**SPECIAL MEETING**

DRAFT MINUTES

Tuesday, May 29, 2007
6:00 P.M.

ROLL CALL:

Present: Council Members O’Malley, Clay, Béraud, Brennler and Mayor Luna

Absent: None

Others Present: City Clerk / Assistant to City Manager Marcia McClure Torgerson

Staff Present: City Manager Wade McKinney, Assistant City Manager Jim Lewis, Community Development Director Warren Frace, and City Attorney Patrick Enright.

CLOSED SESSION: 6:00 P.M.

1. PUBLIC COMMENT – CLOSED SESSION: None

2. CALL TO ORDER

   a. CONFERENCE WITH LABOR NEGOTIATORS (Govt. Code Sec. 54957.6)
      Agency Designated Representatives: City Manager Wade McKinney, Assistant City Manager Jim Lewis
Employee Organizations: Department Heads, Confidential, Atascadero Police Association, Atascadero Professional Fire Fighters Association Local 3600, Service Employees Intl. Union Local 620.

3. ADJOURN

CLOSED SESSION REPORT

City Manager Wade McKinney announced that no reportable action was taken.

SPECIAL MEETING:  7:00 P.M.

Mayor Luna announced that Council Member O’Malley would be leaving the meeting for health reasons.

Mayor Luna explained the difference between Regular meetings and Special meetings.

Council Member Clay led the Pledge of Allegiance.

COMMUNITY FORUM:

Ray Jansen asked the Council to remember universal health care coverage and endorse the universal health plan proposal.

Ann Ketcherside suggested the public request a copy of the settlement agreement between the City and ECOSLO, spoke of her concerns regarding the creek setback issue, and her concerns with the Community Center being built on the former waste water site.

Eric Greening stated he was glad to see AGP Video filming the meeting, and spoke in support of Mr. Jansen’s issue of health care for all. Mr. Greening expressed his concerns regarding the Governor’s May revise of the State budget, and suggested agendizing a letter of concern to the Governor.

Mark Phillips spoke about the issue of campaign finance reform and announced it would be on the June 26th Council agenda. Mr. Phillips stated his opposition to the proposed recall of Council Member Béraud and Mayor Pro Tem Brennler.

Jolene Horn stated her concerns regarding the Creek Setback Ordinance, and asked Council to reconsider the Ordinance and to consider this issue on a case-by-case basis.

Jim Istenes expressed his support for Council Member Béraud and Mayor Pro Tem Brennler during this recall proposal.
Lee Perkins stated that it had been a year since the original Wal Mart meeting in May 2006 at which time many expressed their opposition to a super Wal Mart. Ms. Perkins also commented on development currently underway in Atascadero.

Heather Moreno warned the Council to be cautious concerning universal health care and explained what its actual consequences have been shown to be.

Tom Comar, spokesperson for Oppose Wal Mart, stated that the Wal Mart super center and the proposed recall are dividing the community. He expressed his opposition of the recall and his support for Council Member Béraud and Mayor Pro Tem Brennler.

Steve Tillman stated that the word “activist” seemed to have a negative connotation in Atascadero, but he felt it was a positive word and commented that activists are people who work for a cause.

David Broadwater stated he was pleased that this meeting was being video taped and public comment on non-agenda items was being taken. He made several suggestions including reports at Council meetings regarding Strategic Planning Session decisions, follow-up on public meeting notices, and that the recall proponents should reimburse the City for the election costs.

Jim Shannon expressed his frustration of decisions made by the Council since December 2006.

**Mayor Luna closed the Community Forum period.**

Mayor Luna and Council Members responded to comments made during the Community Forum period.

*There was Council consensus to direct staff to write a letter to state legislators concerning Atascadero’s opposition to the May revise.*

**A. MANAGEMENT REPORTS:**

1. **Request for Funding Commitment to Assist in Purchase of Property by the Atascadero Land Preservation Society (8300, 8350, 8400 Toloso Road)**
   - **Fiscal Impact:** $50,000 from the Tree Fund, and $200,000 from the Open Space Acquisition Fund.
   - **Recommendations:** Council:
     1. Approve the request for funds from the Atascadero Land Preservation Society, in the amount of $250,000.00, to cover the remainder of the purchase price for the Davis property, at Highway 41, near the three bridges; and,
2. Authorize the Administrative Services Director to appropriate $50,000 from the Tree Fund, and $200,000 from the Open Space Acquisition Fund to cover the remainder of the purchase price for the Davis property, at Highway 41, near the three bridges; and,

3. Authorize the City Manager to execute a Deed of Conservation Easement and Agreement Concerning Easement Rights with the Atascadero Land Preservation Society, to guarantee open space status on this property in perpetuity. [City Manager]

Assistant City Manager Jim Lewis gave the staff report and answered questions of Council.

Council Member Clay stated that this property cannot be developed residentially and the Davis family isn’t going to be able to sell it. He said that he’s not opposed to purchasing the property, but feels the cost is too high.

PUBLIC COMMENT

Dug Chisholm, ALPS representative, explained the grant process and answered questions of the Council.

Marty Brown expressed her support of ALPS’ request. She also stated that she supports Council Member Béraud and Mayor Pro Tem Brennler.

Joan O’Keefe, President of ANTA, stated their board voted unanimously to support this project. She explained her concern regarding the possibility of future development of the Rural Residential zoned parcel included in this proposal, and said she agrees that the price is high, but she feels it is worth it to protect the property.

Eric Greening explained why he supports this funding request and stated that none of the local match is city General Fund or tax money, but comes from fees.

Bruce Boniface, ALPS Board Member, urged Council to support dedication of funds towards acquisition of this property.

Geraldine Brasher Phemister, Board Member of ALPS, urged the Council to grant this funding request.

Ray Lockhead stated he owns the property next to this site, and only heard about this funding request yesterday. He indicated he would like an opportunity to purchase the property himself and asked the Council to give him a week.

Rick Mathews encouraged the Council not to pass up this opportunity to leverage $250,000 to acquire property worth almost $2 million dollars.
Steve Tillman stated his support of ALPS' funding request and asked that this property be preserved for generations yet to come.

Chuck Ward stated he came to the meeting with several questions, which have been answered, and though he would still like to see an objective market evaluation of the property, he believes this is a good project for the city.

Marge Mackey, Board Member of ALPS, reviewed the history of this project and urged the Council to grant this funding request.

Jonalee Istenes, distributed handouts to support her comments urging the Council to grant this funding request. (Exhibit A)

Dave Graham stated he supported this funding request as it would bring money from outside the community to boost Atascadero's economy.

Don Blazej, asked for clarification on the tree mitigation requirements, suggested there could have been more notice of tonight's meeting, and asked for assurance that this would be for public use.

Livia Kellerman stated that this property will attract people to Atascadero for hiking and other activities, and once they are here, they may stay, eat, or go to a movie.

Pamela Heatherington spoke about San Luis Obispo's open space areas and stated that trails and open space areas are needed to provide healthy recreation activates for the youth of the city. She urged the Council to vote for this proposal.

Fred Frank endorsed the previous speakers' comments, stating that this would be a very wise use of these funds.

David Broadwater stated that he supports the staff proposal for this request. He also asked if any of the requested funds are taxpayers' money, as some have claimed.

Dug Chisholm answered more questions of Council.

Mayor Luna closed the Public Comment period.

Mayor Luna recessed the hearing at 9:38 p.m.

Mayor Luna called the meeting back to order at 9:45 p.m.

MOTION: By Council Member Béraud and seconded by Mayor Pro Tem Brennler to (1) Approve the request for funds from the Atascadero Land Preservation Society, in the amount of $250,000.00, to cover the remainder of the purchase price for the Davis property, at Highway 41, near the three bridges; and,
(2) Authorize the Administrative Services Director to appropriate $50,000 from the Tree Fund, and $200,000 from the Open Space Acquisition Fund to cover the remainder of the purchase price for the Davis property, at Highway 41, near the three bridges; and, (3) Authorize the City Manager to execute a Deed of Conservation Easement and Agreement Concerning Easement Rights with the Atascadero Land Preservation Society, to guarantee open space status on this property in perpetuity.

Motion passed 3:1 (Clay opposed, O’Malley absent) (Item #A-1.3 Contract No. 2007-011

2. Resale of Moderate Inclusionary Housing Unit (8985 Cason Court)
(City of Atascadero)

- **Description:** Request for City to purchase an affordable unit, allowing the City to retain the affordable unit, provide a fair and equal process for the next homebuyer, and allow current owner to sell without incurring debt or undergoing foreclosure.

- **Fiscal Impact:** The proposed purchase of the affordable unit would result in the initial expenditure of approximately $330,000 from the Inclusionary Housing In-lieu fees. Approximately $295,000 (moderate purchase price plus closing costs) would be returned to the fee account upon sale of the unit leaving an outstanding cost of approximately $35,000. If the unit were to sell in the future, prior to the expiration of the 30 year deed restriction, the City would receive payment of the silent second in the amount of approximately $215,000 and 43% of any equity realized by the appreciation of the affordable unit. (All numbers have been rounded up.)

- **Recommendations:** Council adopt the Draft Resolution, thereby:
  1. Authorizing the City Manager to purchase 8985 Cason Court for an amount not to exceed $321,000, including closing costs; and,
  2. Authorizing the City Manager to sell 8985 Cason Court under the provisions of the City’s current Inclusionary Housing Program, to a qualified buyer at the Moderate restricted price level; and,
  3. Authorizing the Director of Administrative Services to appropriate $325,000 from the Inclusionary Housing Program In-lieu fees for the purchase of 8985 Cason Court; and,
  4. Authorizing the return of all proceeds from the sale of 8985 Cason Court to be returned to the Inclusionary Housing Program In-lieu fee fund. [Community Development]

Community Development Director Warren Frace gave the staff report and answered questions of Council.
PUBLIC COMMENT

Mike Jackson, asked for clarification on the inclusionary housing process and payment of property taxes.

Brian Atwell, Midland Pacific Mortgage, representing the potential buyers of this property, spoke about the actions they have taken to this point and asked the Council to approve this request.

Mayor Luna closed the Public Comment period.

MOTION: By Council Member Béraud and seconded by Mayor Pro Tem Brennler to 1. Authorize the City Manager to purchase 8985 Cason Court for an amount not to exceed $325,000, including closing costs; and, 2. Authorize the City Manager to sell 8985 Cason Court under the provisions of the City’s current Inclusionary Housing Program, to a qualified buyer at the Moderate restricted price level; and, 3. Authorize the Director of Administrative Services to appropriate $325,000 from the Inclusionary Housing Program In-lieu fees for the purchase of 8985 Cason Court; and, 4. Authorize the return of all proceeds from the sale of 8985 Cason Court to be returned to the Inclusionary Housing Program In-lieu fee fund. Motion passed 4:0 by a roll-call vote. (O’Malley absent). (Resolution No. 2007-023)

B. ADJOURNMENT: 10:05 p.m.

Mayor Luna adjourned the meeting at 10:05 p.m. to the next regularly scheduled meeting of the City Council on June 12, 2007.

MINUTES PREPARED BY:

Marcia McClure Torgerson, C. M.C., City Clerk

The following exhibit is available for review in the City Clerk’s office:

Exhibit A – Jonalee Istenes, handouts