

## **ACTION MINUTES**

### **CITY COUNCIL SPECIAL MEETING TUESDAY, JANUARY 10, 2017 SOUTH COUNTY REGIONAL CENTER, 800 W. BRANCH STREET ARROYO GRANDE, CALIFORNIA**

#### **1. CALL TO ORDER**

Mayor Hill called the Special City Council Meeting to order at 6:02 p.m.

#### **2. ROLL CALL**

City Council: Council Members Caren Ray, Barbara Harmon, Kristen Barneich, and Mayor Jim Hill were present. Mayor Pro Tem Tim Brown was absent.

Staff Present: Acting City Manager/Public Works Director Geoff English, City Attorney Heather Whitham, Director of Legislative and Information Services/City Clerk Kelly Wetmore, Community Development Director Teresa McClish, and Interim City Engineer Jim Garing.

#### **3. MOMENT OF REFLECTION**

#### **4. FLAG SALUTE**

Mayor Hill led the Flag Salute.

#### **5. AGENDA REVIEW**

##### **5.a. Closed Session Announcements.**

##### **Special Meeting of December 13, 2016**

- a) Public Employee Performance Evaluation pursuant to Government Code Section 54957:  
Title: Interim City Manager

City Attorney Whitham announced that the Council met in closed session on December 13, 2016 and no reportable action was taken.

##### **5.b. Ordinances Read in Title Only.**

Council Member Barneich moved, Council Member Ray seconded, and the motion passed unanimously that all ordinances presented at the meeting shall be read by title only and all further readings be waived.

#### **6. SPECIAL PRESENTATIONS**

None.

#### **7. CITIZENS' INPUT, COMMENTS, AND SUGGESTIONS**

Mayor Hill invited public comment. Speaking from the public were Linda Osty, who offered an Invocation; and Shirley Gibson, who wished Happy New Year to the City Council and shared local Arroyo Grande history about cars and horses on Branch Street.

**8. INTERIM CITY MANAGER REPORT:**

Acting City Manager English provided a status update on the recent storm and rainfall; reported on the elevation increase at Lake Lopez; encouraged residents to continue water conservation efforts and noted that the City is still under mandated reduction and restriction requirements; reported on flooding and mudslides in the City as a result of the rain, the City's response efforts, and maintenance of storm drain infrastructure; announced that the Brisco ramps are anticipated to be reopened on January 18<sup>th</sup> pending weather conditions; and that staff anticipates relocation of public meetings back to the Council Chambers on January 24<sup>th</sup>. In response to a question from Council, consultant Nate Stong clarified issues related to the striping plan under the Brisco Interchange bridge.

**9. CONSENT AGENDA**

Mayor Hill requested that Item 9.g. be pulled.

Mayor Hill invited public comment on the consent agenda. Speaking from the public was Patty Welsh, in support of Item 9.g. (Consideration of a Letter of Intent to Participate with the Cities of Pismo Beach and Grover Beach and the Oceano Community Services District in the Regional Groundwater Sustainability Project). No further public comments were received.

**Action:** Council Member Barneich moved, and Council Member Harmon seconded the motion to approve Consent Agenda Items 9.a. through 9.f., with the recommended courses of action. The motion passed on the following roll-call vote:

**AYES:** Barneich, Harmon, Guthrie, Hill  
**NOES:** None  
**ABSENT:** Brown

**9.a. Consideration of Cash Disbursement Ratification.**

**Action:** Ratified the listing of cash disbursements for the period December 1, 2016 through December 31, 2016.

**9.b. Consideration of Approval of Minutes.**

**Action:** Approved the minutes of the Regular City Council Meeting of December 13, 2016, as submitted.

**9.c. Consideration of Acceptance of the El Camino Real Storm Drain Rehabilitation Project, PW 2016-12.**

**Action:** 1) Accepted the project improvements as constructed by Insituform Technologies LLC, in accordance with the plans and specifications for the El Camino Real Storm Drain Rehabilitation Project; 2) Directed staff to file a Notice of Completion; and 3) Authorized release of retention, thirty-five (35) days after the Notice of Completion has been recorded, if no liens have been filed.

**9.d. Consideration of Acceptance of the Arroyo Grande Creek Sewer Rehabilitation Project, PW 2016-05.**

**Action:** 1) Accepted the project improvements as constructed by Insituform Technologies LLC, in accordance with the plans and specifications for the Arroyo Grande Creek Sewer Rehabilitation Project; 2) Directed staff to file a Notice of Completion; and 3) Authorized release of retention, thirty-five (35) days after the Notice of Completion has been recorded, if no liens have been filed.

**9.e. Consideration of Acceptance of the South Alpine Waterline Improvements Project, PW 2016-06.**

**Action:** 1) Accepted the project improvements as constructed by Crandall Construction in accordance with the plans and specifications for the South Alpine Waterline Improvements Project; 2) Directed staff to file a Notice of Completion; and 3) Authorized release of retention, thirty-five (35) days after the Notice of Completion has been recorded, if no liens have been filed.

**9.f. Consideration of Approval of an Agreement for Contractor Services and an Appropriation of \$25,000 in General Fund Reserves for Roof Repairs to the Council Chambers Building.**

**Action:** 1) Approved an Agreement for Contractor Services for the Council Chamber Roof Repair Project to Quaglino Roofing in the amount of \$20,420; 2) Authorized the Interim City Manager to approve change orders for 10% of the contract amount, \$2,042, for unanticipated costs during the construction phase of the project; 3) Appropriated \$25,000 from the General Fund Reserves to cover all project costs; and 4) Authorized the Mayor to execute the Agreement for Contractor Services.

**ITEMS PULLED FROM THE CONSENT AGENDA**

**9.g. Consideration of a Letter of Intent to Participate with the Cities of Pismo Beach and Grover Beach and the Oceano Community Services District in the Regional Groundwater Sustainability Project.**

**Recommended Action:** Authorize the Mayor to sign the Letter of Intent for the Regional Groundwater Sustainability Project.

Mayor Hill requested a sentence in the letter be modified to read as follows: *It is Arroyo Grande's understanding that the ~~SSLOCSD will cover the incremental costs to include the SSLOCSD WWTP site in the EIR, as well as the associated infrastructure to recharge Phase 2 flows~~ remains to be determined.*

**Action:** Council Member Ray moved to authorize the Mayor to sign the Letter of Intent for the Regional Groundwater Sustainability Project, as modified. Council Member Harmon seconded, and the motion passed on the following roll call vote:

**AYES:** Ray, Harmon, Barneich, Hill  
**NOES:** None  
**ABSENT:** Brown

**10. PUBLIC HEARINGS**

**10.a. Consideration of the East Cherry Avenue Specific Plan Project (General Plan Amendment 15-001; Development Code Amendment 15-001; Specific Plan 15-001; Vesting Tentative Tract Map 15-001; Conditional Use Permit 15-004) and Environmental Impact Report; Location – East Cherry Avenue and Traffic Way; Applicants – Mangano Homes, Inc. and Arroyo Grande Valley Japanese Welfare Association.**

Community Development Director McClish introduced the item. City Consultant John Rickenbach presented the proposed project, which includes a General Plan Amendment, Specific Plan, Development Code Amendment, Vesting Tentative Tract Map for Subarea 2, Conditional Use Permit for Subarea 3, and Environmental Impact Report (EIR); reviewed the proposed zoning of Subarea 2 from Agriculture (AG) to Village Residential (VR) and Subarea 3 from Agriculture (AG) to Village Mixed Use (VMU) and the proposed Land Use of Subarea 2 from Agriculture (AG) to Single Family Residential (SFR) Medium Density and Subarea 3 from Agriculture (AG) to Mixed Use (MU); reviewed the project descriptions, development concepts, infrastructure phasing plan, design standards and guidelines for Subareas 1, 2 and 3; provided an overview of the applicant's public outreach efforts and previous advisory body review; previous Council review and direction as it relates to the Specific Plan and mitigation for agriculture impacts; project modifications made based on input received; reviewed the CEQA and public review process; reviewed significant unavoidable impacts; and addressed key issues related to agricultural, transportation and water use.

Jim Garing, Interim City Engineer, presented historical and current water resources associated with the East Cherry Specific Plan.

Nate Stong, traffic consultant, Omni-Means, presented an overview of the traffic impact analysis and project mitigations.

Director McClish provided an update of meetings held with Caltrans since the last Planning Commission meeting regarding traffic concerns related to the Fair Oaks southbound off-ramp.

In conclusion, it was recommended the Council consider the project and adopt a Resolution certifying the Final Environmental Impact Report (EIR), related CEQA findings and MMRP and approve the related project applications (General Plan Amendment 15-001, Specific Plan 15-001, Conditional Use Permit 15-004, and Vesting Tentative Tract Map 15-001), and introduce the Ordinance approving Development Code Amendment 15-001.

Mayor Hill invited the applicants to make a presentation.

Carol Florence, Principal Planner with Oasis Associates, representing the applicant, requested the Council certify the EIR and approve the project applications; stated that the applicant accepts all the conditions of approval with the exception of Condition 7; acknowledged efforts of all involved in the project, including the neighbors; commented on improvements that will be made to E. Cherry Avenue; thanked staff for the collaborative effort; thanked the Council for allowing the process to move forward and for involvement; and then provided a presentation of the proposed project.

Margaret Ideda, representing the Japanese Welfare Association, spoke in support of and on behalf of the proposed Cultural Center proposed for Subarea 3, provided a timeline history of the site's use from 1928 to 2016; and presented the site plan which includes a historic orchard, farm garden, Japanese Cultural Garden and California native garden.

*Mayor Hill called for a break at 7:46 p.m. The Council reconvened at 7:59 p.m.*

Staff responded to questions from Council.

Council Member Harmon announced that she had received a written determination from the Fair Political Practices Commission stating she had no conflict of interest regarding the proposed project as it relates to her ownership of real property located in the Village area. Council Members Ray and Barneich also announced for the record that they received the same written determination that they had no conflict of interest regarding the proposed project as it relates to their respective ownership of real property located in the Village area.

Eileen Low, Deputy District Director, Caltrans, acknowledged and concurred with staff's work with the applicant on the project and requested support to establish a priority to implement solutions for the Fair Oaks and Orchard Avenue intersection.

Mayor Hill opened the public hearing. Speaking from the public were Katie Rose Lorent, Allen Street, expressed concerns about the residential development, supported the Japanese Welfare Association's proposed project, expressed concern about power and stated that the homes should have solar panels; Linda Osty, E. Cherry, supported the project, stated she attended all the meetings and acknowledged the work the applicant has done with neighbors, expressed concern with the collector road, and asked questions regarding ingress/egress, if the traffic signal would be timed, how long it will take to build the project, and expressed concern with the suggestion of a large grocery store; Mary Jean Sage, Chair of the Health Commission, Heal SLO, read a letter into the record which offered suggestions that would further improve community health outcomes such as providing added restricted affordable housing within Subarea 2 and prioritize beautification of the Traffic Way corridor to improve the bike and pedestrian experience at the southern entrance to the City and promote use of City facilities; Speaker (did not state name), spoke in support of Subarea 3, and expressed concern about Subareas 1 and 2 as it relates to the Highway 101 southbound ramp, traffic impacts toward Branch Mill Road and Pacific Railway Road; Speaker (did not state name), expressed concern regarding impacts to the school system, bussing, Branch Mill Road and bike safety; Brian Pedrotti, Village Court, expressed concern regarding the proposed collector street; Shirley Gibson, Halcyon, expressed appreciation for the study of Allen and Mason Streets, the reduction of homes, removal of the hotel, and would like Subarea 1 to be limited to a two-story building, appreciates the proposed park, widening of E. Cherry, and traffic signal, credited Carol Florence for her collaboration with the project, and supported the proposed Japanese Welfare Association project; Jason Peterson, Arroyo Grande resident and contractor for Mangano Homes, spoke regarding economics and in support of the project; Patty Welsh, stated she is starting to like the project much better, expressed concern about the alley being privatized, supported the traffic signal, expressed some concern about the suggestion of a grocery store for Subarea 1 because of truck traffic, and supported the proposed Japanese Garden; Margaret Ikeda, submitted a letter of support from members of the Japanese Welfare Association for the proposed Subarea 3 development; Linda Osty, expressed support for the Japanese Welfare Association and their proposed project; and Tom Cook, spoke in support of additional housing units and the project. Hearing no further comments, Mayor Hill closed the public hearing

Staff responded to additional questions asked by members of the public regarding the proposed collector street; timeframe to develop the property; providing affordable housing through payment of in-lieu fees; which elementary school the development serves; and clarified there is no parking in the alley.

*Mayor Hill called for a break at 10:18 p.m. The Council reconvened at 10:26 p.m.*

At 11:00 p.m., City Attorney Whitham noted that pursuant to Council policy, the Council must vote unanimously to continue the meeting.

**Action:** Council Member Ray moved to continue the meeting past 11:00 p.m. Council Member Harmon seconded, and the motion passed unanimously by voice vote.

**Action:** Following Council comments, Council Member Harmon moved to adopt a Resolution entitled: **“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE CERTIFYING THE ASSOCIATED ENVIRONMENTAL IMPACT REPORT AND RELATED CEQA FINDINGS; AND APPROVING THE EAST CHERRY AVENUE SPECIFIC PLAN PROJECT: GENERAL PLAN AMENDMENT 15-001; SPECIFIC PLAN 15-001; VESTING TENTATIVE TRACT MAP 15-001; CONDITIONAL USE PERMIT 15-004; AND DIRECTING THE CITY CLERK TO FILE THE NOTICE OF DETERMINATION: LOCATION – EAST CHERRY AVENUE AND TRAFFIC WAY; APPLICANTS – MANGANO HOMES, INC. AND ARROYO GRANDE VALLEY JAPANESE WELFARE ASSOCIATION ”**; with the following modifications to Exhibit A: Condition 7 is deleted in its entirety; Condition 18, change constructions hours to 7 a.m. to 5 p.m.; Condition 23.c.i., strike the condition using the deep root planters; Condition 23.c.viii, replace with *“turf is not allowed in residential or commercial areas except in the park”*; Condition 100, omit the word *“intended”* and state *“the latter shall be used on landscaping”* and modify all other conditions that have the same reference; that in the mitigation measures, the use of well water is required for dust containment, and strike the words *“when possible”*; Condition 23, that the project landscaping plan regarding placement of trees in parks, streets, and common areas will return to the Architectural Review Committee for approval; add conditions to read *“the applicant shall install high visibility bike lanes at transition zones near the project as approved by the City Engineer”*, and *“the applicant shall install high visibility decorative crosswalks on Traffic Way, East Cherry, and project access points”*; that for Subarea 1, should a potential hotel project come back, it should be limited to two-stories with 70 units, and the restaurant limited to 3,000 sq. ft., as suggested in the EIR as Alternative 2 for Subarea 1; add a condition for a Lot Line Adjustment to be applied for to allow existing improvements on the mobilehome park to remain; amend Condition 19 in Exhibit B for Subarea 3 to delete greywater reuse systems; and Condition 17, change construction hours to 7 a.m. to 5 p.m., and ensure that construction hours are consistent throughout the Resolution. Council Member Ray seconded, and the motion passed on the following roll call vote:

**AYES:** Harmon, Ray, Barneich, Hill  
**NOES:** None  
**ABSENT:** Brown

**Action:** Council Member Harmon moved to introduce an Ordinance entitled: **“AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE APPROVING DEVELOPMENT CODE AMENDMENT 15-001 (A PART OF THE EAST CHERRY AVENUE SPECIFIC PLAN PROJECT)”**. Council Member Barneich seconded, and the motion passed on the following roll call vote:

**AYES:** Harmon, Barneich, Ray, Hill  
**NOES:** None  
**ABSENT:** Brown

**11. OLD BUSINESS**

None.

**12. NEW BUSINESS**

None.

**13. COUNCIL COMMUNICATIONS**

Council Member Barneich requested to put on a future agenda an item regarding funding for new Planning Commissioner training. Council Member Harmon supported the request.

**14. COMMUNITY COMMENTS AND SUGGESTIONS**

Mayor Hill invited public comment. No public comments were received.

**15. CLOSED SESSION**

None.

**ADJOURNMENT**

Mayor Hill adjourned the Special Meeting at 11:35 p.m.

**/s/Jim Hill, Mayor**

**ATTEST:**

**/s/Kelly Wetmore, City Clerk**

**(Approved at CC Mtg 01-24-2017)**