



California

ITEM NO. 5

CITY OF OCEANSIDE

JOINT MINUTES OF THE CITY COUNCIL SMALL CRAFT HARBOR DISTRICT BOARD OF DIRECTORS COMMUNITY DEVELOPMENT COMMISSION OCEANSIDE PUBLIC FINANCE AUTHORITY

AUGUST 15, 2012

REGULAR MEETING 2:00 PM COUNCIL CHAMBERS

2:00 PM - OCEANSIDE CITY COUNCIL (COUNCIL),
HARBOR DISTRICT BOARD OF DIRECTORS (HDB), AND
COMMUNITY DEVELOPMENT COMMISSION (CDC)
OCEANSIDE PUBLIC FINANCE AUTHORITY (OPFA)
- REGULAR BUSINESS

Mayor
HDB President
CDC Chair
OPFA Chair
Jim Wood

Deputy Mayor
HDB Vice President
CDC Vice Chair
OPFA Vice Chair
Jack Feller

Councilmembers
HDB Directors
CDC Commissioners
OPFA Directors
Esther Sanchez
Jerome M. Kern
Gary Felien

City Clerk
HDB Secretary
CDC Secretary
OPFA Secretary
Barbara Riegel Wayne

Treasurer
Gary Ernst

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

City Attorney
HDB General Counsel
CDC General Counsel
OPFA Legal Counsel
John Mullen

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

For this regular and joint meeting, the Council sat as all 4 governing bodies [Council, HDB, CDC and OPFA] 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), Community Development Commission (CDC) and Oceanside Public Finance Authority (OPFA) was called to order by Mayor Wood at 2:03 PM, August 15, 2012.

2:00 PM - ROLL CALL

Present were Mayor Wood, Deputy Mayor Feller and Councilmembers Kern and Felien. Councilmember Sanchez arrived at 2:06. Also present were Assistant City Clerk Trobaugh, City Manager Weiss and City Attorney Mullen.

City Attorney Mullen titled the following items to be heard in Closed Session: Items 1, 3A, 3B, 3C and 3D. [Item 2 was not heard]

[Closed Session and recess were held from 2:04 PM to 4:0__ PM]

CITY COUNCIL, HDB, AND CDC CLOSED SESSION ITEMS

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

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

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

Item discussed (Unrepresented); no reportable action

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

Property: Property bounded by Pacific Street, Myers Street, Seagaze Drive, and Civic Center Drive (APN 147-261-01 through 12; 147-076-1,2,3,10,11,12); Negotiating Parties: SD Malkin Properties; Negotiator for the City: Peter Weiss, City Manager, and John Mullen, City Attorney; Under Negotiations: Terms of Disposition Agreement and Lease]

No closed session held

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

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (SECTION 54956.9(a))

- A. Dunex, Inc., v. City of Oceanside, Superior Court Case No. 37-2010-00061745-CU-EI-NC, 4th District Court of Appeal Case No. D061579
- B. Dunex, Inc., et al, v. City of Oceanside, et al, U.S. District Court Case No. 10 cv 1478 JLS CAB, U.S. Court of Appeals for the Ninth Circuit Case No. 10-56871
- C. Dunex, Inc., et al, v. City of Oceanside, Superior Court Case No. 37-2012-00055503-CU-EI-NC
- D. City of National City et al, v. Matosantos et al, Superior Court Case No. 34-2012-80001198

Items discussed; no reportable action

4:00 PM – ROLL CALL

MAYOR WOOD reconvened the meeting at 4:01 PM. Present were Mayor Wood, Deputy Mayor Feller and Councilmembers Sanchez, Kern and Felien. Also present were Records Manager Guthrie (temporarily standing in for Assistant City Clerk Trobaugh), City Manager Weiss and City Attorney Mullen.

CONSENT CALENDAR ITEMS [Items 4-15]

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 KERN pulled Item 8 for discussion.

The following Consent Calendar items were submitted for approval:

4. City Council/Harbor/CDC/OPFA: Acceptance of Joint Minutes of the Small Craft Harbor District Board of Directors, Community Development Commission, City Council, and Oceanside Public Financing Authority of the May 2, 2012, 2:00 p.m. Regular Meeting
5. City Council/Harbor/CDC/OPFA: 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)
6. City Council: Approval of a purchase order in an amount not to exceed \$130,000 to Bellingham Marine Industries, Inc., of Bellingham, Washington, for replacement docks for the Launching Ramp Docks at the Oceanside Harbor, and authorization for the Financial Services Director, or designee, to execute the purchase order
7. City Council: Approval of a purchase order in an amount not to exceed \$79,767 to Long Beach BMW of Long Beach for three replacement BMW Police Motorcycles for the Police Department, and authorization for the Financial Services Director, or designee, to execute the purchase order
8. **Removed from Consent Calendar for discussion - Council**
9. City Council: Approval of two purchase orders: in an amount not to exceed \$172,457 to Emergency Vehicle Group of Anaheim for one replacement ambulance, and in an amount not to exceed \$31,000 to Downtown Ford of Sacramento for one replacement Ford Explorer for the Fire Department; and authorization for the Financial Services Director, or designee, to execute the purchase orders
10. City Council: Approval of a professional services agreement [**Document No. 12-D0542-1**] with Washburn Grove Management of Hemet in an amount not to exceed \$117,700 for Phase I Re-mowing of the San Luis Rey River, and authorization for the City Manager to execute the agreement
11. City Council: Approval of a ten-year encroachment permit agreement [**Document No. 12-D0543-1**] with New Cingular Wireless PCS, LLC, authorizing encroachment on a portion of the public rights-of-way at Winter Road, solely for telecommunications purposes, with revenue to the City in the minimum amount of \$140,000 for the ten-year period; and authorization for the City Manager to execute the agreement
12. City Council: Approval to accept a Quit Claim Deed [**Document No. 12-D0544-1**] from Campfire USA San Diego & Imperial Counties Council, a California nonprofit corporation, for improved real property located at 402 Brooks Street; and authorization for the City Clerk to accept the Quit Claim Deed and record the document with the San Diego County Recorder

13. City Council: Approval to accept a contribution in the amount of \$18,766 from the Mar Lado Highlands Homeowners Association, and approval to appropriate these funds to the Mar Lado Highlands Landscape Maintenance District operating account
14. City Council: Acceptance of grant funds in the amount of \$180,000 from the Federal Aviation Administration awarded to the City of Oceanside, on the condition that the grant is funded, and once funded, approve the appropriation of said grant funds to the airport maintenance and operation fund for the preparation of a new Airport Master Plan
15. City Council: Adoption of **Resolution No. 12-R0545-1**, "... approving revisions to the sewer discharge limits (technically-based local limits) for industrial users".

COUNCILMEMBER SANCHEZ moved approval of the balance of the Consent Calendar [Items 4-7, and 9-15].

COUNCILMEMBER KERN seconded the motion.

Motion was approved 5-0.

Items removed from Consent Calendar for discussion

8. **City Council: Approval of five purchase orders: in an amount not to exceed \$92,905 to Powerland Equipment, Inc., of Valley Center for one Cherrington Beach Cleaner; in an amount not to exceed \$128,600 to Altec Industries, Inc., of Birmingham, Alabama, for one Ford F550 aerial truck; in an amount not to exceed \$255,000 to M-B Companies of New Holstein, Wisconsin, for one paint-striper truck; in an amount not to exceed \$39,755 to Downtown Ford of Sacramento for one Ford F250 service truck (all are replacement vehicles for Public Works); and in an amount not to exceed \$783,180 to Mar-Co Equipment Company of Pomona for refurbishment of four Tymco Street Sweepers for the Public Works Department; and authorization for the Financial Services Director, or designee, to execute the purchase orders**

COUNCILMEMBER KERN requested that the item be bifurcated to vote on the street sweepers separately. He **moved** approval [of the remaining five purchase orders: in an amount not to exceed \$92,905 to Powerland Equipment, Inc., of Valley Center for one Cherrington Beach Cleaner; in an amount not to exceed \$128,600 to Altec Industries, Inc., of Birmingham, Alabama, for one Ford F550 aerial truck; in an amount not to exceed \$255,000 to M-B Companies of New Holstein, Wisconsin, for one paint-striper truck; in an amount not to exceed \$39,755 to Downtown Ford of Sacramento for one Ford F250 service truck (all are replacement vehicles for Public Works); and authorization for the Financial Services Director, or designee, to execute the purchase orders].

COUNCILMEMBER SANCHEZ seconded the motion.

Motion for all items except street sweepers was approved 5-0.

COUNCILMEMBER KERN is concerned about spending \$783,180 when we don't even have much of a staff report stating how we got to the number. This is something that we don't have to do. He **moved** to deny the staff recommendation on this item and request that staff return to Council as soon as possible with the privatization proposal for street sweeping. This is \$783,000 that we can save today by denying this and contracting out for this service. We can let the private contractor spend the \$783,000. This amount wasn't included when we considered outsourcing street sweeping. If Council had known that this was coming, we might have had a different decision.

COUNCILMEMBER FELEIN seconded the motion for discussion. He is concerned about that as well. He asked if this \$783,000 was factored into the figures we were given as part of the outsourcing bid.

CITY MANAGER WEISS responded a portion of the \$783,000 was included, which was the annual cost that we set aside to replace the vehicles and equipment. We amortize the costs of the vehicles and equipment over their life cycle, and those dollars were included in the evaluation of the outsource proposal versus the City proposal.

COUNCILMEMBER FELIEN asked if we had accepted that outsourcing bid, which entity would have been responsible for providing and maintaining the street sweepers.

CITY MANAGER WEISS responded the private contractor. His amortized costs for those vehicles were included in his proposal.

COUNCILMEMBER FELIEN clarified that was the bid that, with the amortization, saved roughly \$1,000,000 over 4 years. Now on top of that, we want to purchase/repair \$783,000 worth of street sweepers. If we had accepted that bid, it would have been the private contractor's responsibility, is that correct?

CITY MANAGER WEISS responded that's correct. If Council had gone with the outsourced proposal, then the money that was allocated and set aside for the replacement of those sweepers would have gone back to the solid waste fund.

COUNCILMEMBER FELIEN stated the real lost opportunity of not accepting the outsourcing bid has now soared from \$1,000,000 to \$1,783,000, is that correct?

KIEL KOGER, Public Works Division Manager, clarified that the annual savings is about \$118,000 to have a private contractor do it versus City staff. Staff brought that item before Council about 3 months ago, and it included our annual replacement and maintenance and operation costs, such as fuel, etc. Your true savings, if you were to outsource, would be \$118,000 per year.

COUNCILMEMBER FELIEN clarified the \$783,000 expense was factored into the original bid.

MR. KOGER responded yes.

COUNCILMEMBER FELIEN asked how many years this is amortized over and how long these vehicles would last.

MR. KOGER responded 8 to 10 years.

COUNCILMEMBER FELIEN stated at \$118,000 per year, you're saying the outsourcing savings is roughly due to this amount?

MR. KOGER responded yes. It's \$118,000 for the first year. It was different every year after that, but that's basically what it was every year.

COUNCILMEMBER FELIEN is confused. It seems we're now putting out \$783,000 in cash and how is it that the outsourcing bid originally would have only saved \$118,000? Using 7 years over which we're saying these vehicles are amortized, there were no savings in terms of pensions or wages?

MR. KOGER responded everything was factored in, including labor, equipment, materials, supplies, etc. The private contractor versus City staff annual savings were \$118,000. If you're going to buy 4 new sweepers today, you have to maintain them

over the next 10 years, but you don't have to buy any more for 10 years. If we spend \$800,000 today to buy 4 new sweepers, we put away \$20,000 per year per sweeper so that in 10 years we'll have the money to spend it again. All things considered, the actual savings would have been \$118,000, and that includes everything: labor, equipment, supplies, materials, etc.

COUNCILMEMBER FELIEN would be more comfortable postponing this to review the figures for outsourcing again and get a better understanding of how these figures were factored in. He'd like to figure out if the outsourcing option truly presented the correct amount that we were likely to save. Assuming that is settled and we decide to go in this direction, what is the reason we've chosen to fix the existing vehicles as opposed to buying one each year over the next 4 years and having a much longer life on new vehicles as opposed to extending the life on existing vehicles? What did you look at in terms of those options?

MR. KOGER responded that's one reason staff decided to look at the outsourcing when we did. We made the decision that, if we're going to outsource, we don't need to buy new vehicles. We knew at that time, if we're not going to outsource, we'd need to spend some money on these vehicles. They are 8 years old and are becoming a maintenance problem for us. It's a harsh environment, being on the road 40 hours a week. We didn't have quite enough in replacement money, so we decided to go a different route and refurbish the vehicle. It has a lot of expensive parts on it. We need to now get them rebuilt so they'll last another 8 to 10 years.

COUNCILMEMBER FELIEN moved to postpone this item to the first meeting in September so we can review the figures again and see if we went in the right direction.

COUNCILMEMBER KERN withdrew his motion and seconded Councilmember Felien's motion.

COUNCILMEMBER SANCHEZ stated this notice has been available to the Council for 10 days and the staff report has been available since Thursday. There are also people in the City who could have answered these questions. Staff has compared apples to apples. Street sweeping is a very important function for the City. She has received calls from the public requesting street sweeping more often. We made the decision to do sweeping as often as we do. We decide as a community that we want to maintain this level of quality service. This is being recommended by the City Manager and staff. This sounds like micromanaging. These figures have been available. Her colleagues have been looking at this for the last 18 months, so she doubts there would be anything new that they would learn on this. She opposed the continuance and will be asking to vote today.

COUNCILMEMBER KERN brought this forward at the request of a couple of emails he received. The public wanted it brought forward. We can ask questions that we get answered privately, but the public doesn't understand what's going on. When we spend \$783,000 on a Consent Calendar item with a 3-page staff report, people want to know what's going on. He is here to represent the taxpayers and the public. That is why he brought this forward. He's trying to get the public to understand what this money means and where it comes from.

COUNCILMEMBER SANCHEZ stated it sounds like campaigning on the dais. She gets a lot of calls from the public and is out in the community. She represents our taxpayers, homeowners and small businesses, who really ask for these kinds of things. The street sweeper is very important. She discusses everything that people ask for with staff. She's not going to say that any one of us up here does not represent the community the way they think they do. Everyone here thinks they represent the community at the same level.

COUNCILMEMBER FELIEN doesn't think it's unreasonable for Councilmember Kern or himself to double check if this is the best way to go. Are the street sweepers going to fall apart in the next 21 days?

MR. KOGER responded no. They are in pretty bad shape and he'd like to make a decision quickly.

COUNCILMEMBER FELIEN stated, based on what our long-term challenges are, he doesn't see his responsibility as micromanaging every decision of the City staff. The issue of how we provide City services is a policy decision that's worthy of Council providing direction to the City Manager and staff. We had a vote regarding a very important policy decision. This seems to provide some evidence that we may have gone in the wrong direction with that decision. We may come back at the first meeting in September and say let's move ahead. There isn't any damage in taking a second look and going back through the numbers to make sure we're comfortable for ourselves and for the public, who expect us to watch over every tax dollar. His motion represents a possible upside opportunity with no downside risk. There is nothing that prevents us from moving ahead with this motion.

On the other hand, this is his field of work, going through the math and crunching the numbers. Something here suggests to him that it may be worth looking at differently. He'd like a little time to go back through and see if his concern is justified or not. A small delay doesn't put the City in any jeopardy.

COUNCILMEMBER KERN agrees and thinks \$783,000 is a significant amount of money. That's tax dollars, and we should take our time and approach this in a manner that reassures the public that we are looking after the dollars they give to us to shepherd. He doesn't know how staff came up with \$783,000. That's one thing he'd like to know, and so would the public. That's why we have public meetings, so the public gets informed about how and why we spend money the way we do. Hopefully in the interim this will pass. Even if it doesn't pass, he is requesting staff to at least come back and tell him how we got to \$783,000. Was it an RFP or a bid, and how many bidders were there? This is \$783,000 we don't need to spend if we can contract out this service.

Motion to continue was approved 3-2; Wood and Sanchez – no.

GENERAL ITEMS

General Items are normally heard after any 5:00 p.m. Public Hearing Items. However, if time permits, some General Items may be heard prior to any 5:00 p.m. Public Hearing Items, following the Consent Calendar.

16. **City Council: Approval of a Disposition and Development Agreement with National Community Renaissance and Community Housingworks for the Mission Cove Affordable Housing Project located along the 3200 block of Mission Avenue, and authorization for the City Manager to execute the agreement**

DAVID MANLEY, Neighborhood Services Division Manager, stated staff is recommending that Council approve the Disposition and Development Agreement (DDA) with National Community Renaissance and Community Housingworks for the Mission Cove project.

In December of 2010, we approved a development team, which aligned itself with the Vision Plan to develop 288 units on the Mission Cove project. In April of 2011, Council approved a Reimbursement Agreement to start the entitlement process, which is currently underway, to bring that development forward. Following that, Council

approved an Exclusive Negotiating Agreement to develop the terms of the DDA, which brings us to the document tonight.

Over the last year, staff from Neighborhood Services and the development team has worked to develop terms. The overall project has 4 phases to it. Phase A is infrastructure, on- and off-site improvements and grading; Phase B is 80 multi-family units by National Core; Phase C is by Community Housingworks and provides special needs and senior units; and Phase D follows up with another 7 units of multi-family.

The DDA spells out that, although we'd like to have it all done at the same time, at a minimum we would like Phases A and B done. We anticipate that more phases will be done at the same time. The structuring of the size of this project is intricate and takes a lot of different layers. We've set a term of 5 years for the DDA, with a one-time 3-year extension. Until sticks actually come out of the ground, the development team has not been paid, so they are working for free right now. They anticipate that the project will move forward in a timely manner.

One impetus moving the DDA right now is that it allows the development team to apply for financing to make this project come to fruition. There are different stages in federal financing that may come out in the next year, and having a DDA in hand with terms set out makes them more competitive in those processes.

The project's estimated development costs are about \$81,300,000, not including the land. Construction of all the phases will require a City housing subsidy of about \$17,400,000. The DDA sets that as the threshold not to be exceeded. Hopefully, they'll be able to find other resources to reduce that amount. The development team is charged with finding \$4 for every \$1 we put in to make this project come forward.

The action tonight does not appropriate funds. That will come at a separate date when we actually have the final loan agreements for the individual phases.

The Housing Commission heard this item at their July 24th meeting and unanimously approved. The City Attorney's office has reviewed all of the documents, including attachments.

JOHN SEYMOUR, National Community Renaissance (National Core), stated the company was founded 20 years ago, and he's been with them for 17 years. We own, operate and manage 9,500 units in 45 different cities throughout Southern California. During the worst recession, we were able to finance, build and own/operate several projects. We own the award-winning La Mision Village, which is across the street from the subject property, and Cape Cod Senior Villas in Oceanside.

One of the things we're proud of in our property management is that we employ strict management procedures, including comprehensive resident screening, background checks, credit reports and a crime-free addendum. We enforce our parking rules and have zero tolerance of illegal activities.

The City bought this land in 2006 with Housing funds. They issued an RFP (Request for Proposals) and received numerous developer responses. They were apples versus oranges. The densities were lower or higher, retail or no retail and architecture differences. Council rejected all of those proposals and hired RRM Design Group. Staff was instructed to hold community meetings, which they did, and came up with a Vision Plan.

There were a number of promises made to the community about this project. We hired RRM to make sure there was no bait and switch. That Vision Plan is what you're going to see today, with a few minor changes because of site constraints and to save project costs. This is not our proposal or project; this is a joint venture with the

City. Oceanside owns the dirt, and you're going to ground lease it to us. This project goes beyond just buildings; it's about what we're going to do for our residents on-site. There will be 288 units, plus 10,000 square feet of retail. It will be a very large community.

This project will be Silver Lead certified and will have a universal design. We will have early childhood education, youth development, after-school programs, anti-violence education, technology, tutoring and test preparation. Community Housingworks will explain what the programs are going to be for the seniors. This project is going to get off the ground. In the back-up provided tonight there is a listing of several million dollars of housing funds, federal HOME funds, inclusionary housing fee funds and payments that are due back.

The DDA states that we have to do Phases A and B. There is no Phase A if you don't get Phase B. We're going to do Phase A, B and D with the first amount of money coming in. This project is \$81,000,000, and we're responsible to bring \$65,000,000 of that, between our two groups, to get all 4 of those phases done.

The funding sources listed in your packet, along with our affordable housing grant funds of \$1,500,000 that we can get once we go under construction, leave us a surplus of funds for A, B and D of approximately \$1,300,000.

The Planning Commission had a workshop on inclusionary housing, and a developer proposed to defer the development impact fees. We have \$2,600,000 of development impact fees, which we can defer. We're not proposing that, but we could, and that would jumpstart this project even sooner. That's not even in the numbers. What's also not in these numbers is further construction valuation. We have some flood-plain issues we're dealing with that we believe we can solve.

MARY JANE JAGODZINSKI, Community Housingworks, stated the City showed tremendous foresight in securing this land years ago. It's a great, transit-oriented site. Everyone has worked extremely hard on this. Community Housingworks is a 30-year old San Diego based company. In Oceanside, we own Old Grove in Mirasol. Developing is not easy in this day, but we will find the money with this tool of a DDA. We are recognized and awarded nationally for innovation in finance, design and operations. Our role here will be as developer, owner and operator of the senior development. It is about 3.5 acres with 138 apartments for seniors, 20% of which will be targeted for special needs seniors. We're trying to target about 10% for homeless veterans. We're outreaching to veterans in particular.

DIANE BATHGATE, RRM Design Group, has been involved in this project from early on to develop a plan for this 14.5 acre site. This project is surrounded by an existing neighborhood of single-family residences. Across the street are commercial and hotel uses.

The Vision and Strategic Plan was an effort that took a little over a year. We had 3 community workshops that developed the plan. We assisted with alternative site design, engaged the community and shaped the Plan. We developed design principals emphasizing compatible development with the existing community, sustainability and flexibility that will meet the needs of the citizens. A computer graphic was used to show the site plan.

Formerly there was a 3-story building located on the eastern side of the project that would accommodate apartment homes. Now it will be a family resource center that is 1 story. Previously, in the Vision Plan, we had 2- and 3-story homes along the southern part of the property. Now it's only 2 stories, and they're situated further back from the existing residences.

The senior and special needs component of the project has also been refined to be more centrally located on the site to provide for a more integrated multi-generational neighborhood. One of the goals of the plan is to truly create an authentic neighborhood.

Some of principals of the plan are to provide for views between the buildings and through the site to create openness, with pedestrian circulation throughout the site. The primary access at Roymar Road has been retained. Additional open space has been provided at the eastern and western ends of the property that serves a dual purpose of retention and to address new storm water requirements. The site plan has also been refined to address utilities and grading, the technical requirements. Computer graphics were used to show updated elevations and sketches.

The multi-family housing component that fronts onto Mission Avenue has a few steps up to the first floor to create a separation from Mission Avenue, which is a busy street, to provide for privacy for our first-floor residents. There is a pathway along the front that continues with the universal design strategies that were outlined in the original plan.

The mixed-use component is retained in the project site. The first floor provides for commercial opportunities, and the two floors above those would be for apartment homes. There is a common courtyard where residents can congregate, or it can be used for food services. It's a gathering place.

The family resource center is located on the eastern portion of the site and will have meeting rooms, computers, classes, daycare and a variety of programs.

MR. SEYMOUR stated we've consulted with the National Association of Homebuilders on a typical tax-credit development as these are 3 phases of tax-credit development. They're estimating that during the construction of this project, it will create between 300 to 400 full-time jobs. After construction is completed, they estimate 50 full-time jobs. The key is that there is going to be approximately \$2,000,000 to \$3,000,000 per year in local annual sales taxes and revenue coming to the City.

Public input

JACKIE CAMP, P.O. Box 678, San Luis Rey, is Chairperson for the Disability Committee of San Diego County and is appointed by the County Board of Supervisors. She has held this position for over 8 years. With this project, we finally have a plan that includes universal design. Universal design makes homes accessible for young and old, healthy and infirm, without making the homes look sterile and cold. Universal design is about creating an attractive and stylish space that everyone, regardless of age, size or ability can live in or visit. Universal design refers to broad spectrum ideas meant to produce buildings, products and environments that are inherently accessible to all people with or without disabilities. The term universal design was coined to describe the concept of designing all products and the built environment as aesthetic and useable to the greatest extent possible by everyone. We really need this type of design for all of our citizens. Also, we have an influx of wounded warriors. Oceanside will have a feather in its cap being the first to initiate this. We need Mission Cove. It is a beautiful project and layout.

LARRY BARRY, 3973 Brown Street, is against this project because we can't afford it. You're already asking for waivers and coming with your hand out. Less than a mile away from there is San Luis Rey Elementary School, which is due to close. It sits right underneath one of the major gas lines that goes east to west. It's the same one that blew up in San Francisco and took out half the neighborhood. There are high voltage wires under the school and it's on the flight path. You're talking about multi-families coming in here.

This is low-income or no-income housing. The thought that these people are going to have an extra \$500 per month to spend in Oceanside is not going to happen. The problem is these people never leave the low-income housing, even when they have the opportunity.

We're arguing over \$780,000 for street sweepers, and this project is asking for \$3,000,000. We don't know that these are people who have lived and contributed to Oceanside. He would like these to be more transitional housing where people better themselves and move on.

MARIA RUSSELL, 1323 Lemon Street, is President of the Eastside Neighborhood Association and supports this affordable housing project. As we start to come out of our economic recession and move forward, a project like this allows veterans, police, firefighters, seniors and the homeless to position themselves again to be part of the middle class. As we all know, the middle class is the wheel that makes the economy go around. To allow folks to work and live in Oceanside makes for a greater sense of community. There are folks here who have lived in Oceanside for years and would like to stay close to their families. It is good economic sense to encourage the use of our mass transit while relieving the gridlock of the freeways. Lastly, moving forward with a project like this speaks loudly to other cities that Oceanside cares about their residents.

KATHLEEN GOLINA, 202 Via Pelicano, stated as a senior citizen, she was involved and anxious to hear about Mission Cove. The spot is perfect, being so close to the bus line. Low-income seniors like herself who basically live on social security deserve a beautiful safe community. She has lived at Old Grove for 7 years, and they have the best management and maintenance. The veterans and seniors in this community could live and work together, and it would be a better atmosphere for all of us. Many of us don't drive because of health issues. She would feel fortunate to be accepted into the community. She supports Mission Cove and hopes it will succeed.

EVI QUINN, 272 Waterbury Way, Carlsbad, stated her pastor is an advocate for the poor and needy. They do a lot at their parish, and social justice has always been her passion. She advocates for justice, and shelter and food is something everyone needs. The Mission Cove affordable housing project is on the top of her church's agenda. Housing is something we can help with. People are on the streets and living in their cars. We have veterans coming back who need to integrate back into society. She urged Council to bring this about.

MICHELLE LAMB, 1101 Alturas Road, is a former Oceanside resident. She owned a home and a small business. In 2010 the recession caused her to close her business, and as a result she lost her home. She is 70 years old and a veteran and had hoped there would be someplace for her because she wouldn't last on the streets. This developer who is proposing Mission Cove saved her life. She now has a reasonable apartment with fair rent. When you get old and have limited income, maybe society should consider something like this. Oceanside should be known for its compassion rather than our rocky past. She beseeched Council to approve this project.

DONALD STUMP, 707 Oceanside Boulevard, North County Lifeline, supports this project. The organization he runs is a place where people come that are in the most need and the most trouble. We're finding there is a significant changing demographic of those coming to us for housing, food and emergency assistance. Those are grandparents with grandkids; middle class who've lost their jobs and are about to lose their house; veterans who are young, old and middle aged; and seniors. Housing is the foundational need that all of them share. It's the best way to stabilize their life at this point. We see an increased need to build more affordable units for seniors and help them get food and things that they need to help them have a prosperous life. He is a

big advocate of Community Housingworks. They deliver and are very successful housing providers. They do beautiful projects, maintain them and run them well. He supports this.

MARY CASTLE, 1458 Genoa, encouraged Council to pass this item and give DDA approval for a senior affordable housing development called Mission Cove. This is an exciting intergenerational project for a model community that will benefit seniors and families and be an asset to the City. We're getting to the point in this society where everyone's financial towel is being wrung dry. The soaring costs of fuel, utilities and maintaining a roof over our heads has reached several thousand dollars per month. What is it doing to the vulnerable seniors and families with children? After they've paid their utilities and rent, there is very little left to buy food. She's seen the waiting lines at Brother Benno's where she serves food once a month. We tend to forget that there are good, decent people going seriously hungry in our society. By freeing parents from the one major stress of survival, children would have access to the dietary improvement they need to grow up healthy and balanced and to do so in a safe and secure environment.

Wherever senior citizens are, there is a rich educational and cultural background that will be shared within the community. This is a great step for the future of Oceanside. It meets an ongoing need while at the same time beautifying the City with state-of-the-art architecture, walkways and gardens. She urged Council to pass this item.

Public input concluded

COUNCILMEMBER SANCHEZ moved approval of the Disposition and Development Agreement [**Document No. 12-D0546-1**] with National Community Renaissance and Community Housingworks for the Mission Cove affordable housing project located along the 3200 block of Mission Avenue and authorize the City Manager to execute the agreement.

MAYOR WOOD seconded the motion.

COUNCILMEMBER SANCHEZ stated this is an \$81,000,000 project coming to our City. It is an extremely important economic development project. It's going to bring jobs and infuse sales tax into our City. This has been a long process, and she's proud to have been part of that process. This has been a truly community-oriented process. So far what she's seen is a good plan. She likes the mixed-use piece of this. We do have seniors and veterans. San Diego County is going to be hit the hardest in terms of returning veterans who will be looking for homes and jobs. The City is probably going to be one of the cities in the County that is going to be hit the hardest. We have to have housing available for our seniors and veterans and for our families who are still struggling.

We've picked an impressive development team. They have a long history of success in obtaining funding. This is the most ideal team that she's seen come together on this project. They have a tremendous history of success in managing projects. They don't just build and leave. They make sure that those who are accepted as tenants really do live up to this notion of a community. This is a good project for Oceanside, and she hopes Council approves it.

An issue was brought up about the funds that would go to this project and that we can't afford it. These are funds set aside for this specific purpose. This isn't something we could put into any other project that's not an affordable housing project.

MAYOR WOOD has worked with both of these groups on other projects, and he has always been satisfied with the results. He visited different locations around North

County and looked at the different projects. Not only are they beautiful and needed, but with the City control, they keep them clean and have zero tolerance. He sits on SANDAG, and some of the biggest issues are housing issues. We have to keep up, so he'd like nice projects and not slum areas.

This is something we need in the community. From the State level, these are the types of things that will get funded. He appreciates staff's work in getting good projects to Oceanside. This is not the final vote on this. It will be up to these people to get the financing going forward. The vote tonight is to move forward and authorize the City Manager to execute an agreement. He asked if the Housing Director has any concerns or input.

MARGERY PIERCE, Housing and Neighborhood Services Director, is very pleased with the outcome of the DDA that we've negotiated. Tonight is not obligating any funding for this project. That will be something that would be coming to Council in the future once we have the funding identified.

COUNCILMEMBER FELIEN stated that when he came on Council, this was one of the first votes he had, and he voted to support this project. Since that time, the State has decided to end Redevelopment. Although they have a right to end it, they did it in the most reckless and incompetent way possible, focusing on grabbing as much money from the cities as they could without any concern for the impact on the cities and their policies. In view of the new world we're in, he would like to get a better feeling about how this project fits in.

In terms of the \$17,000,000 the City is contributing, where is that coming from? Is that money we've already set aside, or is that anticipating future inclusionary housing fees?

MS. PIERCE responded all of the resources haven't been identified, but we do have some money in our inclusionary housing fund it is money that's owed from Redevelopment to Housing that under the current law is to be repaid to the Housing fund. We have some federal HOME funds that have not been allocated that are eligible for this project; we're looking forward to the State identifying a permanent source of funds that could be used; and we expect to have some bond proceeds from the sale of Laguna Vista Mobile Estates that could potentially be used for this project.

COUNCILMEMBER FELIEN asked roughly how much does that total.

MS. PIERCE responded about \$13,500,000.

COUNCILMEMBER FELIEN noted that still leaves us short about \$4,000,000. Would that be money, if these other sources don't come through, that we'd be obligated to spend from the General Fund.

MS. PIERCE responded absolutely not.

COUNCILMEMBER FELIEN asked what would happen if we got to a point where we said we've done our best, but based on these grant applications and the State budget situation, we couldn't come up with our share of \$17,000,000.

MS. PIERCE responded at this time, the DDA is for a period of 5 years, with a 3-year extension. At the end of 8 years, we would have to determine whether or not this project is going to come to fruition and be feasible, ask for an extension or abandon the project. The City would still own all of the entitlements and the land and could move forward sometime in the future.

MR. SEYMOUR stated the DDA obligates us to come out of the ground with

Phases A and B. For Phases A, B and D, the gap financing on that is \$13,700,000. The \$17,500,000 has already been reduced. You've already lent this project \$1,500,000, so now it's \$15,900,000. You have cash on hand right now of \$1,500,000 in federal HOME funds. For 2012-2013 he would estimate \$1,000,000 to \$1,500,000. That would total \$3,000,000 in federal HOME funds. None of this is committed tonight. You have \$4,600,000 of inclusionary housing fees – cash on hand. You have \$4,300,000 of ERAF and S-ERAF that, per AB 1484, by law has to come back to the Housing Fund. That leaves a balance of \$200,000. We're going to be applying for an AHP Fund of \$1,500,000. We've received about \$15,000,000 in aid. Every project we've applied for we've gotten. With your cash on hand, plus next year's HOME funds, if available, and ERAF, not mentioning any State funding whatsoever, we're going to have a surplus of \$1,300,000 if we can win our AHP award. The ERAF and the S-ERAF is not coming back tomorrow; it's going to take several years. It could come back in chunks of \$300,000 to \$500,000 per year.

The money is there to get us out of the ground and deliver the pad to Community Housingworks with utilities stubbed to site. By that time, we'll make it work.

MS. JADGODZINSKI stated this is our business and what we do every day. We don't get paid until it's built and we close finance. If that's another 2 years, we're working without pay. That gives us a really good incentive to make sure we get this done, in addition to our mission as a non-profit. The \$17,000,000 is what we call a gap. Staff has done a good job identifying the potential City filling of that gap. Our job is to go find other sources. By approving the DDA today, you give us the tools to be ready because on some of these we cannot even apply if we don't have a DDA; they don't think we have site control.

COUNCILMEMBER FELIEN is not concerned about the developers' competency or commitment to the project. It has to do with our reckless and irresponsible State government and whether they go on some stampede that will damage us and leave us hanging in some way.

We've talked about different Housing funds that might be at risk of another State grab. Are any of the monies committed to this project at risk if the State decides to move against Housing funds?

CITY ATTORNEY MULLEN doesn't believe so. The only funds that you've committed technically under the agreement are the \$1,500,000 that you've already approved. That's not at issue. If your question relates to those other funding sources that have been discussed as potentially available, he has no information that those are going to be grabbed by the State at any time in the immediate future.

COUNCILMEMBER FELIEN asked, in terms of the actual agreement between the City, in Section 3.22, does that say that all of any funding we get for affordable housing can only go to Mission Cove or have their permission to spend it on another project.

MR. MANLEY responded that's how it reads. If there is a project that comes forward and that there is an emergency need for, we can always discuss it with the development team and, if it's of a small nature, apply it to a different project. Right now we are giving priority to this project to make it come to fruition.

COUNCILMEMBER FELEIN asked if that kind of provision is typical in a project, or is this unique.

CITY ATTORNEY MULLEN hasn't seen a provision like that before. That section says that the City agrees it shall consult in good faith with the developer prior to committing future funds to any other affordable residential project proposed in the City.

It doesn't prohibit you from making funds available for other projects, but it does require you to consult in good faith with this development team before doing so.

COUNCILMEMBER FELEIN asked, in terms of the per-unit subsidy, does he understand that we're at \$100,000 to \$150,000 per unit.

MR. SEYMOUR responded you're below \$50,000 a unit.

COUNCILMEMBER FELIEN heard that Vista just approved a project that didn't require any City subsidy, and that the average subsidy is between \$30,000 and \$50,000 for most projects in San Diego County.

MR. SEYMOUR responded the average project gap is anywhere from \$80,000 to over \$100,000. If you don't have federal tax credits, you can't make the project work. He doesn't know of any affordable permanent project in the history of the County that has ever come out of the ground for no gap subsidy.

COUNCILMEMBER FELIEN stated we've been working on a reformed Inclusionary Housing Ordinance for the past year and a half now that, among other things, changed the inclusionary housing fee to try to create market incentives. Our fee was adjusted down from around \$10,000 to around \$1,900, based on the fact that due to the recession our housing prices have dropped dramatically, therefore, increasing our affordability index and triggering the justification for a much lower fee. Will moving forward in that direction and the market incentive Inclusionary Housing Ordinance have any negative impact on the funding for this project or the anticipated \$15,000,000 that you're counting on the City to put in.

MR. MANLEY responded no. We haven't counted on any additional inclusionary to be applied to this. If it happens to come through, we could definitely look at that, but it wouldn't have an effect at this point.

COUNCILMEMBER KERN asked if once a person gets qualified to live there, are they going to be there forever or is this someplace they can start and we re-evaluate down the road.

MR. SEYMOUR responded regarding the seniors, a lot of them will be working. Some of them will be retired. On the family project, they're all working. This is the backbone work force of Oceanside. Our priority waiting list is going to be Oceanside taxpayers. If you're working and living in Oceanside, that will be on the priority list. You can't rent an apartment from us unless you're working. You have to go through background checks and have 3 credit reports, third-party verification of your employment, no cash for the rent, criminal backgrounds, etc. These are people that are living here today and working. Probably 50% of the people in this room could qualify to live at Mission Cove.

COUNCILMEMBER KERN asked what the level of qualification is.

MR. SEYMOUR responded up to 60% of the area median income, with an average rent at 50% of the average median income. The average median income in San Diego County for a family of four is \$100,000. So at \$35,000 to \$45,000 per year for a family of four, you would qualify to live in the family community. You have to be income-qualified. We don't want you to pay 30% more of your income towards rent. People in Oceanside are paying 50% of their income to rent and maybe even more. The people living in the family project have to work. They're not homeless. We love when our residents become over qualified. Then we can find out if there are any first-time homebuyer funds available to bring them into housing. We've lost hundreds of residents over the last several years to homebuyer opportunities.

COUNCILMEMBER KERN stated the cost-savings from Phase A can be used for contingencies for cost over-runs in later phases, instead of paying down the bonds. Why would they set that money aside for cost over-runs?

MR. SEYMOUR responded that's the idea in case we run into any unexpected issues.

COUNCILMEMBER KERN asked if at the end of the day there are savings, are you doing to use it for rent subsidies.

MR. SEYMOUR responded no. If there's any savings back, its customary to have that money returned to the Housing Fund. There are no bonds here.

MS. PIERCE stated there are requirements, depending on the funding source, to put that money back. The City is the first paid back if there are cost-savings because we're just providing the gap, which is the last piece of the component. If its HOME funds, federal law requires that any HOME funds that are repaid go back into home programming.

[This item was trailed until after the presentations]

5:00 – ROLL CALL

Mayor Wood reconvened the meeting at 5:18 PM. All Councilmembers were present. Also present were Assistant City Clerk Trobaugh, City Manager Weiss and City Attorney Mullen.

INVOCATION – Reverend Malaki Tauilili

PLEDGE OF ALLEGIANCE – Community seniors

PROCLAMATIONS AND PRESENTATIONS

Proclamation – Senior Volunteer Driving Program

Presentation – Update from Fire Chief Darryl Hebert on a successful CPR Month

Presentation – Introduction of new Executive Director of the Mottino Family YMCA,
Sarah Reese

[Presentation – Mayor's Youth Sports Recognition and Appreciation Award]

Presentations were made

16. **City Council: Approval of a Disposition and Development Agreement with National Community Renaissance and Community Housingworks for the Mission Cove Affordable Housing Project located along the 3200 block of Mission Avenue, and authorization for the City Manager to execute the agreement - Continued**

COUNCILMEMBER KERN stated we talked about sales tax but we will not receive any property tax proceeds from these units. Please explain why that is and how it works.

MR. MANLEY responded we don't receive property taxes now on the property because its undeveloped. Affordable housing has an exclusion through the State that property taxes are not applied to these parcels.

COUNCILMEMBER KERN stated when we talk about being on a transit corridor and a major bus route, he has an issue with there being no bulb-out for buses. If there's going to be a lot of bus traffic and stopping there, you ought to have a bus

lane or bulb-out for the buses. That would be important to everybody.

MR. MANLEY responded there has been discussion with North County Transit District (NCTD). In the initial conversation with them, they prefer to have no bulb-out because then the bus has to pull back into traffic, versus sitting in traffic and people going around. They said that was a little safer.

COUNCILMEMBER KERN stated with a lot of seniors at this location it might take a while to get them on and off the bus, so the bus would be sitting in traffic for a while. He would think getting them out of that traffic flow would be preferable.

MR. MANLEY stated there are other services that NCTD provides, like the lift service.

COUNCILMEMBER KERN is going to support the project. He's reluctant in that we're tying up all of our affordable housing in one project. If another project comes along, hopefully we can adapt. He doesn't see anything on the horizon right now, so he's not too concerned about that. He'd like to keep our options open if something comes along in the next few years as an affordable project and not be totally committed to this one. He hopes we can get support for this.

DEPUTY MAYOR FELLER asked how much we paid for that property.

MR. MANLEY responded for the property and the house that's adjacent, it was about \$7,900,000. That's what it was appraised for at the time.

DEPUTY MAYOR FELLER asked if the piece of property actually goes over to Carolyn Circle.

MR. MANLEY responded yes. As part of the design of the entire site, it was anticipated that there needs to be additional drainage, storm water drainage and access. Therefore that house will have to be removed, and it will not be a vehicular access point. It will be used as part of the overall engineering of the property.

DEPUTY MAYOR FELLER stated we've put a lot of money in this project already with the \$7,900,000, is that correct?

MR. MANLEY responded it included the purchase price plus the \$1,500,000 for entitlements.

DEPUTY MAYOR FELLER asked how protected we are as a City here. He had to be persuaded on Old Grove, and it seems to be successful. He would like to hear one more time how we're protected and that we're not going to lose money on this deal.

MR. MANLEY responded once we get the financing plan together and the project is operating, it's set up in such a way that we control it for 55 years. We have regulatory agreements to make sure that they have operating and replacement reserves. It's unlike market-rate development where we don't have any control. We make sure that the proformas pencil out for the long-term, and bonds or financing are issued. Those have to all be in place before it gets out of the ground. There are more assurances on operation versus a market-rate development.

DEPUTY MAYOR FELLER stated market-rate has other plusses. We get property tax and have no exposure at that point.

Motion was approved 5-0.

[Recess was held from 5:59 PM to 6:06 PM]

CLOSED SESSION REPORT

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

CITY ATTORNEY MULLEN reported on the items discussed in Closed Session: Items 1, 3A, 3B, 3C and 3D. [Item 2 was not discussed]

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

23. **Communications from the public regarding items not on this agenda – None**

Changes to the agenda

MAYOR WOOD reported that Item 26 has been removed from the agenda.

5:00 P.M. – PUBLIC HEARING ITEMS

Public hearing items are "time-certain" and are heard beginning at 5:00 p.m. Due to the time-certain requirement, other items may be taken out of order on the agenda to accommodate the 5:00 p.m. public hearing schedule.

24. **CDC: Adoption of a resolution approving an amendment to a Development Plan (RD12- 00003), Conditional Use Permit (RCUP12-00004) and Regular Coastal Permit (RRP12-00005) for the addition and remodel of an existing 124-unit motel located at 909 North Coast Highway – Motel 6 Remodel – Applicant: 9 Vista Montemar, LP**

- A) Chairman opens public hearing – hearing was opened.
- B) Chairman requests disclosure of Commissioner and constituent contacts and correspondence – Mayor Wood reported contact with staff, Councilmembers Sanchez and Felien reported no contact, Deputy Mayor Feller reported site visit, Councilmember Kern reported site visit and staff.
- C) Secretary presents correspondence and/or petitions - None
- D) Testimony, beginning with:

SHAN BABICK, Associate Planner, used computer graphics to show the project site and proposed new design. The project proposed is a 5,361 square foot addition along the north and south access to the building and reduction of the number of units from the current 124 units to 115 units, which is 9 unit reduction. The proposed room reduction will increase the size of the room for 90 of the units and allow for a new guest lounge area, great room where breakfast will be served, conference and fitness rooms.

Due to the reduction of the 9 units, the parking will be increased by 11 parking spaces. The purpose of the addition to remodel is to upgrade the motel to meet the guests' needs and be competitive in today's market. The market, according to the applicant, has changed since he first built this motel 10 years ago. We believe the addition and remodel will upgrade the existing motel and make it more competitive. The proposed façade improvement and color change will update the whole motel. The project is consistent with the land-use policies of the Local Coastal Plan (LCP).

The cost of the remodel has been estimated at \$1,000,000. In addition, the applicant intends to upgrade the furniture. That would cost another \$1,000,000, which was not included in the report. The proposed addition and remodel will raise the room rates to an average of \$100 per day. Because of the upgrades, the estimated TOT

(Transient Occupancy Tax) will be increased by approximately 40% per year.

Staff recommends approval of this item.

Applicant

KEN WALKER, Motel 6, stated it was about a year ago that they added larger rooms, and the success of those rooms demonstrated that there is a market for the larger rooms. They are typically rented and have a higher occupancy than our original smaller rooms. At this point, we're going to take the 92 original rooms that are left untouched from our last addition, and expand those out from 2.5 to 8 feet out the north and south sides to make the rooms larger. The room rates still stay within an affordable range, but it allows us to market more to families, people coming to the beach and people looking for a larger room than our typical rooms.

Our original addition of 18 rooms last year resulted in a total revenue increase of about 35%, so your TOT tax went up about 35%. We're expecting that kind of increase or better with our current addition. We are also, as part of this remodel, taking 9 of our rooms and making them into a large great room where we could serve a free breakfast. We'll also have a conference room and a fitness room. We'll be expanding the lobby as well. It's better for the employees and guests.

Our drive-up approach and the exterior is enhanced, and that's where quite a bit of the money is going. We think we've got a good-looking project that will fit right into the community. As the community moves up, we want to move up as well.

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

COUNCILMEMBER KERN asked if they are changing flags or remaining a Motel 6. The rendering doesn't show Motel 6 on any of the slides.

MR. WALKER responded our addition and remodel could accommodate a different flag, but we don't have anything locked up at this point.

COUNCILMEMBER KERN asked how large the conference room is going to be.

MR. WALKER responded the conference room is 408 square feet. A computer graphic was used to show the proposed conference room and great room, which should be around 800 square feet.

COUNCILMEMBER KERN asked if these rooms are for the public or for hotel guests only. If he wanted to book that conference room for a meeting, because we're pretty short of conference room space in town, could he do that?

MR. WALKER responded yes. A lot of the mid-scale motel brands will restrict the size of a board room that you can have. We just converted a Comfort Inn & Suites in Chula Vista to a Holiday Inn Express. We had 3 different divisible rooms as a conference room, and they had to close one of them to shrink it down to Holiday Inn Express standards. They have a maximum number of square feet you can have for the number of rooms.

COUNCILMEMBER KERN moved approval [of **Resolution No. 12-R0547-3**, "... approving an amendment to a Development Plan, Conditional Use Permit and Regular Coastal Permit for the addition/remodel of an existing 124-unit motel (Motel 6) located at 909 North Coast Highway – Motel 6 Remodel – Applicant: 9 Vista Montemar, LP"].

DEPUTY MAYOR FELLER seconded the motion.

COUNCILMEMBER SANCHEZ stated this is a great partnership with the private sector. This is increasing the size of rooms rather than the number of rooms, and it even increases the parking.

MR. WALKER clarified that we did not increase the number of parking places, we kept the same number of parking spaces, but the ratio went up per the number of units.

COUNCILMEMBER SANCHEZ thinks all the upgrades are fantastic.

MR. WALKER stated the City has a standard of 1.2 parking spaces per unit. We're well in excess of that. We have done studies and when we were full, we had at least 28 empty spaces every night that we were full. There's room for additional growth on this site, so we may come back sometime in the future with more units.

DEPUTY MAYOR FELLER asked if that used to be a dirt lot.

MR. BABICK responded yes. It was a 2-acre dirt lot at one time.

DEPUTY MAYOR FELLER appreciates what you've done here and what you continue to do.

COUNCILMEMBER FELIEN thinks it's great that you are bringing this project forward and thanked him for the vote of confidence in the City and its future. This project can help create jobs and more opportunity in the middle of a recession.

Motion was approved 5-0.

25. **City Council: Introduction of an ordinance of the City Council of the City of Oceanside amending Chapter 35 of the Oceanside City Code regarding taxicabs; (1) adoption of a resolution repealing Resolution 11-R0668-1 and any amendments and confirming business license administration fee amounts (removing taxicab companies from category II); and (2) adoption of a resolution establishing a fee schedule for taxicab operators and establishing an automatic annual increase for taxicab service rates based on the published Annual Consumer Price Index-Urban for San Diego County**
- A) Mayor opens public hearing – hearing was opened.
 - B) Mayor requests disclosure of Councilmember and constituent contacts and correspondence – Mayor Wood, Deputy Mayor Feller and Councilmembers Sanchez, Kern and Felien reported contact with staff and Yellow Cab.
 - C) City Clerk presents correspondence and/or petitions – email from Steven Craig Thompson of Craig's Camps agreeing with deregulation.
 - D) Testimony, beginning with:

MICHAEL SHERWOOD, Chief Information Officer, stated we looked at the current ordinance, which was drafted in 1982 and revised several years ago but never updated for current business structures and ease of operation. We went with a few goals in revising the ordinance. One was for a simplified and open licensing process, making it easier for applicants to apply and have annual renewals. Another was for flexible business structure accommodations to include those away from a franchise structure and into different types of business models, such as a co-op or other types of approved business structures.

Our main focus was improving customer safety and service. Part of that included mandating fire extinguishers, the ability of every cab licensed to run in the City being able to take and use credit cards, global positioning to ensure speedy dispatching, and for safety, the vehicle must be under 7 years of age from the model year. Additionally,

we wanted to ensure that the companies operating here have protection, including the company name and color scheme, which couldn't be used by competitors or other agencies that are licensed within the City. What the old ordinance had, we've reiterated back into this ordinance.

The staff report goes into detail about what the old fee structure was and includes the new fee structure. There is an application fee of \$475 for the first year, a vehicle license fee of \$165 and a vehicle inspection fee of \$100. Upon the renewal in year 2 of operation, their application fee would be \$360, and proportionately we would be dropping the vehicle license fee and the inspection fee as well. The rates adjust with the CPIU (Consumer Price Index Urban) of San Diego and allow for the increase in rates to be automatic. That allows flexibility in the marketplace. If the economy stays flat, the rates would stay flat. The changes focus on the safety and convenience for the residents and tourists that come into the City.

On Page 13 of the ordinance there is an error. Line 17 says "all taxicabs operated by certificate holder shall be radio equipped and radio dispatched". It should read "all taxicabs operated by certificate holder shall be radio equipped and computer dispatched".

Public input

ANTHONY PALMERI, Yellow Cab, stated this has been a 20-month project. We started in 2010 and hopefully we're finishing it tonight. Staff was wonderful and learned the taxicab business very quickly. He agrees with everything that's going on. We have 4 wheelchair accessible vehicles in the City. He would like the City to put into this ordinance that you have a 10-cab minimum and that one of those 10 be a wheelchair accessible vehicle. This City has been very tough regarding taxicab ordinances. You were the only city in the County that required \$1,000,000 of insurance and a franchise agreement.

JENNY OAKSON, 1255 Cynthia Lane, Carlsbad, owns Coastal Cab. We are not currently serving Oceanside but we would like to. We have 6 cabs, not 10. We have 2002 vehicles, not 7 years or newer. We get calls consistently from Oceanside. There is a need for our service here. She is concerned about customers that they take into Oceanside, but they cannot get a ride back. We need to compromise. If we don't have to have 10 or more vehicles, and we meet the Sheriff's Department's qualifications for hiring, meet the insurance standards and are willing to pay the fees, there is lot more business in Oceanside for small cab companies.

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

MAYOR WOOD stated the issue of having more than one cab company came up about a year ago. We had Yellow Cab, and now we have 7/24 Black & White. We are a military, transit and tourist town, so the decision was made to have 2 cab companies in Oceanside. He doesn't want all kinds of cabs with different colors and types. He doesn't want the big city image for Oceanside. He wants competent cab companies. He likes the idea of a 10 cab minimum and having at least one of them be ADA compliant. This is a senior community so he likes that. Larger companies have more ability to provide that. He isn't saying smaller cab companies aren't good, but bigger companies tend to have bigger and better equipment.

In our town Yellow Cab has the drivers be part of their company. It's their own cab, and they are required to have an independent contractor business license. He didn't see anything in compliance with SB 1519. He understands that the business licenses aren't being enforced.

He'd like to also see cab companies go to alternate fuel vehicles in the future.

We previously had another cab company try and get a license here, and they had violated every policy we had before they came here to get a license. He's afraid that's what we'll run into if we don't start enforcing some of our regulations and have guidelines in place.

He **moved** [Introduction of an ordinance "...amending Chapter 35 of the Oceanside City Code regarding the regulation of taxicabs"; adoption of **Resolution No. 12-R0548-1**, "...repealing Resolution 11-R0668-1 and any amendments and confirming business license administration fee amounts (removing taxicab companies from category (II)); and adoption of **Resolution No. 12-R0549-1**, "... establishing a fee schedule for taxicab operators and establishing an automatic annual increase for taxicab service rates based on the published Annual Consumer Price Index-Urban for San Diego County"]

COUNCILMEMBER SANCHEZ seconded the motion.

MR. SHERWOOD responded on the business license issue, Category 1 versus Category 2, every driver that comes into the City and operates a cab is required to have a business license. The ordinance is listing what the corporation has to pay, which would be the \$475 per vehicle. They would still have to have a standard City business license. That's part of the process for ensuring they have a County permit to drive. It insures they have gone through the County process and are allowed to drive in the City and the County.

Regarding SB 1519, there are several components. There is an enforcement component and other components. Every cab that is authorized in the City will be granted a sticker that would go on the vehicle. Additionally, they would be assigned an overall number for their agency, which would be used in advertising and would state their name.

As far as any enforcement, we felt that should be an administrative directive by the City Manager who handles enforcement for any type of operation. We did not include that in the ordinance as all of the ordinances we looked at throughout Southern California regarding cabs didn't have that, and we didn't want to set precedence by adding it into our ordinance. We believe through general administration, administrative directive or management directive, those issues could be addressed.

The cab limit is a Council policy. Part of what we've set in guidelines of having a computer dispatch system and other mandates would make it so that generally a one-cab company wouldn't be able to afford those mechanisms. This is an open, free market approach. He doesn't know what the cost of services are for each company or where their break-even point is, so there is no number in the current ordinance. We have things in the ordinance that we consider barriers that would make sure that a reputable company would come into the City and be able to operate.

MAYOR WOOD sees cab companies from out of the area drop off here, but they can't pick up. We had a problem with certain cab companies dropping fares off and then picking up fares. When we got companies with more cabs and drivers, we seemed to be able to regulate them a lot better.

CITY MANAGER WEISS stated the issue of the minimum number of cabs is solely up to Council. Regarding the issue of enforcement, we do not have an active enforcement program, nor would we have the ability to do a proactive enforcement program because we don't have the resources. If we want to add that, we could, but then we'd have to look at some kind of cost recovery system. We could have an additional surcharge to the cab permits to recover the cost of adding a dedicated enforcement person to enforce those cab provisions.

COUNCILMEMBER SANCHEZ supports the 10-cab minimum, with one of those being ADA compliant. She has seen cabs come in and only go to certain places like hotels. She has had experiences in other cities where she couldn't get a cab because she wasn't at a hotel. Those kinds of issues come up in Oceanside as well. Our community deserves a specific quality in their cab companies. Whether or not we have an enforcement team set up, we're going to get the calls complaining about cabs. We still need to have these safety things included in our ordinance. She supports the requirements for a business license, GPS systems and alternative fuel sources over time. She asked if there is a suggestion about what would be an appropriate timeframe for alternative fuel sources, like maybe 5 years.

MR. PALMERI responded way before that. We have 35 Prius' in San Diego. We've stayed away from CNG because there's no quasi-infrastructure so a cab driver can get back to where he was going. He's ready to start putting them in next year, especially with a cooperative because that's going to be something a cab driver would want to own based on the price of gas.

COUNCILMEMBER SANCHEZ asked staff if it would be 2 or 5 years.

MR. SHERWOOD responded it's at the Council's discretion as to when they want to implement that.

COUNCILMEMBER SANCHEZ would like to see 2 years or less. During the meeting with representatives from Yellow Cab, she got a good education about what other cities are doing. Other cities seem to have a specific time period for applying. That way you would know when you could apply to get your cabs in Oceanside. That would be a good thing to do as well.

She wants to make sure that with the GPS, the closest cab is the one that is going to be responding. She doesn't want to see them all at the train station or hotels. Our residents need to be able to call and get a cab, especially our seniors, and feel like they're going to get a good response and good service.

COUNCILMEMBER FELIEN stated we're learning a lot about the taxicab business. He doesn't want excessive regulation to be used as a way to stop legitimate competition. Sometimes big industry players use government to stop small players from providing competition. He wants to make sure the regulation isn't used for that purpose.

He supports the concept of having a threshold in order to have credible companies that are going to provide a legitimate level of service and have the probability to be long-term participants in our market. It's important for the benefit of the companies that go through this process and are following the rules that they have some assurance that the City is going to do its part, since we're charging money and demanding things of them, to enforce our ordinances on people who are sneaking in and undercutting the prices that need to be charged by legitimate operators. That's fair.

Do the year 2 fees apply to the existing companies that are providing service to our residents, or is everyone expected to go through the new applicant process based on this new ordinance?

MR. SHERWOOD responded Council is repealing the current ordinance. The new ordinance comes in and starts everyone with a year-one status. Everybody would start fresh.

CITY ATTORNEY MULLEN stated we have existing franchise holders, and those would not be wiped out if this new ordinance goes into effect. As he understands

it, Yellow Cab is going to be applying for a new certificate under the new ordinance. This new ordinance is in front of Council to begin with because of their new business model. They will be hit with the new applicant fees the way that this is structured right now. It's not his understand that the other licensed cab company would be hit with the year-one fees. We could clarify that.

In order to implement the changes you've identified, staff will have to redraft this ordinance and bring it back to Council for reintroduction. We will not be able to take action on it tonight, but we could address the issue about the application of the fees in the redraft.

COUNCILMEMBER FELIEN asked how the 7-years was picked as the maximum car age.

MR. SHERWOOD responded it was determined through research and other ordinances throughout the State, in addition to meeting with current franchise holders and hearing what they felt was an appropriate age. We also looked at other cities throughout the region. It was an average number.

COUNCILMEMBER FELIEN asked the woman from the smaller cab company, other than the age of the cars she mentioned, does her company meet all of the other requirements we have in terms of the computerized dispatch, the \$1,000,000 insurance, etc.

MS. OAKSON responded no. We do meet the \$1,000,000 insurance requirement, but we are not computerized dispatched, we use cell phone radios.

COUNCILMEMBER FELIEN is trying to figure out the number of cars a company would have to make a profit, but meet the threshold that we're looking at. Ms. Oakson is operating with 6. Would you, with 6 cabs, be making a profit with these restrictions?

MS. OAKSON responded the drivers lease their vehicles, so she gets paid a lump sum for them to lease it to work. She's a cab driver as well as an owner/operator. It helps when you're getting calls to be able to pick up people who are calling you. There are small rides that a bigger company won't pick up. She wants to be able to take the elderly population to the drug store, even if it's only a \$5 ride. These are the rides that are getting neglected by the 2 companies in place now.

Regarding the 7 year car age, the 10 cab minimum and the computer dispatching, no she wouldn't make a profit. She's a small business. She is planning to have her 2004 Prius put into the fleet, but that would be too old under this new ordinance.

COUNCILMEMBER FELIEN asked what the difference is between the dispatch system Ms. Oakson has versus the computerized GPS one that we're talking about in our ordinance.

MS. OAKSON responded all of our cars have GPS, but our dispatch system is just over a radio.

COUNCILMEMBER FELIEN asked staff why that system would not be acceptable and why we want to have the model we're asking for.

MR. SHERWOOD responded the computerized dispatching approach is to provide a high level of service to tourists and citizens of Oceanside. Almost like dispatching where you get the closest fire or police vehicle to your emergency, we want to insure that tourists or citizens have the closest available cab for their need so they're

not waiting for an extreme amount of time to get service. The dispatch or computerization component was to aid in that process and insure that we have a baseline service level for the entire community.

COUNCILMEMBER FELIEN stated another issue was if our disabled community is going to be adequately serviced under this ordinance. How is the disabled community currently being served?

MR. SHERWOOD responded through a variety of sources. Under the current ordinance, the franchise holders are not obligated to provide any ADA compliant cabs. The new ordinance did not add that component. There are several services out there of different types. He's not aware of all of those service providers.

COUNCILMEMBER FELIEN asked if when we say ADA compliant, does that mean that the cars fixed up to accommodate disabled persons can still be used for non-disabled fares, or do the modifications mean that it's only usable for wheelchairs.

MR. SHERWOOD responded that most conversions are able to be dual use. The seat either lifts up or, if there's not an ADA compliant fare, the seat simply folds down and is able to be used for a regular fare that did not need those accommodations.

MR. PALMERI responded to a few issues. First, the 7-year car age has been in effect since 1983. Second, when you talk about navigation systems, we're talking about a GPS system with navigation where the calls that come in go to the cab that's closest to the house. That is different from having a navigation system or the window where you put in the address of the place you're going to. Third, ADA is not required for taxicabs. The ADA exempts taxicabs. Unless there's a rule put in by the City, it's not required. Our company put those in because we wanted to put them in. A driver does not make money driving an ADA taxicab because it takes a lot longer to get them in and out, and they have to be certified to handle ADA customers. We subsidize those drivers so they can make money. When they don't have an ADA fare, they will get a call based on their positioning according to the GPS.

COUNCILMEMBER FELIEN asked the cost difference between buying a regular cab and an ADA compliant cab.

MR. PALMERI responded it's \$42,000 for an ADA certified van. He has four 2012 ADA vehicles. He got help purchasing those because he went through the Freedom Act. He still had to pay to certify them, paint them, train the driver and get them ready. The City can require a certain percentage of cabs be ADA or alternate fuel.

He doesn't want to have to come back again if it's just one item we're changing in the ordinance. If Councilmember Sanchez wants alternative fuel vehicles in 2 years, he can comply with that without having to bring this back again.

CITY ATTORNEY MULLEN stated the motion included 5 additional changes. To require a business license, 10 total cabs with one ADA compliant and fuel efficiency requirements for alternative energy. He heard talk about only accepting applications in January, but wasn't sure if that was part of the motion. He wanted to clarify that. He recommends this be rewritten and reintroduced.

MR. PALMERI stated he was told this morning that the business license requirement would be like a beauty parlor where each individual contractor would be required to have a business license. He was under the impression that it was already in there, and all drivers must have it based on the existing law. The only thing he would change is to accept the existing law and put a 10-cab minimum with an ADA vehicle. If that was the only modification and can be done here, he doesn't want to come back again. He needs to get this thing rolling. He's been waiting 20 months for this.

MAYOR WOOD stated if there's going to be changes, the City Attorney is required to bring it back. He's added some stipulations he'd like, as did Councilmember Sanchez. Even if we only change the one thing about the 10-cab minimum with one ADA, we still have to come back, is that correct?

CITY ATTORNEY MULLEN responded that's his recommendation because this has to be rewritten, and it's very difficult to rewrite an ordinance on the dais. He understand what the speaker wants, but Council's motion includes at least 5 changes. If that's the case, we'll have to weigh the decision on how Council wants to proceed. If Council wants to move forward with the changes, he recommends rewriting and bringing it back.

MAYOR WOOD knows Mr. Palmeri doesn't want that, but it's going to be up to the entire Council as to whether we all agree to the changes. He's trying to benefit the City, not trying to delay things. We want an ordinance that makes sure that Oceanside has the best service we can possibly get from whomever. He can recommend that we come back in a short period of time.

MR. PALMERI asked that be done.

CITY ATTORNEY MULLEN clarified even if you accepted staff's recommendation tonight, it's not adopted. You would be reintroducing it. The resolution for the fees could be effective today, but even if you accepted staff's recommendation you'd still have the subsequent where this would have to be voted on.

COUNCILMEMBER FELIEN stated the ADA vehicles cost about \$42,000, but how does that compare to a regular taxicab?

MR. PALMERI responded most of the cars that are taxicabs in the City are former CHP cars so they cost, for a 2008 or 2009, about \$8,000 to \$10,000.

COUNCILMEMBER FELIEN stated we're talking about roughly a \$30,000 difference. What percentage of your business requires ADA compliant vehicles?

MR. PALMERI responded they have only been in service about 4 months, but between your senior center and NCTD, they're busy. Nobody waits. The big thing between ADA and shuttle service is there's nothing cheaper than a taxicab. The disabled people are getting a service at a cheap price versus other cars that can pick them up.

COUNCILMEMBER FELIEN stated it seems that the regulations we have in terms of dispatching, insurance, credit card requirements, etc., all create enough of a barrier of entry that there's not going to be one and two cab companies coming into the City legally. It isn't the job of the City to pick a specific number. If someone can make it work with 9 or 8 taxis, that should be fine. The approach we've taken will provide a high enough level of service that you don't need to require a certain number of cabs.

He doesn't think that ADA compliant cabs are going to constitute 10% of a cab company's business, so it's not unrealistic to impose a \$30,000 cost differential on a company that's trying to get started. However, if big companies are going to provide the service that is subsidized by other services that should be factored in in some way with the application fee. There could be a difference in terms of the fees being charged for companies that are going to be ADA compliant and those that are not. If these services are available through other types of companies and whether or not that's completely free market or subsidized through government grants, fees or taxes, it is something he'd like to get more comfortable with.

Maybe, in terms of the urgency of getting the ordinance to move forward, it's better to start with what we have here. The items that are being debated don't seem to be a big part or worth holding up the need of the ordinance that's been developed already. He would be skeptical at this point of imposing different fuel standards because these alternative energy sources become efficient when the market requires it. We've had too many fiascos that turn out to be government subsidies or corporate welfare based on the latest fad and gimmick. As alternative energy becomes efficient, then private companies will naturally gravitate towards it. Oceanside is too small of a city to try to be imposing its own energy policy on the auto world.

His recommendation, based on what we heard from the City Attorney and the need to have to come back for a third time to adopt the ordinance, is to adopt the ordinance as it exists; get it going so the cooperative can move forward, which is the primary thrust of what we're trying to accomplish. All of these other items seem ancillary.

He would like to commit to finding a way to enforce our ordinance against people trying to undercut it because our existing companies need to have support by making sure they aren't going to be undercut illegally. Having fines and occasional enforcement should provide a self-financing way to scare off some of the poachers.

He doesn't see justification for only having applications in the month of January. If you decide you want to form a taxi company in March, you shouldn't have to wait 9 months to get your business up and going. The cost and the time is the same in January as it would be in July. He is not convinced of a need for that. Depending on how the vote goes on the Mayor's motion, he would vote to pass the existing ordinance and address the other issues later.

His understanding in talking with staff is the issue of business licenses in compliance with SB 1519 really aren't necessary to include in the ordinance because State law already requires people to get business licenses as needed, separate from this ordinance, is that correct?

MR. SHERWOOD responded yes. Every business within the City requires a business license. You would be operating illegally without one. We're talking about the driver here. The ordinance covers the application process through which the company or entity is being licensed. There is that component, which is in the ordinance. Then there's the independent driver who comes in and obtains a business license. We recommend, since no ordinances we've been able to find have that language included, that SB issues should be handled through an administrative directive and not included in the ordinance.

COUNCILMEMBER FELIEN will not support the current motion. It's best to get this ordinance in place to help the companies put together their co-op plan, and these other items can be addressed as a revision later without holding up the other 99% of what we're trying to accomplish.

COUNCILMEMBER KERN asked the City Attorney if we give our suggested changes to this ordinance tonight and it passes, can it come back without going through a public hearing?

CITY ATTORNEY MULLEN responded it could come back as a non-public hearing if we make the revisions. It would come through as the introduction of any ordinance. The reason for the public hearing is the adoption of the fees. If we are deferring the adoption of the resolution for the fees, then it would have to be a public hearing. If you adopt the fees tonight in anticipation of a future adoption, then you would not need a public hearing in the future.

COUNCILMEMBER KERN agrees with some of the things Councilmember Felien stated, and some he does not. He doesn't think there should be a mandate for alternative fuels. The market will take care of that over a period of time. The ADA vehicles are heavier, and it wouldn't be practical at this time.

Regarding the co-op agreement, it affords one person or two people to start a business within the framework of another business. That's one of the overarching things about this particular ordinance's changes; it allows a particular person to start a cab business.

He's still unsure about the franchisee and year one and year two. The SB 1519 stuff can be done by administrative directive through the City Manager's office. He can write a directive about SB 1519 outside of that ordinance. We don't need to incorporate every little piece of SB 1519 into the ordinance itself. Over a period of time the people in the State will pass more rules that will come out about taxicabs that we could address through administrative directives, rather than coming back and rewriting the ordinance.

He struggled with the 10-cab rule and the ADA compliant rule as well. To maintain a level of service for our community, that's a fair number. This is a city of 42 square miles with a lot of seniors who use taxicab services in the east part of the City. If you have smaller companies, they would concentrate in the high traffic areas, especially now with the new hotels going in. If we don't have that variety of number of cabs, then all the cabs will be downtown and leave the outer people hanging for cab service. We need to have the availability of cabs to do that.

He needs clarification as to what the motion actually is.

MAYOR WOOD made the original motion and asked for input from staff and the rest of Council. He mentioned 3 or 4 things that he wanted to make sure were covered. He believed the 10 cabs with the ADA requirement was important for the reasons we talked about. He wasn't really concerned about alternate fuel, but he wanted it looked at for the future. He wants to make sure drivers are appropriately licensed. He's sure there are guidelines to get that done, but he wanted to make sure it gets done.

If we don't do some of these things, then we'll have 23 cabs parked at the train station and no one out east. He's willing to modify his motion, but he wanted to get input. This town has a lot of seniors, military and disabled people who need those types of transportation. Yellow Cab has those. They did it on their own but he's sure there's money in it.

DEPUTY MAYOR FELLER doesn't think this should be like our parking passes that have to be renewed every year on June 30th. This should be just like every other business that comes to town; they decide when their business is going to start and get licensed then. He is definitely opposed to requiring alternative fuel. That should be up to them, and they've already expressed an interest in making it easier for their drivers to operate.

How many licensed cab companies do we currently have?

MR. SHERWOOD responded there are 2 current franchise holders: Yellow Cab of North County is authorized for 65 cabs, and he believes they have 47 at this time; and 24/7, which is allowed 30 vehicles and currently operates 17.

DEPUTY MAYOR FELLER asked what Mr. Palmeri anticipates the next iteration of vehicles will be.

MR. PALMERI will be converting slowly to Prius'. They're wonderful taxicabs. The drivers love them.

When he mentioned that the ADA drivers are subsidized, he meant from his wallet.

DEPUTY MAYOR FELLER agrees with the Mayor that all of the single vehicle cab companies would be parked downtown. When you have a franchise like this, they send the nearest cab to the people in the more remote areas. A hungry cab driver will be in his cab 12-15 hours trying to get everything they can, but you just can't have them sitting in one place and ignoring the more remote areas. He also agrees with Councilmember Felien that the non-licensed should be banned. They don't belong here competing with the companies that are actually required to have all of these regulations. He's down to one issue because Mr. Sherwood already said that every driver should be licensed. The only issue for him is the 10 cabs with one being ADA compliant. That's what he would be supporting.

COUNCILMEMBER SANCHEZ withdrew the suggestion of the applications only being accepted in January. It sounded like it would be helpful to staff and help lower the costs, but it sounds like there is no support for that, and staff is not asking for it.

It sounds like everyone is in support of the 10-cab minimum with one being ADA compliant. The individual business license is already included in our ordinance if she's hearing it right. She wants to make sure we keep the computerized dispatch. We really need to insure that the cabs that are operating in Oceanside are able to send the closest cab to the customer so they are waiting the least amount of time. That's already in there, and she wants to keep it in there.

The only thing left is the alternative fuel. She would like to keep that in, but it sounds like there is no support for that. She withdrew that as well, since it sounds like we don't have 3 votes for that.

The bottom line for her is that we maintain a level of service for our residents. We have several seniors that no longer drive. As someone who is a tourist sometimes in other cities, and knowing we want to increase tourism in Oceanside, we don't want to have a bad experience for someone. That bad experience will cause that person never to come back.

It sounds like we're down to the issue of 10 cabs, with one being ADA compliant as the change. The other issues seem to already be incorporated.

MAYOR WOOD would be willing to modify his motion after hearing everybody's input.

CITY MANAGER WEISS recommended, given the input received and direction from the Attorney's office to modify the ordinance, continuing the hearing for 2 weeks to give staff a chance to change the language of the ordinance and bring back the final version.

CITY ATTORNEY MULLEN stated Council could continue the matter to the next available Council meeting to make the changes to reintroduce it. You could also adopt the resolution for the fees tonight, and that would moot out the issue of having to renotify, if you would like. You don't have to notice a public hearing for the introduction of an ordinance.

COUNCILMEMBER SANCHEZ clarified that means the public hearing part is still closed.

CITY ATTORNEY MULLEN responded that's correct.

COUNCILMEMBER FELIEN stated after hearing the comments of his colleagues, and since he has not come up with a workable alternative, he wants to make sure our disabled community is adequately serviced. If this will form a consensus for us to move forward, he will support the 10-cab minimum and having one of those ADA compliant. However, he asked if the approach should be that regardless of how many cabs you have, one should be ADA compliant. That combined with the other barriers that we have in terms of dispatch systems, vehicle age and insurance requirements, may be the solution. He could support the 10-cab minimum, but he doesn't like the idea of picking a number.

ASSISTANT CITY CLERK TROBAUGH clarified that as maker of the motion, you're now saying that we're continuing the whole hearing for 2 weeks.

MAYOR WOOD responded yes. We're down to only one big issue, which is the 10-cab minimum with the ADA requirement.

CITY ATTORNEY MULLEN stated if it's the will of the Council, we can make the change to the ordinance before the next Council meeting and bring it back to reintroduce it at that time. If you would like to move forward on the fees tonight, that resolution could be adopted and half of this item would be resolved.

MAYOR WOOD modified his motion to vote on the fees and continue the ordinance to the next Council meeting regarding the one change.

COUNCILMEMBER SANCHEZ as the **second concurred**.

COUNCILMEMBER KERN is confused about what fees we're voting on. Are we voting that everybody starts out in year one as a new application?

MAYOR WOOD responded yes, unless there are some changes.

COUNCILMEMBER SANCHEZ was hoping it would be a renewal at \$360. She's not sure if that was a cost recovery amount.

MR. SHERWOOD responded the year one was for processing Yellow Cab. Their franchise expires when the new ordinance is put in place. They would then be year one, which means we would have to get all their drivers' information and business license information. That first year is the most labor intensive year.

COUNCILMEMBER KERN stated that is cost recovery. He wants to make sure everybody starts at year one.

Motion was approved 5-0.

MAYOR WOOD moved to continue the rest of the item to the next Council meeting.

COUNCILMEMBER KERN seconded the motion.

Motion was approved 5-0.

INTRODUCTION AND ADOPTION OF ORDINANCES

The following items are ordinances for introduction or adoption by the City Council/HDB/CDC/OPFA. 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/OPFA 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/OPFA 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/OPFA or the public through submittal of a Request to Speak form prior to the commencement of this agenda item.

27. **City Council: Adoption of Ordinance of the City Council of the City of Oceanside amending Chapter 13 of the Oceanside City Code by the amendment of Sections 13.1, 13.16, 13.18, 13.19, 13.25, 13.28, 13.29 and 13.33 to modify mandatory solid waste disposal requirements and to update provisions to conform to existing practices and services provided under the current solid waste contract** (*introduced on 6/27/12, 5-0 vote*)

After titling of the ordinance, **COUNCILMEMBER SANCHEZ** moved adoption of **Ordinance Number: 12-OR0550-1**, "...amending Chapter 13 of the Oceanside City Code by the amendment of Sections 13.1, 13.16, 13.18, 13.19, 13.25, 13.28, 13.29 and 13.33 to modify mandatory solid waste disposal requirements and to update provisions to conform to existing practices and services provided under the current solid waste contract".

COUNCILMEMER KERN seconded the motion.

Motion was approved 5-0.

28. **City Council: Adoption of an Ordinance of the City Council of the City of Oceanside extending the Temporary Fee Deferral Program for development impact fees** (*introduced on 8/1/12, 3-2 vote, Wood and Sanchez-no*)

Public input

CHRIS WILSON, 770 Harbor Cliff Way, urged the Council majority to reconsider their support deferring these development impact fees. Impacts to the City begin as soon as construction starts on a project. Roads and infrastructure have to go in before these projects are built. We have police and fire protection that needs to be provided to the construction site. Deferring these impact fees until after the project is built and has become occupied, means that the taxpayers of the City that are currently paying into the system are footing the bills for these new developments. He encouraged Council to reconsider their approval for the continuation of this program.

After titling of the ordinance, **COUNCILMEMBER KERN** moved approval of adoption of **Ordinance Number: 12-OR0551-1**, "...extending the Temporary Fee Deferral Program for development impact fees"].

DEPUTY MAYOR FELLER seconded the motion.

COUNCILMEMBER FELIEN stated this is a small way the City can help the private sector in the middle of a recession. He's shocked this can't be a 5-0 vote. The City gets the money in the end, and it may or may not make the difference between a project going forward or not going forward at a time when every one of us should be doing everything we can to create any job we can. This item is a small step forward. He urged his colleagues who voted against this in the past to reconsider and create a 5-0 vote so we can send a message to the private sector that we're doing everything we can as the government sector to help us all work our way through this recession.

MAYOR WOOD voted no for different reasons. He's had the BIA sitting in his office. He's told them they are yelling at the wrong group. It's all about the banks making loans. It's not us. We've had 40 project approved by this Council, and nobody can get a dime from the banks.

Motion was approved 3-2, Wood and Sanchez – no.

CITY COUNCIL REPORTS

17. **Mayor Jim Wood** – no report

18. **Deputy Mayor Jack Feller**

DEPUTY MAYOR FELLER announced family anniversaries and birthdays.

19. **Councilmember Gary Felien**

COUNCILMEMBER FELIEN attended the Rotary Club Crabfest at the Mission, who named Tom Noonan as their Citizen of the Year; he did a ride-along with the Fire Department and congratulated them on a job well done; and attended the Oceanside Chamber of Commerce meeting.

20. **Councilmember Jerry Kern**

COUNCILMEMBER KERN announced the Library Book Sale this weekend.

21. **Councilmember Esther Sanchez**

COUNCILMEMBER SANCHEZ attended opening day for soccer at Mance Bucannon Park.

ADJOURNMENT

MAYOR WOOD adjourned this joint meeting of the Oceanside City Council, Community Development Commission, Small Craft Harbor District Board of Directors and Oceanside Public Finance Authority at 7:54 PM on August 15, 2012. [The next regular meeting is scheduled for 2:00 PM on Wednesday, August 29, 2012].

ACCEPTED BY COUNCIL/HDB/CDC/OPFA:

Barbara Riegel Wayne
City Clerk, City of Oceanside