the compensation of the City Attorney..." and approving the employment agreement (**Document No. 04-D897-1**) effective December 5, 2004 with Anita C. Willis, City Attorney; and adoption of **Resolution No. 04-R898-1**, "...establishing the compensation of the City Manager..." and approving the employment agreement (**Document No. 04-D899-1**) effective December 5, 2004 with Steven R. Jepsen, City

Manager].

MAYOR JOHNSON seconded the motion.

COUNCILMEMBER WOOD noted that the conversation regarding employees and their status is something that Council takes to heart. The City Attorney and City Manager deserved a bigger raise, taking into consideration the scope, pay and benefits of the rest of the City and San Diego County. A year's severance pay is appropriate - not 18 months. But, on the other hand, the \$5,000 raise, considering all of the other City employees' raises, was inappropriate and too low. They should have been higher. There was some conflict regarding what it would be. The public should know about that. It was a Closed Session item, but the public should know when the Council is talking about employees and their benefits. The City Attorney and City Manager both deserve more pay in tune with what everybody else is getting in the County or the City. All of the employees deserve more, not just these 2. But, the severance pay was the issue in the package, and there is a conflict here. He just wanted to explain his vote. The City Manager and City Attorney have done a lot and have not received pay increases because of the state budgetary situation.

DEPUTY MAYOR CHAVEZ made 2 points. He was honored to sit in the meeting with the Mayor and they discussed this. For the public, when looking at other jurisdictions and the amount of raises that are being given, the City Manager was very clear that his and the City Attorney's salary increase were budgeted at 3%. They have not received a raise in some years and still wanted to keep it at 3%. As they see through the budget, a lot of the City's Directors are really getting out of sequence with like areas. City Manager Jepsen and City Attorney Willis wanted to take a leadership role in the City to not take a higher raise as probably justified. These are great public servants.

His 2nd point is that there is a process which allows fairness. When raises are given, written evaluations are needed as part of the process. He asked City Manager Jepsen if he had received a written evaluation from each Councilmember.

CITY MANAGER JEPSEN stated that he has received 3 written evaluations from Councilmembers. The other 2 Councilmembers had said that they would prefer to talk to him.

DEPUTY MAYOR CHAVEZ asked Ms. Willis if she had received written evaluations.

CITY ATTORNEY WILLIS replied that she has received 3 written evaluations.

DEPUTY MAYOR CHAVEZ explained that it is important for the public to understand that there is a process. It is important to write down comments. The City has this as a standard Human Resources procedure. Everyone who works has gone through this before. It is imperative that the leadership on the Council honor that process, and 2 Councilmembers did not.

MAYOR JOHNSON stated the 5% increase for the City Manager and City Attorney equates to a little above 3%. It has been a number of years since they have both received a raise, and this raise will put them in the middle of the other city managers and city attorneys in the County of San Diego. Without question, he strongly supports the City Attorney and City Manager. He has submitted written evaluations to both of them and wished the other 2 Council members would do so also.

COUNCILMEMBER SANCHEZ reiterated she did not object to the salary increase that was specified. In fact, her request was to continue negotiations because they could do better in terms of salary. But she strongly objected to increasing in 1 instance from 6 months to 18 months severance and in another instance from 12 months to 18 months. She requested additional time. This is usually done around

springtime, and now is an unusual time to do this. She wondered about the timing.

MAYOR JOHNSON restated that the severance packages would not be used unless the City Attorney or the City Manager is fired.

COUNCILMEMBER FELLER reiterated that both the City Attorney and the City Manager had agreed to that severance package instead of taking more money. That is admirable for them to be doing that as opposed to Council giving them more money. It is a much better position for them and it does not cost the City any money.

Motion was **approved 3-2**, with Councilmembers Sanchez and Wood voting no.

The Mayor determined to hear Item No. 26 at this time.

GENERAL ITEMS

26. **City Council/CDC: Approval to request that Faulkner USA, Pacifica Companies, and S.D. Malkin Properties respond to further questions and provide construction cost, revenue, and financial information for the proposed Oceanside Beach Hotel; and rejection of the submittal from SDC LLC**

JANE McVEY, Economic Development Director, reported that this item is a request as they continue through the process for selection of a developer for the 2 blocks owned by the Community Development Commission (CDC) on Pacific Street. Staff has been evaluating responses received from the last round of questions. We had the public hearing and the public workshop on September 8th.

[Councilmember Feller left the dais at 7:29 pm]

At this time, staff recommends that CDC continue the analysis with Faulkner USA, Pacifica Companies and S.D. Malkin Properties. Staff has prepared letters with more detailed questions. With Council's permission, staff will send those out requesting that they return responses, additional site plans and additional financial pro formas within 45 days and no later than the middle of December for another round of review and evaluation.

DEPUTY MAYOR CHAVEZ moved **approval** of staff's recommendations.

COUNCILMEMBER SANCHEZ **seconded** the motion.

Motion was **approved 4-0**, with Councilmember Feller absent.

27. **City Council: Approval of plans and specifications for the grading, utility, and access improvements associated with the development of the second Senior Center and authorization for the City Engineer to call for bids**

MARLA DOYLE, City Engineer, requested that Council approve plans and specifications for the grading, utility and access improvements for the second Senior Center. Council's approval will allow staff to come back in January to award a construction contract. The schedule allows modifications to be made to the plans should changes to the circulation pattern be recommended by the El Corazon Committee. With award of the contract in January, staff would look to start construction in March.

DEPUTY MAYOR CHAVEZ moved approval [of staff's recommendations].

COUNCILMEMBER SANCHEZ **seconded** the motion.

[Councilmember Feller returned at 7:32 pm]

Motion was approved 5-0.

28. **City Council: Approval of a professional services agreement with Carollo Engineers of Oceanside in an amount not to exceed \$989,300 for preparation of plans and specifications for the construction of the Robert A. Weese Water Filtration Plant Expansion; approval of a professional services agreement with Water 3 Engineering, Inc., of Oceanside in an amount not to exceed \$99,730 for preparation of plans and specifications for the Robert A. Weese Water Filtration Plant Control Room Upgrade; and authorization for the City Manager to execute the agreements**

BARRY MARTIN, Water Utilities Director, explained that this item is to expand the Robert A. Weese Water Filtration Plant. This treatment plant was built in 1983 and has since been a workhorse for the City. Just to give Council an idea on what their investment has done over 21 years, the investment saves the City rate payers \$9,500,000 per year. The original investment was \$7,500,000 21 years ago. In the last few years, the City has had to purchase treated water. Now it is time to look at expanding the plant. Staff did a feasibility study, and the City can actually save about \$50 an acre foot by expanding the plant another 12.5 MGD. So, it is cost effective. The whole process itself is probably about a 4-year process before we get there. If the expansion is not done, the City will be spending about \$950,000 a year extra in water costs if the City does not treat the water ourselves.

Staff wants to do this in 2 different phases. Phase 1 would be to hire a consultant to design the plans to take care of the instrumentation of the plan. There is a control room at the plant and there is a lot of instrumentation that has wires connected to various components in the plant. All of those components are, of course, 21 years old and they are not state of the art. We can use fiber optics now. We can change out all of the wiring right now and reduce the need in the future to have to put more conduit in. Staff would like to go ahead and design that and get that completed before we start on the construction process of the plant, which is rather chaotic. He requested Council's approval to proceed.

DEPUTY MAYOR CHAVEZ moved approval [of staff's recommendation to approve a professional services agreement with Carollo Engineers of Oceanside (**Document No. 04-D913-1**) for \$989,300 for preparation of plans and specifications for the construction of the Robert A. Weese Water Filtration Plan Expansion; approve a professional services agreement with Water 3 Engineering, Inc. of Oceanside (**Document No. 04-D914-1**) for \$99,730 for preparation of plans and specifications for the Robert A. Weese Water Filtration Plant Control Room Upgrade; and authorize the City Manager to execute the agreements].

COUNCILMEMBER FELLER asked if this process was budgeted this year.

DIRECTOR MARTIN replied in the affirmative.

COUNCILMEMBER FELLER seconded the motion.

COUNCILMEMBER SANCHEZ asked if the expansion would increase the rates.

DIRECTOR MARTIN replied actually, since it is going to save the City money in the long run, he did not see it costing the ratepayers any more and it will actually be saving the ratepayers money. The City does not have to raise rates to come up with the money.

CITY MANAGER JEPSEN clarified that it will cost the City less to filter its own water than it would be to buy the filtered water from the water agency. So, our future costs will probably not be less than they are today, but they will be less than they would be if the City were buying the filtered water from the County Water Authority.

DIRECTOR MARTIN explained that actually filtered water costs \$100 an acre foot more than the raw imported water does.

Motion was approved 5-0.

MAYOR AND/OR COUNCILMEMBER ITEMS

29. **Request by Councilmember Sanchez to discuss the creation of a Small Business Advocate position within the City of Oceanside; direction to staff if necessary** (continued from October 6, 2004)

COUNCILMEMBER SANCHEZ reported that this past year she became aware of the problems that we were having as a City in terms of small businesses locating in Oceanside. She had some information previous to that, but then this past year she received a call from a friend trying to do a small business and go through the permitting process. His frustration level was high. Dan Callaway, owner of Hill Street Café, wanted to do a sushi place right across the courtyard, now called the Fish Joint. So, he called her and staff was very nice and allowed her to intercede on his behalf, and we ended up getting through the process. He thought in the end that, but for her interceding on his behalf, his business would not have occurred. He had sunk thousands of dollars into this process, and it had taken months. He submitted plans, had plan checks, and got the plans back. He addressed those requested changes, resubmitted, then received other red markings. For whatever reason, there were problems. It could be within 1 department; it could be several departments. She became excited about people wanting to invest in Oceanside. For example, Vine to Glass wanted to do a wine tasting kind of upscale business in the Redevelopment Area, which requires a zone change. And so it seems that even though we have a level of support from the communities wanting small businesses to come in, be it in the Redevelopment Area or be it somewhere on Coast Highway, the City was turning people away either because the process was taking so long or there was something going on in City Hall.

Early on, her aide, Jake Regalado researched this issue and whether or not there was some way that Council could address this without reinventing the wheel. She wanted to know how other cities deal with the frustration that small businesses have in dealing with cities, understanding that every day that the business is not open is a loss to that small business owner.

They came across the website of the City of San Diego, and she displayed it on the screen. The City of San Diego's website has information about the process in their City that seeks to help small businesses. She reviewed their website with areas addressing starting a new business, with a small business assistance page, which has a lot of information, and includes 10 Key Steps to Starting a Business, etc., all the way down to the Small Business Advocate, an ombudsman service. That is the idea Councilmember Sanchez wants to have happen in Oceanside. It seems that a person is needed to be responsible for these questions, a person that people could go to and find out what to do to open a small business in Oceanside and to help them fix problems. The Office of the Small Business Advocate in San Diego, Lynnette Jones, has the authority to address these issues. They established this office 3 years ago. Ms. Jones' position is funded by general funds, and the position is at the same level as department heads. So she actually has authority to go to a department head, be it Planning, Water, etc. and troubleshoot these issues. Ms. Jones describes her job as troubleshooting and assisting with permitting. This is an important piece as it is providing educating and outreach to the community to provide early assistance.

Since doing this research, there was another business that came forward to Council. It was the glass blower business. The City had nothing, again, to offer this potential business that could really help it take off in Oceanside, so this business left. Just yesterday morning she met with a cab company, whose home office is in Oceanside, but is unable to pick up anyone in Oceanside because they do not have a license here, but have a license in other cities. That business was having a hard time

coming to the City and trying to get this license.

She learned that 92% of all businesses within the City of San Diego are small businesses, and 95% of all businesses in the County are small businesses, which is 12 or less employees. What we need in Oceanside is to solve some of these issues that the City has. Get these businesses started and have people going to their business, not in 3 or 6 or 12 months, but sooner than that. Have someone who will be in charge of streamlining the process so that small businesses owners know exactly what they have to do and that the City have a different, business friendly attitude and get this excitement going forward. She has asked some people to come, and Mr. Sudershan Shaunak, Director of the Small Business Development Center, MiraCosta College, will comment on this. He supports either the concept or having a small business advocate within the City.

She met with Jan Gardner, Chair of the Chamber of Commerce and David Nydegger, the Executive Director, and they asked her to relate that they agree wholeheartedly with the concept of improving the process for starting a small business in Oceanside. Step 1 for what they can do today is to have on the City's website a button to click on if people want to start a small business. Oceanside does not have this on our website, and that is something Council can do tonight. She asked Mr. Shaunak to comment.

SUDERSHAN SHAUNAK, Director of the Small Business Development Center at MiraCosta College, explained that the program that he leads there helps small businesses essentially to either get started or, if they are already in business ,to help them in improving their managerial and technical skills. We are funded essentially by the Small Business Administration, a federal agency, and MiraCosta College.

Small businesses always have a challenge. They are the engine that drives the economy throughout the country. For a small business person, one of the critical things is time. Time is by far the most expensive and precious commodity that a small business person has, and that small business person needs to be able to employ and use that time in an effective manner. To whatever extent the City can create an atmosphere and an environment where it is seen and in fact is business friendly, it would help small businesses to get up and going quickly. A frustration that many small businesses have is not knowing exactly what to do next and who to talk to. To the extent that those kinds of answers can be provided by one person in one place, it would expedite the process of starting small businesses and minimize their cost of entering into business.

COUNCILMEMBER SANCHEZ said it is her intention/recommendation to direct staff to look into the establishment of an ombudsman person within City Hall who would have the level of authority to be able to address these problems and who would also come up with recommendations in terms of streamlining the process and determine where the problems are.

She would like to hear from the public at this point.

In response to Mayor Johnson, **CITY CLERK WAYNE** reported that 12 requests to speak on this item had been submitted, but a short break is needed for KOCT to change their tapes.

[Recess was held from 7:49 – 8:08 PM]

MAYOR JOHNSON asked Jane McVey, Economic Development Director, to explain the process that the City has gone through for a number of years regarding the Economic Development Commission and how the business portion concerns and affects her department and that Commission.

JANE McVEY, Economic Development Director, explained that the Economic Development Commission members represent many of the larger businesses and some small businesses in the community. They have a number of subcommittees, one of which is the Retention Committee. The Retention Committee deals with issues that affect the City's processes, streamlining and advocacy. They have advocated and achieved some streamlining measures that Council has approved. In the Economic Development Strategic Plan, which was adopted by Council in 1997, there are a number of strategies. One of those strategies is small business retention. It is one of the strategies that she reports to Council on a monthly basis. The City helps scores, if not hundreds of small businesses. But she is sure there have been a few that have slipped through the cracks.

MAYOR JOHNSON recalled that a number of years ago the City hired Economic Development Director McVey to help develop and increase the economic operation of the City. He asked if there is a link on the City's website to the Economic Development Department and the Economic Development Commission.

DIRECTOR McVEY responded that on the City's homepage, click on "Departments" and then "Economic Development and Redevelopment"; there is a line that says "Interested in Business?" Clicking on that link will take the user to Industrial Business, Retail Business, Hospitality or Starting a Business. The Starting a Business portion has a brief description on how to get a business license, what is in a business plan, a sample business plan, and the website is linked to the Small Business Development Center.

MAYOR JOHNSON appreciated those comments and reiterated that Council and staff are very supportive of economic development and small businesses. He noted that over the years the City Manager has held a series of workshops to work with employees to increase how they perform at the counter to make the City more business friendly.

Public input

ROBERT GLADDEN, 621 Garfield Street, a homeowner, voter and a member of Oceanside Neighborhood Association (OCNA), supports the efforts of Councilmember Sanchez. There is a need for quality small businesses in Oceanside for it to grow, especially along the coast corridor. We need to offset some of the businesses that are in the City now, such as check cashing businesses, tattoo and piercing parlors, head shops, custom wheel shops, things like that which are not so desirable to many people. We need boutiques and other unique stores that will draw people to downtown where they will spend their money, walk around, buy a cup of coffee and put some money in the tax coffers. We need stores that visitors to the new hotel will want to visit. They will not want to come to Oceanside, spend \$300 a night in a hotel, go get a piercing or tattoo, pay 33% to cash a check, get some wheels for their car and maybe buy a new water pipe for the trip home.

The future of Oceanside depends on a position like this, and the City needs to streamline it. Granted there may be processes in place, but they probably need to be dumbed down. It is hard to navigate the City. We need to find somebody in this position who can seek solutions, who can be an ambassador for these small business owners and bring them into the community.

MAYOR JOHNSON commented that we understand the process of what we are doing in Oceanside and how difficult it has been over the years --for the past 30 years to get a hotel built down by the pier. We have 6 excellent hotel sites left to be built in Oceanside in the next 4+ years. The high-end restaurants, boutiques, gift shops, everything we want the City to be will follow as the hotels and timeshares are built. Council understands that, wants that and it is going to happen. This Council will do the right thing in getting the right type of hotel built for the City.

Oceanside's businesses in the downtown will turn over as the hotel is built, as the clientele comes downtown to support those other type of businesses. Oceanside is no longer dependent upon the military as in the past. However, the businesses people see right now will stay there until the hotel comes. When the hotel comes and the timeshare arrives, then the people with discretionary income will come, and that will help transform what is in the downtown area right now. As the downtown is perceived, good or bad, it is how the City is perceived.

DIDI VERGADOS, 240 Plumosa Avenue, Vista, a consultant in the health care field, spoke on streamlining the process for small businesses. She is sure some are aware that Oceanside at times and in certain circles does not have the best reputation. It is interesting to note that it should be an easy and inviting process for small businesses to come in. She shared her negative first experience as a former resident of Oceanside. She appreciates what Mayor Johnson is saying about these things changing over time, but wants to see it happen.

DR. LARRY SOSNA, 815 Wisconsin Avenue, President of OCNA, remarked that a problem cannot be solved on the level of the problem, but must be solved on the level of the solution. The City is not close to that, which is why so many small businesses do not even attempt to come into Oceanside, although they would love to. They know that the system is small business unfriendly. He has received at least 3 dozen letters from businesses that wanted to come here, and they just would not even make the attempt. Recently, he spoke with the principals that want to build the Belvedere, which would bring \$2,000,000 per year. They are already being stonewalled and are getting frustrated. \$2,000,000 a year would give the City all the police officers you need with money left over. When they put up the sign for the Belvedere, they received 2,000 phone calls from small businesses looking for space. Where are those people, because they are not in Oceanside.

The process is unfriendly. He was contacted by Mr. Gamoca of Gamoca Glass Artisans, producer of world class art, who said, "...I wanted to move my business to Oceanside. I would have brought in the 1st year \$30,000 in revenue. This is already an on-going and profitable business that I have. We felt completely unwelcomed by the Planning Department and by the system. Nobody would budge on any issue at all..." That is not how the problem is solved. In the last 6 or 7 years, the City has lost \$5,000,000 to \$10,000,000 per year in lost revenues from small business that would have come here if the system was functional. But, the system is not functional. The City has a dysfunctional system and bureaucracy. Also, it is dysfunctional to expect 1 person to be 2 directors.

The answer to this problem is that the City needs to bring in a small business ombudsman at the level of assistant manager level, so they are the boss over all the department heads, giving that person the final say. They need to be diplomatic but really tough and discipline the staff. The City has a staff that is not disciplined. The City Manager is self-disciplined, but there is a lot of room for growth in terms of disciplining and instilling inspiration in the rest of the bureaucratic system. That is solving the situation on the level of the solution instead of solving the problem at the level of the problem. As long as Council keeps trying to do that, they will find more of the problem.

AMY ADAMS, 1022 South Nevada Street, moved to Oceanside 7 years ago. At that time there was a pioneering atmosphere for people moving to the City. A lot of people did not want to move here; they were scared to move here and were not sure about it. During that time, it has been great. She has seen the residential areas blossom. We all know how beautiful our neighborhoods are, and everybody is taking wonderful care of their homes. Residents have a very high quality of life because of that, and it has been wonderful. She supports those businesses who have been pioneers here in Oceanside. The City has wonderful businesses, just like the Hill Street Coffee House. It is a perfect example. She did not know that about the sushi bar but saw it going in. The fact that the guy has had such a wonderful business here and had to go through so much trouble to start another business is wrong. He is obviously a good, successful

businessman who has done a lot for Oceanside. Historically, Oceanside has not been an easy choice to make. In speaking with business owners, people who have established businesses here, the main thing that they complain about is just sort of a general confusion on who they speak to about issues such as their problems with people living in their parking lots, or their trash being rummaged through. They are not really sure who in the City are they supposed deal with. It would be wonderful if they had a person to speak to. Business owners also explain that they have a lot of turnover in the buildings that they are in. New businesses come and go constantly, and those people describe frustration over long delays, mountains of paperwork, unanswered calls and no one to assist them with an endless amount of obstacles that are placed before them. It is as if the City does not want businesses. This statement is heard over and over again by businesses. Armstrong Nursery had an established business here, and it was supposed to take 8 months to 1 year to move into their new location; she was a customer of theirs. When they finally opened, she asked why it took so long, and they pointed to the City. It was not their construction or their management people. It was the City, and the same was true for Evergreen Nursery. The City needs to have this facilitator. She fully supports having someone facilitate that.

HUGH FOLEY, 702 Stanley Street, is a small business owner who works out of his home, so he does not face the hurdles of other small businesses. But he talks to and hears from a lot of people. We need someone who can come in and take charge. He has been a resident for over 20 years and has seen the trouble that people have getting businesses established here. The City needs to be responsive to businesses and needs to go out and get the good ones and bring them in. He supports Councilmember Sanchez's proposal for an ombudsman. If Council agrees to such a position, Council needs to give that person enough authority to be able to get something done so that the City does not waste the business owners' time and tax dollars on just another bureaucratic mess. They want somebody who can get the job done.

AARON HUDSON, lives at 627 South Freeman Street and also owns 623 South Freeman, and 3658 Harbor Drive. He had concerns that are basically the same as what they heard here. But he also wanted to bring to light the role that small business plays in the community. A lot of the focus has been on, and rightly so, getting a nice hotel, developing the downtown and bringing in a strong core. It is also important to keep in mind that the small business is really the heart of the town. A lot of the businesses that the City is inviting in and is looking forward to joining the community generate revenue that does not stay in the community. With small businesses, a high percentage of revenue would generally be retained in the community or in the neighboring communities. In addition to tax revenues, it is important to retain the other revenues that the community is putting in for the various services that these small businesses will provide. Council talks about the character of downtown and establishing a character that would draw businesses and draw people to being here. A lot of people look to the movie theater as being something along that line. We have a number of empty facades in that market area. It is a shame because not only is that a large attraction in the downtown area, but it brings people in there and then brings to light that there are all these empty storefronts. It is a double-edged sword and something that definitely is a symptom of this problem that we are here addressing.

Also, he talked about breaking the cycle of some of these businesses that have been referred to as being problematic, whether it is the wheel stores or the tattoo parlors, etc. It is very easy; he personally experienced a business that wanted to come in where an existing business was, in this case a gas station. They were able to do so within a 6 month period and not have to worry about getting a Conditional Use Permit or going through any sort of process or challenge to the existing property as it is. We continue to see used car dealerships, gas stations, etc. in states of disrepair or not the least bit attractive to what the character of downtown Oceanside should be. That is something else that is very important to look at.

DENISE RUDY, 627 South Freeman Street, 623 South Freeman Street and 3658 Harbor Drive, agrees with Councilmember Sanchez's proposal. She does not know personally about the businesses coming in and the problems that they have other what she hears. Once they get in, they feel that the sky is the limit, and they can run rampant once they are in Oceanside because we are so understaffed in the Code Enforcement area that so many people end up putting things up only to find out that they have to tear things down later. It just seems that the proposal of a person that would be over some of these things could work with people before they spend a ton of money on these lights they have to tear down and these other things that they have to do. When these businesses do come in, we want them to understand the guidelines of the City so that we have attractive businesses. Not just the first business to fill a hole. Certain businesses seem to come in pretty easy, like those they were describing with the checks. This position would help facilitate the look and feel of the City that everyone really wants to live in; they have a vision for that, and it is shared by Council, the businesses, the residents. This position would really be a good thing for them.

JULIE JONES, 2328 Back Nine Street, has been attempting to start an upscale wine tasting business for almost a year in Oceanside. Small business owners want to be ahead of the redevelopment curve. They can afford to rent space here now. They may not be able to do that at the hotel. They want to be pioneers and want to attract other businesses. She had contacted the Small Business Development Center when they tried to start the business. She read everything on the City's website and tried to contact Jane McVey. And yet it took her months to try to figure out what she actually needed to do in order to start a business in Oceanside. Ironically, the people that helped her were the City Council. That is not a good use of Council's time.

The City needs a small business advocate that can help businesses get started, figure out what they need to do and get it done. She came before the Council on July 7th and Council directed a change in zoning to allow for her business. The City Manager directed staff to work with the business owner to make this happen. The Director of Planning stated that it would take 60 – 90 days for the verbiage to be changed. It has been over 100 days, and she has no idea what the status is except that the agenda item has been taken off both at this Council meeting and the meeting before. She has not heard from the Director of Planning. Businesses really need to have somebody that can help them internally with the City and can communicate to the business owners what is going on. Her challenge to the City is this: What is Oceanside going to do to show her that they want her business and when is Oceanside going to do it?

CONNIE SULLIVAN, 4541 Big Sur Street, an 18 year resident and homeowner. is not here to endorse or oppose any candidate during this business meeting. She is very pro-small business, and the City needs to streamline some of these issues. Councilmember Sanchez pointed out one way is to get all information on the web site. That is wonderful. She wonders if there are any other cities in this County that are similar to Oceanside's size who have an ombudsman to compare.

There is another way to do this. If Council is talking about creating a new position with a new person to come in from the outside, then she is not fond of spending her tax dollars in this manner. There needs to be something done to help streamline this. She has heard this from a lot of people. With a combination of the current City staff, who are also doing this job, maybe they need more training to get in the ins and outs of this, combined with the Small Business Development Center. Maybe they could use that part of the community and not have to spend the extra money. The City needs to be more conservative in spending extra money right now and not try to create a new position of someone who would be over all these other people who probably already know the job much better. With training and the combined efforts of other people in the community, they could probably do something like this. If this is for a new position, she respectfully requests that Council oppose this.

CAROLYN KRAMMER, 904 Leonard Avenue, OCNA member, has a client, friend and a neighbor who has tried to start a small business in Oceanside but could not get any help at City Hall. There are so many empty buildings downtown and so many willing new businesses to come to Oceanside, but yet the City is sending them down the street. These people are not asking for special concessions. They are not asking for subsidies, but still the City is not welcoming them. The City would rather pay developers to come instead of welcoming a small business that is going to contribute and not ask for concessions. The City should not wait for somebody else to do it for them. The City should not wait for a hotel to be put in place 6 years from now, while the City's buildings sit empty. The time is now. She supports Councilmember Sanchez's motion.

JOAN BROWN, 511 Rockledge, said that if the City has a small business advocate, that person should also help existing small businesses downtown, especially in the redevelopment area. Most of the businesses on Coast Highway have been there for years. Her friend says that there is nothing downtown that she wants to buy and has been here 40 years. None of the businesses downtown have been upgraded. Some of the grant money should be used to update the old businesses downtown. This person should also go out and solicit small business. She just drove 3,300 miles to Washington, D.C. and every time she saw a cute restaurant and it was a franchise, she gave them her card and said she lives in Oceanside and they need some new small restaurants and if they are interested, to give her a call.

MAYOR JOHNSON asked City Manager Jepsen what the City has been doing through the Economic Development Department and with other City employees. There have been a series of focus groups and workshops to train and retrain employees regarding how to serve better at the counter and streamline the process. The City has been doing this for a number of years. He asked where the City is in the process.

CITY MANAGER JEPSEN expressed concern that the information with regard to the bad experiences that folks are having at City Hall is not getting to him. He needs to hear directly from the people that our organization is not taking care of. His expectations with regard to how the City treats people, customer service level, and promotion of new businesses in this community is quite different from what he is hearing this evening. This discussion needs to focus on what Council wants to do beyond what the City is already doing with regard to assisting small businesses. Staff can do a better job. Whether the liaison or the ombudsman is the way to go or not, he does not know. He is interested in finding out what is wrong with the processes that are causing these problems for people.

MAYOR JOHNSON noted that Council hears a number of times criticism of the Regal Theaters and how the 2 corner buildings are empty on Coast Highway and Mission Avenue and Coast Highway and Seagaze Drive. The rate structure still may be the same as when it opened up 6 or 7 years ago. When he walks around downtown, he does not see as many empty storefronts.

DIRECTOR MCVEY responded to the question of the rate structure--lease rates at the Regal Theater. Staff has spoken with DDR, owner of that property, and they have been unwilling to reduce their rent rate. The way that they value that particular piece of property in their overall portfolio is a function of their lease rates on an income approach. Their perception is that it would devalue their property; therefore, they are unwilling to reduce their rent rate to fill up those stores. The rent rate is approximately \$250+ per square foot plus triple net charges. There are empty stores in downtown. Small businesses and retail businesses have the highest turnover rate of any of the product types. As more residential has been built in downtown, retail tends to follow residential development. So, as more residential, and particularly office, is built in the downtown, the City would achieve higher levels of retail. But, the City has certainly struggled achieving retail occupancy in the downtown, and it is an incremental approach that staff is striving to achieve.

MAYOR JOHNSON commented that is why the push has been over the past several years to build more residential, be it single family houses or condominiums, along with the mixed use.

DIRECTOR MCVEY concurred. Restaurateurs say they need a daytime population to make a site selection decision. Without a daytime population, such as office buildings or people who go out for lunches, etc. they are hesitant to take that leap.

MAYOR JOHNSON also asked for an explanation regarding business retention and business outreach in the City presently.

DIRECTOR MCVEY replied that at the current time there is a business visitation program, wherein if we can get an appointment with the business owner, we concentrate mainly in that program on the manufacturing and primary employers who are companies that produce a good or service that brings new money into the economy. They may not be large companies at all. They may be very small with a handful of employees. She and staff go out with Deputy City Manager Mike Blessing, 2 members of the Economic Development Commission, members of the City Council and the Director of the Chamber of Commerce, and meet with those businesses. We learn about what they do, how they got into the business, what the nature of their industry is, etc.

Another program the City has to that group of people is an online newsletter called *The ObizNews*. It goes out over the Internet to those businesses on a quarterly basis. Staff also writes 2 pages for the *Oceanside Magazine* quarterly. Staff works with the Chamber of Commerce and recently had a booth at the Business-to-Business Expo. She has helped MiraCosta achieve the Small Business Development Center, located on Mission Avenue. It previously was on La Jolla Village Drive. She sits on the Small Business Development Center Advisory Board and the San Diego CDC Small Business Finance Corporation, which is the group that allocates SBA-504 construction and long-term financing loans in all of San Diego County. She tries to make sure that Oceanside businesses get a fair share of those SBA loans. We try to do a number of things and have a very small staff of 6 people.

COUNCILMEMBER SANCHEZ is well aware of Ms. McVey's position within the City. The bottom line is that Ms. McVey cannot deal with this huge problem and deals with the bigger companies. She has brought in IDEC and is working on the proposal for the beach resort and a number of higher businesses, certainly not with 12 employees and under. The City does not have one person that people can go to and say, "help me". The Economic Development Commission are volunteers and do not have any requirements for any kind of background or education, and they are advisory only. They certainly do not have any authority to go to a department head and give direction to help a small business.

The focus groups that the City Manager has been conducting are for customer service for all departments, and attendance is on a voluntary basis if they have time. Her intention is not to place any blame on anyone. If the City has been doing all these things the entire time, then the City must be doing something wrong because we have these problems. These are not unusual problems. She has been hearing this. When she heard one story, it became a string of stories and a string of people. The City needs to have better planning. The City fortunately has a community that has formed an association that presented this evening who care about the downtown area because they live so close. They, in fact, want to embody the idea of "walkable communities". They want to go forward and do everything possible. They have been stymied by the City. Council spoke of doing a study on Coast Highway, doing traffic things and other things. Council even talked about planning a designer district. If the City had a designer district, this glass blowing business would have been able to just come in and not spend 6+ months trying to figure out whether they could get a permit, rezone or whatever it would have to take. They would be in, and the business would be open.

She believes it will take a person, but she is open to the idea that it could be something else including someone outside of the organization. It could be someone who has had some experience within the organization that might be able to take this on as another duty. She does not see the City Manager as that person. It should be someone or some process that concentrates on this only and nothing else. Over 90% of the businesses in Oceanside are small businesses. That is the City's economy. Mr. Shaunak said something when she first met him. He said it is an attitude. We have to change the attitude, and it has to start from the top. The attitude has to become business friendly, and it has to be filtered down. She does not know how we do that. Perhaps the City Manager has a plan now of how to filter this down to the way that the City conducts business. There is some disconnect that some departments may not, for example, communicate well with each other. Maybe it is the way it is set up. These are things she would like to know and would like to have fixed. She would like to hear someone come in and say that they saw on the City's homepage a button on starting a small business and that they were able to get through the process and have fairly few problems and say that it took them less than 3 months to open their doors. That would be a good goal for all to support.

She moved that Council refer this item to staff to come up with a process to streamline the permitting process for small businesses; that we put clearly on the City's home page information on starting a small business – not buried; that we explore as a possibility the idea of establishing an ombudsman office advocate for small business.

If it is not feasible, fine, but she would like to see an improvement. This is a time that will really take off for the City. And, it does not need to be on the same timeline as the hotels, timeshare or anything else that is happening in the downtown area. The City has people who want to come and want to come now. She wants to embrace them. So that is her motion.

MAYOR JOHNSON could not support the motion tonight because there is still more work they can do in partnership with the City Manager, the Economic Development Director and the people at the counter. Those at the counter can do a better job, and they will do a better job with additional training. Until we get to that point, he offered, as a full-time Mayor, to make himself available any time of the day, if need be. He will take people by the hand, if they have a business and want to walk through the process. He encouraged them to call his office or his cell phone for his assistance because there is a disconnect. Sometimes, right or wrong, elected officials can get the doors opened maybe a bit sooner than non-elected officials. But, until we can work through this process, he would like to make himself available to anybody who has a business and who would like to work through the process as quickly as possible.

DEPUTY MAYOR CHAVEZ noted that there is no value to making excuses. It is more important that an identified problem be solved. One of the major components of any organization is attitude. It is not unique to the City, and in any organization attitude is extremely important. He is interested in this for more than a dialogue on where they are going with this. As far as this department head status, he asked how big the department was in San Diego.

COUNCILMEMBER SANCHEZ replied that the actual small business advocate was the small business advocate and an assistant. And, then the Small Business Office has 8 people. So, it is 10 full time equivalents. Apparently, San Diego is the only City in the state that has this situation.

DEPUTY MAYOR CHAVEZ noted that Councilmember Sanchez previously used the word "authority." He asked how they deal with the issue of authority and responsibility.

COUNCILMEMBER SANCHEZ responded that what Ms. Jones said was that before San Diego established the Small Business Advocate Office, they had a person that was like a liaison. They had no such authority and therefore, they were not able to

do anything. They gave the position the same level of authority as other departments, and she has been able to trouble shoot any problems. She works very closely with the Chamber of Commerce and all of the other business organizations in the City and in the region. She gets referrals from the Chamber of Commerce as well as from council offices.

DEPUTY MAYOR CHAVEZ understood and said that is her authority. But he wanted to know her responsibility in the department of 10 people; how do they measure their success and how does this work?

COUNCILMEMBER SANCHEZ said that the person actually conducts studies and does surveys and was able to say that she has in fact had an effect. She was not able to come this evening, unfortunately. Her main duties are the trouble shooting, permit assistance, early assistance to try to give the small business a diagram of where they have to go and the timelines, and what permits will be needed. She does a lot of education, does training programs and works closely with the Chamber of Commerce.

DEPUTY MAYOR CHAVEZ is hearing what they would call activities. She is doing things. The balance between authority and responsibility is that the person not only has the authority to do something, say bring business in the community, but the person is actually held responsible and there is some action against the person if they do not follow through. He noted that Councilmember Sanchez referred to the focus groups dealing with customer service. It was his understanding that the focus groups were looking at process improvement. He asked if he was wrong.

CITY MANAGER JEPSEN replied that the focus group on customer service is defining their own role. An issue in which he is interested is process improvement, and they have been asked to look at that. But part of that process starts at the front counter in terms of being able to understand what people are asking for. He threw out an example of Julie Jones who wanted to start a wine business. She wanted to do something that was not allowed in the Redevelopment Area. An ombudsman may be able to track and move that along, but it still would require a process that would come back in front of the Council to modify their own rules and regulations to allow that to happen. That is happening, not as fast as he would like. It was on the agenda for tonight, but because staff did not get the paperwork done in time, it had to be continued to the next meeting. Those types of things are problematic. It is almost as if they need to go out and discover each of these stories and the details involved in them so that they can know the depth and extent of the issues in order to make an intelligent decision of what is going to be done to put corrective action in place. Some of it can be dealt with through a liaison position. Some of it is probably a little more complicated than that.

DEPUTY MAYOR CHAVEZ noted that he sent an email to all Councilmembers about 2 years ago when he came on the Council. In any organization, there are four components: the process, the price to do the process, the customers, and, the organization itself, the morale and training, etc. Customer service refers to understanding the customer. The solution to this is really within the process. He thanked Councilmember Sanchez for bringing this up. He has heard this a number of times, and it is an issue that needs to be addressed. Council should not put their head in the sand about this. But, the solution is not to build a widget. They may not want a widget. What we need to do is look at the process. The direction that he would like to give to the City Manager is to go into the process of how people would start a business and determine if the solution is an ombudsman. It is the authority and responsibility issue that is going to be the problem. He asked if the ombudsman is going to go tell other departments what to do and if so, that is where the authority and responsibility will rub. That is going to be dysfunctional to the organization. He has done this many times for the past 30 years.

He recommends that Council identify this as a problem, then direct the City Manager to go in the process and come back and tell Council how they improved it. And, not just tell Council how he improved the process, but give Council metrics of success. If

the timeline, for example, is 100 days to open up a business, give Council a metric of 50 or 30 or whatever the metric of success will be and then improve the process. That is his recommendation, if Council could modify the motion, to direct the City Manager to go into the process of small businesses and come back to Council with a clear metric of success and include the Chamber of Commerce and other people to do this. This Council should not direct the City Manager how to manage the City because that is what Council would otherwise be doing.

COUNCILMEMBER SANCHEZ disagreed with Deputy Mayor Chavez on one point in that where there is a problem, Council has to act and direct the City Manager. She should not just listen to all of this and sit quietly and not do anything at all. Having said that, she was looking for consensus. Her motion was basically to direct staff to look into this, streamline the process, and see if an ombudsman or small business advocate would be feasible as well. We are basically saying the same thing. She is not saying absolutely establish an ombudsman because she wants to be flexible on this and wants to see a lot of research done here. People need to be able to come forward and say, like the City Manager has suggested, what they have had to do. There is some reluctance by some people to do this because they still want to open a business some day, and they do not want to have the door slammed in their face. If there is some level of anonymity here that they can have, that might be easier for people to come forward. Small business owners can tell her who it was, but part of her does not want to hear it because that is not her job. In fact, Julie Jones does not think that it is Councilmember Sanchez's job to intercede on her behalf. Councilmember Sanchez agrees with Ms. Jones that it should not be her job. Ms. Jones did not realize that she could go to the City Manager. Maybe on the website there should be language that if people have any problems opening a small business to call the City Manager's Office or whoever it is that is going to be ultimately responsible. No one should take a year to open a small business. We are pretty much saying the same thing. Deputy Mayor Chavez is saying a metric, and she wants this to happen as quickly as possible. She wants something done and not return to Council real quickly and then Council is just here talking about the same thing. She wants to see some level of input from the community, from business owners and non-business owners seeing what they see as a problem and possible solutions.

MAYOR JOHNSON is a strong advocate of the process. He suggested having a small business workshop to flush out these issues and see exactly how the City can pull this thing together because there is a disconnect. He repeated that he is a full time Mayor, and anyone needing his help starting a business is encouraged to contact him. If Council doesn't hear about their problems, they cannot help.

COUNCILMEMBER WOOD appreciates this item coming forward because it addresses all those concerns that we have always heard about. He has been a City employee for over 30 years before he came on the Council. They have always heard every Council say that they are business friendly and they want to streamline the system. So, that is 30+ years of trying to streamline the system, and apparently there are bumps along the way. Discussing it again and having Councilmember Sanchez bring it up is welcomed. But Council should not talk themselves to death tonight trying to fix it. She is asking to send it back to staff and let them talk themselves to death and fix it. A name is a name—whether it is going to be an ombudsman, assistant city manager or economic development staff, director, or the position right behind that is empty. That is what staff is going to find out – how to streamline this 1 more time, and this will be 1 more time Council has said they are going to streamline the process for the businesses. Hopefully, this Council will get it right.

Like the Police and Fire and all of City staff who have been told for many years now to do more with less. That has to be considered, too, that City employees look around and see that there used to be 3 other people here doing the job and now there is only 1 person doing the same job. Council has to consider that and streamline it, understand the budgetary restraints, but there also needs to be checks and balances with the Directors. However, Department Directors and staff are overworked, under

loved and Council has to work on that aspect. A while back City Manager Jepsen had another assistant city manager who left and has never been replaced. Council could have called that person whatever name they wanted to use. Everyone has lost staff and are doing the best they can. He is shocked and not surprised that the Chamber of Commerce has not been more involved in the small business aspects of it.

Like a lot of the staff, Council seems to be trying to bring in big business to Oceanside, the one business that is going to save everyone and bring in tax bucks and make jobs. It seems like staff has been very busy with that aspect. He understands they are trying to get all those people in here with the remaining property, both commercial and industrial. They want those jobs and the tax base. While they are doing that, they are hoping that the Chamber of Commerce and the rest are helping the small businesses that really do well in the summer and have a really rough winter. The Chamber of Commerce should be involved in this completely, and it is part of their job out there to try to help the small businesses.

All Councilmember Sanchez is asking is to go back to staff to kick it around, determine if they need to hire more people or call somebody something else, or get a new person to do the job. Director McVey has been doing both jobs, which are economic development and redevelopment downtown. Everybody has lost help, and part of it is they are working with what they've got and hoping for the best; that is partly the State's problem. They have hurt Oceanside. Council needs to go forward. He recommended that it gets kicked over to staff and gets back to Council via the City Manager.

[Deputy Mayor Chavez left the dais at 9:10 pm]

MAYOR JOHNSON stated that every issue Council has addressed in the past, present and future revolves around funding or the lack of money. It is unfortunate that Oceanside is one of the 500 cities in the State of California that has been robbed by the State. Oceanside has lost \$80,000,000 to Sacramento. There should be a bigger outcry from the taxpayers at how much the City has lost. The City could have done a lot with that \$80,000,000. Council works very hard to improve the quality of life in Oceanside, and the money the City makes for the people goes elsewhere to balance their checkbooks. The City gets penalized for being fiscally responsible, and it is highway robbery.

Considering everything, the City has done pretty well with the resources at hand. Every department is understaffed, and there is clearly a need for more staff members so that the City can provide better and faster services to our citizens. That is why he and many others keep stressing economic development, be it small or large businesses. Where the City has a lot of room for economic growth is through the tourism market. The City has a number of excellent hotel sites that need to get built. Over the years, for whatever reason, the hotels do not get built because there are too many competing factions in this town.

[Deputy Mayor Chavez returned to the dais at 9:12 pm]

This Council has a greater understanding of what needs to be done and will work within the team concept, as hard as it is to do, to get these hotels built. Until then, the City will continue to struggle with a funding source. But, those hotels and the tourism industry will help the City get there. It is just going to take a little more time. In the meantime, he does have confidence in the City Manager to pull his management team together to help plug up some of these holes regarding the attitude at the counter. In the meantime, there are 5 elected Councilmembers who are committed to working with the public to resolve these issues. If anyone has a problem at the front counter, be it attitude or timing of processing the paperwork, call a Councilmember. If Council does not know about the issues, they cannot help. Regarding the issue with the wine company, he spoke to Ms. Jones and talked to the City Manager about it. Once again, Council has to revise the policy that is in place, and it takes time. That is just the way it

is. Mayor Johnson is a strong believer in the process and in the City Manager, and we will get this resolved.

COUNCILMEMBER FELLER thinks he will be opposed to an ombudsman. The City of San Diego has 1.2 million people with probably 10 times the amount of businesses, maybe even more. He believes that person in San Diego does an incredible job for a lot of businesses. Attitude for him is a key. He has attended Jane McVey's workshops on customer service and trying to make things smoother for everybody at the front counters. Employees throughout the City have attended those. He goes to ribbon cuttings and functions with the Chamber of Commerce every month for new businesses starting up. So, he is a little bit at a loss. For instance, Dr. Sosna said that 3 dozen small businesses have decided not to come to the City. Councilmember Feller is curious how that could possibly happen and not hear about it at any level, and how Dr. Sosna would know about it if Council is not hearing about it.

Hundreds of businesses have already located within the City. It is a challenge to open a business. He knows first hand what it takes to open a business. It took him 45 days to build a restaurant out of a pet store. People need to understand that he spent night and day doing the process to move into that business as quickly as possible, and it can be done. He did not have someone helping him. He had a set of plans that took some time to develop. It is a hard process.

He deals with lots of businesses continually and does not have the same feeling about this. He hears of occasional problems, but sometimes it is a zoning issue and makes it more difficult to get the process finished.

[Councilmember Wood left the dais at 9:17 pm]

It should not be completely on the City to be providing direction to become a new business person in town. It is not the City's responsibility. It is the City's responsibility to streamline the process for them once they come up with their idea. The Small Business Development Center does a great job. The Chamber of Commerce is a great resource. Other businesses are great resources. People need to understand that he is a business person who understands exactly what everybody has gone through. It is unfair to completely blame the City.

[Councilmember Wood returned to the dais at 9:18 pm]

He is very supportive of finding out if there is a problem. If there is a problem, we need to get it fixed. That is the direction he has heard tonight. He appreciates that Councilmember Sanchez brought this forward. Council needs to go forward more with the process and how staff feels they can fix what is perceived as a problem for the future and existing small business.

COUNCILMEMBER SANCHEZ restated her **motion** to direct City Manager Jepsen to review the process for starting a small business, the objective being to streamline the process and address problems, and to include a directive to provide Council a timeline/metric.

DEPUTY MAYOR CHAVEZ seconded the motion.

Motion was approved 5-0.

30. **Request by Deputy Mayor Chavez for discussion of a potential view preservation ordinance and direction to staff**

DEPUTY MAYOR CHAVEZ said this is a very good issue because it speaks to the character of the City changing. There have been a lot of wonderful people moving into the City, just like there have been a lot of wonderful people here for many years. But now the City is developing to the point that as the value of land goes up and people

are concerned about their views, Council addresses this. There have been a number of cities up and down the coast of California that have been doing this. He was contacted by Bob Noble who has a group that is called "SavUrVu," and he had the opportunity to meet with them a few weekends ago. Deputy Mayor Chavez assigned this item to allow Bob Noble to present his views on it and maybe give some direction to staff to look at how the City could provide for a higher quality of life and ensure that the property values are maintained by maintaining the views.

BOB NOBLE, 4932 Wildwood Drive, representing SavUrVu, spoke in favor of a vegetation/view ordinance. For background, he represents about 40 homeowners in the Costa Serena and Santa Fe Mesa neighborhoods. These homeowners responded to a letter to the editor in the *North County Times* regarding diminished or lost scenic views. Each homeowner paid a premium price for their view homes. Now they are deprived of the views by the growing intrusion of trees and shrubberies on neighboring properties. Vegetation is mostly unmanaged and allowed to grow far in excess of the needs for privacy, soil control and beautification. Attempts of neighborly negotiations have been consistently rejected. Eight cities in California that encountered similar circumstances have enacted view ordinances. Each ordinance acknowledged the right of land owners to have their vegetation and included the right of neighboring homeowners to preserve their scenic views. Each city adopted in its view ordinance a process by which homeowners could negotiate, mediate, arbitrate or litigate to restore and retain their views. Some cities elected to be actively involved in the process while others chose to be passive. The SavUrVu homeowners seek to restore their views which existed at the time they bought their homes.

The SavUrVu group asks Council to have a vegetation view draft ordinance prepared and have staff hold workshops for public input and debate. When the ordinance is finalized, they ask Council to adopt a view ordinance to serve Oceanside homeowners in restoring and maintaining their scenic views. This is a quality of life issue and affects all ages and walks of life. Properties with views enhance the quality of life and have a higher value. Higher property values produce increased revenues.

GORDON HILL, 4922 Wildwood Drive, supports the creation of an ordinance. As homeowners, it is to their quality of life issue and economic issue for the value of their properties; likewise, for the City, it is important to preserve the value and quality of life for the City and it is consistent with the direction and the aspirations that the City has and the visions for the future. Also, he reiterated that it is necessary to have an ordinance to create this right for the homeowners to preserve their views. They do not have that right without an ordinance, as the 8 cities in California, many of them coastal cities, have realized. He highly recommends that Oceanside adopt an ordinance.

DEPUTY MAYOR CHAVEZ stated the vegetation issue is a topic that the public can really get behind. It would help Council to have some discussion. He would like to hear from the Council if it would be worthy to direct staff to go forward and start the process of developing an ordinance.

MAYOR JOHNSON met with Mr. Noble this afternoon and also went out to the neighborhood and met with a few of the residents who were still there after they had their neighborhood meeting and saw first hand what their concerns were. They have valid concerns. When they bought their homes 12+ years ago, they had unobstructed views. Since then, they have some neighbors who have not been as neighborly as they should be in maintaining their vegetation and their growth. So some views are being obstructed. He is a firm believer of the process and would like staff to look at what the other 8 cities have done, how they have addressed it, the cost factor, how much staff is involved, and bring that information back to Council, maybe at a workshop.

COUNCILMEMBER WOOD met with Mr. Noble and some of his neighbors while walking the precincts and talking to people. Mr. Noble showed him his backyard and the view blockage. Mr. Noble kept it at a vegetation aspect, as the City has a lot of other issues with views. Mr. Noble has already done a lot of the work by finding out that 8

other cities have gone through this. This will save staff a lot of time and effort by looking at the other ordinances and maybe making modifications. Councilmember Wood is concerned with the cost. He has gone out to Costa Serena and had seniors tell him that they have a big tree in their front yard, on City property, and it keeps dropping leaves and limbs are breaking and if they do not clean it up, they will be fined. The seniors have asked him if the City can remove the tree, even though it is healthy. So, there are other issues out there regarding vegetation that could be encompassed in this little investigation. The big issue is cost, and that is what the seniors told him. They do not mind removing the tree, but seniors are on a fixed income and can not afford to pay for the removal. Those issues need to be addressed.

COUNCILMEMBER FELLER met with Mr. Noble as well. Mr. Noble is concerned with vegetation primarily. As long as this does not affect the economic perspective, he is supportive of this type of ordinance. It has to be carefully crafted to be sure that the City is not shooting themselves in the foot. The City Manager will work on this.

COUNCILMEMBER SANCHEZ explained that an ordinance would apply to everyone within the City. Before we start drafting anything, she would like to see a very public process, a lot of input from the public as to whether there should be an ordinance and if so, what it should say. Privacy issues are involved, and the City certainly does not want to be sued and then have to have some kind of settlement where Council agrees to some things that they do not want to agree to. She referred to the billboards case where the City was sued and then had to have 5 of them in the City because we were trying to get rid of all of them. She wants to make sure that we do this the right way so we do not later on get attacked/ sued and then are in a worse situation than now.

MAYOR JOHNSON confirmed that City Manager Jepsen had direction.

PUBLIC COMMUNICATIONS ON OFF-AGENDA ITEMS (continued)

7. Communications from the public regarding items not on this agenda (continued)

DR. LARRY SOSNA, 815 Wisconsin Avenue, took this opportunity to honor his father, Marty Sosna, who was killed 30 years ago and was the most decorated medical officer in the history of the country. Dr. Sosna described his father's many awards and accomplishments.

In reply to Councilmember Feller's previous question regarding how he would know something that Councilmember Feller did not know, if you want to know something, you talk to the privates and sergeants, not just the generals and colonels. Dr. Sosna went to Encinitas, Carlsbad and other coastal cities and spoke to people and groups of people there. The reason that the City has not heard the things that have been discussed tonight is because various people who are responsible for creating a culture of unfriendliness towards small businesses have learned that there are no consequences for withholding information from the City Manager/Council.

CITY COUNCIL REPORTS

31. **Mayor Terry Johnson** – no report

32. **Deputy Mayor Rocky Chavez**

DEPUTY MAYOR CHAVEZ stated there is a group of mothers of Marines conducting Operation Santa. People can visit their website at www.marinecorpsmoms.com. There are a number of women gathering Christmas packages to send to Marines. Their goal is that each Marine will receive a hand-sewn Christmas stocking filled with treats, etc.

On October 26, at 9:00 A.M. the Earned Income Credit class will be held at

County Mental Health, located at the 1800 block of Mission Avenue. This is a valuable program to help people fill out tax forms.

33. **Councilmember Jack Feller**

COUNCILMEMBER FELLER reported that 3 Councilmembers competed in the Trivia Bee and got farther along than any other Council had in the past. He attended the grand opening of OPT Telescope's new location at Horne and Mission Avenue. He reported on the death of Police Officer Larry Faumina and his funeral services. Former Councilmember Ben Ramsey's wife Joann died with funeral services Saturday. The Senior Expo was great and had a huge attendance. The North County Business Expo at Mission San Luis Rey was very well attended.

He was at the transportation meeting at SANDAG last week and had not seen much on the Los Angeles to San Diego Rail Corridor (LOSAN) and they are having an EIR due on October 25th. It deals with the Los Angeles to San Diego Rail Corridor and there are some issues. He wanted to make sure that the City is on board and as a Council understand that the rail corridor is going to be busy and what the City's input will be. He asked Frank Watanabe, Transportation Manager, to give an update about LOSAN, the Los Angeles to San Diego rail corridor.

FRANK WATANABE, Transportation Manager, explained that LOSAN is the high-speed rail corridor in California. There were 2 studies done regarding the high-speed rail corridor within California, and there was an individual study done by an authority. They combined them both and it is along the coastal corridor. At one time, the high-speed corridor would have been coming down the Interstate 5 and another coming down the Interstate 15 corridor. This corridor now has been compressed mainly down the coastal corridor. Within the San Diego region, it is going to stay within the existing track corridor. Everything north of San Diego, from Orange County up to Sacramento, is going to be the high-speed corridor. Within the Oceanside and San Diego region, it is going to be the traditional, conventional rail, but they are hoping to have more services. The impacts it has within the San Diego corridor, and the cities are looking at the impacts right now, is the issue of double tracking. A lot of the cities are looking at trenching or tunneling the service. That way maybe some of the issues such as noise, quiet zones and aesthetics that have come out during the draft Environmental Impact Report (EIR) process that have been going on for 2 years, can be addressed. These are the same issues that staff has identified in our comments for the draft EIR and these are the issues that staff will be providing from a technical stand point. Staff hopes that the study will address these issues and continue on with. Again, this is in the early draft of environmental processing. Staff is providing comments with the hope that during this process these concerns will be looked at and addressed.

The Council has directed staff to take a look at the quiet zones and our Transportation Division is moving forward with the quiet zone study. We have had some difficulties with trying to get our consultant on board, so City staff has taken it upon themselves to do most of the data collections. Staff contacted some of the rail agencies and is packaging something to bring back to the City Council to give an update of the quiet zones and the issues regarding quiet zones. That is something that staff would like to have the draft EIR for the LOSAN identify and be a part of that is an issue that we would like to see in the Oceanside corridor.

COUNCILMEMBER FELLER appreciates the input because it alarmed him that he had not heard much about it. He knew Mr. Watanabe had been involved with this from the beginning. He knew that the comments were there already. It was just kind of a surprise to Councilmember Feller and he wanted to make sure that Oceanside is included.

MR. WATANABE said staff has been keeping track of LOSAN, and he has gone to 3 of the 4 public work scope meetings over the past 2 years. Staff will be providing comments on October 25, 2004.

33. **Councilmember Esther Sanchez**

COUNCILMEMBER SANCHEZ reported that this past Monday was the last day to register to vote for the November 2 election. She would like to see Oceanside City Hall open till midnight on the last day of registration, as did Escondido. That is probably asking a lot to be open after hours, but it just seems like a neat thing to do for those waiting till the last minute.

November 2, 2004, is Election Day. She asked everyone to vote. This is such an important thing for everyone; this is the power to choose.

34. **Councilmember Jim Wood**

COUNCILMEMBER WOOD had promised Phyllis Russell that he would bring up the issue of the police range and try to ascertain when some of the soundproofing aspects would be completed. He did not know the status of the sound baffling system.

[Councilmember Sanchez left the meeting at 9:52 pm]

DEPUTY MAYOR CHAVEZ said it was a week ago when he was out there looking at it. They have the baffling on the sides of the structure. Right now they are in the process of taking care of the cover on the top. He has been out there a number of times with the community and talking about it. He is hopeful it is going to help, but he does not know if it is going to really do what we all want. As he has been telling the community out there, Council is committed to ensuring their quality of life and will continue to monitor it.

COUNCILMEMBER WOOD expressed appreciation to the public for showing up and providing input, and to all City staff for what they do with less. Employees are doing 3 or 4 other people's jobs. They have not backfilled positions. He thanked everybody out there, the City Manager and all the staff in the City and appreciates all they do.

ADJOURNMENT

MAYOR JOHNSON adjourned this joint meeting of the Oceanside City Council, Community Development Commission and Small Craft Harbor District Board of Directors at 9:54 PM on October 20, 2004. [Next regularly meeting is at 4:00 pm on Wednesday, November 17, 2004.]

ACCEPTED:

Barbara Riegel Wayne
City Clerk, City of Oceanside



California

CITY OF OCEANSIDE

JOINT MINUTES OF THE: CITY COUNCIL HARBOR DISTRICT BOARD OF DIRECTORS (HDB) COMMUNITY DEVELOPMENT COMMISSION (CDC) REGULAR BUSINESS

OCTOBER 15, 2008

REGULAR MEETING 4:00 PM COUNCIL CHAMBERS

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

Mayor
HDB President
CDC Chair
Jim Wood

Deputy Mayor
HDB Vice President
CDC Vice Chair
Rocky Chavez

Councilmembers
HDB Directors
CDC Commissioners
Jerome M. Kern
Jack Feller
Esther Sanchez

City Clerk
HDB Secretary
CDC Secretary
Barbara Riegel Wayne

Treasurer
Rosemary Jones

City Manager
HDB Chief Executive Officer
CDC Executive Director
Peter Weiss

City Attorney
HDB General Counsel
CDC General Counsel
John Mullen

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

The regular and joint meeting of the Oceanside City Council (Council), Small Craft Harbor District Board of Directors (HDB) and Community Development Commission (CDC) was called to order at 4:00 PM, October 15, 2008.

ROLL CALL

Present were Mayor Wood, Deputy Mayor Chavez, Councilmembers Kern, Feller (arrived at 4:01 PM), and Sanchez (arrived at 4:03 PM). Also present were City Clerk Wayne, City Manager Weiss, and City Attorney Mullen.

COUNCIL, HDB AND CDC CLOSED SESSION ITEMS

CITY ATTORNEY MULLEN titled the following agendized item to be heard in Closed Session: Item 1.

NOT OFFICIAL
UNTIL APPROVED AT SUBSEQUENT
MEETING BY CITY COUNCIL

Closed Session and recess were held from 4:01 PM to 5:00 PM.

CLOSED SESSION ITEM

**CLOSED SESSION TO DISCUSS LITIGATION, PROPERTY ACQUISITION,
LABOR RELATIONS AND PERSONNEL MATTERS**

1. CONFERENCE WITH REAL ESTATE NEGOTIATOR (SECTION 54956.8)

CONFERENCE WITH REAL PROPERTY NEGOTIATOR – Property: Oceanside Municipal Airport, 480 Airport Road, Oceanside, CA 92058. The property is bounded by SR-76 to the south, Alex Road to the north, Foussat Road to the east, and Benet Road to the west. APNs 145-020-24, 146-030-06, 145-021-06, 160-271-52, 145-021-25 and 160-270-78. Negotiating Parties: Negotiator for the City: Gary Gurley, Public Works Division Manager. Negotiator for APV: Lydia Kennard. Under Negotiations: Terms for the lease and operation of the property

Discussed; direction was given to staff; there was no reportable action. The item will be agendized for November 12 for Council consideration in open session.

5:00 PM – ROLL CALL

Mayor Wood reconvened the meeting at 5:00 PM. Present were Mayor Wood, Deputy Mayor Chavez and Councilmembers Feller, Kern and Sanchez. Also present were City Clerk Wayne, City Manager Weiss and City Attorney Mullen.

INVOCATION - Pastor Carl Souza

PLEDGE OF ALLEGIANCE - Sarah McAfee and Lisa Hammel

PROCLAMATIONS AND PRESENTATIONS

Proclamation – 70th Anniversary of North County Humane Society & SPCA

Proclamation – Domestic Violence Awareness Month – October 2008

[Presentation – Mayor’s Youth Sports Recognition and Appreciation Award]- - None

Presentation – Employee Service Awards

Alfred Macias	40 years
Jane Cinciarelli	35 years
Rene Diaz	25 years
William Marquis	25 years
Marlene Chabala	25 years
Carl Regalado	20 years
Keysa Machado	20 years
Ronal Hardy	20 years
Gregory Van Voorhees	20 years
Theresa Shoemaker	20 years
Dwain Speigle	20 years
Raymond Melendrez	20 years

Presentations were made.

CLOSED SESSION REPORT

1. Closed Session report by City Attorney

CITY ATTORNEY MULLEN reported on the items discussed in closed session.
Report given (See item 1)

PUBLIC COMMUNICATIONS ON OFF-AGENDA ITEMS

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

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

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

JOE DEGGENDORF, 3719 Balboa Drive, representing the Friends of Heritage Park, invited everyone to attend the annual Halloween Hijinks this Sunday at the park from 11:00 AM – 4:00 PM. Admission is Free.

KEN LEIGHTON, 1109 South Nevada Street, reported on his business located at the west end of the valley, which is celebrating its one-year anniversary in December. 2 years ago a 50-year-old bar called Phil's Place had closed up; the building was run down; and the business was dead. Nathan Johnson and I invested a lot of time and money to support a place for musicians who could showcase their music in a setting that would respect their craft. Using our own capital and using no public money, we put in new sewer and plumbing systems, etc. Oceanside is a very supportive place for upstart businesses. Musicians now have a respectable showcase.

KIM HEIM, Past Director of MainStreet Oceanside, introduced the new Executive Director at MainStreet, Kim Kimball. She comes from the Morrow Bay area and recently moved to North County.

KIM KIMBALL, Executive Director, MainStreet Oceanside, thanked everyone and expressed excitement for the opportunity.

CATHY NYKIEL, Event Coordinator, MainStreet Oceanside, invited everyone to attend "Kick Up Your Heels" and meet your local candidates for this election year this Thursday at Sunset Market. She also announced Dia de los Muertos, also known as Day of the Dead in November.

BEATRICE SHUSHAN, 4868 Cardiff Bay Drive, expressed her concern about a recent phone survey regarding the local election. The surveyor did not identify himself and asked biased questions.

ESTHER RILEA, 1452 Darwin Drive, shared a personal experience and observation involving the Oceanside Fire Department Paramedic Service versus a contract private ambulance service. She believes if Oceanside does not keep its paramedic service, the lack of training, education, and professional standards on the part of a private contract service will impact the safety of our residents.

MARGARET MALIK, 1611 Hackamore Road, expressed concern regarding a poll phone survey, feeling candidates should run a clean campaign and the dirty tricks should stop.

DOROTHY McCORKLE, 4610 Bristolcone Court, also commented on the push poll phone surveys. This is a political campaign technique to push propaganda. She also asked to save El Corazon.

NADINE SCOTT, Friends of Loma Alta Creek, talked about the election and some of the candidate's platforms.

CONSENT CALENDAR ITEMS [Items 3-5]

All items listed on the Consent Calendar may be enacted by a single vote. There will be no separate discussion of any Consent Calendar items unless requested by members of

the Council/HDB/CDC or the public through submittal of a Request to Speak form prior to the commencement of this agenda item.

The following Consent Calendar items were submitted for approval:

3. City Council/Harbor/CDC: Acceptance of Joint Minutes of the Small Craft Harbor District Board of Directors, Community Development Commission and City Council of September 17, 2008 4:00 PM Regular Meeting.
4. City Council/Harbor/CDC: Approval to waive reading of the text of all ordinances and resolutions considered at this meeting and provide that ordinances shall be introduced after a reading only of the title(s)
5. City Council: Approval of Amendment 2 in an amount not to exceed \$14,000 to RRM Design Group of San Luis Obispo for development assistance for the El Corazon project, to continue project coordination and advisory group presentation; and authorization for the City Manager to execute the amendment [**Document No. 08-D0610-1**]

COUNCILMEMBER SANCHEZ moved approval of the Consent Calendar [Items 3-5].

COUNCILMEMBER KERN seconded the motion, which was **approved 5-0**.

The Mayor determined to hear Item 8 at this time.

GENERAL ITEM

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

8. **CDC: Approval of Amendment 5 to the Negotiation Agreement with S.D. Malkin Properties, Inc., for the development of the Downtown Beach Hotel, to extend the term of the agreement from October 17, 2008, to January 31, 2009; and authorization for the City Manager to execute the amendment.**

JANE McVEY, Economic and Community Development Director, requested to once again extend the negotiation agreement period with the proposed developer of the Downtown Beach Hotel to January 31st. This is being requested at this time because, although we are 99.5% through the Coastal Commission process, one outstanding issue has to be resolved which has to do with Joint and Several Liability. The extension will allow enough time to bring resolution language back to Council and then back to the Coastal Commission.

COUNCILMEMBER SANCHEZ moved approval [of Amendment 5 to extend the term of agreement from October 17, 2008, to January 31, 2009; and authorization for the City Manager to execute the amendment]. [**Document No. 08-D0612-3**]

COUNCILMEMBER KERN seconded the motion. He asked when this would go back to the Coastal Commission.

DIRECTOR McVEY replied if it comes back to Council on November 12, it could then be on the December or January Coastal Commission meeting.

DEPUTY MAYOR CHAVEZ shared concerns he had from July 9 when the 4th amendment was granted. There are basically 3 components that we are dealing with: 1) the Local Coastal Plan Amendment that is dealing with this joint and several liability, which impacts the ability of Malkin to build the hotel because their relationship is with the Hyatt; 2) we have before us the lease, and this is the 5th extension, to take care of

the Local Coastal Plan Amendment which is critical, and the City Attorney's recommendation is that we do not go forward with the lease until the issue with the Local Coastal Plan Amendment is taken care of; and 3) overshadowing this whole thing is the money. Back in 2005 when we decided to go forward with Malkin, one of the big issues was who had the money to actually do this. At that time we knew that Malkin would have to get the funding. From that effort, the City has said we would invest some money. Although not wanting to, he understood we had to because of agreements made by the Council in 2005. My direction to the City Manager is that I would not support any more investment from the City in this process. Redevelopment has only 10 more years to go, which impacts financing; therefore, we should do whatever it takes for the Local Coastal Plan Amendment to go forward. We are now at the political decision and need to take strong action on this because of the financing and the lease. If we do not get this hotel built, it will rest on the heads of this Council. I'm ready to travel and talk to anybody to get this done.

COUNCILMEMBER SANCHEZ said this hotel has meant a lot to the City, and when the item came back from the Coastal Commission, we all worked together. We had a consensus that was beyond this dais. It had to do with following a dream this City has pursued. We wanted a 10,000 square foot ballroom and meeting rooms and things that we asked for together. I was not part of those that tried to derail this at the beginning by going after someone who was going to give us a 2 star. I was not one that supported a \$2,200,000 giveaway to Manchester. We have a dream that we continue to pursue, and I believe that most of Council, whether there is an election on November 4 that affects us or not, are very honest about pursuing it. I take offense that anyone here would suggest that we have not tried to do everything possible to make this happen. There are some legal issues. I understand that so far the contract is up to 150 pages at this point, and this is something that we have never gone through as a city. This is something very special. I hope that everything falls into place for this project financing, etc.

Motion was approved 5-0.

[Recess was held from 6:05 PM to 6:10 PM.]

6:00 PM - PUBLIC HEARING ITEMS [Items 6-7]

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

6. **CDC: Consideration of a resolution approving Tentative Map (T-202-07), Development Plan (D-208-07), Variation (V-202-07) and Regular Coastal Permit (RC-211-07) for the construction of a 24-unit multi-family residential condominium development located at 620-712 South The Strand – Pacific Blue – Applicant: Sushil Garg**
 - A) Mayor opens public hearing – hearing was opened
 - B) Mayor requests disclosure of Councilmember and constituent contact and correspondence: Councilmembers had contact with staff, the applicant, e-mails and site visits.
 - C) Secretary presents correspondence and/or petitions: No correspondence was received.
 - D) Testimony, beginning with:

SHAN BABICK, Associate Planner, reported the project proposes a 24-unit multi-family residential condominium development situated on an approximately 37,000 square foot lot located at 620-712 South The Strand. The proposed project is a 2-story

building over a 56-space underground parking garage. The units range in size from 920 to 2,680 square feet, with an average of approximately 2,100 square feet. The proposed design is Spanish Mediterranean, and the site is currently vacant. Both pedestrian and vehicle access will be from The Strand. As on all projects on The Strand, there is no pedestrian access to the project from South Pacific Street. There is an error in the Staff Report under the development standards, listing the minimum parking of 53 parking spaces. It should read 48 parking spaces as the minimum, and the project is providing 56 parking spaces.

The applicant is requesting a variation that the retaining wall be a little bit higher than the maximum 6-foot height allowance for walls in order to hold back a slope that is severely eroded. In addition, the applicant is requesting some relief on both the front yard and side yard setbacks. This is allowable on The Strand and is not a variation. The proposed project meets all the development standards with the exceptions noted. It is at 28 dwelling units per acre, which is well below the maximum of 43 dwelling units per acre. This is due to the site constraints. The Strand historically has long, narrow lots and is also restrained by the bluff height, since you cannot have any building or structure or anything above the bluff height. At the south end of The Strand, the bluff height is at its lowest.

Staff believes that the product type is consistent with the newer condominium developments located on The Strand. It has a Spanish Mediterranean design, which is consistent with a lot of the newer projects located on The Strand. The applicant is requesting that the front yard and side yard setback be 5 feet. For projects located on The Strand, you can encroach into the side yard, corner side yard setbacks and front yard setbacks: 5 feet in the front and 3 feet on the sides. The applicant is proposing that the front yard setback be reduced to 5 feet for architectural projections. At this point the setback is 5 feet; the landscape plan shows the remaining of the building which is at 15 feet. These architectural projections are approximately 30% of the front façade. On the south end, the applicant is also requesting the reduction to 5 feet on the interior side yard setbacks. These reductions in setback are appropriate. These flexibilities are in the Zoning Ordinance because of the constraints of The Strand. Again, the variation is for the retaining wall to go a little bit higher for the approximate length of 10 feet.

Both the Redevelopment Design Review Committee and Redevelopment Advisory Committee (RAC) have approved this project unanimously. The special concern from the Redevelopment Design Review Committee and reiterated by the RAC is they want to see some treatment to the roof because we have the Pacific Street Linear Park located above, and they wanted to see some undulation as people walk along The Strand. Because of this and a lot of other concerns, this project went through a lot of different designs before they came up with this final design. With that, staff recommends that CDC adopt the resolution and approve Tentative Map (T202-07), Development Plan (D208-07), Variation (V-202-07), and Regular Coastal Permit (RC-211-07) for the construction of the 24-unit residential development located at 620-712 South The Strand.

Applicant

GREG OLSEN, representing Prime Urban & Company that Sushil Garg has employed, introduced the team available to answer questions: Sushil Garg, Property Owner; Larry Taylor, Civil Engineer; Damien Titano, KDG Group, Principal Architect on the project.

DAMIEN TITANO, KDG Group, Principal Architect, explained the development in terms of how the residents would enter, how guests would enter and how it relates to the neighborhood. The biggest challenge on this job was the height limit, as they are limited to 2 stories because of The Strand being an elevation 11, and then Pacific Street is about 20 feet. They arrived at the density of 24, in working with the owner, since every unit was to have an ocean view and half of them have a master bedroom and

living room on the front. The vehicular entrance is on the south side. The nearest single-family house is adjacent to us. It is a common entrance. It would slope down; there is no tandem parking; and there are 8 additional spaces on top of what is required: 2 per unit. There are motorcycle and bicycle spaces. There is a circular vehicular path to get back out. There is a trash room. There is a club room proposed at the lower level. The private access has 4 different types of courtyards that are stairwells that are accessed only for the units above private access. Public access would be to the corner where there is an elevator and public stairs out of the parking structure. You go up to the common courtyard, and there are the 4 entrances to that cluster, which are all accessed off that courtyard. There are 2 ground floor entrances to the ground floor units, and then there are 2 doors that go upstairs to the upstairs units. The center court has the main public entrance. While there is also some circulation on the side, the main public entrance off The Strand is down the center. The same thing would happen for the 4 units that face the entry. There is gated access.

The 2nd floor plan is similar in orientation. The only thing that changes is that the unit is built over the ramp; we are able to pull that 2nd floor unit out to the face; and then for some articulation bedrooms were bridged on the backside to have small ocean views. The elevation is limited to the 2-story height. 20 feet is not much, and you can see the flat roof. The landscape enhancement is going to be done with colored rock on top of the flat roof. It has been referred to as "Bellagio by the Beach" because the Mediterranean/Italian style would add some automatic elegance and luxury to the community. The west is on the top which faces the ocean. It is well articulated on all 4 sides; however, it was done in a vertical manner so that it looks like they are possibly townhomes or row homes, even though they are stacked flats; they feel a little bit more appropriate for the community.

SUSHIL GARG, property owner, is not in the building business, and the project is not motivated by development barometers. His plan is to keep several 5-bedroom units for himself and his family. We took a lot of input and feedback from both the Architectural Committee and the Development Team.

Public Input

AHMID MALIKI, 429 Garfield Street, questioned whether the ocean would still be visible along the pathway where residents walk and bicycle, or if they would see a façade of a building.

MR. BABICK responded that the project cannot exceed the height of the center line of Pacific Street. Therefore, you will be able to see over the project.

With no one else wishing to speak, the Mayor closed the public hearing.

COUNCILMEMBER FELLER felt the project keeps getting better. He asked if there is a chance that the bluff could eventually erode away Pacific Street at that point.

MR. BABICK responded that eventually it could erode away in the eons of time, but the bluff will be stabilized so it should hold. Geological and soil studies have been done and, with the retaining wall, it should be there for quite some time.

COUNCILMEMBER FELLER asked for clarification on the visitor parking and if there was any access from Wisconsin to this site or if everything has to access it from The Strand.

MR. BABICK stated the below garage parking has 56 spaces. All access will have to come from The Strand, as it is one way and cannot be accessed from Wisconsin Street going north.

COUNCILMEMBER FELLER moved approval [to adopt **Resolution No. 08-R0611-3**, "...approving a Tentative Map, Development Plan, Variation, and Regular

Coastal Permit for the construction of a 24-unit multifamily condominium development located at 620-712 South The Strand – Pacific Blue – Applicant: Sushil Garg”]

DEPUTY MAYOR CHAVEZ seconded the motion. He questioned the fire escape plan to the project in that, if you have an 8-foot retaining wall in the back and you have people going through corridors, how do people get out in the event of a fire, if you are in the back north or back center. If you’re elderly what will you do?

MR. TITANO responded there are only 2 stories, and everyone on the ground floor has access to The Strand. So it’s really the 2nd floor units that we have to worry about. They still have a deck that is one story up from The Strand, so potentially that is an easy save as far as a ladder for fire access. Also, as they went down their stairs, there are 2 paths, one down the center and one down the side. There is also a 3-foot wide unpaved path, which is not recommended, but in the case of emergency, there is potentially a way to walk down that.

DEPUTY MAYOR CHAVEZ asked if there was some standard that people have to go a certain distance before you are away from the structure?

MR. BABICK responded that he is not that familiar with the building codes, but did mention that the building is sprinkled, which is one of the safety requirements.

MR. TITANO explained there is not a specific distance required, but future residents will obviously need to get away from the building. He asked for more clarification on the Councilmember’s area of concern.

DEPUTY MAYOR CHAVEZ clarified the way the building is designed, especially with the retaining wall in the back, you can’t go to the east because there is the bluff and the wall. You really can’t go too far to the north because there is another wall, so how do you get out.

MR. TITANO said there are 2 exits, which are required. The center exit is where the bridge is. Each of these modules will be isolated in fire so that the fire will not spread rapidly throughout. The side path is clear from any point.

DEPUTY MAYOR CHAVEZ commended them for doing a good job of allowing someone to have their private space on the beach.

COUNCILMEMBER KERN is concerned with the possible flooding. Referring to the wave run up and calculation, he had a couple issues: the City has to maintain the revetment, and is there an ongoing maintenance program for putting those rocks in place and keeping them in place?

MR. BABICK would defer that to that to the City Engineer and City Manager but would assume that we would have to maintain the revetment in order to maintain The Strand roadway.

COUNCILMEMBER KERN responded that is the narrowest part; we have no beach there certain times of the year. Our highest tides of the year and our storm surf are usually in January. His concern is the water getting into the underground parking. He noticed that when you walk down there in January, a lot of people have sandbags in place to stop the water from going into their garages. One even has a wall that comes out of the ground. He asked if that was something they planned on doing. That’s a big concern, because there is going to be water in that underground parking.

LARRY TAYLOR, Civil Engineer, Taylor Group, explained the flood protection on this structure. There is a low site wall that runs the full width of the site along The Strand. Referring to the wave run up study, one of the conclusions is that during peak storm events, there could be up to a foot and a half of overtopping of the revetment. The Strand is narrow so that foot and a half will dissipate very little as it goes across

The Strand, so there is flood protection from that wall of about 3 -3.5 feet above The Strand. At the garage entrance, which is your key concern, there are a couple of lines of defense there. On other projects we've designed in temporary flood walls. However, we've taken a different approach because sometimes the mechanical wall doesn't work when you want it to. Very simple systems are where you have some post holes across the driveway, erect plywood barriers and sandbag the bottom. That will effectively block 95% of the water from going in.

COUNCILMEMBER KERN asked who was going to do that.

MR. TAYLOR responded the building management. He added that the positive side to flood preparation was the 24-48 hour window to prepare for the event. Another line of defense is a drainage system in the basement, including a trench drain or channel drain at the base of the driveway ramp so any water that would get past the barrier at the top would be primarily caught in that first trench drain, diverted to a sump pump and then pumped back out to The Strand.

COUNCILMEMBER KERN asked if any soil testing was done and if they are going to dig all this out. Is there any way that we can put this on the beach, or do we have to haul it off?

LARRY TAYLOR replied if we start on a Corps of Engineer permit now, maybe it can be done. It is kind of a dichotomy for all these projects.

Motion was **approved 5-0**.

7. **City Council: Council called hearing: Adoption of a resolution approving the Mitigated Negative Declaration for Mission View Manor and adoption of a resolution affirming Planning Commission Resolution No. 2008-P51, which denied the General Plan Amendment (GPA-2-07), Zone Amendment (ZA-1-07), Conditional Use Permit (C-13-08), and Historic Permit (H-2-08) proposing to change the land use designation from Medium Density A Residential (MDA-R) to Special Commercial (SC); to amend the Zoning District Map from Medium Density A-Senior Mobile Home Park Overlay-Historic Overlay (RM-A-SMHP-H) Districts to Special Commercial-Highway Oriented-Historic Overlay (CS-HO-H) Districts; and proposing to allow land use 450.CC.5 *Vehicle/Equipment sales and rentals* (i.e., mobile home sales) on a .66-acre portion of a 16.37-acre lot situated on the northeast corner of Mission Avenue and Douglas Drive – Mission View Manor Lot – Applicant: Cole and Associates**

- A. Mayor opens public hearing – Hearing was opened.
- B. Mayor requests disclosure of Councilmember and constituent contacts and correspondence: Councilmembers reported contact with staff, the developer, applicant and residents.
- C. City Clerk presents correspondence and/or petitions: Copies of correspondence received
- D. Testimony beginning with:

JULIANA VON HACHT Associate Planner, presented staff's recommendations for the General Plan Amendment proposed by Cole and Associates. The proposal is to change the General Plan to Special Commercial; a Zone Amendment to create to a Special Commercial-Highway Oriented-Historic Overlay District; a Use Permit to allow the sale of mobile homes, which is classified as vehicle sales and rentals; and a Historic Permit to change the base zoning district. This application was revised by the applicant in March of this year; they added the Use Permit and Historic Permit and changed their proposal for the zoning designation. In June, the Oceanside Historical Preservation Advisory Committee considered the application and recommended denial. In July, a Mitigated Negative Declaration was available for public comment. On August 25, the Planning Commission considered the application, recommended adopting the Mitigated

Negative Declaration and denied the project. It was subsequently called for review by a councilmember.

Using computer graphics, she showed the project site at the corner of Mission and Douglas. It is a 0.66-acre site, which is a portion of a larger 16.37-acre site that makes up the Mission View Manor East Mobile Home Park. This proposal creates a property that would be bisected by district boundaries, both residential and commercial districts.

The call for review wanted to discuss the sufficiency of the Planning Commission's findings. For the General Plan Amendment, the Planning Commission found that the current General Plan designation of Medium Density-A Residential was the appropriate land use designation for this site. The areas within the Historic area of the Mission San Luis Rey that had commercial designations are Special Commercial Limited, and the proposal tonight was Special Commercial-Highway Oriented. The 0.66-acre site is rather small for creating a vibrant commercial use, and a few years ago when the City adopted the Senior Mobile Home Park Overlay District, it formalized the sense of a neighborhood among the mobile home park residents in the area of the Mission View Manor East and West. The Planning Commission felt the proposal did not create or encourage a visitor serving land use, and the overall proposal really did not respond to the desired landscaping and streetscape in the historic overlay area. On the Zoning District Map, just to the south and a little bit to the north of the project site, Special Commercial Limited is the commercial designation within the historic area. The findings for the Zone Amendment included compliance with both the Special Commercial-Highway Oriented development standards and parking requirements, streetscape and landscape requirements of the historic area.

Focusing on land uses, there are land uses that are permitted by right within the Special Commercial Highway Oriented districts. This particular district is more generous than most when it comes to commercial land uses. The Planning Commission found that the mobile home sales is not a desired use within the historic area, that one of the goals of the historic area is to create a pedestrian friendly environment, and to have a 25-foot wide meandering pathway and tree-lined streets both on Mission and Douglas. This proposal does not include that. Also, one of the goals is to create tourist serving uses and to create a sense of arrival as you come into the Mission San Luis Rey Historic Area. The architecture and landscaping should reflect the style of the Mission. The overall goal for the area includes visitor serving uses-resort hotel and a commercial village. The entire 16-acre site of the Mission View Manor East shown on the plan is intended for a future resort hotel. To the north, there would be a village with commercial tourist serving uses with access off of Douglas, Peyri and San Luis Rey. Another diagram from the Mission San Luis Rey Historic Area Development Guidelines really identifies this intersection as the entry point to the historic area.

The Planning Commission's findings for the Use Permit were principally founded on the underlying current General Plan and land uses and residential. This does not allow for commercial uses such as the sale of mobile homes. In addition, the Planning Commission found that the shared egress between the residents of the Mission View Manor East and the commercial sites really puts a burden on the residents. Any commercial use that would be going on this 0.66-acre portion of the larger residential lot would go through the same entrance as the residents of the mobile home park. The commercial land use also would be directly abutting and adjoining the mobile home back yards. She showed a slide of the project site, showing the location of model mobile homes which would be rotated, as is being proposed. As trends change with the exterior appearance of mobile homes or at the business time of preference, they would swap out the mobile homes and put new ones on the lot. There are four parking spaces on the lot, but the egress is through the main entrance of Mission View Manor East.

Briefly going over the Fiscal Analysis, she assumed the applicant would generate \$1,000,000 in gross sales annually. The City would receive property tax revenue. If the mobile home is sold for \$100,000, we would annually receive 12.4% or \$124 in revenue

per new residential unit as property tax. Mobile homes are subject to use tax. For residential mobile homes, 75% of the value of the mobile home is subject to a use tax of 7.75%. So if there were to be \$1,000,000 in gross annual sales of residential mobile homes, \$750,000 would be subject to a use tax at 7.75%. Use tax revenue is pooled throughout the county so whether sold in Oceanside, San Marcos, etc., we will still get 3.8% of the pooled funds. On \$1,000,000, that would be about \$2,000 annually. Sales tax revenue is based on the nonresidential aspect of the product sold. This would include things like awnings and skirtings. Staff estimated that 5% of the value of the mobile homes sold would be subject to sales tax. There again, if you had \$1,000,000 in gross revenue, that would be \$50,000 in nonresidential products sold, and we would receive 1% or \$500 annually. Finally, we do receive income through our business licensing fees, so roughly on \$1,000,000 on gross annual sales, the City would receive \$3,000 in revenue.

Staff recommends that Council approve a Mitigated Negative Declaration by adopting a resolution and affirm the findings of the Planning Commission by adopting a resolution and denying the General Plan Amendment (GPA-2-07), Zone Amendment (ZA-1-07), Conditional Use Permit (C-13-08) and Historic Permit (H-2-08).

Applicant

JIM BARTELL, representing the applicant, introduced the team: Linda Cole, Applicant; Betty Graff, Project Planner; Steve Epstein, property owner of the mobile home park. He stated there are many supporters of the project.

LINDA COLE Cole and Associates stated this is a family-owned and operated business for 23 years. The business handles the financing, escrow, insurance, notary business, the new homes, the resells, setups and delivery. Over the years, we have helped 10,000 seniors and families purchase their homes. The business is based in San Marcos. She believes this is the highest and best use for this corner. Once the landscaping is done, it will be attractive; right now it is barren. The new look will improve the mobile home parks and quality of living.

ELIZABETH J. GRAFF 3528 Sea Ridge Road, Consultant, reviewed that when we first started this, we struggled to find a way to do this without amending the General Plan and the zoning. When the mobile home park was first established, this was a sales lot, and we did find resolutions that referred to Joe's Trailer Park. However, it never had a site plan or anything in the files that specifically spelled it out. In any event, it had been abandoned as a use for some time, and we couldn't put it back. We finally came to the conclusion that we needed to go through this process of amending the General Plan. The category available to us to do that for this use was the one that we are suggesting. We have prepared a landscape plan that has been through the process; we are willing to do all of the landscaping that the City would like in relation to the Mission Historic Area.

The site is shown on the Historic Area for eventual use as a hotel. We would like you to consider this Conditional Use Permit. It could be considered somewhat easy to remove if and when the mobile home park use should change and the opportunity arises to become a major hotel project at that intersection. They would only have to remove the mobile homes and take out the landscaping, and the hotel project could go forward. The proposed zoning would match that use and would allow it if that ever came to fruition. The project is predicted to generate very little traffic; the traffic studies suggest it would be an additional 30 trips per day over what would be generated by the mobile homes. We think it would probably be fewer trips. We did allow parking on the site, and there is some spillover parking available.

MS. COLE discussed the interior and exterior of the manufactured homes. For the interior, they are yearly improving the codes to be more residential like. The exterior has composition shingle roofs, side eaves, rear and front overhangs; and the larger windows look very residential. If there is enough room on the lot, they can attach

garages to them. The Interior has drywall, the 9-foot sidewalls, high ceilings, can lights, and rocker light switches, and fireplaces are available. These will greatly improve the appearance of the corner of Mission and Douglas.

STEVE EPSTEN property owner, said his family has done business in Oceanside for 50 years, and his grandfather built the mobile home park. He feels this is a compatible use for the property, and the income will help maintain the park.

MR. BARTELL stated we differ in the revenue to the City compared to what staff presented. The total sales tax generated by the 7.75% is \$790,000, and that comes from assuming a cost per unit of around \$90,000. The State Board of Equalization says that the tax code law for each unit is 75%, or \$67,500 per unit is taxable. Then you add on average add-on sales for air conditioning, phones, and all the amenities. That's an additional \$17,500, bringing the total to about \$85,000 per unit that's taxable. When you go through the different calculations based on the 7.75% distribution, you can see that the local sales tax revenue is \$102,000 per year and an additional \$51,000 for transient. In conclusion, with the summary of the benefits, we feel this is the highest and best use of the .66 acres that has been vacant for over 30 years and probably will remain vacant unless this project is approved.

We will provide a tract of landscaping around the perimeter, both on Mission and Douglas, which currently does not exist today and appears to be blighted in its current condition. It is an opportunity for the residents in the 15 mobile home parks to upgrade their units; they are very attractive and affordable homes. We talked about the revenue it generates for the mobile home park improvements itself, as a revenue stream to the owner. Given the historic overlay district and the fact that to make that happen would require the closing of the mobile home park and relocation of the residents, it is going to be quite a while before that occurs. Until that time, we feel this showroom, this use of that property is the highest and best use, the most attractive and the least permanent use that could go on that site. It would be a matter of days or weeks at the most before we could have that site prepared and ready to move forward with a historic district overlay development, including hotels and visitors serving commercial.

Public Input

TOM TAYLOR resident of Laguna Vista Mobile Estates and Director of Oceanside Manufactured Home Owners Association (OMHA), was not speaking formally on the part of OMHA, but as a leader of OMHA and out of concern for the residents of these mobile homes. He feels the unit being proposed by the Cole Family is the highest and best use for this property that has been a blighted sight in the neighborhood for 30 years, and they seem willing to vacate at the time that the City wants to move forward with the future land use; but that would not happen soon. We would like relief in our area now, and the Coles are willing to bear that. City staff has not asked the residents how we feel. This is an excellent use, and he hoped Council would approve this use of the land.

GURLEY SELLERS, property manager of 2 mobile home parks: Trico & El Camino 76 right around the corner on El Camino Real, opposed the Planning Commission's position. With 15 mobile home parks providing affordable housing to seniors and families, this site will encourage the industry, showing people what the modern manufactured home looks like. The City needs the mobile home parks as opportunities for affordable housing. The residents of his 2 properties have good comments about the proposal. The proposed use improves the site significantly. He asked Council to oppose the Planning Commission's position.

With no one else wishing to speak, the Mayor closed the public hearing.

COUNCILMEMBER KERN had called this for review. He wanted this site to look attractive. When he first moved to the valley, this was a mobile home sales lot. With a Conditional Use Permit, if the park ever closes, can we condition this use within

120 days notice that they have to vacate the property?

CITY ATTORNEY MULLEN responded that to vacate the property, the way to do it is have a termination date on the Conditional Use Permit that would coincide with the granting of a Use Permit or Park Closure Permit pursuant to the zoning code.

COUNCILMEMBER KERN recommended the acceptance of the Mitigated Negative Declaration and the reversal of the Planning Commission decision. As stated in the staff report, this 0.66-acre site is not suitable for a vibrant commercial use. So this is the highest and best use of this property right now.

CITY ATTORNEY MULLEN clarified the action would be to adopt the Mitigated Negative Declaration and grant the appeal and approve the General Plan amendment, zone amendment, and all the other entitlements the Conditional Use Permit has.

He pointed out that there are no resolutions in front of Council to approve. If Council's action is to approve the project, staff will come back with the necessary resolution and ordinance. The approval of the resolution for the Conditional Use Permit and Historic Permit would have to be contingent upon the adoption of those other items.

COUNCILMEMBER KERN stated the only other question that was brought up was traffic, and we are talking minimal traffic 25-30 cars a day. We are going to have more traffic impact across the street where they are putting in the new shops; he does not think there will be anything involved with that.

COUNCILMEMBER KERN moved approval [of the project items with staff to return with resolutions including conditions and an ordinance]

COUNCILMEMBER FELLER seconded the motion.

COUNCILMEMBER SANCHEZ is not prepared to say that this would be the highest and best use, and she has some concerns about traffic. She asked about the recommendations from the NCTD in terms of the concrete bus pad that they were requesting.

MS. VON HACHT stated NCTD did ask for an existing bus pad to be improved; it is on the north side of the entrance to Mission View Manor East.

COUNCILMEMBER SANCHEZ asked if this is going to be a requirement.

JERRY HITTLEMAN, City Planner, indicated we can make that a condition of approval for the project.

COUNCILMEMBER SANCHEZ stated NCTD is asking for that, for an ADA compliant boarding pad and passenger waiting shelter, trash can, and bicycle racks.

MS. VON HACHT responded the bicycle racks would be located on the commercial property; they would not be adjacent to the bus pad and the ADA compliant boarding pad.

COUNCILMEMBER SANCHEZ asked if staff was prepared to include this as part of the approval.

CITY MANAGER WEISS clarified that staff was recommending denial so they do not have a resolution with conditions to approve it. They will go through the letters received and craft conditions of approval and will then get with the applicant to make sure they are acceptable as they bring it forward.

COUNCILMEMBER SANCHEZ had concerns about previous requests by residents at Mission East and West for a traffic light.

MS. VON HACHT stated a traffic study was done with this project. The proposed project will generate an estimated 50 vehicle trips per day. A residential land use would generate 20, so the commercial is 30 additional above what a residential land use would otherwise generate. They did an analysis and determined that a traffic light would not be warranted at this location; it would actually further impact the traffic and make it flow less on Douglas.

COUNCILMEMBER SANCHEZ spoke to people who are very concerned about doing something to help with the traffic situation. The Planning Commission voted unanimously against this; the Historical Preservation Commission also voted unanimously against this; this is in the Historic Mission District area with that visitor overlay serving; it is also a senior overlay for the mobile home parks. Her understanding was that the Planning Commission felt this was not consistent with either one. She has concerns with what the project would look like. There would be a sharing of the driveway. She thought the residents did not like the idea of sharing the driveway. Is it possible to have their own driveway so that they do not disturb residents because it is one way in/one way out. Is that right for Mission?

MR. HITTLEMAN stated that is correct. The reason you cannot have another access is because it is too close to the intersection of Mission and Douglas, and we want to make sure we have a good distance on these major roadways.

COUNCILMEMBER SANCHEZ replied that is another concern. This is a whole separate thing - it is sales versus the entrance to a community, and it's only one driveway. Is there anything that we could do about that?

MR. HITTLEMAN said they will check again with the traffic engineers, but that was the reason for this shared entryway. We want to limit the access points on a major road such as this.

COUNCILMEMBER FELLER asked how long the Historic Overlay District has been in place.

MS. VON HACHT replied the Historic District was adopted in 1986.

COUNCILMEMBER FELLER asked if the hotel that is part of the future was just for those 0.66 acres or for the entire park.

MS. VON HACHT answered that the diagram plan shows the entire 16.37 acres as the potential site for a resort hotel.

COUNCILMEMBER FELLER could not see anyone wanting a hotel there right now. They are thinking about extending the life of the mobile home park. This would be a quiet, friendly neighborhood. If they got 50 cars a day, the dollars to Oceanside would be a lot higher than they are expecting. How do you move one of these?

LINDA COLE explained that they have multiple sections, double wide, triple or quad even. So it's 2, 3 or 4 sections, and they are one wheel and axles. One truck pulls each section, so there is a truck per section. The 4 models that we have on the lot are double wide, so there are 2 sections to each of those 4 models, and they truck them in.

COUNCILMEMBER FELLER asked what the time frame is if we approve this for you to be up and running?

LINDA COLE replied that with a month for the homes to be built and delivered, our landscaping and the fence and the signage, three months maybe. It wouldn't take long to beautify the lot.

COUNCILMEMBER FELLER questioned the issue with the bus stop.

LINDA COLE replied they didn't know anything about that; this is the first we heard. We would be happy to. We just need to know what we need to do. It's been 3 years since I met with Jerry, and we keep getting 3 years of one more thing. If they want the sidewalks, we'll do sidewalks.

MR. BARTELL stated that, regarding all the issues that have come up tonight-the sidewalk and the bus stop, we can meet with staff as they prepare the resolution and other documents that will have to come back to you.

COUNCILMEMBER FELLER stated that's what I wanted to hear - that you will be willing to sit down with staff to talk this over. I had spent a lot of time across the street from this lot at my restaurant, and it was used for just about everything. It's a bus stop for one of the Indian Casinos. All of those things can be worked out, and it would be beautifying the corner; I think the landscaping would make a big difference. I'm easily able to support this. I really think it is going to improve that corridor. For those units in Mission View East and West, all these things can help improve the value of those homes. This isn't taking anything away from the Historic area but is just a conditional use for a term until development.

DEPUTY MAYOR CHAVEZ thought everybody was going in the right direction. The only other item he'd like to ask is to look at the traffic. As you know with the park on the other side of the street, there has been an issue about how they come out. Is there some way that we could stripe it, line it, access it or in any way assist the safety of the area? Regarding when the park ever does close to put a hotel in, that's probably when a change in the General Plan or the Specific Plan will be considered as we look at the entire City. I think this is appropriate and a good mixture. We have the neighborhood and the business leaders all coming together with a great idea.

COUNCILMEMBER SANCHEZ noted the California Legal Services also provided a letter requesting conditions, and she understands there will be some limited grading that will need to be done. The documents are all dated July and were apparently prepared for the earlier meetings. It was all part of a packet, and she is not sure why the applicant was not able to get them.

MS. GRAFF replied we had talked about most of these conditions with various members of the staff over the months but haven't finalized the exact wording of the conditions. They are aware of the request and will be working through each issue with the staff.

COUNCILMEMBER SANCHEZ asked that any kind of grading not be done during the holiday season because it is the only way in and out, and several individuals had problems getting in and out.

MR. BARTELL responded they would not be doing any grading on the site.

MAYOR WOOD stated his only concern is the East and West Manor regarding pulling out and turning left. The big issue was the traffic light. That wasn't very consistent with the flow of that traffic. Mission Avenue down to El Camino Real is a short distance to add another light in the middle; however, there should be something to try to make it a little more compatible for the seniors. Mr. Taylor from OMHA, representative for the manufactured home owners, feels this is a compatible use.

Motion was **approved 5-0.**

MAYOR AND/OR COUNCILMEMBER ITEMS

9. **Request by Councilmember Kern for a letter expressing the Council's support of SANDAG's application for Proposition 84 funding for beach sand replenishment.**

COUNCILMEMBER KERN reviewed that in November, 2006, the voters of California passed Proposition 84, which authorized the sale of \$5.4 billion dollars in bonds to various waterway projects. \$540 million of that bond funding was reserved for protection of coastal areas and watersheds. In 2001, SANDAG placed about 2.1 million yards of sand on the county's highly eroded beaches under the Regional Beach Sand Replenishment Project. A good deal of that sand remains in place today, but a large amount has been lost. SANDAG has now embarked on a second round of sand replenishment. There is a template of a letter that he would like to send to the California Ocean Protection Council (the agency that administers the properties for funds) requesting assistance of the second round of the Regional Beach Sand Replenishment Program. He would like this template used and sent off with all the Council's signatures on it and is asking for the Council to approve it. This came out of the Shoreline Preservation Committee that he attended, and everybody is trying to get letters off to them to get money out of this Prop 84 bond issue. He **moved** approval to send the letter.

COUNCILMEMBER FELLER seconded the motion.

MAYOR WOOD wants to make sure this is covered with the City Attorney that the sand is replenished by the Federal Government because of the Harbor issue and the joint use of it. He wanted SANDAG to understand that we will support, in any way that we can, any other cities in getting sand as long as it doesn't cost us. He will support getting ourselves and anybody else sand as long as somewhere down the line we don't have something come back to say that we all have to pay a joint fee to get it.

CITY ATTORNEY MULLEN is not sure that would necessarily need to go into the letter, but it may need to be addressed down the line at some point.

COUNCILMEMBER KERN does not want to include that in the letter.

DEPUTY CITY MANAGER DON HADLEY informed Council that the item is still being worked out, and the details, actions and concerns will be brought back at a later time. The issue is the Prop 84 funds, should they be available and granted to SANDAG, and if they would be able to enhance the project with that funding to address the issue of sand retention structures. It has nothing to do with the Regional Beach Sand Replenishment Project, which is a second item. SANDAG staff and the coastal city staffs are still working on city cost share. It is being looked at and will have to come back.

COUNCILMEMBER FELLER questioned if the sand retention structures are groins.

MR. HADLEY stated there are a variety of sand retention structures: an off-shore reef, groin, or jetty. SANDAG will be focusing on the best form, the location, type of structure and funding. Those questions have yet to be answered because there are no funds to look at it. When you build a groin to retain sand in Oceanside, it may be a very different height, type or length of construction of what may be needed at Solana Beach, and that is one of the things that they would be looking at.

COUNCILMEMBER FELLER stated that, if the groins and retention structures were put in, we could end up with even wider beaches. Since we have sand that we are pumping directly onto the beach, this could be a great boon for us, as well as flood prevention.

DEPUTY CITY MANAGER HADLEY added that retention structures come with a lot of issues. There are good examples of groins that have worked and some that have not worked. The coastal engineering technology has improved drastically in the last 20 years, but it is still not yet a perfect science; in some elements and some locations it is still very controversial. It is part of the process in working with all the stakeholders should the funding occur as to where it goes, how it should be built and to

listen to all the representative groups on how it should be dealt with.

In response to Mayor Wood, he stated there is an authorized federal study to evaluate the impact on the beaches as a result of the wartime measure when they built the long jetty at Camp Pendleton. They are halfway through it, but funding has dried up. Ideally if funding would be granted and the study is completed, it would identify additional federal responsibility to do more of our shoreline replenishment. But with the conditions we see today and with the federal government budget, there will be a lot of people going back for a number of years to see that study completed.

COUNCILMEMBER SANCHEZ stated that Oceanside is somewhat of a surfing mecca, and retention structures could severely impact that, along with the tourism.

DEPUTY CITY MANAGER HADLEY replied it is very premature, and no sites have been identified. Retention structures that may be funded and may get put in may not be in Oceanside.

Motion was **approved 5-0**.

CITY COUNCIL REPORTS

10. **Mayor Jim Wood**

MAYOR WOOD thanked everyone for the emergency service operation with the Back Gate area fire and noted upcoming events: Halloween Hijinks, Art Day at Chavez Middle School, Pacific Coast Concert Band, Oceanside Music Festival; Oceanside Hall of Fame Presentation and Paws Festival. Our thoughts and prayers go out to June Kristapovich on the loss of her husband.

11. **Deputy Mayor Rocky Chavez**

DEPUTY MAYOR CHAVEZ commented on the great work done with the fire at Camp Pendleton. Because of the 100-foot fire break between Camp Pendleton and Oceanside, it gave the opportunity for the people fighting the fires to be able to stop the fires and save Pilgrim Creek. He would like staff to look into starting the process to assure the same safety precautions for Ocean Hills. He commended the El Camino High School Wildcat Racing Team and their involvement in Drag Race High, a television program on the Speed Channel on their success working as a team and getting something accomplished. He reminded everyone to vote.

12. **Councilmember Jack Feller**

COUNCILMEMBER FELLER also thanked the staff in regard to the fire. He noted events: Oceanside Boys and Girls Club's Boys and Girls Night Out, Oceanside High School's Homecoming Friday night, Sundowner at the 101 Café. Condolences to June Kristapovich on the passing of her husband, Joe. Condolences to Harriet Wicberg on the passing of her husband, Ed.

He wanted to publically state that he had no idea who was doing a push poll. He had heard about a poll but did not know what the questions were, nor did he have anything to do with it. Last week, Oceanside Firefighters Association President and Captain Ray Melendrez made an accusation against Deputy Mayor Chavez, Councilmembers Kern and Feller alleging a violation of the Open Meeting Law of the Brown Act. Mr. Melendrez was quoted in the October 11th *North County Times*, charging that Councilmember Feller was part of a secret meeting involving the outsourcing of ambulance services in the City. Setting the record straight, he has never attended such a meeting and had no idea one even occurred. He is asking for an apology from the Firefighters Association President, Mr. Melendrez.

13. **Councilmember Jerome Kern**

COUNCILMEMBER KERN also commented on the fire. Last week he attended the North Coastal Prevention Coalition that honored Terry Goodman for working to reduce the use of alcohol and other drugs.

He attended the dedication of Caesar Chavez Middle School. Last Monday he visited the Orange County District Ground Water Recharge Plant in Fountain Valley. He will be attending the water agency's dinner tomorrow night. Friday morning he will be flying out to Sacramento to get a perspective on the upcoming State Water Project. He reminded everyone to vote.

14. **Councilmember Esther Sanchez**

COUNCILMEMBER SANCHEZ attended the Senior Expo and St. Mary's Luau. She also commented on the fire and thanked everyone for their great job. The last day to register to vote is Monday, October 20th. Her record is clear that she did not attend any secret meetings, supports the airport, and has done everything possible to fight crime in Oceanside. The Kristapovichs had been together for 60 years, and she sends her condolences.

ADJOURNMENT

MAYOR WOOD adjourned this joint meeting of the Oceanside City Council, Community Development Commission and Small Craft Harbor District Board of Directors at 8:23 PM on October 15, 2008.

[The next regularly scheduled meeting is 4:00 p.m. on Wednesday, November 12, 2008.]

ACCEPTED BY COUNCIL/HDB/CDC:

Barbara Riegel Wayne
City Clerk, City of Oceanside

PREVIOUSLY AUTHORIZED IN OPEN SESSION (SECTION 54957.6)

CONFERENCE WITH LABOR NEGOTIATOR – Negotiator: City Manager; employee organizations: Oceanside Police Officers' Association (OPOA), Oceanside Firefighters' Association (OFA), Oceanside Police Management Association (OPMA), Management Employees of the City of Oceanside (MECO), Oceanside City Employees' Association (OCEA), Oceanside Fire Management Association (OFMA), Western Council of Engineers (WCE), and Unrepresented]

No closed session held

5:00 PM – ROLL CALL

Mayor Wood convened the meeting at 5:02 PM. Present were Mayor Wood, and Councilmembers Feller, Kern, Chavez and Sanchez. Also present were City Clerk Wayne, City Manager Weiss and City Attorney Mullen.

INVOCATION – Pastor Carl Souza

PLEDGE OF ALLEGIANCE – Francisco Maciel

PROCLAMATIONS AND PRESENTATIONS

Presentation – “Pet of the Month” presented by Julie Bank, Executive Director of the North County Humane Society & SPCA

Presentation – SUN Project Volunteer Appreciation/Slide Show

[Presentation – Mayor's Youth Sports Recognition and Appreciation Award] – None

Off Agenda

Presentation – Angel's Depot Senior Advocate of the Year awarded to City employee John Lundblad as presented by Councilmember Feller

Presentations were made

MAYOR AND/OR COUNCILMEMBER ITEMS

17. **Request by Councilmember Kern to present acknowledgements to Sandra Fichter, Oceanside 2009 Veteran of the Year and the Veterans Association of North County (VANC), Oceanside 2009 Veterans Organization of the year**

Presentations were made to veteran Sandra Fichter and Chuck Atkins, President of VANC.

CLOSED SESSION REPORT

2. **Closed Session Report by City Attorney**

There was no Closed Session held.

PUBLIC COMMUNICATIONS ON OFF-AGENDA ITEMS

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

3. **Advance written request to reserve time to speak:**

WOODROW HIGDON, 2544 Rudder Road, commented on alleged corruption by the Oceanside Police and Fire Departments and certain members of Council.

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

POLICEWATCH.ORG commented on government and police corruption and also questioned why you can't sleep in your car during this severe recession.

RICK WRIGHT and **JENNIFER RIGLER**, MainStreet Oceanside, announced various events, including the Sunset Market, the morning Farmer's Market and the Parade of Lights on December 12th etc.

LARRY BARRY, 3973 Brown Street, commented on the recall election and the Fire Department Union. He also commented on the cost of paramedics taking patients from one hospital to another.

Due to time certain items [6:00 PM public hearings]; the remaining speakers for Item 4 were trailed to follow the Consent Calendar and public hearing items.

CONSENT CALENDAR ITEMS [ITEMS 5-11]

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

CITY CLERK WAYNE reported there is a public request to speak on Item 11.

The following Consent Calendar Items were submitted for approval:

5. City Council/Harbor/CDC: Acceptance of Minutes of the City Council of April 7, 2009, 4:00 p.m. Adjourned Meeting
6. City Council/Harbor/CDC: Approval to waive reading of the text of all ordinances and resolutions considered at this meeting and provide that ordinances shall be introduced after a reading only of the title(s)
7. City Council: Approval of Amendment 1 [**Document No. 09-D0790-1 (amending 04-0830-2)**] in the amount of \$46,802 to the professional services agreement with Safdie Rabines Architects, Inc., of San Diego for the Oceanside Harbor Aquatics Center project and the Harbor Parking Lot 11B Restroom Replacement project, for storm water discharge requirement changes and the re-bidding of the project; and authorization for the City Manager to execute the agreement
8. City Council: Approval of professional services agreements with North County Lifeline [**Document No. 09-D0791-1**] in the amount of \$210,000 and Interfaith Community Services [**Document No. 09-D0792-1**] in the amount of \$152,616, for gang prevention/intervention programs funded through the \$400,000 Department of Justice Office of Juvenile Justice and Delinquency Prevention FY 2009 Earmarks Program Grant awarded to the City for the Oceanside Community Safety Partnership Gang Prevention and Intervention Program; and authorization for the City Manager to execute the agreements
9. City Council: Approval of an "agreement and easement" [**Document No. 09-D0793-1**] with Murray Mission Homeowners' Association for the perimeter fencing along the easterly side of Mance Buchanon Park on private property designated as Assessor Parcels 157-661-45 and 157-662-23; and authorization for the Mayor to execute the document
10. CDC: Approval of a loan application in the amount of \$29,084 under the Community Development Block Grant (CDBG) Housing Rehabilitation Program
11. **Removed from Consent Calendar for discussion.**

COUNCILMEMBER CHAVEZ moved approval [of Consent Items 5-10].

COUNCILMEMBER KERN seconded the motion.

Motion was **approved 5-0**.

MAYOR WOOD determined to hear Item 14 at this time.

6:00 P.M. – PUBLIC HEARING ITEMS

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

14. **City Council: Appeal of Code Enforcement Notice and Orders requiring corrective actions regarding the property located at 2368 Back Nine Street, Oceanside, California 92056 – Appellant: Michelle Lyons**

CITY ATTORNEY MULLEN stated he had sent a communication to Council earlier this week noting that the City Attorney's office has a pending misdemeanor criminal complaint against the appellant in this matter and is acting as advocates on behalf of the staff's recommendation in this matter. Therefore, under governing case law his office will be recusing itself from providing advice to the City Council on this matter at tonight's hearing. Sean Haggerty from the law firm of Best, Best and Krieger is here and able to advise Council.

- A) Mayor opens public hearing – hearing was opened.
- B) Mayor requests disclosure of Councilmember and constituent contacts and correspondence - Councilmembers Feller and Chavez reported contact with staff and site visits; Mayor Wood and Councilmember Kern reported contact with staff; Councilmember Sanchez reported no contact.
- C) City Clerk presents correspondence and/or petitions - None.
- D) Testimony, beginning with:

DAVID MANLEY, Neighborhood Services Division Manager, stated that in response to community complaints, administrative citations were issued by Code Enforcement staff for an accumulation of trash, junk and debris on the property. Through this process it was also confirmed that electrical and gas service had been disconnected to the property. We tried on a few occasions to gain voluntary access to the property, which was denied by the occupant and owner.

We subsequently obtained a warrant from the North County Superior Court to inspect the property by forcible entry. An inspection involving Code Enforcement, Building staff, Fire, Oceanside Police Department (OPD) and San Diego Gas & Electric (SDG&E) was conducted on October 15, 2009, which confirmed many Code Enforcement violations. There are pictures in the packet that outline the various violations. A Notice and Order approved by Code Enforcement Building Division was issued on October 15th requiring the owner to restore utilities to the dwelling. This constitutes violations of the California Health and Safety Code 17920.3(a), (5), (6), (7) and (10) as defined by Oceanside City Code 6.13.

A second Notice and Order was issued on October 26th requiring the removal of all trash, junk and debris from the interior of the dwelling and yard areas. This constituted a violation of California Health and Safety Code 17920.3(h) and (j) as defined by Oceanside City Code 6.13.

Through computer slides, Mr. Manley showed examples of the various violations, including the debris, an unpermitted patio room, a pulled electrical panel and meter, removal of the gas meter, etc. The item tonight is to consider the appeal. If the appeal

is denied by the Council, a resolution will be adopted which will order the property owner to correct the violations. Should the property remain in violation after this time, the City will request that an abatement warrant be issued by the North County Superior Court to complete the work, which will include removal of all trash, debris and junk from the property and secure the property until such time as utilities are restored to the dwelling. Any costs associated with this abatement would be recovered through a lien against the property if unpaid.

Appellant/Property Owner

MICHELLE LYONS, 2368 Back Nine Street, owner of the property, stated that on October 15th Code Enforcement came with the Oceanside Police Department and undercover officers to the property. There was no reason for undercover detectives to be present; they bulldozed down the front doors. Nobody is living at the property, but I was in the backyard and had called for bulk pick up to come because the previous tenants left a terrible mess. The police were yelling to open the doors, and one gentleman working with me went inside to open the door and was yelling at them not to break the door down. However, they jammed the door and the lock, and he couldn't open the door. They came in and arrested him for obstructing justice when he was trying to open the front door. They escorted me out of the home. I told them I wanted to be in the home while they inspected, and they told me they had to clear the premises for dangerous weapons and would not let me in.

The property has been cleaned up. I am still working on it. I have been ill, and it's been difficult for me but I am doing the best I can.

On October 15th Code Enforcement changed the locks on the home. They locked me out of the property for 16 days. They told me it was a misdemeanor for anybody to enter the property; we could not do cleanup during that time. There are still some things in the backyard, but the side yard is pretty much cleaned out. SDG&E, supposedly when the tenants were there, removed the meter so there is no gas and electricity. I don't understand why I am being charged with all these misdemeanors. I am being required to get a permit. Everything has been restored back to the meter. The breakers have been restored. Staff won't accept that, but instead want me to hire an electrician. I've got several estimates that say it will cost about \$4,000, which I don't have, to put a whole new box and meter in and redo the stucco and paint the building when it is not necessary.

Public Input

KATHERINE NELSON, 2364 Back Nine Street, lives just below the property and supports the City. This is regarding trash, combustible materials and the appeal. The slope that borders my property with this individual still has everything there. Trash is strewn on my slope, including miscellaneous items such as glass, lamps, trash cans, etc. If I were to remove my hedge, it would take quite a lot of digging to get all the debris out because it is so embedded in the dirt. There had been a toilet seat that was there for over a year. In the backyard on the fence that borders our property, there was a motorcycle, which is a gas fueled item, and it looks like there are others. I am concerned when the City says there are combustible materials. I am worried about my property because of those combustible materials.

Regarding the appeal, we all have financial issues and illness. It would be a grave mistake to approve this appeal. I believe it would create new problems and exacerbate existing problems. I have notes going all the way back to 1999 regarding many incidents should the City want to see them.

FORREST OVERIN, 2372 Back Nine Street, lives on the north side of the property and stated that, over a period of approximately 10 years that Michelle Lyon has lived next door, she has committed scam after scam. She has hired undocumented immigrants to work in her yard and then refused to pay them, knowing they would not

go to the police. She has advertised items on Craig's List, taken deposit money from people and then failed to deliver the items the people put the deposit on. She is seen on the property dressing in disguises and using fake names. She has claimed to be renting the property when she actually owns and occupies it. I know these things because her victims have come to my door looking for her. My family and I have witnessed her being placed in a police vehicle 3 times in the 10 years that we have lived here. She has an arrest record and has served time for crimes that involve lying, deception and theft. She is dishonest, manipulative and exploitative. If she indicates to Council a willingness to comply and take care of business, I ask you to understand that is suspect given her history.

ALICIA DeROY, 2376 Back Nine Street, neighbor of Michelle Lyons, is strongly opposed to this appeal. I have lived there for approximately 10 years and have witnessed her front yard being a perpetual yard sale. She has even put up signs that say this is not a yard sale. This property is a blight. We in the neighborhood are victims of this woman. We have also had people come to our house claiming to have paid for items and not getting them.

Michelle Lyons lives there. There has never been a tenant in 10 years. The man who has lived with her and has stolen from people in the neighborhood came to my door after a fight with her and told me that she stole the statues from my front yard. He said they are in their living room. He also said she stole mail. All of us in this neighborhood have been victims of this woman for years. She thanked the City for their actions.

SUSAN LAWRENCE, 2372 Back Nine Street, wasn't planning on speaking tonight; however, when I heard Michelle say she doesn't live in the residence I had to stand up and say that isn't correct. I hear and see her and her companion coming and going all night long. They are definitely residents there, and there are no renters.

MARY LEE TOOKER used to own the properties at 2376 and 2380 Back Nine Street and lived at 2376 for 10 years. I moved because I had a flood, but I didn't come back because of Michelle. She apparently tried to steal my identity and posed as my daughter with USAA insurance. According to my gardeners, Ms. Lyons went through my house and garage, and several things are missing. She had also put a dead chicken on Ms. Nelson's porch and smeared it on her door. She is a danger to the neighborhood, and I believe she has a mental problem.

BILL PARKS, 2376 Back Nine Street, lives one house down from the property and has lived there for 8 years. I have daily personal knowledge of the cluttered and junk-like appearance of the front of the property. The property is a public nuisance. The appeal is for non-payment of fees and costs, and the taxpayers of Oceanside have paid enough just having all of these public entities out here trying to get this property straightened out. The taxpayers should not pay for the cleaning and repairing of the property as well.

WILLIAM SCHMITZ, 2368 Back Nine Street, has lived on the property periodically and is a friend of Michelle Lyons. There have been feuds with the neighbors for some time now. Ms. Lyons is truly working on the house. The front has been cleaned up. She is only one person, with me helping only occasionally. There is a lot of stuff in the house that needs to be moved out, and she is working hard to get it out. We have contacted UL about certifying the electrical repairs. They have received a quote for UL to inspect it. If they approve the work, service can be reconnected. I do not understand why it is the City's responsibility to force someone out of their home because they do not wish to have or cannot afford electricity. As for the debris, I understand the hazards and am doing everything I can to help her correct that issue. I do clean up after the dogs on the sidewalk. I ask you to give her time to finish what she has to do. She had been locked out of her house for 16 days and unable to work on it. They have since spent a lot of time working on the property.

Public Input Concluded

Appellant Rebuttal

MICHELLE LYONS addressed the accusations by the neighbors, stating that she has had tenants there in the past. The accusations by these 3 neighbors are lies. If I have stolen and burglarized people's homes, etc., then why haven't I gone to jail for that? I've never been arrested for lying or deceiving anybody. I don't believe Mr. Schmit ever told them that I stole statues and they are in my living room. If he did, why didn't they call the police to come look? I have never scammed anybody in my life and am very involved within the community.

MAYOR WOOD closed the public hearing.

COUNCILMEMBER SANCHEZ stated Council is acting in a quasi judicial manner and has received evidence by way of documents, photographs and testimony. Council didn't hear any statements denying the condition of the house. This is an issue having to do with Code Enforcement; it's very straightforward. I believe there were more admissions than anything else. Even the appellant's own witness admitted and indicated by the photographs how much has to be done. Therefore, she **moved** to deny the appeal and adopt **Resolution No. 09-R0799-1**, "...finding that public nuisance violations exist on the property located at 2368 Back Nine Street, Oceanside, California, 92056, and ordering the abatement of said violations". It is clearly a violation of our Code Enforcement laws.

COUNCILMEMBER FELLER **seconded** the motion. He has driven by the house a couple of times, and it is obvious why Code Enforcement is out there. What kind of cost estimate do we have for cleaning this up?

MR. MANLEY responded that comparable abatements have been in the \$4,000 to \$5,000 range for just the cleaning of the property. We wouldn't restore the utilities. The property would just remain secure until the owner of record is able to restore the utilities.

COUNCILMEMBER FELLER stated it is more about public health and safety. I cannot fathom that somebody is living there. It is unbelievable that this has gone on and hasn't been abated before because this is serious. I support the abatement process in denying this appeal.

MAYOR WOOD was sorry for her neighbors. Nobody should have to live next door to this, but the courts will address that issue. We are going after the criminal aspects of this.

Motion was **approved 5-0**.

MAYOR WOOD determined to hear Item 12 at this time.

12. **City Council: Consideration of a call for review of Planning Commission Resolution No. 2009-P47 denying without prejudice Tentative Parcel Map (P-2-05) and Conditional Use Permits (C-2-05, C-40-05) to subdivide 1.0-acre site, which exceeds the base density and has panhandle access, into three residential lots located at 1814 Avocado Road – Avocado Road Parcel Map – Applicant: Graham Fraser**

- A) Mayor opens public hearing – public hearing was opened.
- B) Mayor requests disclosure of Councilmember and constituent contacts and correspondence. Disclosures included site visit, contact with Applicant, staff and public. Mayor Wood Councilmember Kern and Councilmember Sanchez reported contact with public, Applicant and staff.
- C) City Clerk presents correspondence and/or petitions - reported receiving copies of 2 emails addressed to Council, as well as 6 letters of support submitted by

- D) Graham Fraser this evening.
Testimony, beginning with:

SCOTT NIGHTINGALE, Acting Associate Planner, stated staff is recommending that Council overturn the Planning Commission's decision to deny the project without prejudice and approve the project based on the findings attached in the resolution.

The site is located off Avocado Road. It is currently vacant and is surrounded by an eclectic type of single family homes and one large vacant lot to the east. The site has an elevation of 184 feet from the street level to 218 feet toward the rear of the property. Access to the site is off Avocado Road and an existing panhandle driveway. The 1-acre lot is surrounded by many small lot developments, so this 3-lot Parcel Map would be consistent with many of the surrounding properties. The 3 lots will range in size from 13,000 to 15,000 square feet.

The project has been conditioned to require that any new homes to be developed should go through an Administrative Development Plan (ADP). This is to insure that staff can review the architecture for compatibility with the surrounding area, and this would satisfy the requirement for exceeding the base density, which is 1 acre per unit in this area. However the minimum allowable is 10,000 square feet, which the applicant is exceeding.

Minor grading will be necessary to develop the pads. The elevation of the pads would be similar to surrounding neighbors. Reconstruction of drainage patterns and storm water implementation would also be incorporated to insure that all properties do not drain onto the adjoining lots, as they do now.

One of the Conditional Use Permits (CUP) is for exceeding the base density. This CUP is necessary to exceed this base density and keep the 10,000 square foot lot character in this area.

The second CUP is for the panhandle access that currently exists. The applicant will extend the panhandle and widen it, which provides better site distance.

When reviewing this project for approval staff worked with the Applicant to insure there was lot-size compatibility with the neighborhood. A majority of the lots range from 10,000 to 13,000 square feet. Therefore, the proposal to subdivide the 1-acre lot would be consistent with what is in the neighborhood and will actually exceed the square footage.

Applicant

GRAHAM FRASER, Applicant, 1814 Avocado Road, stated he and his wife have lived in Oceanside for over 30 years and have been active in the community during that time. We have owned this property for over 10 years. The initial plan was to build our own home there, which we will be doing on the number 2 lot. This is my first and only project that I will do and I hope you will approve it tonight.

We've worked very closely with your Engineering and Planning staffs for over 5 years, and staff is again recommending approval of the project. The project meets all of the State Subdivision Map Act requirements and all of the City's ordinances and policies.

The basis for the Planning Commission denial comes down to 2 points, the way I understood it. One was that the lots were too small for the surrounding neighborhood, but that is not true. The smallest lot is 13,800 square feet and the largest is 15,000 square feet so it is about 1/3 acre each. The second reason for denial was that there was a feeling that architectural plans were not provided. That process will be through an ADP, and adequate safeguards would be upheld through that. Also the resolution prepared by staff includes 29 architectural conditions.

Returning to lot size, we did a count and found that 61% of the lots in the Fire Mountain neighborhood are actually smaller than my smallest lot. After doing some research I found that back in 1988 there was a General Plan Amendment that allowed the 10,000 square foot lots as being consistent with the underlying land use designation for Estate B-Residential. At that time there was concern that 6,000 square foot lots were going to be put forward. They decided to resolve the problem with the 10,000 square foot requirement.

The people opposing the project would like these lots to be at least ½ acre lots and that simply does not work from an economic point of view in light of the cost of the electrical undergrounding, the new 8" water line, the new access driveway and drainage.

I have worked closely with the neighbors to alleviate their concerns and I have presented letters of support from my neighbors to Council this evening. At the Planning Commission meeting they had some technical concerns. Mr. Buell had a question regarding the steepness of the driveway and how it would impact his access. We prepared a detailed plan and map and sat down with him and showed him that it was going to improve. Mr. Popindyke is also here and had a concern about drainage into his property, which occurs today. We will have 3 drainage channels that will be intercepting that flow so his drainage problem will be greatly improved as a result of that. He wasn't convinced of that but we did some additional work and hydrology and provided that to the Engineering staff and sat down with Mr. Popindyke and showed him what was done. I believe we have answered all of the questions that the immediate neighbors have had.

Another thing we did was lowered the elevation of the front lot adjoining Avocado Road by 10 feet so neighbors to the rear and north would have a view over that part of the property.

Finally, SANDAG is encouraging in-fill developments, which this is. It is very close to freeways and shopping, so it should not add to traffic in the area and should reduce air pollution. The density of 3 units per acre is warranted.

Public Input

JIM BUELL, 1818 Avocado Road, is on the common driveway, the first property south. We had 3 issues in the beginning of this proposed project: line of sight at the bottom of the driveway, a change in grade to the existing garage and cost of undergrounding utilities. All 3 of those issues have been resolved. Graham will pay for the utilities to be undergrounded to make the connections to our existing meters. He actually improves our grade coming in to our garage area and he's moved the driveway north so there is no line-of-sight issue. For those reasons we support him on this.

BOB SUKUP, 4322 Sea Bright Place, Carlsbad, supported the project. It is extremely difficult to get anything approved these days. This project is not asking for any variances, and staff has done a thorough review. If there were any problems with it, Graham has taken care of them. He asked Council to approve it.

ROXANNA FRANKLIN lives on Laurel and abuts the property that Graham is trying to develop. She presented letters in support of the project. We are thrilled to see custom homes come into Fire Mountain. Graham and his wife are good people and great neighbors who will look out for their best interests.

CHUCK McDONELL, 2613 Fire Mountain Drive, stated we have a density issue throughout the City where we are putting too many homes on a 1-acre lot. Fire Mountain is a rural rustic area with single homes on fairly large lots. That's changing and it has been for a while. It is hard to say no when the precedence is already there. It is also disturbing to see that the Planning Commission has done their due diligence and recommended denial of the application. However, the developer knows he can go to the City Council and appeal and usually it will be approved. Please do what you can

to control density in the City because we are losing the rural openness of the City. He also urged Council to listen to the Planning Commission and not overturn their decisions.

A.J. WHITAKER, 5116 Spencer Court, is a licensed professional civil engineer and land surveyor. I have looked at the map that is being presented by Mr. Fraser, and it's a reasonable development. My concern is the precedent. The City puts regulations and procedures in place to guide development. I believe that if a homeowner wants to subdivide their land and they follow the rules, then they will have a comfort level of how that will play out. Mr. Fraser seems to have abided by the rules. I am concerned that the Planning Commission decision can be overturned as easily as it has been. However, I don't think we need to make an example of Mr. Fraser who has done everything in his power to make this project succeed.

MS. DANNY McDONOUGH, 1869 Avocado, has a very similar project going on just down the street. I am 2 years into the process of getting it divided into 3 lots. This will be my only project as well. I am a proponent of these smaller developments because they give very distinct architecture, which is what I like about Fire Mountain. I feel that Mr. Graham has met all of his requirements, and I hope you support this project.

RUDY VAN HUNNICK, retired architectural engineer with urban planning knows good projects when he sees them. I am surprised that the Planning Commission wanted to kill the Fraser's 3-lot parcel map. This is especially disturbing because your Planning staff recommended the project for approval. I assume they did that because the project meets all of the City's rules. In my professional opinion this plan fits in well. It is a perfect plan in a good place.

MARK POPINDYKE lives on the land-locked lot surrounded by Mr. Fraser's lot. I had a number of concerns about the drainage and the driveway where we would have communal mailboxes and trash collection. Mr. Fraser came to my house last week and showed me the plans and they address all of my concerns.

Public Input concluded

Applicant Rebuttal

MR. FRASER asked Council to vote their conscience.

MAYOR WOOD closed the public hearing.

COUNCILMEMBER CHAVEZ moved approval [of staff's recommendations and **Resolution No. 09-R0797-1**, "...overturning Planning Commission Resolution No. 2009-P47, and approving Tentative Parcel Map (P-2-05) and Conditional Use Permits (C-2-05, C-40-05) to subdivide 1.0-acre site, which exceeds the base density and has panhandle access, into three residential lots located 1814 Avocado Road – Avocado Road Parcel Map"]

COUNCILMEMBER FELLER seconded the motion.

COUNCILMEMBER CHAVEZ recognized Mr. Fraser for his project. I think it is a good example of somebody who loves the City and is working with the neighbors. We have rules for a reason, and we follow those rules. I know there is some discussion in the Planning Commission about density and how we are looking at the City. It does need to be looked at in particular areas of the City. How many projects in a year does the Planning Commission look at?

JERRY HITTLEMAN, City Planner, responded the Planning Commission last year looked at about 50 projects.

COUNCILMEMBER CHAVEZ stated Council has only overturned 2 or 3 of those

projects in a year. So it is a rumor that Council overturns the Planning Commission routinely. The reality is that the Planning Commission is doing a good work and is recognized by the Council for that work.

COUNCILMEMBER SANCHEZ has always regarded Fire Mountain as a special place with a unique history. The community came together and got their demands met in order to agree to be annexed by Oceanside. That is where we get the special requirements for Fire Mountain: that it maintains its rural rustic nature, no sidewalks, larger lots, etc.

In the letters and conversations that I've had, I feel that residents have some valid concerns regarding changes. There have been projects that have been approved that were not in keeping with the character of the neighborhood. One of the rules states the base density is 1 dwelling unit per gross acre, and if you want to go above that, you have to show some superior design. The concern may be that we don't have a design for this project so we don't know what it will end up looking like. I would like to insure that the vision for Fire Mountain remain for the future.

I am always encouraging any developer to meet with the neighborhood in order to resolve any issues. It did not happen here, and I think that is why there was a denial at the Planning Commission stage. Would the maker of the motion consider the condition that the architecture be reviewed by the Planning Commission with notice to the neighborhood?

COUNCILMEMBER CHAVEZ responded that we have rules for a reason and asked staff to explain how this goes forward once the plan is approved?

MR. HITTLEMAN explained the administrative development plan (ADP) process. Once they have a plan for a lot, or multiple lots, they can come forward with an application to the Planning Division. We review those plans and make sure they meet the conditions of the resolution for architecture. Then we send out a notice to all residents within 300 feet that they have 10 days to review the plans. If they don't like the plans, they can appeal it to the Planning Commission. Otherwise the plans are approved, and they then go for building permits and construction.

COUNCILMEMBER CHAVEZ asked isn't there a procedure requiring us to put up a big yellow sign advising that a plan is going forward.

MR. HITTLEMAN responded yes.

COUNCILMEMBER CHAVEZ stated we go out of our way to insure that the public is aware of what is going on. This is more than enough procedures to follow so I am staying with my motion.

COUNCILMEMBER FELLER is not a proponent of designing somebody's house by committee. In this case, the applicant has followed all of the rules. It references superior architecture over and over again. Who decides what superior architecture is; we can't be designing somebody's dream home for them. We have a process in place. We have density. He asked staff to describe the area of Fire Mountain.

MR. NIGHTINGALE responded it generally runs from west of El Camino Real, north of Highway 78, south of Oceanside Boulevard, then east of the I-5 freeway.

COUNCILMEMBER FELLER stated that on the drawing, there are hundreds of lots that are 6,000 square feet or less. That isn't a rural character. He noted that SANDAG's 2050 Plan is asking cities to densify in the urban areas rather than in rural areas. There are many lots that are less than 13,800 square feet, while 2 of Mr. Fraser's lots are 14,000 and 15,000 square feet. I'm sorry that the Planning Commission didn't pass this unanimously because it follows the rules. There is a process for identifying superior architecture. If it's not something the community likes, I'm sure Mr. Fraser will

try to fix the problems. I support this.

COUNCILMEMBER KERN could understand why the Planning Commission would turn this down with the concern about density. I don't think they were too concerned about the architecture. However, the rules are the rules. This applicant is going by a set of rules that were laid out by the City. We need to follow those rules because they've invested a lot of time, money and effort to this point.

The area defined for Fire Mountain is a huge area; there are some large lots left. If the true feeling of the community is to have 1/2-acre lots, maybe the Planning Commission can look at those areas with large lots and come up with some type of plan for the future. Then when someone wants to develop those lots, the plans are already in place. SANDAG is encouraging in-fill. My proposal has always been to densify the downtown and leave Morro Hills alone. We should develop the urban core and leave the rural area rural. To do that, we need to come up with some plans.

Addressing the architectural question, Condition 92 (a-n) are architectural restrictions and recommendations - down to what the garage doors look like. We are in essence designing portions of this house so visual impact is more appealing. I support the project, but we should address the remaining lots in the area and what will be the character in Fire Mountain.

COUNCILMEMBER SANCHEZ stated the base density is 1 home per acre; that is the rule. Unless it is that, you have to request a waiver. The waiver has to do with requiring superior architectural design. We do not have the architecture before us. I was hoping to have this compromise. The homes on Yucca Road are 10,000 square foot lots, but they are not the kind of homes we would ever want in Fire Mountain anywhere. The agenda indicates that Conditions 89 and 92 will guide toward superior architectural design. The conditions in the resolution are too general. I will vote against this. We need more protection. I am concerned that we will skip this one step and not give people a chance for input on the architectural design. I request that staff notify me so I can assist the community in preserving Fire Mountain.

COUNCILMEMBER FELLER asked with respect to Yucca Road, how many lots was the Taylor lot subdivided into?

MR. HITTLEMAN responded at least 4 lots.

COUNCILMEMBER FELLER asked if we approved it 5-0 without any drawings.

MR. HITTLEMAN responded yes.

MAYOR WOOD felt this project is compatible under all the circumstances. I support this with the understanding that staff and the City Manager work with the neighborhood and the Planning Commission for future projects that are going to come up in this particular area.

Motion was **approved 4-1**, Sanchez - no

[Recess was held from 7:45 to 7:55 p.m.]

13. **Harbor: Consideration of a resolution adopting a Mitigated Negative Declaration and approving Development Plan (D-09-00005) and Regular Coastal Permit (RC-2-09) for the construction of the Harbor Aquatics Center on Parcel F, south of the Harbor Boat Launch Ramps and replacement of existing public restroom facilities on Lot 11B at the northern end of Harbor Beach within the Oceanside Small Craft Harbor Precise Plan Area – Harbor Aquatics Center – Applicant: City of Oceanside**

A) President opens public hearing – hearing was opened.

- B) President requests disclosure of Director and constituent contacts and correspondence. Mayor Wood and Councilmembers reported contact with staff.
- C) Secretary presents correspondence and/or petitions – None.
- D) Testimony, beginning with:

SCOTT NIGHTINGALE, Acting Associate Planner, stated the project was previously approved on October 4, 2006, by the Harbor Board of Directors. Since then the project has expired. The project proposal is for the Harbor Aquatics Center with an associated Community Center, storage facilities, additional parking, landscaping and replacement of the existing public restroom at the northern portion of the Harbor. A Mitigated Negative Declaration (MND) was prepared and approved.

The proposed site is a City storage area at this time. The public restroom was originally constructed in 1985. It is City property. It has had many different uses attached prior to being just the restroom. The Community Center will have the outrigger storage below. The Community Center can be rented for public meetings, etc. There will be 33 parking stalls incorporated in this site; but they will be for the Community Center and not for public parking.

We analyzed noise, urban runoff, traffic and pollution with the MND and we found no impacts. Staff recommends approval of the project with all resolutions and the MND.

With no one wishing to speak, **MAYOR WOOD** closed the public hearing.

COUNCILMEMBER SANCHEZ moved approval [of the staff recommendation to adopt **Resolution No. 09-R0798-2**, "...adopting a Mitigated Negative Declaration and approving a Development Plan (D09-00005) and Regular Coastal Permit (RC-2-09) for the construction of the Harbor Aquatics Center on "Parcel F" South of the Harbor boat launch ramps and replacement of existing public restroom facility on "Lot 11B" at the northern end of Harbor Beach within the Oceanside Small Craft Harbor Precise Plan Area"]

COUNCILMEMBER FELLER seconded the motion.

COUNCILMEMBER KERN questioned the control of the parking if it isn't going to be for the public.

FRANK QUAN, Harbor and Beaches Coordinator, stated we haven't quite decided how we are going to control the parking. We will probably have passes for events that staff will issue. I'm not sure how we'll control the day-to-day parking.

COUNCILMEMBER KERN asked what happens if it is a Saturday with no events and somebody wants to go down and surf. Why can't they use that parking?

MR. QUAN responded we may open it for the public. We haven't addressed the parking yet.

COUNCILMEMBER KERN stated having an additional 33 parking spots would be a plus for us instead of just restricting it to the Community Center. He asked if the rendering of the restrooms is going to be the design as we go down the beach.

MR. QUAN responded the restrooms at the beach haven't been designed yet.

CITY MANAGER WEISS clarified that one of the reasons this is before you is we failed to implement the time extension. Part of the reason for that is we had opened bids on the Aquatics Center that came in high, and we rejected those. As we move forward with the revised design and go out to bid, we do have time to look at both the parking and the restrooms. The restroom in the Harbor area will probably be different architecturally than what you are referring to for the beach and pier area. That process

will be separate.

With respect to what's before you today, there are no changes from what was approved last time.

COUNCILMEMBER FELLER stated the extra parking would be a plus if it comes time to appear before the Coastal Commission.

COUNCILMEMBER SANCHEZ responded yes. She noted the major issue for harbors is that there is a trend to cut down on the number of slips and make them larger.

COUNCILMEMBER FELLER noted this building has a big deck, and we need to think of some way to keep the birds out of it.

MAYOR WOOD commented this will be a beautiful facility and a great place to hold public meetings. However, people going to a meeting will not want to pay for parking fees so keep the parking issues in mind.

MR. NIGHTINGALE responded that Don Hadley said anyone going into the Community Center would have special passes or could park there for free.

Motion was **approved 5-0**

PUBLIC COMMUNICATIONS ON OFF-AGENDA ITEMS – Continued

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

JIMMY KNOTT, 127 Sherri Lane, commented on the recall election and the deceptive tactics being used. It's time for the mud-slinging to stop.

KEN LEIGHTON, 1109 South Nevada Street, stated next month marks the 2-year anniversary of my business. I remodeled the old closed Phil's place and spent over \$70,000 of my own money to create The Royal Dive. They completely rebuilt and upgraded the building.

He expressed his opinions on Councilmember Chavez's activities with the Beachside Grill and in trying get them a liquor license, as well as allow them to move from restaurant to nightclub status with all the problems of the Beachside Grill - a 15-day alcohol suspension from the ABC this summer for various violations. The Oceanside Police and the City's Redevelopment staff have said let the Beachside Grill operate for at least one year without breaking the rules and then consider giving them this special deal. Mr. Chavez wants to go against that and allow select friends to benefit from his insider reward system.

When we opened our business we were never promised a better location or a full liquor license. The Beachside Grill owners stood in front of you a month ago and said if they didn't get a liquor license they might go out of business. Now other businesses want special favors too. We play by the rules and expect nothing special from the City. We don't expect to receive special favors just because one of you happens to like us.

GEORGEO KERPANI, 300 South Nevada, thanked the people who helped him go forward with the holiday lighting on the Harbor bridge and the pier.

ROBERT MARKLEY, 200 North El Camino Real, expressed his opinion that Councilmember Kern recently voted to defer developer fees. This means that the City is not going to be getting the fees that we need. Why would we do this during a time of financial crisis while we are cutting funding for public safety? He also commented on the Campaign Committee financial reports and the developers and pro-development

groups and individuals contributing over \$100,000 to these campaign committees that are against the recall.

DAVID SHORE, 323 North Coast Highway #E, stated that the recall election, no matter who wins, has hurt the people of Oceanside by wasting \$500,000 of taxpayer money and by creating animosity. Councilmember Kern has been demonized by the recall proponents because he kept his campaign promises. It is unfortunate that we have gone through this harsh campaign.

Congratulations to Councilmember Chavez for his appointment as Undersecretary of Veteran's Affairs in the Governor's cabinet.

JACQUELINE BARRY, 3252 San Helena Drive, stated that on September 27, 2004, the City gave its word that they were going to leave Rancho del Oro a bedroom community with no signals. We were promised there wasn't going to be industry. Now I hear it is going to be a 6-lane artery. This will devalue my house. We can hardly deal with the traffic now. Why can't we use El Camino Real to connect Highway 78 to Highway 76? Please keep your promise.

JOAN BRUBAKER, 1606 Hackamore Road, stated the local newspaper listed contributions to the campaigns for both sides of the recall. There was one contribution to Councilmember Kern that troubled me and that was from a San Francisco firm that is somehow affiliated with the Gregory Canyon Landfill, which I believe is the subject of a lawsuit with the City. The landfill threatens our water supply.

KEEGAN BARRY, youth, stated that if there is going to be a freeway through my neighborhood, it will endanger the park and make it crowded. I am just speaking for the kids in my neighborhood. He did not want the freeway there.

DOROTHY McCORKLE, 4610 Bristolcone Court, understands the City has a lawsuit against the Gregory Landfill to protect our water. There is nothing more precious to us than our water, particularly since we do not have to pay the MWD fees for 20% of the water that we get from the City.

She expressed her opinion that the Firefighters Union is supporting part of the recall, but other individuals are as well. Mr. Kern voted to cut positions. When it comes to public safety, think about the people first on the lines.

BENJAMIN BARRY, youth, sang a recall song.

GREG DeAVILA, President of the Oceanside Firefighters Association, expressed his opinion that the current Council majority has failed to recognize public safety as a priority for the citizens and reviewed an incident understaffed for a rescue response.

The current majority on the Council continues to approve severe budget reductions that affect safety and welfare yet there remains no financial documentation to support those decisions. Currently the 2008/2009 Comprehensive Annual Financial Report (CAFR) is months past due with no projected completion date. The financial transparency has been removed to justify the drastic cuts in your public safety departments.

Our decision to endorse the Citizens to Recall Kern was made deliberately due to Councilmember Kern's decisions in downsizing public safety.

HOUSTON ALVIS, Chairman of the Oceanside Police Officers Association (OPOA), is a police officer and a resident.

The OPOA got involved because of our concerns about public safety. We are in no way anti-growth, but Mr. Kern has clearly shown that he is more interested in development than public safety and he expressed his opinions on the reasons why.

MAYOR WOOD determined to hear Item 15 at this time.

GENERAL ITEMS

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

15. **City Council/CDC: Adoption of a resolution setting forth the City's official intent to issue tax-exempt multifamily housing revenue bonds by the City in a not-to-exceed amount of \$19,000,000 to finance the acquisition and rehabilitation of the 136-unit Rancho Las Brisas Apartments affordable housing complex located at 3699 Barnard Drive to be owned and operated by Lone Tree Empire, LLC**

DAVID MANLEY, Neighborhood Services Division Manager, stated this is the first step in the process to issue mortgage housing bonds for the project. Adoption of this resolution does not obligate the Council to issue the bonds at this time. We will come back after we are able to negotiate a number of units with the developer sometime in 2010.

This will add units to the City's affordable housing inventory. The final number depends on the financial analysis and the negotiations with the developer. Eventually the City will issue the bonds for the project. They are paid solely out of the revenues for the project. No financial obligations are placed on the City for project financing costs or debt repayment. This action does not commit any other Housing funds at this time. This was reviewed by the Housing Commission and unanimously approved.

COUNCILMEMBER KERN moved approval [of staff's recommendation to adopt **Resolution No. 09-R0800-1**, "...setting forth the City's official intent to issue Multifamily Housing Revenue Bonds to undertake the financing of a multifamily rental housing project for the benefit of Lone Tree Empire, LLC and actions relating thereto"]

COUNCILMEMBER FELLER seconded the motion.

Motion was **approved 5-0**.

16. **City Council: Introduction of an ordinance amending Chapter 15, Section 15.21 of the Oceanside City Code to add an exemption from the massage license requirements of Chapter 15 for certain massage therapists pursuant to Chapter 10.5 of the Business and Professions Code, and to clarify exemptions for those individuals working under the direction of healing arts practitioners**

JOE YOUNG, Police Department Lieutenant, stated on September 1, 2009, Senate passed SB 731, which provides for the voluntary certification of massage therapists and practitioners for the California Massage Therapy Council. This bill requires applicants for certification to be at least 18 years of age, meet certain educational and professional criteria, and to undergo a criminal history background check as a prerequisite to certification. This bill also allows the organization to take disciplinary action against the certificate holder if he or she has been arrested for and charged with certain sexually related crimes or drug offenses.

SB 731 prohibits the City or County from requiring certificate holders and their employers to obtain a local license to practice massage therapy, although some of the local regulation is still allowed in the areas of physical facility and building code requirements, public health and safety, attire and personal hygiene. Accordingly, with the passage of SB 731, it is necessary to add an exemption to City Code Section 15.21 for a massage therapist certified by the California Massage Therapy Council.

During the past 5 years the police department has conducted 75 random compliance checks at massage establishments run by chiropractors. On at least 50 of these occasions the chiropractor was not present while massage services were being given. Further, the City Attorney was recently forced to bring a nuisance abatement action against one such establishment with an absentee chiropractor under the Red Light Abatement Law.

This amendment is therefore proposed pursuant to the express authority of Government Code Section 51033, which allows cities to regulate independent contractors to healing arts practitioners. Accordingly the proposed amendments further clarify that the existing exemption for persons working under the direction of persons licensed by the State to practice the healing arts is limited to those instances where the licensee is directly supervising and physically present at the premises where the massage is taking place.

Staff recommends that the City Council introduce an ordinance amending Chapter 15, Section 15.21, of the Oceanside City Code to provide for an exemption from the massage license requirements of Chapter 15 for certain massage therapists, pursuant to Chapter 10.5 of the Business and Professions Code and to clarify exemptions for those individuals working under the direction of healing arts practitioners.

COUNCILMEMBER FELLER asked if the healing arts practitioner or the chiropractor must be present when massage services are being rendered.

LT. YOUNG responded yes. We propose that the chiropractor would be physically present on the premises when the services are being offered.

COUNCILMEMBER FELLER moved approval of staff's recommendation [to **Introduce an Ordinance**, "...amending Chapter 15, Section 15.21, of the Oceanside City Code to provide for an exemption from the massage license requirements of Chapter 15 for certain massage therapists, pursuant to Chapter 10.5 of the Business and Professions Code and to clarify exemptions for those individuals working under the direction of healing arts practitioners"]

COUNCILMEMBER CHAVEZ seconded the motion.

COUNCILMEMBER SANCHEZ was concerned about the change in the law. We've had incidents where these massage parlors have been used as fronts for prostitution. I think we were doing a good job in terms of having the ability to oversee this ourselves with licenses. Now with the new State law, we are taking a few steps back. I want to make sure the prostitution doesn't come back. What was the percentage of time that a violation was found?

LT. YOUNG responded it was at least 50% of the time that either a citation or an arrest was made for a sexually related crime or improper licensing.

COUNCILMEMBER SANCHEZ would like to know if there is anything we can do to make this stronger. The State says that we can no longer require licensing.

CITY ATTORNEY MULLEN pointed out that, although we are disheartened by the passage of SB 731 as well, the massage technicians still have to go through a pretty lengthy, burdensome process. Also, we are not amending our Use Permit requirement at this time. That may be an issue that is going to be raised through the courts, but at this point in time we've taken the position that these establishments will still have to get a Conditional Use Permit, which will have to go through Council.

COUNCILMEMBER KERN asked if this makes it more difficult for local law enforcement to stay on top of this.

LT. YOUNG responded that it will help that we are requiring the chiropractor to be physically present on the scene to monitor. We believe it is a big step in the right direction as they try to curtail that type of activity.

COUNCILMEMBER KERN asked if the State is going to start taking away local land use decisions on these. We already have the marijuana dispensary issues to deal with.

CITY ATTORNEY MULLEN responded that this is an amendment to Chapter 15, which is the police department licensing process. So massage establishments are subject to 2 separate permitting requirements: the police department license, and the local land use, or the CUP process. We are not proposing amendments to those at this time.

Following the reading of the title, motion was **approved 5-0**

MAYOR WOOD determined to hear Item 23 at this time.

INTRODUCTION AND ADOPTION OF ORDINANCES

The following items are ordinances for introduction or adoption by the City Council/HDB/CDC. Ordinances are laws of the City of Oceanside and require introduction and adoption at two separate City Council meetings (urgency ordinances are an exception, and may be introduced and adopted at one meeting as an emergency measure). The City Council/HDB/CDC has adopted a policy that it is sufficient to read the title of ordinances at the time of introduction and adoption, and that full reading of ordinances may be waived. After the City Attorney has read the titles, the City Council/HDB/CDC may introduce or adopt the ordinances below in a single vote. There will be no discussion of the items unless requested by members of the City Council/HDB/CDC or the public through submittal of a Request to Speak form prior to the commencement of this agenda item.

23. **City Council: Adoption of an ordinance of the City Council of the City of Oceanside for a Zone Amendment (ZA-4-09) amending Article 1050(HH) of the Zoning Ordinance to prohibit the creation of 2,500-square-foot lots for the development of single-family detached homes within the RH District of the Seaside Neighborhood, as bounded by Horne Street, Weitzel Street, Michigan Street, South Freeman Street, and Missouri Street – Applicant: City of Oceanside (introduced 11/18/09, 4-1 vote, Feller-no)**

COUNCILMEMBER FELLER believed we are making a mistake starting this process which will allow only high density and probably will decrease property values. He will not be supporting this.

Following the reading of the title, **COUNCILMEMBER KERN moved approval** [of the adoption of **Ordinance No. 09-OR0801-1**, "...adoption of an ordinance of the City Council of the City of Oceanside for a Zone Amendment (ZA-4-09) amending Article 1050(HH) of the Zoning Ordinance to prohibit the creation of 2,500-square-foot lots for the development of single-family detached homes within the RH District of the Seaside Neighborhood, as bounded by Horne Street, Weitzel Street, Michigan Street, South Freeman Street, and Missouri Street"]

COUNCILMEMBER CHAVEZ seconded the motion.

Motion was **approved 4-1**, Feller - no

MAYOR WOOD determined to hear Item 11 at this time.

Items removed from Consent Calendar for discussion

11. **City Council/Harbor/CDC: Adoption of resolutions amending the 2010 meeting schedule dates and times for regular meetings of the City Council, Small Craft Harbor District Board, and Community Development Commission; approval of proposed agenda format; and adoption of revised City Council Policy 100-01, City Council, Harbor District Board of Directors, and Community Development Commission Meeting Schedule, to accommodate the new meeting schedule**

Public Input

JIMMY KNOTT, 127 Sherri Lane, objected to moving the general Council meeting times back to 2:00 and 3:00 for all of the General Items, etc. A lot of the public cannot make it at those times and they have an interest in the items. Please take your working constituents into account. Its okay to adjust it for special occasions, but please don't make it permanent.

MAYOR WOOD is merely trying to accommodate the schedules of other Councilmembers with this. Councilmember Sanchez sits on the Coastal Commission, and this would greatly help her.

COUNCILMEMBER KERN stated let's see how this works. If we get a few months into it and it isn't working, we can change it back. I think we can make this work. Public hearings will still be later in the evening so people can still come.

COUNCILMEMBER SANCHEZ is still a working person as well as being a member of 2 Boards. I thought we were going to maintain the 6:00 time certain public hearings. The recommendation in the staff report is 5:00, which is pushing it for working people. If we could do 3:00 [closed session], 4:00 [general business] and then 6:00 [public hearings], that would be great.

Following Council discussion, **COUNCILMEMBER SANCHEZ** stated the idea of having 2 hours between 4 and 6 is to cover everything except time certain matters. We could be done by 6:00 if we don't have time certain matters. She **moved** to adopt the schedule change to 3:00, 4:00 and 6:00 p.m.

MAYOR WOOD seconded the motion.

CITY MANAGER WEISS suggested that they schedule 5:30 for presentations and proclamations.

COUNCILMEMBER SANCHEZ modified her motion to be 3:00 closed session, 4:00 consent calendar/general items/council items, 5:30 presentations and proclamations and 6:00 public hearings [and adopt the revised City Council Policy 100-01 and the following resolutions with that schedule change:

Resolution No. 09-R0794-1, "...City Council...establishing the dates and times of regular meetings and establishing the regular meeting schedule for calendar year 2010"

Resolution No. 09-R0795-2, "...Small Craft Harbor District...establishing the dates and times of regular meetings and establishing the regular meeting schedule for calendar year 2010"

Resolution No. 09-R0796-3, "...Community Development Commission...establishing the dates and times of regular meetings and establishing the regular meeting schedule for calendar year 2010"

Motion was **approved 3-1**, Feller – no; Chavez – abstaining

CITY COUNCIL REPORTS

18. Mayor Jim Wood

MAYOR WOOD reminded everyone of Pearl Harbor Day on December 7th. Also, tomorrow is the lighting of the Christmas tree downtown. He thanked the Police, Fire and Tri-Cities Medical Center for their service when his mother was injured recently.

19. Councilmember Rocky Chavez

COUNCILMEMBER CHAVEZ announced a Coaster Competition for 8th graders.

He thanked everyone for their support and well wishes in his new position. He encouraged everyone to vote on Tuesday.

20. Councilmember Jack Feller

COUNCILMEMBER FELLER announced the Turkey Trot had almost 5,000 runners.

21. Councilmember Jerry Kern

COUNCILMEMBER KERN announced he was also at the Turkey Trot, and it was a good time for everyone.

22. Councilmember Esther Sanchez

COUNCILMEMBER SANCHEZ went to see Oceanside High beat Mount Carmel.

ADJOURNMENT

MAYOR WOOD adjourned this joint meeting of the Oceanside City Council, Community Development Commission and Small Craft Harbor District Board of Directors at 9:22 PM on December 2, 2009.

[The next regularly scheduled meeting is Tuesday, December 15, 2009, at 2:00 p.m. for election results.]

ACCEPTED BY COUNCIL/HDB/CDC:

Barbara Riegel Wayne
City Clerk, City of Oceanside