



California

ITEM NO. 3

# CITY OF OCEANSIDE

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

SEPTEMBER 10, 2014

REGULAR MEETING                      2:00 PM                      COUNCIL CHAMBERS

2:00 PM - OCEANSIDE CITY COUNCIL (COUNCIL),  
HARBOR DISTRICT BOARD OF DIRECTORS (HDB)  
COMMUNITY DEVELOPMENT COMMISSION (CDC), AND  
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  
Esther Sanchez

**Councilmembers**  
HDB Directors  
CDC Commissioners  
OPFA Directors  
Gary Felien  
Jack Feller  
Jerome Kern

**City Clerk**  
HDB Secretary  
CDC Secretary  
OPFA Secretary  
Zack Beck

**Treasurer**  
Gary Ernst

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**City Manager**  
HDB Chief Executive Officer  
CDC Executive Director  
OPFA Executive Director  
Steve Jepsen

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

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 2:04 PM, September 10, 2014.

### 2:00 PM - ROLL CALL

Present were Mayor Wood and Councilmembers Kern, Felien and Feller. Deputy Mayor Sanchez arrived at 2:12 PM. Also present were Assistant City Clerk Trobaugh,

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

City Manager Jepsen and City Attorney Mullen.

City Attorney Mullen titled the following items to be heard in Closed Session:  
Items 1 and 2A.

[Closed Session and recess were held from 2:05 PM to 4:03 PM]

**CITY COUNCIL, HDB, CDC AND OPFA 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 (OPOA, OFA); no reportable action**

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

A) CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

- i. Aaron Miller v. City of Oceanside  
Superior Court Case No.: 37-2011-00090665-CU-OE-CTL

**Item discussed; information only; no reportable action**

- ii. City of El Centro et al. v. David Lanier et al.  
Superior Court Case No.: 37-2014-00003824-CU-WM-CTL

**Council voted 3-2, Wood and Sanchez – no, to appeal the trial court’s judgment**

**4:00 PM – ROLL CALL**

**MAYOR WOOD** reconvened the meeting at 4:03 PM. Present were Mayor Wood, Deputy Mayor Sanchez and Councilmembers Kern, Felien and Feller. Also present were City Clerk Beck, Assistant City Manager Lawrence and City Attorney Mullen.

**CONSENT CALENDAR ITEMS** [Items 3-13]

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

**COUNCILMEMBER FELIEN** pulled Item 13 for discussion by Council.

The following Consent Calendar items were submitted for approval:

- 3. 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 following meetings:

August 21, 2013	2:00 p.m.	Regular Meeting
September 4, 2013	2:00 p.m.	Regular Meeting
September 25, 2013	2:00 p.m.	Regular Meeting
October 2, 2013	2:00 p.m.	Regular Meeting

4. 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)
5. City Council: Approval of plans and specifications for the San Luis Rey Water Reclamation Facility Digester No. 4 Cleaning Project; and authorization for the City Engineer to call for bids
6. City Council: Approval of a Purchase Order in an amount not to exceed \$70,000 to Downtown Ford Sales of Sacramento for the purchase of one Ford F-450, to be paid out of grant funds, for the Police Department; and authorization for the Financial Services Director, or designee, to execute the purchase order
7. City Council: Approval of a Vendor Purchase Agreement [**Document No. 14-D0546-1**] with Petrochem Manufacturing, Inc., of Carlsbad, in the amount of \$1,000,000 for the Annual Slurry Seal FY 2014-15 Project; and authorization for the City Manager to execute the agreement
8. City Council: Approval of a utility telecommunications CALNET 3 contract [**Document No. 14-D0547-1**] with AT&T and the State of California in the amount of \$228,500 per year for a total of \$1,371,000 for six years; and authorization for the City Manager to execute the contract
9. City Council: Approval of a Professional Services Agreement [**Document No. 14-D0548-1**] with North County Lifeline in the amount of \$60,000 to implement the ASP Youth Development program at the Crown Heights Resource Center; and authorization for the City Manager to execute the agreement
10. City Council: Approval of a Professional Services Agreement [**Document No. 14-D0549-1**] with Vista Community Clinic in the amount of \$70,000 to implement the REACH program services at Balderrama Recreation Center; approval of a Professional Services Agreement [**Document No. 14-D0550-1**] with Vista Community Clinic in the amount of \$80,000 to implement the REACH program services at Libby Lake Community Center; and authorization for the City Manager to execute the agreements
11. City Council: Approval to accept \$262,958 in grant funds from the State of California Office of Traffic Safety awarded to the City for the Selective Traffic Enforcement Program; approval to appropriate these funds to the Police Department; approval of the grant budget; and authorization for the City Manager, or designee, to execute the grant documents [**Document No. 14-D0551-1**]
12. City Council: Adoption of **Resolution No. 14-R0552-1**, "...adjusting the compensation of the City Attorney", approving and implementing Amendment 1 [**Document No. 14-D0553-1**] to the Employment Agreement between the City and John P. Mullen to adjust the compensation paid for City Attorney services effective September 14, 2014
13. **Removed from the Consent Calendar for discussion – Council**

**DEPUTY MAYOR SANCHEZ** moved approval of the balance of the Consent Calendar [Items 3-12].

**COUNCILMEMBER KERN** seconded the motion.

**Motion was approved 5-0.**

**Items removed from Consent Calendar for discussion**

**13. City Council: Acceptance of the Treasurer's Report for the quarter and year ended June 30, 2014**

**COUNCILMEMBER FELIEN** wants to hear from the Treasury Department on how things have been going, and if there have been any changes, good or bad, over the past year.

**GARY ERNST**, City Treasurer, reported that the state of the City's investment portfolio remains very sound. During the final quarter of Fiscal Year 2013-2014, the City Treasury increased its overall investment holdings by slightly more than 12% from the previous fiscal year's end. This is primarily due to the austerity measures Council has taken in recent years, along with an uptick in overall tax revenues. This put us in a better position.

In the fixed-income investment arena, overall yields appear to have bottomed out this past year. We're seeing some mild improvement in the longer bond rates received as we reinvest our maturing investments. However, some of those older maturing bonds were yielding even higher rates than we have now. We expect to outperform those older, higher issues as markets return to more normal conditions typical of a recovering economy. That turnover process will take some time, as will this recovery.

The Fed reduced its accommodative monetary policy by lowering its monthly purchasing of treasuries recently, tapering five steps down from the original \$85,000,000,000 to \$25,000,000,000. This has helped to provide some stimulus to the economy. With this action, there are risks. We may see some inflation. However, economists are mixed on whether this is good or bad for the overall economy. It can be good for investors, but it may slow down the real estate, lending markets and industries. For the City, it might help the Treasury Department to improve our overall portfolio return as it is tied so closely to the agency, federal and bond rates, which are not inflation-driven.

During the final quarter of the past fiscal year, our Investment Oversight Committee held their annual policy review meeting. We discussed some ideas to continue enhancing overall portfolio performance that have since been approved by Council. With the suggestions that the Investment Oversight Committee unanimously approved in our review, we are striving to capture potential additional yield, while mitigating market risk for the investment portfolio. We're continually striving to seek corporate and municipal bond offerings as much as possible as we move forward, while still mitigating risk as our top priority. We're keeping it within the confines of established investment policy at all times.

This is in conjunction with the Treasury Manager's tremendous efforts last year in refinancing about a half dozen of our bonded debt structures. We're seeing substantial savings in our bond interest expenses, as well as an overall anticipated improvement in our balance sheet moving forward.

Regarding the global economy, **COUNCILMEMBER KERN** stated that on Monday the European Central Bank lowered their interest rate to one half of one percent. Their excuse is that people have a lot of cash and they're not putting it into the economy. They're basically cutting their interest rates to push cash out the door into investments. He asked if that's something we're seeing here. Is there still money on the sidelines that people are sitting on?

**CITY TREASURER ERNST** responded that corporate America is still sitting on between one and two trillion dollars on the sidelines. It's not so much because of interest rates, but because they are feeling that the economy is still not strong enough to sustain a return on that additional investment. In the Euro market, whenever things get unstable for whatever reason, all it does is drive more money to our treasuries. Even though they conceivably make less here, there is a flight to safety. Unfortunately, what that does is keep the rates lower. That'll be somewhat offset as Janet Yellen continues to curtail quantitative easing (QE2).

**DEPUTY MAYOR SANCHEZ moved** approval of [acceptance of the Treasurer's Report for the quarter and year ended June 30, 2014].

**MAYOR WOOD seconded** the motion.

**Motion was approved 5-0.**

#### **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.

14. **City Council: Adoption of a resolution approving and implementing the Compensation Plan for Unrepresented Employees effective September 10, 2014**

**PAT NUNEZ**, Human Resources Director, stated the item before Council is the Compensation Plan for Unrepresented Employees. The key economic issues with this plan are to provide a taxable, non-PERSable stipend to all permanent, fulltime employees, excluding the executives, elected officials and Council aides. There is one special salary adjustment for a dually-represented position. We've adjusted bilingual pay to equal that of the other represented groups. We've added engineering licensing pay for those who hold civil engineering licenses.

Regarding non-economic issues, we've done some adjustments to classifications. Some are replacements, some are eliminations and some are new. They are all outlined in the staff report. The final item is changing the vacation leave accrual limit for part-time employees from 200 to 300 hours to match the other employee groups.

The stipend for this year totals just over \$232,000. The special salary adjustment is \$714. That includes all PERSable and other administrative costs. The bilingual pay is \$30,500, which also includes the PERS and administrative costs.

**DEPUTY MAYOR SANCHEZ moved** approval of [adoption of **Resolution No. 14-R0554-1**, "...approving and implementing the Compensation Plan [**Document No. 14-D0555-1**] for Unrepresented Employees dated September 10, 2014"].

**COUNCILMEMBER KERN seconded** the motion.

**MAYOR WOOD** asked if Ms. Nunez received any feedback from the non-represented Council aides.

**MS. NUNEZ** did not hear from anyone.

**MAYOR WOOD** stated Council has. Ms. Nunez may be confronted by them down the road.

**Motion was approved 5-0.**

15. **City Council: Approval of new City Council Policy 600-07, Street Light Pole**

**Banner Program; and approval of a budget transfer in the amount of \$8,800 from Economic Development Regional Collaboration funding to Economic Development Marketing to purchase and install 44 Gateway Banners**

**TRACEY BOHLEN**, Economic Development Manager, stated the proposed banner program is looking at a public/private partnership with local business and art organizations within banner districts to have priority and responsibility for placing banners throughout the City. Staff met with the different banner district entities, including the Oceanside Chamber of Commerce, MainStreet Oceanside, Visit Oceanside and the Oceanside Museum of Art, along with two City divisions: the Harbor District and Economic Development.

A computer graphic was used to show the districts. They are the Gateway, Harbor, Townsite, Downtown, South Oceanside and Tourism districts. This banner district program also gives the banner district entities the ability to sell sponsorships on banners. This is an effective way to defray the cost of designing, fabricating and installing banners, and it keeps the banners current. The banners would be used to encourage City-sponsored events, City-wide events, County-wide events, City-funded events, City neighborhoods, City promotions, City special events or a historical City site of interest.

The banner messages would be limited to activities or events that are of a cultural, historical or community nature. They must display the character of the area. They would not be used for political messages or advertising. This program was modeled after San Diego, Los Angeles and San Francisco programs.

A computer graphic was used to show an example of what sponsorship on the banners would look like. It would allow 15% of vertical banner space, or about 12.6 inches tall by about 20 inches wide. It may only include sponsor logos or names, which cannot be the main message of the banner.

Addressing the difference between a sponsorship and advertising, she stated a sponsor is a person or organization that pays to help defray the cost of an activity or event. In this case, it's placing the banners throughout the City. To advertise is to make the public aware of something such as a product or service that is being sold. The intention here is to allow persons, organizations or businesses to sponsor banners to be placed throughout the City and to not allow advertising of products and services. The City will have the final review and approval of all banners to be placed to ensure that the display of the banners meets the community expectations, guidelines and restrictions in the policy.

This program anticipates the banners being rotated or replaced at least annually. Hopefully, we can get them rotated quarterly as the seasons change. The benefit of this banner program is that it puts the responsibility on the banner district entity to install, remove and maintain banners and banner hardware, freeing the City from this cost. It allows our partners to forward their missions by potentially making money off the selling of the banners. Each banner district entity would have a memorandum of understanding with the City that would outline the responsibilities, including picking a banner installer that would be required to indemnify the City. It would not be subject to the bidding requirements because they would be hired by a private enterprise.

Economic Development would like to place entryway banners that welcome residents and visitors into the beach areas. She requested that \$8,800 be reprogrammed from the Economic Development regional collaboration marketing efforts to purchase and install about 44 gateway banners. She recommended that Council approve the new City Council policy 600-07 called the Street Light Pole Banner Program, and approve the budget transfer of \$8,800 to install the gateway banners.

Public input

**DAVID NYDEGGER** is President and CEO of the Oceanside Chamber of Commerce. He thanked staff and Ms. Bohlen for bringing this forward. They've done a lot of work on this. It's something that we've needed for quite some time. If you've driven around the City, you will notice that the 125<sup>th</sup> anniversary banners are still up, and we're in our 126<sup>th</sup> year. There were also some banners put up five or six years ago that are still hanging. There have been a lot of reasons, including economic. This program would allow the district entity to be able to maintain the banners.

However, there are a couple of things in the staff report that he has some concerns about. 15% is not all that great. He would like a little more. Los Angeles has 20% and San Francisco has 25%. We would like another 5%. It would make it a little easier for the identifying agency, whether it be the hospital or Joe's Crab Shack, to have the opportunity to have their letters be seen from the street. Otherwise, it's difficult to read, particularly if you use the wrong type of font.

Another concern is the length of time. One of the biggest expenses for the banner program is putting them up and bringing them down. Putting a three month hiatus on the banners is onerous. One year is perfect. After a year in our climate, the banners take a beating, particularly the closer you get to the ocean. We'd like to see that addressed. The other issue is about the approval of the guidelines for the banner program. The staff report indicated that the Economic Development Department would be handling that. Would there be any way to have an appeal? He has no trouble with the sponsorship program. It's just the top part of the banner that's not fitting everybody's idea. That's another one of his concerns.

We did an outreach to our businesses. Oceanside is really behind this. Our businesses want these banners. We already have over 60 businesses in the queue. We could probably put their banners up within two weeks.

Public input concluded

**DEPUTY MAYOR SANCHEZ** asked, regarding 15% versus 20%, if there is a legal issue having to do with why we decided on 15%.

**CITY ATTORNEY MULLEN** responded Ms. Bohlen drafted the policy at 15% after reviewing other ordinances throughout the state. The issue is that we want to make sure that these don't become advertisements because we don't permit offsite advertising. His recommendation is to stay with 15%. That ensures that the sponsor is recognized, and there is precedent for that.

There are other ordinances that are specifically at 15%. He hasn't looked at every one, but he believes that San Francisco was at 15%. We were modeling ours after that. It's up to Council's discretion. He's just concerned that if it gets too big, it could be viewed as an advertisement. The smaller, the better.

**DEPUTY MAYOR SANCHEZ** stated this is a great partnership. The South Oceanside Merchants Association asked us over and over again when we were going to change the banners. We need something to spruce up Coast Highway and other parts of the City. She **moved** approval of [new City Council Policy 600-07, Street Light Pole Banner Program; and approval of a budget transfer in the amount of \$8,800 from Economic Development Regional Collaboration funding to Economic Development Marketing to purchase and install 44 Gateway Banners]. Based on the cautionary statement by the City Attorney, she's going to leave it at 15% as recommended by staff.

**MAYOR WOOD** seconded the motion.

**COUNCILMEMBER KERN** asked why we should set a price of \$300. Let the

market determine what the price is. He would like to have that stricken out. In some locations, you might be able to get \$500 and in some you might only get \$100. When you have a long corridor with traffic, it's the idea of putting your banner in a particular spot that may be worth it to you to pay more. He would like it to be market-driven more than government-driven. He would also like to see the 20%. We can bring in more revenue that way. The 20% is to use both the logo and the company name if it fits, instead of just a logo or company name.

He's concerned about the appeal and who approves it. He doesn't want staff to get into the business of designing banners. Instead of somebody submitting something and then staff trying to rework the banner, he would like to maybe have a couple of people from the Arts Commission say yes or no. He doesn't think that regular staff should be put in the position of approving or disapproving somebody's artwork. That puts staff in a very awkward position.

He would support it if those caveats are included about it being market-driven, increasing it to 20% and the review process coming through the Arts Commission. He asked what the appeal process is if the Arts Commission says that they don't like a banner design.

**MS. BOHLEN** responded that's why they were bringing it through Economic Development and not an outside commission, due to the logistics of trying to get an ad hoc committee together to review banners in a timely manner. She wants to make sure they're not violating any of the restrictions, which includes no alcohol, political advertising, nudity, etc.

**COUNCILMEMBER KERN** stated those are guidelines. If you don't meet the guidelines, you don't even get to submit it. Is that correct?

**MS. BOHLEN** responded who knows if they're meeting the guidelines for advertising, either at 20% or 15%, and that they're not putting in slogans or actual advertising for the sponsorships? For example, we had Walgreens on a banner. Their slogan is "At the Corner of Happy and Healthy." Walgreens is fine, but the slogan is not. She wants to catch little tweaks like that before they print the banners. That was her intention with staff reviewing it.

**COUNCILMEMBER KERN** stated even if you moved it up to 25%, a long statement like that is going to be so small that nobody's going to read it anyway. They're smart enough to realize that. It's the idea of doing the 20% and refining the approval process so that it doesn't put staff in the awkward position of approving. He suggested the Arts Commission, but doesn't care if it's Economic Development or a commission someplace that takes a look at it. He also wants the \$300 limit to be stricken out because if we're going to do a public/private partnership, we might as well let the private market decide how much they're going to be willing to pay.

**MS. BOHLEN** agrees.

**COUNCILMEMBER FELLER** can envision McDonalds. They're logo is a big "M." People don't have to guess what they do. That would probably be considered advertising. That's how he would look at McDonalds. Even if it said McDonalds on the side, the logo means McDonalds is there. He's leery of this. He's torn between 15% and 20% because advertising is a hot button. We don't allow any advertising anywhere.

Not everyone will know what Gilead is, but this gives them an opportunity to spread their name. Anybody knows McDonalds, Walgreens, etc. There is a fine line there. That extra 5% could be changed if we found that we couldn't sell any of the banners. He's dealing with somebody who is very interested in a whole other type of advertising. We don't allow that, but here we're allowing a type of advertising, although it's sponsored. That's a mixed bag.

Not everyone will like three surfboards. We'll probably have to come up with something that the community will appreciate, but that falls within our guidelines. He will stick with the 15%. If it works out that we can't sell any banners, we can change that.

**COUNCILMEMBER FELIEN** is sympathetic to the 20% request as well. It would provide a little more opportunity to work with, as well as encourage more sales. He asked if the length of time is three months.

**MS. BOHLEN** responded it's one year. They should be changed out annually, but optimally every three months. It's really one year.

**COUNCILMEMBER FELIEN** is missing the point that Mr. Nydegger was trying to make, where he was requesting that they be one year. He asked if he's missing an issue.

**MS. BOHLEN** responded they are currently in the guidelines as one year maximum.

**COUNCILMEMBER FELIEN** stated the issue of 20% versus 15% seems to be the only thing out there. Right now, it looks like we have three people for 15% and two for 20%. We'll be trying it at 15% to see where we go, but he's open to 20%.

**COUNCILMEMBER KERN** asked if somebody comes in and says that they paid \$500 for a banner, does that guarantee them a year? That's the part of the contract that we're going to have to figure out. If you want to rotate them every 3-4 months, then somebody who paid \$500 would have their banner taken down four months later, and somebody else's banner would be put up. He supposes all of those details will be worked out.

**MS. BOHLEN** responded it's going to be up to the banner district entity to decide the term. There are some strategic locations where holiday banners and decorations go up, like on Mission Avenue and Tremont Street. More than likely, the banners are going to come down during the holidays and then they'll be put back up after.

**COUNCILMEMBER KERN** asked if the same banner would be put back up that was taken down. Would they take down the sponsored banners, put up the holiday banners and then put up the sponsored banners once the holidays were over?

**MS. BOHLEN** responded that's right. At other times of the year, we have the San Diego County Fair banners that were allowed in the City. They'll go up for three months and then come down, and the original banners will be put back up in their place. She reserved those different locations in the document so that it isn't a surprise that these areas may have banners rotate less than a year. She was trying to be very specific.

**COUNCILMEMBER KERN** is getting a sense from Council that it's going to be 15%. We also have the time. He asked how about letting the market set the price.

**COUNCILMEMBER FELLER** stated that's fine.

**COUNCILMEMBER KERN** stated that wasn't in the motion.

**MS. BOHLEN** clarified that she had a meeting with the banner district entity. They had suggested that. The \$300 has been removed from the guidelines, but she missed it in the staff report.

**COUNCILMEMBER KERN** stated then the issue was fixed.

**MS. BOHLEN** responded yes.

**COUNCILMEMBER FELLER** asked what the holidays are.

**MS. BOHLEN** responded Christmas and when the fair banners go up.

**MAYOR WOOD** stated the banners are beautiful. He likes to see them around town. We had the wounded hero's and pictures of Oceanside all around. We've tried different banners. The public likes them. He's going with the recommendation. We can always change this to higher or lower numbers. Let's see how it goes first. Then staff can come back to us and say that people are willing to pay big bucks for great locations. We can review this and decide what we want to do later.

**Motion was approved 5-0.**

16. **City Council: Approval of a Professional Services Agreement with RailPros, Inc., of Irvine, in an amount not to exceed \$642,488 to develop construction drawings for railroad crossing and related safety improvements for a "Quiet Zone" along Oceanside's coastal rail corridor; and authorization for the City Manager to execute the agreement**

**GARY KELLISON**, Senior Civil Engineer, stated this item is a \$642,000 professional services agreement with RailPros, Inc., of Irvine, to prepare the design and construction drawings for a series of rail crossing improvements at the five intersections where Oceanside roads cross the coastal rail corridor. RailPros has just completed a preliminary project study report. Attachment A gives specifics of what the improvements include. RailProse was selected as a result of a qualifications-based process led by the San Diego Association of Governments (SANDAG) and regional rail experts.

The scope of the improvements include items like four-quadrant pedestrian guardrails, median extensions and traffic signal coordination on Mission Avenue with the new signals that may be coming at that location. The total construction cost estimate is \$7,000,000-\$8,000,000. Staff will first look for financing opportunities by including improvements with the coming Los Angeles-San Diego-San Luis Obispo (LOSSAN) Rail Corridor project, such as at Surfrider Way, and also federal grant opportunities with relocating North County Transit District (NCTD) facilities at Mission Avenue. However, for the balance of the construction costs, we've looked to utilize our TransNet funds, with possible short-term borrowing so that we don't impact any one particular year of programs.

These pedestrian improvements are all a prerequisite for implementing a Quiet Zone, which allows the operating engineers to not routinely blast their horns at every intersection coming through Oceanside. It's something that the entire community would look forward to.

Public input

**TOM GLASSER**, 497 North Cleveland, urged Council to approve the agreement for the Quiet Zone design and construction contract. We need those Quiet Zones in Oceanside for a couple of reasons. One reason is to make our community the beautiful, peaceful and quiet community that coastal communities should be. It's also one of those investments that pays for itself over a period of time. The revenue that the City gets from tourism is significant, and it is being negatively impacted by the blaring of the horns through the City.

All you have to do is go on the internet and look at the customer reviews for the

two new hotels, the Wyndham and the Marriott. The number one complaint is the train horn noise that blows continuously. Those complaints range from people saying it's a problem to saying that it's a beautiful City, but they will never go back. It's going to get worse with the double tracking that's going to happen. The Coastal Commission just approved that. He read from SANDAG that the project is going to be started at the end of 2014.

Beyond the fact that the Quiet Zones would make this a peaceful, quiet beach community, it's going to increase the tourism. That fact is significant for us because of the money we get from tourism, which will skyrocket if we have Quiet Zones. The money will go into the General Fund and can be used for the benefit of all of Oceanside.

Public input concluded

**COUNCILMEMBER KERN** has met on this item twice in the last two weeks. Last night, City Engineer Scott Smith gave a full presentation about the project timeline to a community group of about 50 people. They weren't happy, but they were satisfied that we're moving forward as quickly as we can, considering all of the entities that have to touch this. The City Engineer expressed his personal frustration in dealing with all of these people over a period of time.

He **moved** approval [of a Professional Services Agreement (**Document No. 14-D0556-1**) with RailPros, Inc., of Irvine, in an amount not to exceed \$642,488 to develop construction drawings for railroad crossing and related safety improvements for a "Quiet Zone" along Oceanside's coastal rail corridor; and authorization for the City Manager to execute the agreement]. Over this next year, we need to find out how to fund this once the construction drawings come back. He doesn't want to get to a year from now and have construction drawings with no way to fund or build it. He directed staff to figure out a funding plan in the next year while the construction drawings are being done.

**COUNCILMEMBER FELIEN** seconded the motion.

**COUNCILMEMBER FELLER** asked staff for a timeline on the double tracking.

**SCOTT SMITH**, City Engineer, responded there are a couple of different projects that SANDAG has brought forward. We were told that the Oceanside Transit Center project is currently moving ahead. They were still working on the design for the Eastbrook to Shell project, which was the reconstruction of the bridge over the San Luis Rey River. That would be the second project. We were previously told that the timing of that project, funding-wise, was 2020. They were going to try to finish the drawings and get it done sooner or fund it sooner if possible.

**COUNCILMEMBER FELLER** stated staff has been working on the project for ten years, piece by piece, when we didn't have the money, putting things together and improving some of the intersections. We're closer than we would be if we were just starting tonight. He's pleased that we're taking this step forward now. He thanked staff for their efforts.

**COUNCILMEMBER FELIEN** stated this is a great first step. It's something that we need to move forward with for the benefit of our City as a whole, as well as the downtown area. Regarding the timeline of the SANDAG project and if everything goes as we want it to, he asked when the Quiet Zones will get completed.

**MR. SMITH** responded that was a question that came up last night. If everything goes perfectly, we're hoping within three years. That would be a year for the design and two years for the construction. It is highly variable, as the staff report indicates, because we're dealing with other agencies. He doesn't want to commit wholeheartedly to that timeline because a lot of it is out of our control. However, we

will be working diligently to make sure that it's a timely installation.

**COUNCILMEMBER FELIEN** missed the significance of redoing the San Luis Rey River Bridge. He thought that was related to this. He asked if that is held up until 2020, how are we doing the project in three years.

**MR. SMITH** responded the significance is that there are going to be alterations to the Surfrider crossing for that specific project, which is a SANDAG project. As they do that, City staff has negotiated with SANDAG staff to install supplemental safety measures that will bring that crossing essentially to a Quiet Zone qualification. If the SANDAG project goes before us, then that crossing should be essentially done. If we proceed prior to the SANDAG project, then we're going to be negotiating for a cost-sharing or some sort of reimbursement with SANDAG if at all possible.

**DEPUTY MAYOR SANCHEZ** stated this is \$650,000 for engineering design and drawings for a project that's going to cost about \$8,000,000. We have wrestled with this. We don't have \$8,000,000. We do have lists of things that would be important to do if we had the money, like sand replenishment, making sure that our roads are maintained, water projects, etc. There are a lot of things we could do with \$8,000,000, like making sure that our public safety response times are as fast as possible. We don't know how we're going to pay for this.

What is known is that this does not guarantee that it's going to be quiet. They still reserve the right to blow the whistle, especially in higher urban areas. It's a public safety issue. What we're trying to do is make it safer at the crossings, but accidents don't happen just at the crossings. It's a long way through the downtown for the crossings. She has a hard time agreeing to pay \$650,000 when we don't know how we're going to pay for this and when it's going to benefit only a small portion of our City.

She doesn't think that we can commit to an \$8,000,000 project when we don't have the money and have a whole list of things that we have to do. We're just barely turning the corner on our recovery. We don't know what's going to happen. We need to make sure that the quality of life that we provide for our residents is solid and secure.

This isn't the appropriate time to do this. If this was a grant and we didn't have to put a lot of money into it, that's a different story, but we're using our finite TransNet dollars for this \$650,000 and don't know how we're going to deal with the \$8,000,000. That \$8,000,000 will probably be more next year, the following year, etc. She respectfully disagrees with this and will vote against it.

**MAYOR WOOD** stated this item has been going on for quite some time in Oceanside. To be fair about it, almost every beach community wants a Quiet Zone. It's very important, but there is a cost to it. It's at least \$500,000 per intersection just to set it up. On the other hand, he agrees 100% with Deputy Mayor Sanchez. Quality of life and safety issues are very important. This item has been on the books for a long time. The last time it came up, he thought it should have been a priority over some other things, like beach bathrooms, etc. This is important enough to be at the beginning stages.

He hopes this will be covered by federal, state or SANDAG grant money down the line. Councilmember Feller is our representative on SANDAG. He's addressing the Oceanside Quiet Zone and might have more information on it. He hopes there will be some other funding for all of the other cities that want this.

The sad part is that when the rail system was originally built in California, it went right through all of the beach communities. Here we are with the most valuable land, and we have a rail line going right through the middle of it. He will support this with the hope that it will happen sooner than later and will not impact us, even though he agrees

with Deputy Mayor Sanchez about what the cost will be down the line. He's been on Council for twelve years. The Quiet Zone is one of the issues that comes up all the time. If you live near there or come to stay at one of our hotels, you may not be used to the sound, and it wakes you up. He gets complaints from different places and hotels.

He supports this with the understanding that with this study and design, we'll have something ready to go. Big money does not come to places that are not shovel-ready. When they finally make their decision to bring money to it, they will want to know if we're ready. Either you're shovel-ready or you won't get the money. That's the reason he's interested in supporting this besides all of the underlying reasons.

**COUNCILMEMBER FELLER** stated we're priming the pump here. You have to have a project to be able to go ask for money. This will be a design project, and we'll be able to ask for the money.

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

**MAYOR WOOD** asked from staff's or SANDAGS's point of view, what the status is on doing some of the intersections before the others. In the downtown where we have hotels, we may want to do that one first before doing some of the end locations in Oceanside that don't have the heavy traffic. Does it have to be all at once?

**MR. SMITH** responded the Quiet Zone can be developed in phases. We have looked at that. As we go through this process, we'll iron out what we believe is going to be the best approach. It may make more sense to do all five at the same time.

[Recess was held from 4:57 PM to 5:11 PM]

**INVOCATION** – Zack Beck

**PLEDGE OF ALLEGIANCE** – Angelica de Prieto

**PROCLAMATIONS AND PRESENTATIONS** –

Presentation – "Pet of the Month" presented by Elkie Wills, San Diego Humane Society & SPCA

Proclamation – In Honor of Concha Greene

Proclamation – Hunger Action Month, Hunger Advocacy Network

Proclamation – Constitution Week, Daughters of the American Revolution, Santa Margarita Chapter

**Presentations were made**

**MAYOR AND/OR COUNCILMEMBER ITEMS**

29. **Request by Councilmember Kern to present a proclamation for City Council adoption recognizing The Honorable Mark Wyland, California State Senator, Thirty-Eighth District, for his leadership and faithful service to the citizens of his District and the State of California while serving 14 years in the California State Assembly and California State Senate**

**COUNCILMEMBER KERN** placed this item on the agenda to recognize Senator Mark Wyland. Senator Wyland has served fourteen years in the California Legislature, six years as a State Assembly person and had two terms at the State Senate. Senator Wyland has been a champion for education reform, including restoring career technical education, expanding Science, Technology, Engineering and Mathematics (STEM) education, and enhancing civics education in our high schools. His legacy includes being a fiscal conservative and a strong taxpayer advocate. He's been a leader when it comes to transparency in government and spending, and an advocate for veterans in

supporting our military.

He asked Council to join him in adopting this proclamation recognizing Senator Mark Wyland for his commitment and years of dedicated and faithful service to the citizens of Oceanside. He **moved** approval [to adopt a proclamation recognizing The Honorable Mark Wyland, California State Senator, Thirty-Eighth District, for his leadership and faithful service to the citizens of his District and the State of California while serving 14 years in the California State Assembly and California State Senate].

**COUNCILMEMBER FELLER** seconded the motion.

**COUNCILMEMBER KERN** stated this proclamation will be presented next week at Senator Wylands' Hail and Farewell ceremony in the southern part of the district. Mark is not leaving public service. He is starting an educational foundation to continue his fight for education in our public schools. He is a champion of civics education. He's probably one of the prime movers for career and technical education in our high schools.

**Motion was approved 5-0.**

#### **Changes to the agenda**

**CITY CLERK BECK** announced that General Item 18 has been removed from the agenda by staff.

#### **CLOSED SESSION REPORT**

##### **24. Closed Session report by City Attorney**

**CITY ATTORNEY MULLEN** reported on the items discussed in Closed Session: See Items 1 and 2A above.

#### **PUBLIC COMMUNICATIONS ON OFF-AGENDA ITEMS**

No action will be taken by the City Council/HDB/CDC/OPFA 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.

##### **25. Advance written request to reserve time to speak: Cathy Nykiel**

**CATHY NYKIEL**, MainStreet Oceanside, stated all of the information about our downtown events are on the MainStreet Oceanside website and on Facebook. She announced the Thursday Farmers Market from 9:00 AM to 1:00 PM and the Sunset Market from 5:00 PM to 9:00 PM. She announced Candidate Night on October 2<sup>nd</sup>, in which over a dozen candidates will be there for personal meet and greets; the 7<sup>th</sup> annual Haunted Market on October 30<sup>th</sup>; and the Taste of Oceanside event on September 13<sup>th</sup>. There will be seventeen downtown restaurants participating with samples and nine sip-stops.

**KIM**, That Boy Good BBQ, is excited to be part of the first Taste of Oceanside event. We were on KUSI News this morning, along with the Flying Pig Pub, Mission Grill and Local Tap House Bar. People are going to start noticing Oceanside when they come down for some amazing food. We'll have food tasting and live blues music.

**COLLEEN FOSTER**, Senior Management Analyst, stated this event is a partnership opportunity between MainStreet Oceanside and Oceanside's Zero Waste Program. A couple of weeks ago, we were talking about ways in which to make this a Zero Waste event. Oceanside is a leader in Southern California. We're the first city in San Diego to be a Zero Waste city. With over 1,000 tastings at each restaurant, this event will generate 15,000 plastic forks in a four-hour period.

We wanted to eliminate that, so staff developed a souvenir fork. This fork will be handed out to all participants at the event. They'll use it throughout the event.

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

**JOAN BRUBAKER**, 1606 Hackamore Road, showed two sheets of headlines from a year ago regarding outsourcing harbor operations. The harbor is a beauty for Oceanside. The headlines are from a year ago when some of the Councilmembers were trying to outsource the management of the harbor. She considers outsourcing like the renter of a property compared to the owner of a property. Which takes better care of the property? She would say that it's the owner. An employee of the City has personal pride in working for the City.

**LINDA WALSHAW**, 151 Robby, is Vice-President of the Alliance of Citizens To Improve Oceanside (ACTION), which represents the manufactured home communities. Voters who have not yet seen last Thursday's candidate forum on KOCT did not hear Councilmembers Kern and Felien refer to Proposition E, which would have ended Oceanside's rent control for seniors, veterans, disabled and low-income families, as a dead or a wedge issue. We urge all voters to pay attention as they drive past the eighteen manufactured home parks in Oceanside. The campaign signs visible on the fences surrounding these parks belong to Councilmember Kern. They were put there in advance of the coming election only with the permission of the park owners, none of whom live in Oceanside, but whose multi-million dollar profits are siphoned off to other wealthy communities where they live, like Pacific Palisades, Point Loma and Malibu.

To date, Oceanside park owners have contributed \$27,500 to Councilmembers Kern and Felien's re-election campaigns, \$13,500 of which was contributed by one park owner. Councilmember Felien said on KOCT that these monies are a thank you to himself and Councilmember Kern for past actions. What would park owners be thanking them for? Councilmembers Kern and Felien lost the 2012 Proposition E election on behalf of those park owners 2-1. The answer is that Oceanside park owner efforts to end space rent protections for thousands of manufactured homeowners never ended. They do not need to pass another ordinance to end rent control in Oceanside, but park owners do need votes on this Council to implement other tactics.

By removing landscaping, flowers, trees, grass and shrubs, painting fire lanes in front of every home, allowing roads to crumble and common areas to fall into disrepair, home values plummet. A park owner must approve a buyer to move into a park. By bringing in hostile managers and interfering with home sales, homeowners are unable to sell homes even when they need to go into assisted living or hospice. Families often have to sell to the park owner for pennies to avoid paying space rent on an empty home that they cannot sell. It's money that they need to pay their loved-ones' final medical expenses.

Oceanside has a zoning conversion ordinance that states that a park owner may apply to convert zoning on all or any portion of a park. In other words, a park owner can argue that homes he acquires are now his personal rental properties and are no longer covered under rent control. If granted, he can then give notice of termination to the remaining homeowners. To further explain why park owners would be donating large sums of money to these Councilmembers, the ordinance states that if a park owner claims that it would create a financial hardship to relocate people, Council has the authority to reduce or eliminate the relocation requirements.

This is far from a dead or wedge issue. Thousands of homes are at stake. We do not appreciate being lightly dismissed by this Council. In 2012, we told Council that voters will remember in 2014. Councilmembers Kern and Felien are still not listening.

**JOAN KINTNER**, 3153 Skyline Drive, joins the people who have taken a stand

against animal abuse and exploitation that is so prevalent in our country. She asked that Oceanside Puppy and any other stores that get their dogs from puppy mills be banned from Oceanside. Dogs play such an important role in our society, not just as wonderful companions, but in the many ways that they serve human beings.

Puppy mills are just one example of how badly we treat dogs. She has heard people say that it takes your breath away to go into these places and see how these dogs live out their lives. Shutting down one pet store that makes money off the suffering of animals won't make a dent in the revenue that Oceanside gets, but it will make a statement that we are the kind of people who will not ignore or tolerate that kind of suffering in Oceanside.

The list of outstanding individuals throughout history who have stated that people can be judged by how they treat animals is long and impressive. As a resident, she wishes that the people who live in Oceanside will be judged as good and kind people in a good and kind City.

**BARRY HORTON**, 200 North El Camino Real, stated the status quo means existing conditions. Does anyone really want the same old stuff we've had for so long? He doesn't think so. Three of Council are speaking for the developers and cronies. On November 4<sup>th</sup>, the citizens will choose to give them a big hearty laugh. He wants a new starting point.

**TONY DAVIS**, 423 Mainsail Road, is a concerned parent and citizen. He continues to speak for the growing number of residents who want Oceanside to update the outdated public swimming facility at Brooks Street. There was a study requested by Council for the City Manager to investigate estimates on updating that pool. He doesn't know if there is any new information. We hope that study is near completion and look forward to learning about the outcome. Currently, the El Camino and Oceanside water polo teams are kicking off seasons with larger turnouts than they've ever seen. Water sports continue to grow, and we need to help them to grow. His son is a member of the Wildcats team. This issue is important to him personally.

The Oceanside Swim Club's annual pier swim happened on Labor Day to benefit this non-profit club. They had almost 500 people swim around the pier. Swimming is an important part of the local culture. We need to continue to push for the updated swim facility. The current 50-year-old Brooks pool is non-competition, non-efficient and is completely outdated. We need to update this pool before it gets too old. It has been breaking down once a month.

He looks forward to the report and some movement on getting an updated swim facility.

**MICHELLE SKAGGS LAWRENCE**, Assistant City Manager, stated the study is still under way. We hope to have it wrapped up in the next month or so.

**MIDORI SIMOVICH**, 335 Del Flora Street, received information from the Parks and Recreation Department and other people involved in the pool project. She is thankful that Council and staff are following their word that they would look into the possibility of a new aquatic center.

She supports Oceanside aquatic programs. The Taste of Oceanside event is on September 13<sup>th</sup>. We are doing a fundraiser for the Oceanside water polo and swim programs on the same day at 5:00 PM at the Tap That Tap Room. She invited anyone wanting to support fundraising for high school kids to attend. We've been raising funds to buy a new scoreboard to replace the old one, which is outdated.

**MARIA RUSSELL**, 1323 Lemon Street, is a thirteen-year resident of the Eastside neighborhood. On November 4<sup>th</sup> of 2013, an article was published in the *Coast*

*News* with the caption "Emergency Winter Shelters Banned in Downtown Beach Area." The vote was 3-2, with Mayor Wood and Deputy Mayor Sanchez as the no-votes. Councilmember Kern was quoted as saying that it was Council's duty to protect neighborhoods because homeless shelters attract a nuisance. She finds that lacking in integrity and leadership.

Instead of sweeping the homeless situation under the rug, why not have foresight and start to address the crisis? There are 264 cities like San Francisco, Baltimore and Portland that are moving forward in adopting innovative ideas like Project Homeless Connect (PHC), which is the simple idea of bringing all service providers under one roof for an all-day fair. This is done five times a year.

PHC is supported through public and private funding. The savings are reflected in lower emergency costs by just doing preventative care. In fact, the model was so successful that it was soon adopted by the Department of Housing and Urban Development as the best practice for cities to address the homeless. She appreciates Councilmember Kern supporting Brother Benno's, but it's not enough. The answer is collective partnerships with community non-profit and government. This will start to make a dent in the homeless crisis.

She urged everyone to get involved. We need a fresh start with Councilmembers who are willing to work with all Oceanside residents and not just a few developers.

**NELDA BRINDLEY**, 1329 Dubuque Street, stated we have to look at the homeless situation, particularly with the veterans, and do the best we can with it. Some of the statistics are alarming. Twenty two veterans commit suicide every day. That is ten times larger than the amount of men who die on the battlefield in the same timeframe. In California, the suicide rate among veterans is three times higher than civilians. One in four of the homeless is a veteran. San Diego has the fourth largest veteran homeless population in the United States. San Diego is the number one destination for all returning veterans from the Iraqi and Afghanistan wars.

8,500 people are homeless in San Diego County. That includes Oceanside. 35% of those people are veterans. When Councilmembers Kern and Felien voted to end rent protection for over 4,000 people, it really hurt seniors and veterans. That's not standing by the men and women who are giving their lives for us. She met with a veteran recently, asking him why he came to Oceanside. He replied that it's a place where he can hide, find a place to sleep and the cops won't bother him.

She did not serve five years in the United States Army during the Vietnam War to accept the unacceptable. The homeless problem has to end. We have to do something about it. The question is what can we do? Obviously, we're not listened to. We'll do it because it's the right thing to do and because we have to live with ourselves.

**LESLIE DAVIES**, 2015 Winchester, shared an email that the owner of Oceanside Puppy, David Salinas, sent to all of his clients. It's an offer for customers living in apartments with no-pet policies to go to a website in which for \$200, you can get a note from a doctor saying that you are entitled to have a pet. She's not sure if this is illegal, but she is sure that it's unethical. This type of business practice is detrimental to the people who actually have a legitimate need for an emotional support dog.

There is a reason why the San Diego City Council unanimously voted to ban this store from their city. We elect officials to help protect our local consumers from bad business practices. There is an election in November. When we go to the poles, we will remember who voted to allow this store into our City. That is why she is supporting Chuck Lowery and Dana Corso in this upcoming election.

**JAVIER TREVIZO**, 1 Bahia Lane, has been a resident of Oceanside since 1997.

He spoke in opposition to the Oceanside puppy mill. He's concerned about the puppy mill that these puppies come from. It's a terrible place for them to live. Imagine being in a cage, locked in a building with no sun, with fecal matter on the floor and living conditions that are intolerable. That's what these dogs live in. He asked that the City do the right thing and not tolerate these types of business practices in Oceanside.

A good example is the recent ban on one-day use plastic bags in California. Imagine all of the attention that the State is getting. If we do the right thing, we'll also get attention from other cities, making other people want to do business with Oceanside.

**SUSE SHROYER**, 276 North El Camino Real, stated at last months' Council meeting, Councilmember Kern was offended when one of his constituents said that he did not support the homeless. Councilmember Kern said that he helped Brother Benno's once when they needed a building. He asked for an apology from that person. Councilmember Kern does not deserve an apology. He passed Resolution 13-R0693-1 on October 16, 2013. The First Christian Church on Freeman Street was doing what it could for the homeless, but Councilmember Kern shut down Christian charity from that area. Apparently, the homeless were being blamed for a lot of things that anybody could have done. Instead of helping out, Councilmember Kern shut down the church.

The *Coast News* quoted Councilmember Kern as saying that homeless shelters attract a nuisance. He said that the City is forty-two square miles, and excluding five miles is not that bad. He also said that he understands compassion, but that we can't allow neighborhoods to get rundown. In the same article, a church elder said that the First Christian Church works with Brother Benno's to feed and clothe the homeless. It's known as their western arm. Councilmember Kern helped Brother Benno's to get a building, but he didn't help the homeless to get a building. He then shut down the western arm of Brother Benno's. Councilmember Kern has a home, so he can say that it's not that bad.

Councilmembers Kern and Felien do not support homeowners in Oceanside. They tried to give away our homes in the Oceanside manufactured home parks. When it comes down to the property rights of Oceanside citizens versus the property rights for outside interests, they passed a law against the property rights of all manufactured homeowners. 15,000 citizens were against that law, but Councilmembers Kern and Felien still tried to pass Propositions E and F.

If the citizens want someone to support Oceanside, they can't vote for the incumbents. She will vote for Dana Corso and Chuck Lowery.

**DAVID TERRELL**, 276 North El Camino Real, is here to talk about prosperity, jobs and homes in Oceanside. In a recent debate, Councilmember Felien said that if people like economic prosperity, jobs and a great place to call home, they should vote for the incumbents. This is not exactly true. If you're a building developer, you would vote for the incumbents. One developer is building a \$20,000,000 hotel near the beach. The City is giving them \$17,000,000. He could afford to build the hotel with that money.

Councilmembers Kern and Felien exempted the developers from taxes after giving away our tax money. Oceanside workers get all of the minimum-wage jobs. In their list of most and least recession-recovered cities in 2014, Wallethub.com gave Oceanside the rank of 126 out of 150 of the largest cities nationwide. We beat Boise, Phoenix and most of Orange County, but cities in Ohio, Florida and Missouri beat us.

As for a great place to call home, they tried to give away his house. When it comes down to property rights for Oceanside citizens versus property rights for outside interests, Councilmembers Kern and Felien passed a law against his property rights. 15,000 Oceanside citizens sided against it, but then they tried to pass Proposition E and

F. If you want economic prosperity and a great place to call home, you can't vote for the incumbents. Vote for Chuck Lowery and Dana Corso.

**PAM CHAMBERS**, 1922 South Freeman Street, thanked all of the Councilmembers for what they do in Oceanside. Everyone in this room is committed to bettering Oceanside. We can all agree on that. There are a few facts that need to be pointed out regarding the efforts of Councilmembers Kern, Felien and Feller. We now have balanced budgets. Our fiscal house is in order. Our crime is low due to working with police officers, neighborhoods and businesses. The exciting new businesses and atmosphere in Oceanside doesn't just happen. It takes solid relationships with schools, colleges, Tri-City Hospital, the airport, the Veterans Association, other cities and many more organizations. She thanked Council for establishing those relationships and keeping our City growing.

The commanding General from Camp Pendleton said that in the last year and a half, Oceanside has never looked better. She hopes that we can keep going forward with the Council majority we have now.

**DOROTHY McCORKLE**, 4610 Bristlecone Court, stated we have just received information from the San Diego Humane Society that 15,000 animals will be admitted to the San Diego Humane Society shelters this year. Many will be classified as untreatable and unhealthy and will be killed. At least 3,000 treatable pets in our shelters will be killed for lack of homes.

At the same time, we have heard a lot about puppy mills. The Council majority has been shown information proving that Oceanside Puppy is selling dogs from puppy mills. By law, our shelters must spay and neuter all pets prior to adoption. Oceanside Puppy is not required to do that. In fact, Oceanside Puppy can tell people that they'll make up the cost of these expensive animals by breeding them. The exponential unregistered growth of new litters adds more animals, takes away homes and means more unnecessary killing.

An article from the Humane Society of the United States says that scientific studies have proven that animal abuse and child abuse go hand-in-hand. Investigations of puppy mill breeding violations often discovered tragic child abuse as well. The article stated that some people who endanger the health and lives of dogs for profit often endanger the health and lives of children. Puppy mill operators don't see the reality of dogs sitting in feces, algae-covered food bowls and dogs slowly starving. This neglect of basic sanitation, proper food and medical care can affect their children as well.

It's a dirty business. Council will not ban this operation, although there are many good reasons to do that. Councilmembers Felien and Kern have accepted campaign dollars from this store owner, yet they have refused to listen to the evidence.

**LINDA SILLS**, 42 Chico Lane, stated there has been a lot of debate lately on the improvements to Oceanside. Articles in the *Coast News* have reflected small business owners' discontent with the mess on Mission Avenue. If anyone thinks that changing these streets will bring economic growth to our City, they should take a refresher course in Economy 101. It was her understanding that having a charter city would give more flexibility away from state regulations. Apparently, that is not the case because Oceanside is marching in lock-step with the "green monster." We must have gotten money from entities like SANDAG or the State of California for those ugly day-glow green pedestrian signs, and so did Carlsbad because they are all the same.

Homogenizing the entire region to be clones of each other is not a good idea. Her choices for this November will be Chuck Lowery and Dana Corso.

**THOMAS KROUSE**, 6637 Curlew Terrace, Carlsbad, is a candidate for the California Assembly in the 76<sup>th</sup> District that represents Oceanside, Carlsbad, Vista and

Encinitas. His opponent formally served on this Council. In talking to hundreds of residents, he understands that a number of people were less than pleased with the service, votes and public policy positions of his opponent. He wants to let people know that they have another choice in the upcoming November election.

He is a registered Republican, but considers himself an independent thinker. He's interested in serving the people and not a particular party or ideology. The policy view he would like to bring to Sacramento is that we need to make government more accountable to the people and improve campaign finance reform.

We should have a higher minimum wage. Minimum wage, on an inflation-adjusted basis, is about half of what it was 25 or 30 years ago. He is also very concerned about taxpayer rights and the budget difficulties in California. The biggest issue is the \$64,000,000,000 that is currently slated to be spent on a high-speed rail. This could be better used for other water and local transportation infrastructure projects. When we find ourselves \$30,000,000,000 into this program for a connection between Bakersfield and Madera, he wonders what choices we're going to have.

**MILLI PALAFERRI**, 221 North El Camino Real, is here to address an error in the financing of the Oceanside Beach-Front Project. \$800,000 was the cost for the one-acre site, but the project cost will be \$20,000,000. The City will put in \$8,500,000. The article says that the project includes \$6,000,000 in bond revenue and \$2,500,000 in transit funds. She asked Council if that makes up the \$8,500,000. The public thought the City was paying \$17,000,000, when it's really \$8,500,000 plus \$800,000.

There are many projects happening. However, each project has questions. The thread that runs through all of these questions has to do with property usage and monies. El Corazon will have 20 fields. They put up temporary toilets, etc. No permanent structures such as a snack bar, restrooms or bleachers are planned.

Peter Weiss is a former employee. He's being paid a salary as a consultant and also receiving pension funds. We need to look at how we're spending that money.

**VICTOR ROY** urged the voters of Oceanside to vote in the November elections. We have a great opportunity to bring fresh blood into this Council. He urged people to vote for Dana Corso and Chuck Lowery. For the 76<sup>th</sup> District, we have Thomas Krouse. They're going to bring in a lot of new ideas and innovations that will be very suitable for the City and the neighborhoods. By listening to the people, they will be able to bring the City even greater prosperity than where we are now.

#### **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.

28. **City Council: Adoption of a resolution approving the issuance, sale and delivery of Multifamily Housing Revenue Bonds by the City in an amount not to exceed \$20,000,000 to finance the development of Mission Cove Seniors Apartments**

- A) Mayor opens public hearing – hearing was opened.
- B) Mayor requests disclosure of Councilmember and constituent contacts and correspondence – Mayor Wood, Deputy Mayor Sanchez and Councilmembers Kern, Feller and Felien reported contact with staff, public and the developer.
- C) City Clerk presents correspondence and/or petitions – none.
- D) Testimony, beginning with:

**DAVID L. MANLEY**, Neighborhood Services Division Manager, stated we're asking Council's approval of a resolution to begin the process to issue bonds for Phase C of Mission Cove. It is not to exceed the amount of \$20,000,000. This is one component

of the financing for this particular phase, which will house seniors, people with special needs and veterans. This allows the developer to bring the private equity part of the financing plan. The City has already provided loans for the other parts of the project. This will come back to Council once the Debt Allocation Committee has issued the level of bonds for the actual bond documents sometime in 2015.

The Internal Revenue Code requires that a public hearing is held and a resolution by Council is approved. That starts the process.

Public input

**JIMMY KNOTT**, 127 Sherri Lane, supports it. He encouraged Council to also support the measure.

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

**COUNCILMEMBER KERN** moved approval of [adoption of **Resolution No. 14-R0564-1**, "...approving the issuance, sale and delivery of Multifamily Housing Revenue Bonds by the City in an amount not to exceed \$20,000,000 to finance the development of Mission Cove Seniors Apartments"].

**DEPUTY MAYOR SANCHEZ** seconded the motion. It is a phenomenal project. It's probably the last of its kind in Oceanside for the amount of land and forward thinking. This is something that she really believes in.

**COUNCILMEMBER FELLER** asked what kind of housing this is.

**MR. MANLEY** responded this particular phase is affordable housing for seniors, people with special needs and veterans.

**COUNCILMEMBER FELLER** stated we are doing something for people who need affordable housing. It's easy to support this.

**MARY JANE JAGODZINSKI** is with the non-profit organization, Community HousingWorks. She commended Council for their vision in this project. This is the next technical step we have to do for the Internal Revenue Service (IRS) code as we begin to spend money on the grading, etc.

**MAYOR WOOD** stated it's a battle when you try to do affordable housing, particularly for seniors and people in need. This is a drop in the bucket, but at least it's something in that direction. He thanked Ms. Jagodzinski and everybody from Community HousingWorks.

**Motion was approved 5-0.**

GENERAL ITEMS - Continued

17. **City Council: Approval of a purchase order in an amount not to exceed \$405,000 to Zoll Medical Corporation of Chelmsford, Massachusetts, for the purchase of 14 Zoll X Series cardiac monitors and accessories for the Fire Department; approval of a budget appropriation in the amount of \$405,000 from various General Fund accounts to the Fire Department Capital Outlay Account; and authorization for the Financial Services Director, or designee, to execute the purchase order**

**RAY MELENDREZ**, Deputy Fire Chief, is here on behalf of Fire Chief Hebert, who could not attend. We're requesting the appropriation of \$405,000 in unallocated ground emergency medical transport revenue for the purchase of new Fire Department

cardiac monitors to support our Emergency Medical Services (EMT) ambulance transport system.

Lynne Seabloom is the assistant training officer and EMS manager. She has been in this position with the Fire Department for the past eighteen years. She is a licensed paramedic and registered nurse. She understands all of the pertinent requirements for operating as an advanced life-support provider agency in San Diego County. She has a presentation that will provide additional information and background with regard to the purchase order request.

This Ground Emergency Medical Transportation (GEMT) revenue is new revenue coming into the Fire Department as a result of our EMS ground transport program. Staff believes that it makes good sense to harness that funding to reinvest into the EMS transport program. These electrocardiogram (EKG) monitors are a critical component of the program. If for some reason the City were to make the decision not to move forward with allocating the funding at this particular time, the Fire Department would be in a position to have to try to find other revenue streams to move forward with this purchase order because this is truly not just a wanted purchase of equipment. It's an absolute necessity.

Our cardiac monitors have reached the end of their usable lifespan in accordance with industry standards. It is important that we get this approved tonight.

**LYNNE SEABLOOM**, Assistant Training Officer/Nurse Educator, stated the request is to replace fourteen of our eighteen cardiac monitors. One will be placed on each of our apparatus, with one spare for when she trains the paramedics on the new equipment and also when we do simulations, etc. for continuing education. The current monitors were purchased with grant funding. We applied for grants twice recently and were turned down. It's past seven years for these monitors. They're starting to wear out.

The cost would not exceed \$405,000. That cost includes about \$98,000 in trade-in costs for trading in our monitors. The cost will be funded by General Fund reserve monies. Part of that will be coming from the GEMT funds. Roughly \$102,000 of that money has already come in from the State. We're expecting an additional \$302,000 initially to be borrowed from the General Fund reserve. We are expecting more than that to come back from the GEMT money from the State. We would have a surplus and would be able to pay our debt back to the reserve fund.

As for the fiscal impact, the money will coming from GEMT funds. These funds are part of the cost share program, where we submit the number of transports we've had each year to the State. They apply that as the states cost share with the federal government for transports of Medi-Cal patients. We're expecting over \$457,000. Roughly \$102,000 has already been received. The remainder would be reimbursed.

We currently do not have another funding source for the cardiac monitors. If Council doesn't approve the GEMT monies to fund this, then we would need an additional funding resource. We do have plans to set aside a capital expenditure account starting this next fiscal year. In the future, we will establish an account to replace future monitors, including four reserve monitors that we're not going to be replacing at this time. We use these monitors when we go out in strike teams to outfit units.

The monitors are required by the San Diego County Emergency Medical Services. Each advanced life support unit includes an ambulance and our engines and trucks. To maintain their advanced life support status, they must carry a cardiac monitor. They are required. They allow us to detect a heart attack in patients. We are able to detect lethal cardiac rhythms, as well as doing routine monitoring of blood pressure, heart rate

and oxygen saturation. 60% of our calls are advanced life support. We're using these monitors on all of those calls.

The monitors also have defibrillation capabilities. They also have pacing capabilities and can shock people out of rhythms that are too fast. Because our old monitors have exceeded the recommended life expectancy, they are less reliable.

The benefit of Council's approval for the new cardiac monitors is that they are about 60% less weight and are smaller in size than some of the competitor monitors. They will make it easier to store and retrieve out of the apparatus on 911 calls. They will also increase monitoring capabilities.

The new monitors will allow us to monitor carbon monoxide levels on each patient. When we check oxygen saturation, which we routinely do on advanced life support calls, we can also screen for carbon monoxide, which is helpful for firefighters. It's also helpful for citizens during winter months to check for a heater leak or problem that is causing carbon monoxide because the symptoms are similar. This would increase patient safety.

The new monitors also have cardiac feedback. They have a special pad that is put on the patient that connects to the defibrillation pads. When cardiopulmonary resuscitation (CPR) is applied to the patient, the monitor measures how fast and deep they're doing the compressions. It gives that feedback directly to the firefighters.

We've spent a lot of time in training. There's a lot of information from the American Heart Association. There are things that we've been working on since the new guidelines came out in 2010. A lot is about good quality CPR. The new monitors will be able to maximize the outcome on patients.

Another benefit to the cardiac monitors is that they will allow us to have increased standardization of equipment in our zone. In 2011, Carlsbad decided to do a cardiac monitor trial. She called the nurse from that agency to ask if we could participate in the trial so that we could vote on what monitor we liked better because we do boundary drop and automatic aid with these other agencies. We've had to do training because our gurneys and cardiac monitors are not the same. We thought it would help if we could agree on the kind of monitor we'd like. We were successful in this because we did cast our votes, and Carlsbad came to the same conclusion. They switched from a different manufacturer to Zoll Medical Corporation. They now have the monitors that she is asking Council to approve.

Camp Pendleton and Tri-City Hospital also use the Zoll technology. That helps when we're working together in the field, and when we are turning patients over to the hospital. Additionally, the monitors are faster and more efficient. When we do a twelve-lead on a patient we suspect had a heart attack, we send that result to the hospital. With our current monitors, we can't send the data. We're using the old Razor phones from several years ago. They don't work for us anymore. We've had to find other ways of sending the data.

The new monitors will also allow us to upload the data into the patients' record. We recently went to the new iPad devices for rapid data entry in the field. We're working on an agreement with this company so that we will be able to upload our data to this program. That will help in legal recordkeeping and being able to reproduce information if it's requested by the hospital. It will increase reliability.

If Council approves this, the cardiac monitors will be replaced on all frontline units. Patients can be screened for carbon monoxide poisoning, and there will be a higher level of patient cardiac monitoring during CPR. Hopefully, that will help us to improve our cardiac arrest survival rate.

This will help us to continue to excel in cardiac care. Oceanside got an award in 2013 from the American Heart Association Mission Lifeline. It was the highest award possible for a pre-hospital agency. We were the only agency in San Diego County that was awarded this for our care of heart attack patients, by recognizing them early, sending the data in a timely manner, getting the patient to the hospital as quickly as possible and notifying the hospital right away that they have a code heart attack.

**DEPUTY MAYOR SANCHEZ** is proud that our fire department got an award of excellence in cardiac care by the American Heart Association. This is critical equipment. Staff has made the case that our current monitors are outdated. We acquired them in 2004 and 2006. The life expectancy is 5-7 years. We've gone beyond that.

She **moved** approval [of a purchase order in an amount not to exceed \$405,000 to Zoll Medical Corporation of Chelmsford, Massachusetts, for the purchase of 14 Zoll X Series cardiac monitors and accessories for the Fire Department; approval of a budget appropriation in the amount of \$405,000 from various General Fund accounts to the Fire Department Capital Outlay Account; and authorization for the Financial Services Director, or designee, to execute the purchase order]. She is very proud of the care that we're able to provide to our citizens, especially in a situation where seconds make a huge difference in that person's quality of life or whether they are even able to retain their life.

**COUNCILMEMBER KERN seconded** the motion. He asked if we ever looked into a lease versus buying. Technology changes so rapidly that maybe we should lease this equipment versus buying it and having it wear out. Was that analysis ever done?

**MS. SEABLOOM** responded that is another way to fund this, but in some ways you're paying more in the long run. It's usually a reserve option if we can't fund it in any other way.

**DEPUTY FIRE CHIEF MELENDREZ** added by moving forward with a purchase plan, we're getting a significant discount of almost 20% on the total cost of the monitors overall. A lease option would absolutely be more expensive because we would lose that benefit.

**COUNCILMEMBER KERN** stated obviously they looked at it and made their decision. That's what he wanted to know. He asked why we didn't get the grant. Was there a criteria change? Are we eligible to apply for a grant to reimburse us after we buy this equipment?

**MS. SEABLOOM** responded the past grant that we were awarded was through the Assistance to Firefighters grant. When we applied last time we were declined. Part of it is that, if you've gone to the same funding source, already asked once and they've funded you completely, asking again begs the question of why we aren't buying them ourselves. She can't say that's the reason we were declined.

**COUNCILMEMBER KERN** stated as somebody who has written grants in the past, you sometimes don't know why it's declined. Ms. Seabloom mentioned the replacement fund. We have a healthy General Fund now. A few years ago this would have been a tough sell for us because the General Fund was so hammered. He asked if the replacement funding program is for this fiscal year or are we going to put it in the next fiscal year budget.

**DEPUTY FIRE CHIEF MELENDREZ** responded the replacement fund we're going to establish will take place next fiscal year. We did have a replacement fund in place at one time. Unfortunately, with the economic downturn and budget reductions in the Fire Department, that replacement fund was reallocated. We knew that we were going to have to come back to Council to get the monitors funded. We waited until we had a reliable funding source that would not impact the General Fund because we have

the reimbursement money coming back from the ambulance transport program. That's why we're bringing the item forward now.

Our plan is to initiate a funding source of some kind going forward so that we won't have to identify \$405,000 in five or eight years when we come back for the next round of monitors that will need to be purchased.

**COUNCILMEMBER KERN** asked if the replacement funds are apparatus-specific or just one lump of money.

**DEPUTY FIRE CHIEF MELENDREZ** responded it'll be a capital expenditure fund that we establish.

**COUNCILMEMBER KERN** stated they will also have to replace fire trucks, etc.

**DEPUTY FIRE CHIEF MELENDREZ** responded it would be in addition to the apparatus replacement monies that were recently approved.

**COUNCILMEMBER KERN** asked if these funds are set aside just for this particular item or is the replacement fund one big fund for everything.

**DEPUTY FIRE CHIEF MELENDREZ** responded this fund would be separate.

**COUNCILMEMBER FELLER** asked what happens to the old equipment.

**MS. SEABLOOM** responded the old equipment is being traded in. That's part of the money they're crediting from the total price.

**COUNCILMEMBER FELLER** stated Ms. Seabloom said this equipment was compatible with Tri-City. He asked if it's compatible with the REACH and Life Flight helicopters.

**MS. SEABLOOM** is not sure what REACH and Mercy Air use right now. She thinks that Mercy Air uses Zoll equipment. Mercy Air had a monitor that was a sister to the one that we are proposing to buy now.

**MAYOR WOOD** stated this is about public safety. This equipment is necessary. He knows they're expensive. On the other hand, it's reimbursement to the General Fund down the road. He's sure people with heart problems appreciate this.

**Motion was approved 5-0.**

18. **[City Council: Approval of plans and specifications for the Robert A. Weese Filtration Plant Solids Handling Lagoons Project; authorization for the City Engineer to call for bids; and adoption of the Project Initial Study/Mitigated Negative Declaration**
- A) Report by Cari Dale, Water Utilities Director
  - B) Discussion
  - C) Recommendation – approve the plans and specifications and call for bids; and adopt the project study and mitigated negative declaration]

**This item was removed from the agenda by staff**

[Recess was held from 7:18 PM to 7:27 PM]

**5:00 P.M. – PUBLIC HEARING ITEMS** - Continued

27. **City Council: Adoption of a resolution to approve: 1. An Agreement Regarding Real Property (Use Restrictions) between the City of Oceanside and SD Malkin**

**Properties Inc. to guarantee development and use of the property as a full service resort consistent with the entitlements for the project; 2. An Agreement Regarding Real Property to provide a mechanism to share Transient Occupancy Tax (TOT) generated by the Project; 3. A Grant of Easement to permit construction of a subterranean parking garage under Mission Avenue; 4. A report required by AB 562 prepared by Paul Marra of Keyser Marston and Associates documenting the amount of subsidy provided to the developer, the proposed start and end date of the subsidy, the public purpose of the subsidy, the amount of tax revenue and jobs generated by the project; and 5. A License Agreement to permit construction staging for the project on a portion of Lot 26**

- A) Mayor opens public hearing – hearing was opened.
- B) Mayor requests disclosure of Councilmember and constituent contacts and correspondence – Mayor Wood reported contact with the public, staff and the State of California; Deputy Mayor Sanchez reported contact with the public, staff and the Coastal Commission; and Councilmembers Kern, Felien and Feller reported contact with the developer, public and staff.
- C) City Clerk presents correspondence and/or petitions – none.
- D) Testimony, beginning with:

**PETER WEISS**, Consulting Assistant, stated we've been at this for quite some time. The exhibit shown is the project approved by Council through the entitlement process in January of 2008. It was subsequently approved by the Coastal Commission at a hearing in San Francisco that several Councilmembers participated in. The actual project entitlements have been valid for an extended period of time. The original project and the deal that the former Redevelopment Agency entered into with SD Malkin Properties provided for a subsidy of about \$28,000,000 because of all of the public amenities associated with the project. With the elimination of redevelopment agencies, the project was slightly redesigned to reduce the subsidy to a performance-based subsidy that's approximately \$13,690,000.

The property is being sold to SD Malkin Properties at a price of \$1,500,000. We've seen some emails criticizing that sales price for two blocks adjacent to the beach. If you look at the property, you would say that the price should be higher than that for the value of the property. Unfortunately, the property was purchased with tax-exempt bonds. In order not to jeopardize the tax-exempt status of the bonds, the IRS sets limits as to what the property can be sold for. There's a comprehensive letter in Council's packets that was also made available to the Oversight Board and ultimately approved by the Department of Finance through the state. It caps the amount of money the City can sell the property for at \$1,500,000.

Technically, the City isn't selling the property. That action has already been taken and approved by the Oversight Board and the State Department of Finance. When you look at the actual value associated with it, even though you may think it's worth more money, unfortunately we don't have the luxury of being able to sell it for more without jeopardizing the tax-exempt status of those bonds.

As it relates to the overall project, on the south block is 225 rooms. In Council's approvals, they are agreeing to a Restrictive Covenant to keep it at four-star quality for 75 years. There is going to be a spa, restaurant, ocean view lounge and bar. The competitive set includes the Marriott Coronado, Hilton Huntington Beach, etc. In order to reduce some of the costs in the south block, the height has been reduced from eight to six stories.

The north block has the Boutique Hotel. It's no less than 135 rooms. As it was in the original agreement, the Top Gun House is going to be relocated to the north block. As it stands today, a significant amount of energy was expended through the Coastal Commission in regards to the fractional timeshares. Those are no longer being provided at this time. The north block still retains its originally approved anticipated

eight-story height. The fractionals will likely be replaced with hotel rooms.

The overall project has a California beach cottage style of architecture. There is 36,000 square feet of open space; 18,500 square feet of visitor-serving commercial and 20,000 square feet of meeting and function space, including a large ballroom and the parking that is ancillary to that. There are two levels of underground parking on the south block and one level of underground parking on the north block. The parking will go under Mission Avenue, which is one of the actions Council is taking in the grant of the easement.

During the presentation to MainStreet Oceanside, we highlighted that when they start this project, Mission Avenue is going to be closed on the west side of the tracks for about eighteen months. Once we get close to dealing with haul routes and construction staging areas, we'll be doing significant outreach through MainStreet Oceanside to the business community and the public with regard to alternative access to the beach area.

As identified, the property sale was approved by the Oversight Board. The project was presented to the Economic Development Commission (EDC) and received full approval. As it stands today, the agreement requires an eighteen-month closing with no extensions. The deal can't close until construction is ready to start and financing is in place. Because of the subsidy, the project will be built using prevailing wages.

Council needs to approve the AB 562 study as part of their action. The economic subsidy is needed because the overall project is intended to increase tourism market share. It does implement the nine-block master plan. It's a catalyst for future development. It creates approximately 210 construction-related jobs and 280 permanent jobs. Councils' specific action is to approve the Restrictive Covenant, which will guarantee the development for the four-star quality for 75 years.

Council will be approving a transient occupancy tax (TOT)-sharing agreement that provides for the subsidy for up to a fifteen-year period, depending on which block. If the TOT is reimbursed on an accelerated schedule, the City will retain a higher TOT share earlier. After fifteen years, all of the TOT comes to the City. Council has more detailed information on the TOT cost sharing in their packets. Council is also agreeing to the easement under Mission Avenue, a license agreement to allow the staging of Lot 26 similar to what the Springhill Suites did, and also the acceptance of the AB 562 report.

#### Public input

**NADINE SCOTT** stated this is one of the worst ideas Council has ever had. The hotel is a great idea. It's going to be beautiful. If Jeremy Cohen sticks with the entitlements, it'll be a great project. It'll look pretty and bring in a high class of tourism, but overall the benefits don't make up for having to sell that land for \$1,500,000. She understands the restrictions, but why is Council giving such a large subsidy? Not only is Council giving a TOT subsidy of over \$20,000,000, they're also giving offsite mitigation of up to \$690,000. They're waiving impact fees with a credit of \$1,700,000. A long time ago, Councilmember Feller said that he wasn't going to waive impact fees, but that's exactly what's happening.

Council talks about all of the great jobs we'll have. They will be temporary construction jobs. If they don't put a San Diego preference in the contract, we're going to get more people out of Arizona that will come, take our money and leave. The same happened with Springhill Suites. What a shame. The only thing Council is doing right for this project is to require a good prevailing wage. She is happy that the court came out against charter cities not paying prevailing wage.

We either have the worst property manager negotiators on the coast or we have

the worst Council majority. Every time we turn around, Council is giving money away for consultants. \$800,000 for the Quiet Zone is a perfect example. All of the money Council is spending on these consultants and subsidies could go directly to our community to improve our parks, swimming pools, youth opportunities, gang suppression and to build a kitchen at El Corazon that will be a first-class facility that you can rent out and actually make money on.

Earlier, a speaker referred to a study where Oceanside is 126<sup>th</sup> out of 150 large towns. This will ensure that we stay in the bottom 5%. She knows it's going to be a 5-0 vote. She knows they will do a good project, but you don't give the land away for almost nothing and a huge subsidy.

**JIMMY KNOTT**, 127 Sherri Lane, asked what could be done to include soundproofing or sound cancelling designs into the structure for the rail line. He also read the report and has a question about TOT scaling and the use of a lot of new terms. He would like the public to have a better understanding of what that term means over a period of time.

He wants to warn Council about what happened in Atlantic City. The City invested a lot of money in hotels. A recent hotel was a \$2,000,000,000 investment. They were in place for two years, but went belly-up. What would prevent this from happening with this type of investment in Oceanside? What would take place with any commitment that the City would give? He would be interested in those protections.

**JOAN BRUBAKER**, 1606 Hackamore Road, is not a guru as far as finances. This hotel has been dreamed about, worked on and talked about for years. The north block hotel having eight stories seems very high. There are a lot of people living on a hill there. She hopes they can still see the ocean when that's built. She doesn't understand the financing on the land. She knows that it's intricate and probably well done, but the City sure is giving it away.

As far as the length of sharing the TOT fees, it seems that could have been bartered differently. It could have been shortened or a better agreement made for the City. The City is giving away a lot, even though we're hopefully getting a lot. She was sad to see the land price.

**SHEILA KADAH**, 5160 Avenida De La Plata, asked why the City doesn't do this as a public/private partnership where everybody benefits and they don't give so much away. It was suggested by Mr. Knott and a few other people. Astute businessmen looked into it and said it would be the best thing to do. They all say that giving this land away was about the worst thing the City has ever seen. She agrees with everybody else that this is a bad deal for the City. We have Councilmembers Felien, Feller and Kern to thank for this bad deal.

#### Applicant

**JEREMY COHEN**, SD Malkin Properties, Inc., stated Mr. Weiss did a good job of going through everything. The issues of land use were decided long ago. We have a coastal development permit. What none of us bargained for was the dissolution of redevelopment agencies. It has taken quite a long time to figure out how to do the transaction without the tools that redevelopment agencies give cities to do these kinds of projects.

There was a \$28,000,000 subsidy to the original project that was approved by Council unanimously. It was a ground lease that had twelve years of no rent and twenty eight years of deeply discounted rent before significant rent was paid. It was forty years out. The land was already deeply discounted in the form of a ground lease. The challenge we had in working with City staff was to figure out how to fill the hole. \$22,800,000 of the \$27,800,000 came from tax increment bonds which could no longer

be issued.

Unlike some of the other speakers, he knows finance. We had to come up with how to fill a hole of \$22,000,000 that we could no longer have. We used a combination of tools. We came up with some ways to save money by taking the building throughout the south block from eight stories to six stories. It was originally titled for eight stories. At the same time, we saw that selling the land was a vehicle that could also help to make the economics work. We did not save \$14,000,000 in project costs. Everyone was clear that we want the quality of the project and the architecture that was originally intended.

A standard tool used when there are redevelopment agencies is to write down land. If the City was not selling us the land for \$1,500,000, the subsidy would need to increase by whatever amount the City was selling us the land for above \$1,500,000. The vast majority of the subsidy is out of cash flow through the TOT that will be created by the project. It will have the additional advantage of bringing in a different kind of hotel business, which is the whole reason that you conceived this project to begin with. It'll be a four-star hotel that can attract group business. People that come in groups don't only spend their money in the hotel. They do things at the museums, restaurants, retail shops, beach concessions, etc.

He appreciates Councils' patience as we try to bring this forward. We've tried to keep the quality. We now have an even tighter deadline than we were originally given. We're anxious to bring this to fruition.

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

**DEPUTY MAYOR SANCHEZ** talked about this during her discussion about contacts. This really did spur us on and forward. We had been divided and fighting. The Manchester project, which came in at fifteen stories, along with the bulldozing of the bluffs and privatizing of that whole area, was our dream. However, many people in the community said that it wasn't their dream. That project failed at the Coastal Commission because it did not comply with our Local Coastal Plan and our vision. We took steps to go through a very public process to find out what the community wanted to do.

We compromised on height at eight stories in a room with representatives throughout this community. We agreed to no higher or bulkier than the Wyndham Hotel. We now have one of the two blocks being lowered to six stories versus eight. It will be a profile of two tall buildings and one smaller building. We had a lot of people excited about this. That's when some businesses started to invest in Oceanside. We had finally come to an agreement on what we wanted. The height was something that we all agreed on and were happy with.

Regarding the cost of the land, if we wanted to allow high-density residential it would be very expensive land, but we want our dream beach resort. We want a four-star place where we can have ballroom dances, reunions, weddings, etc. We're also building public parking. That's our subsidy part of it. This approved project was a very public process.

Council made a promise to this community that we were going to bring home this dream. Mr. Cohen has been working on this for thirteen months. She wants this to happen. She doesn't see that anything has changed. In terms of how we were going to pay for this, it's definitely with the tax increment and the TOT. It was a much bigger subsidy than what we're doing now. We're still getting a much better project. Mr. Cohen and staff have really looked at the details in trying to see what we can do to make sure that this is the best deal for the community. This community deserves the best.

She **moved** approval of [adoption of **Resolution No. 14-R0557-1**, "...granting an easement to SD Malkin Properties Inc. for the construction of a subterranean parking garage for the Oceanside Beach Resort, approving a Restrictive Covenant Agreement, TOT Covenant Agreement and License Agreement for the project, and approving a report prepared pursuant to AB 562", to approve an Agreement Regarding Real Property (Use Restrictions) **[Document No. 14-D0558-1]** between the City of Oceanside and SD Malkin Properties Inc. to guarantee development and use of the property as a full service resort consistent with the entitlements for the project; an Agreement Regarding Real Property **[Document No. 14-D0559-1]** to provide a mechanism to share Transient Occupancy Tax (TOT) generated by the Project; a Grant of Easement **[Document No. 14-D0560-1]** to permit construction of a subterranean parking garage under Mission Avenue; a report **[Document No. 14-D0563-1]** required by AB 562 prepared by Paul Marra of Keyser Marston and Associates documenting the amount of subsidy provided to the developer, the proposed start and end date of the subsidy **[Document No. 14-D0562-1]**, the public purpose of the subsidy, the amount of tax revenue and jobs generated by the project; and a License Agreement **[Document No. 14-D0561-1]** to permit construction staging for the project on a portion of Lot 26].

**COUNCILMEMBER KERN** seconded the motion.

**COUNCILMEMBER FELIEN** stated this project had 5-0 support from its inception with the idea of having a quality downtown project that was going to be subsidized to some extent by the City. To his knowledge, no one has wavered from that. Only one candidate for City Council was opposed to the idea of a subsidy for a downtown project. This idea has unified the committee. It is a complex project. It is very difficult for someone to educate themselves on all of the details and to be comfortable with it. It has taken a long time for staff and Council to dig into this and make sure that we're all comfortable with it when bringing it to the people.

The one item that has caused the most controversy is the \$1,500,000 price. There are certain factors in explaining this issue. One is that there was a cap because of the tax implications. The cap solves the problem of not putting our tax-exempt bonds at risk. The question is that if we didn't have tax-exempt bonds, would we want to sell it for a higher price or even be able to?

As was mentioned by Mr. Cohen, anything added in terms of the price of the property would have to be added to the TOT subsidy. You wouldn't gain anything by increasing the price of the land because it's a certain subsidy that makes this project work. Whether that subsidy is a land price or TOT doesn't matter. What matters is the total. If the land price worked to solve one problem and also helped to solve the total of the subsidy issue, then \$1,500,000 works for everyone.

The City is not putting money into this project. We're basically deferring money that we would otherwise get from TOT to make it work. We're putting the subsidy into this project because the City is getting the enhancements that we asked for that we think benefits the community as a whole. In building this project, the hotel developer would not be able to bring in that revenue. They would not have a financial incentive to build the enhancements, which are the ballrooms and conference rooms that are going to allow the City to attract events that would otherwise never come here. The people coming for those events will stay in other hotels and pay TOT. They'll be going to the restaurants and shops where they will be paying sales tax. There is a lot of revenue that will be a result of this project that is not calculated in the total. That's why we've had unanimous political unity on this issue.

This project is great for our City. We need to move forward with it. He asked if we didn't want to do a subsidy, but instead paid the price for the land and built whatever kind of hotel fit within our zoning, what kind of hotel project would we have on that property?

**MR. WEISS** responded hopefully Mr. Cohen would say the same project without the number of amenities. More than likely, we would not be getting a four-star quality hotel that would match the competitive set that was shown earlier. We would not be getting the ballroom or the amount of public open space and parking that is in this particular project.

**COUNCILMEMBER FELIEN** stated it's important to emphasize this point so that the public understands that we're making a huge bet on the future of Oceanside. We're creating a project that's going to stimulate activity and attract businesses and other developments that would otherwise not take place if this project didn't move forward. This is why it's so important.

Everybody negotiated in their best interests. Mr. Cohen is trying to get the most subsidies that he can for his project. We had people representing the City to try to get the best project for the least amount of contribution that we could get away with. This process went on for over a decade. We're at the point now where everyone is happy with the result and ready to move forward. He expects a 5-0 vote for the future of Oceanside.

This project is being built by a developer. Earlier, we heard horrible attacks on developers, saying that somehow they're evil people and not allowed to have their voice in the political process. He's happy to have the political support that he has from the private sector because all of the great things being done in Oceanside are being done by developers. The parking structure, restaurants and El Corazon Park are all being built by developers. These are the people who create jobs, a tax base, revenues for our City and the kind of growth that we want to build a future for Oceanside. The demonization of that segment of the business community is childish.

A lot was mentioned about the election. If people want a majority that is going to move forward with these kinds of projects, have a realistic approach and not consider the development community the enemy, they can make their decision at election time.

**COUNCILMEMBER KERN** stated this is a public/private partnership. Mr. Cohen comes often to talk to staff and work on the project. He'll be glad when it's done. Part of the reason that we have this subsidy is because of the things that we wanted that were in the original Request for Proposal (RFP). It was the ballroom, meeting space and the quality. It was all of those things that we demanded of the developer. We could sell the property at a higher value, have a Motel 6 there and get whatever TOT we could out of it, but it would not be beneficial to Oceanside in the long run.

He doesn't think we're taking that much of a risk. We're at the perfect time to build this project because of what's happening in the marketplace. He is fully supportive. Council has always been supportive of it. The people on the Council have changed over the last twelve years, but the attitude hasn't changed. Everybody wants the best for Oceanside.

This is the best project that we can get for Oceanside right now. He hopes the economy comes back to the point where Mr. Cohen can build both hotels at once. If not, we're going to start with the south block, which is the four-star hotel. We're only going to close Mission Avenue once. We'll come up with a traffic plan to alleviate that problem. Earlier tonight, we talked about the railroad crossings. It takes a full year just for construction drawings of railroad crossings. He can imagine that the construction drawings on this hotel are going to be much more complicated and expensive than just railroad crossings. He would be happy if we got started in eighteen months.

This is a good project. We're going to move forward. It is a public/private partnership. He thanked Mr. Cohen for sticking with it. It has been difficult. The unwinding of redevelopment caught everybody flat-footed.

**COUNCILMEMBER FELLER** asked what the projected TOT is for a 350-room hotel.

**MR. WEISS** responded that the TOT from the south block at stabilization is about \$2,100,000 annually. The north block is \$1,300,000. There is obviously a sharing. At the completion of the fifteen years, all of that would come to the City.

**COUNCILMEMBER FELLER** stated this has been going on for about thirty years. There were some projects kicked around before this. Keenan Watkins and Manchester were demanding quite a bit out of us. It probably all would have been a form of public/private partnership. When we did the outreach to the community, there was one developer that wanted to buy the land for around \$5,000,000 or \$7,000,000. Frankly, he was in favor of it at that time. What he came to realize is that after doing that, you don't have much say in what you're going to get if you sell the land. We've had a say in what we're going to get.

Council has changed. There was one Councilmember here for five months. He knew all about the \$28,000,000 subsidy. Now he's opposed to a \$13,000,000 subsidy. That's interesting. This is a huge investment for our next generation. Future generations are going to benefit from this for as long as they stay in the community. If our predecessors on the Council had been thinking about the future, we would have had Car Country and the North County Mall here. It's a big difference when you don't think about the future.

Everyone on the Council has supported this in every session. For the Council majority to be blamed as the ones who are driving this is unfair. People who haven't lived here for very long really don't know what has gone into this. This community needs this hotel. Businesses have come and gone on the promise that we're going to build a hotel in the downtown. Shops on the Regal property have all changed hands over the years because they thought a hotel was coming. This Council should get all of the accolades for pulling this off, even with the struggles of the breaking up of redevelopment.

**MAYOR WOOD** stated obviously we all agree that this has taken a long time. He looks at what has happened locally, nationally and world-wide with the economy over the last five or six years. It has been tough. He wanted this to move forward. We promised the public that we'd do this a long time ago. It's a great location.

A lot of people don't understand the ups and downs of this particular contract and what we've gone through over the years. He has seen it behind the scenes. He made the decision that it's the best thing to go forward with this project no matter what people may or may not think. This is a move forward.

When the Marriott Suites came, they brought in contractors from every state except for ours. He doesn't want that battle anymore and hopes we don't have it. Parking is worth its weight in gold in a beach city. This is going to be more parking for us. He was always disappointed that we never had a facility where we could have a big event in Oceanside, like a wedding, etc. All of the big get-togethers were always in Carlsbad. Even our own events were in Carlsbad. As the Mayor of the largest City in North County, there is nothing more frustrating. These events should be in our own City.

This is the first chance to have a facility overlooking the beach and pier where we can have weddings, get-togethers, etc., and where any employee group can have an event at a great location in our own City. That's what he's really excited about. A 6,400 square foot conference room in a beautiful building sitting above the beach in Oceanside next to the pier is going to be one of the top choices.

We're going to be paying for some of it, but in the long run this is going to benefit all of us. This is going to be one of the best locations in the region to have an event. It's going to be a four-star hotel with underground parking. There have been a few trips and stumbles along the way. This is a complicated contract.

Council doesn't agree on very many things. This is one of the few projects where we do agree. It means that we're looking towards Oceanside's future.

**DEPUTY MAYOR SANCHEZ** stated we're going to have a restaurant overlooking the beach and pier on the first floor. She asked Mr. Cohen if it could be higher up.

**MR. COHEN** responded one of the changes that we have looked at for the north block where we no longer have the 48 fractional units is that we can add a bar on the roof, as opposed to a restaurant. It's very difficult to service restaurants on the roof when you have small floor plates like we have, but we think that we can incorporate a bar on the roof that will be open to the public.

**DEPUTY MAYOR SANCHEZ** asked if it would be a bar with some appetizer-type fare on the sixth floor.

**MR. COHEN** responded yes, the sixth floor of the north block.

**DEPUTY MAYOR SANCHEZ** stated that's something we were hoping to have because it will be a phenomenal view. Nobody will have that view.

**MAYOR WOOD** stated we needed another beautiful place next to the Wyndham Hotel. This is a big project for everybody. Hopefully in the future, it will be something that we are all proud of.

**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.

30. **Adoption of an ordinance of the City of Oceanside amending Chapter 37 of the Oceanside City Code by Deleting Subsection 37.102(d) and adding Article VIII, Recycled Water** *(Introduced 8/6/2014, 5-0)*

After titling of the ordinance, **COUNCILMEMBER FELLER** moved adoption [of **Ordinance No. 14-OR0565-1**, "...amending Chapter 37 of the Oceanside City Code by Deleting Subsection 37.102(d) and adding Article VIII, Recycled Water"].

**DEPUTY MAYOR SANCHEZ** seconded the motion.

**Motion was approved 5-0.**

31. **Adoption of an ordinance amending Article X, Section 10.17 of the Oceanside Traffic Code to establish back-in (reverse) angle parking** *(Introduced 8/20/14, 4-*

1)

After titling of the ordinance, **COUNCILMEMBER FELLER** moved adoption [of **Ordinance No. 14-OR0566-1**, "...amending Article X, Section 10.17 of the Oceanside Traffic Code to establish back-in (reverse) angle parking"].

**COUNCILMEMBER KERN** seconded the motion.

**MAYOR WOOD** didn't vote for this last time. He doesn't like the back-in parking.

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

#### **CITY COUNCIL REPORTS**

20. **Deputy Mayor Esther Sanchez**

**DEPUTY MAYOR SANCHEZ** attended the meet and greet to welcome the new Harbor Master, Paul Lawrence, on August 27<sup>th</sup>. She attended the Oceanside Art Walk on September 5<sup>th</sup>. It will be held on the first Friday of every month. October 3<sup>rd</sup> is the next art walk. She announced the Gentleman's Gourmet event hosted by the North County African-American Women's Association on September 20<sup>th</sup>.

21. **Councilmember Gary Felien**

**COUNCILMEMBER FELIEN** attended the annual awards banquet honoring the Oceanside Unified School District Simon Scholarship winners.

22. **Councilmember Jack Feller**

**COUNCILMEMBER FELLER** announced the Harbor Days event on September 27<sup>th</sup>.

23. **Councilmember Jerome Kern**

**COUNCILMEMBER KERN** attended the Oceanside Art Walk on September 5<sup>th</sup> and the Community Engagement Panel for the decommissioning of the San Onofre power plant. He asked any community groups wanting to find out how they'll be decommissioning San Onofre to contact him. He announced the POW/MIA honoring ceremony at the new hospital at Camp Pendleton on September 19<sup>th</sup>.

19. **Mayor Jim Wood**

**MAYOR WOOD** stated as the Mayor, he represents all residents, not just one small fraction. Tonight we had some issues. Sometimes Council gets political. Two Councilmembers are running for City Council and have contenders. He watched the last KOCT forum debate between the candidates. There were some issues that concerned him. He doesn't have a way to respond except to bring it up at this Council meeting.

Councilmember Felien made a comment about why he removed Mayor Wood's power as the Mayor of Oceanside. He indicated that he was proud of the fact that he made the motion to remove Mayor Wood's power on the issues. Councilmember Felien said that the Mayor was out of touch, and that's why he was removed from SANDAG. That's a personal issue, not a campaign issue. He thought it was unbelievable for Councilmember Felien to say that.

He understands that it's politics, but wants to respond to these comments. They removed him because they changed Oceanside to a charter city where three people can outvote the citizens. They can debate it however they want to, but they used the

format of a charter city so that the three Councilmembers could remove him from his powers and committees. They didn't look at the fact that he had won 2-1 for Mayor. This all took place before he even got sworn back in after the election. This concerned him.

They also said that he moved \$800,000,000 out of North County to South County. They were correct about that, but they didn't go into the details about how the \$800,000,000 for North County was not shovel-ready and couldn't be spent there. SANDAG moved it automatically to the next project down. Everybody voted for it including himself because he thought it was appropriate. The environmental groups didn't do an environmental impact report on the Buena Vista Lagoon. That blocked that construction.

After that took place and he was removed, he, the Mayor of Carlsbad and Deputy Mayor Sanchez got together to address the issue. Because of the input from Deputy Mayor Sanchez, the Mayor of Carlsbad, Matt Hall, and himself, both Oceanside and Carlsbad gave \$100,000 each and SANDAG paid \$800,000 to take over the environmental impact report for the lagoon, the I-5 widening and the mass-rail transit system. He had voted for what was next in line. Because it looked like he had abandoned Oceanside and North County, he needed to respond to that. That was the reason he was removed from SANDAG.

They also talked about the unions and some of the items Council had voted on in the past. They called it a gravy train for our employees, but they forgot that we would have probably lost our law enforcement and fire department to other cities if we hadn't. We had gone down in crime by 37%, so we felt that we should probably give them something.

Mr. Kern indicated that he was the go-to guy for developers. That's a bold statement. Councilmembers Kern and Felien don't really mean that they're the go-to guys because the economy has been bad for five or six years. There is an upswing, but it's not because Councilmembers Kern and Felien have changed the economic aspects of San Diego or Oceanside. He's the one who got the Japanese-financed Indian company to come to Oceanside. If people want to talk to the City, they go to the Mayor.

They also mentioned that there was no issue with Gregory Canyon. That's amazing. Our wanting to increase from 20% to 50% with our water supply involves Gregory Canyon. It's a big issue. As far as the outsourcing issue, he agrees with Councilmembers Kern and Felien that the public and private sectors should work on it. However, he found out from other cities that if you go to the private sector for outsourcing, the first year is cheap, but the years after that aren't. With callouts, you don't get a lot of cooperation because they're not really part of the City.

He doesn't want to give just two guys the credit. They were bold to say that if people like how things are going in Oceanside, they should put them back in office. A lot of people are involved with the City besides these gentlemen. What has taken place over the years is not just because of this Council, but also past Councils and individuals. Councilmember Felien said that Mayor Wood and Deputy Mayor Sanchez spent all of the City reserves. That's not accurate. People on the outside may not be accurate, but they're not on the Council where you have a lot more insight about issues and answers.

Whatever the public decides, that's their choice, but the candidates need to be more accurate. He doesn't remember spending the City reserves down to zero.

**COUNCILMEMBER FELIEN** stated as a point of order, it's a mathematical fact. If we're going to just make it up as we go along, we can have these forums and he'll criticize every one of Mayor Wood's dishonest statements that he just made. We'll go through them item by item.

September 10, 2014

Joint Meeting Minutes  
Council, HDB, CDC and OPFA

**DEPUTY MAYOR SANCHEZ** stated we did not spend the reserves down to zero.

**COUNCILMEMBER FELIEN** stated the allocated reserve was at zero.

**MAYOR WOOD** stated Councilmember Felien is wrong and he lied. That's it.

**ADJOURNMENT**

**CITY CLERK BECK** 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 8:38 PM on September 10, 2014. [The next regular meeting is scheduled for 2:00 PM on Wednesday, September 24, 2014].

**ACCEPTED BY COUNCIL/HDB/CDC/OPFA:**

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Zack Beck  
City Clerk, City of Oceanside