



City of Petaluma, California

**MEETING OF THE PETALUMA CITY COUNCIL/
PETALUMA COMMUNITY DEVELOPMENT COMMISSION/PETALUMA
PUBLIC FINANCING CORPORATION**

**City Council/PCDC/PPFA Minutes
Monday December 6, 2004 – 3:00 P.M.
Regular Meeting**

MONDAY, DECEMBER 6, 2004 – AFTERNOON

CALL TO ORDER – 3:00 p.m.

A. Roll Call

Present: Mayor Glass, Harris, Healy, Vice Mayor Moynihan, O'Brien,
Thompson, Torliatt

Absent: None

B. Pledge of Allegiance – Council Member O'Brien

PUBLIC COMMENT

Terrence Garvey, Petaluma, congratulated Council for getting a lot done this year.

John Records, Petaluma, thanked Council on behalf of COTS for their support as individuals as well as a Council. He gave each Council Member a "Miracles Happen Every Day" calendar.

COUNCIL COMMENT.

Council Member O'Brien thanked John Records for his dedication and passion in helping the needy.

Vice Mayor Moynihan said he would like two items on the December 20th meeting agenda – discussion of Rainier and the need to select project manager, engineers, and begin implementation. He said he also wanted a street update on what had been accomplished this year and what it will take to be on top of the problem. He stated the City Manager's evaluation needed to be completed. He said it was the Council's responsibility and supported holding the meeting.

Council Member Torliatt – liaison to Animal Services Committee – reported that 5,000 brochures had been printed for soliciting donations to the tile program. She explained that a \$100 donation would provide a tile at the shelter in someone's memory; honor, etc. She said interested parties could contact the Shelter or committee members. She stated the Animal Services Committee was committed to retiring the debt on the Animal Shelter.

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2 She also gave a report on the Water Advisory Committee meeting. She said the new
3 restructured agreement negotiations were discussed. She mentioned the need for a new
4 development policy to have water efficiency on the front end and to look at having a
5 zero footprint. She also put forward to not increase overall water demand. She stated she
6 wanted to challenge contractors to "look outside the box" for ways to decrease water
7 use. She said **Council Member Healy** had talked about inserting language to not allow
8 contractors to apply for additional water rights over the 101,000 acre feet until this
9 amount had been secured.

10
11 **CITY MANAGER COMMENT** - None.

12
13 **AGENDA CHANGES AND DELETIONS** (Changes to current agenda only).

14
15 **1. APPROVAL OF MINUTES**

- 16
17 A. City Council/PCDC Minutes of **November 15, 2004.**

18
19 **MOTION** to approve minutes as submitted.

20 **M/S:** O'Brien/Healy

21 **CARRIED UNANIMOUSLY**

22
23 **2. APPROVAL OF PROPOSED AGENDA**

- 24
25 A. Approval of Proposed Agenda for Council's Regular Meeting of January
26 3, 2005.

27
28 **Council Member Healy** said the agenda was fine but felt a goal setting
29 workshop should be scheduled in January.

30
31 **Council Member Torliatt** commented on the acceptance of the tennis
32 court refinishing item, stating she had received a phone call regarding the
33 quality of the work. She said Council and staff might want to look at the
34 resurfacing projects to assure her that the job was done properly.

35
36 **Council Member O'Brien** wanted to define the roles of commissions and
37 committees.

38
39 **Vice Mayor Moynihan** reiterated his request to have a December 20
40 meeting.

41
42 **Mayor Glass** said he was not available that date and that it was
43 customary to have an opportunity to spend Christmas with family
44 members. He said he missed his summer vacation to participate in City
45 business and was not willing to miss Christmas.

46
47 **Vice Mayor Moynihan** stated that if there was a quorum, Council should
48 follow protocol and canceling meetings would cause projects to be
49 delayed.

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51 **Council Members O'Brien, Torliatt, and Thompson** said they would be out
52 of town.

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Council Member Harris said he was available.

Council Member Healy said he preferred to not have a meeting.

Mayor Glass said there could be a December 20th meeting if Council members wanted it.

MOTION to approve the agenda for the January 3, 2005 meeting.

M/S: O'Brien/Healy

CARRIED BY THE FOLLOWING VOTE:

AYES: Mayor Glass, Harris, Healy, O'Brien, Thompson, Torliatt

NOES: Vice Mayor Moynihan

3. CONSENT CALENDAR

Council Member Harris removed 3D for discussion; **Council Member Torliatt** removed 3B for discussion; **Council Member Healy** removed 3H for discussion.

MOTION to approve items 3A, 3C, 3E, 3F, and 3G (Resolutions 2004-217 N.C.S., 2004-218 N.C.S., 2004-219 N.C.S., 2004-220 N.C.S., and 2004-221 N.C.S.)

M/S: Moynihan/O'Brien

CARRIED UNANIMOUSLY

PUBLIC COMMENT: None.

- A. Resolution 2004-217 N.C.S. Accepting the **Completion of the 2003-2004 Water Service Replacement Project.** (Ban/Nguyen)
- B. Resolution 2004-222 N.C.S. Awarding **Construction Contract for the 2004-2005 Water Main Replacement Project.** (Ban/Nguyen) *This item was removed for discussion.*
- C. Resolution 2004-218 N.C.S. Accepting **Claims and Bills** from October 2004. (Netter)
- D. Resolution 2004-223 N.C.S. Extending the **Abandoned Vehicle Abatement Program Until April 30, 2015.** (Hood/Lyons) *This item was removed for discussion.*
- E. Resolution 2004-219 N.C.S. Authorizing the Police Department to Accept a **Traffic Safety Grant from the California Office of Traffic Safety for a Safe Streets Petaluma Project** in the Amount of \$58,802.00. (Hood/Lyons)
- F. Resolution 2004-220 N.C.S. Authorizing the Police Department to Accept a **Traffic Safety Grant From the California Office of Traffic Safety for a Sobriety Checkpoint Program** in the Amount of \$18,435.00. (Hood/Thomas)

- 1 G. **Resolution 2004-221 N.C.S.** Ratifying the **Agreement for Distribution of Fines**
 2 **and Forfeitures Revenue** Between the County of Sonoma and the City of
 3 Petaluma. (Hood)
 4
 5 H. **Resolution 2004-224 N.C.S.** Certifying the **Results of the November 2, 2004**
 6 **General Municipal Election.** (Petersen) ***This item was removed for***
 7 ***discussion.***
 8
 9 ❖ **Ordinance No. 2198 N.C.S.** An Ordinance of the Voters of the City of
 10 Petaluma Amending Chapter 1.30 of the Petaluma Municipal Code and
 11 Setting Mandatory Limits on Campaign Contributions to City Council and
 12 City Mayor Candidates, Enacting Mandatory Public Disclosure
 13 Regulations, Prescribing Enforcement Mechanisms and Penalties for
 14 Violations.

15
 16 **ITEMS REMOVED FOR DISCUSSION**

- 17
 18 B. **Resolution 2004-222 N.C.S.** Awarding **Construction Contract for the 2004-**
 19 **2005 Water Main Replacement Project.** (Ban/Nguyen)

20
 21 **Council Member Torliatt** requested clarification of point #4 – Financial
 22 impacts regarding the reprioritization of water projects.

23
 24 **Water Resources and Conservation Engineering Manager Dean Eckerson**
 25 explained this involved money that had been budgeted for water main
 26 improvements on East Washington Street being shifted to other water
 27 main improvements. He said the long term plan was to install a 16" water
 28 main from the east to west side of the City and this was a lower priority
 29 than other projects. He said the priority would be to provide additional
 30 water services on Ely Boulevard and fund the proposed project covered
 31 by the resolution. He explained on page 3, Table 4 should be titled "*Water*
 32 *Main Improvements Project.*"

33
 34 **MOTION** to adopt **Resolution 2004-222 N.C.S.**
 35 **CARRIED UNANIMOUSLY**

- 36
 37 D. **Resolution 2004-223 N.C.S.** Extending the **Abandoned Vehicle Abatement**
 38 **Program Until April 30, 2015.** (Hood/Lyons)

39
 40 **Council Member Harris** had a question regarding the money collected
 41 annually and how the monies were divided and if this was a
 42 reimbursement plan.

43
 44 **Police Captain Dave Sears** explained the monies were divided by
 45 population; the larger Cities get more money get back. He said it was not
 46 a reimbursement but a supplementary fund to cover some of the costs
 47 incurred with the vehicle abatement program. He said it did not cover
 48 100% of the actual cost of the program.

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 50 **Council Member Torliatt** asked for wording change on the resolution to
 51 state the City of Petaluma, not Sebastopol.
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MOTION to adopt Resolution 2004-223 N.C.S.

M/S: Harris/Torliatt
CARRIED UNANIMOUSLY

H. **Resolution 2004-224 N.C.S.** Certifying the **Results of the November 2, 2004 General Municipal Election.** (Petersen)

Council Member Healy asked what the effective date of Measure R Campaign Finance item was.

City Attorney Rudnansky said he could not remember the exact wording included in the measure that stated the effective date.

City Clerk Petersen clarified that once the election results are certified, (Council would be doing this by approving this item today), the effective date would be ten days from today.

MOTION to adopt Resolution 2004-224 N.C.S.

M/S: Healy/O'Brien
CARRIED UNANIMOUSLY

❖ **Ordinance No. 2198 N.C.S.** An Ordinance of the Voters of the City of Petaluma Amending Chapter 1.30 of the Petaluma Municipal Code and Setting Mandatory Limits on Campaign Contributions to City Council and City Mayor Candidates, Enacting Mandatory Public Disclosure Regulations, Prescribing Enforcement Mechanisms and Penalties for Violations.

4. UNFINISHED BUSINESS - CITY COUNCIL AND PCDC

A. **Resolution 2004-225 N.C.S.** Resolution Authorizing the City Manager to Appropriate Funds Not to Exceed \$2,500 for Cost of Fiscal Impact Report for **Living Wage Analysis.** (Bierman)

Council Member Healy asked for clarification of the \$2,500 amount.

City Manager Bierman explained this item should be \$2,100 because each supporting Council Member was giving \$700 and the rest would be paid by the Coalition.

Vice Mayor Moynihan said he thought this required an ordinance, not a resolution.

City Attorney Rudnansky stated there was a provision in the appropriations ordinance that allowed the City Manager to transfer funds administratively within a department. He said it also allows Council, by resolution, to transfer funds as well. He said this, plus coupling it with a mid-year budget adjustment, had been interpreted as being in compliance with Charter requirements.

1 **Vice Mayor Moynihan** clarified this would be re-approved at mid-year
2 budget review ordinance. He wanted to be sure that everyone was
3 committed to adopting a living wage ordinance and not waste money
4 on the study.
5

6 **Council Member Healy** responded that he wanted to see what the study
7 said. He clarified that the Manager could disburse the funds. He moved
8 for the approval with the change to state \$2,100.
9

10 **PUBLIC COMMENT**

11
12 **Ben Boyce, Coordinator for Living Wage Coalition (LWC)**, stated that the
13 Coalition wanted to go forward with the study to enable Council to make
14 an informed public policy decision. He explained the process would
15 involve sending a questionnaire to City contractors with a letter from the
16 City Manager. He said the LWC would pay any cost overruns and AFSCME
17 675 would contribute \$500 if necessary. He explained that the study was
18 necessary to see which contractors would be impacted and to what
19 degree. He submitted a copy of another City's study document to the
20 Clerk.
21

22 **Council Member Harris** said he wanted to see the study but public funds
23 should not be spent on this.
24

25 **Vice Mayor Moynihan** stated he didn't see the point of increasing the cost
26 to the community for projects. He stated he did not think this type of
27 public policy was in the community's best interest. He said he would not
28 support this and did not have a very high opinion of those who would.
29

30 **Mayor Glass** stated he thought this was necessary and did not necessarily
31 cost the community more money, and in fact, may save money. He said
32 through the Council's ability to make decisions about public pools of
33 money, it was only right that all have the right to share this pool equitably
34 and he looked forward to seeing the results of study.
35

36 **MOTION** to adopt **Resolution 2004-225 N.C.S.** (as amended to read
37 "\$2,100").
38

39 **M/S:** Healy/O'Brien

40 **CARRIED BY THE FOLLOWING VOTE:**

41 **AYES:** Mayor Glass, Healy, O'Brien, Torliatt

42 **NOES:** Harris, Vice Mayor Moynihan, Thompson
43

44 B. **Resolution 2004-226 N.C.S.** Approving And Authorizing Execution of
45 Professional Services Agreement with the Redwood Empire Insurance
46 Fund (R.E.M.I.F.) for the **Workers Compensation Claims Administration**
47 **Services.** Netter/Blanquie/Robbins
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49 **Ron Blanquie, Risk Manager**, presented the staff report.
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51 **MOTION** to adopt **Resolution 2004-226 N.C.S.**
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M/S: O'Brien/Healy
CARRIED UNANIMOUSLY (Harris absent)

C. Adoption (Second Reading) of **Ordinance 2197 N.C.S.** of the Council of the City of Petaluma Adding Chapter 13.06, **Newsrack Regulations**, to the Petaluma Municipal Code. (Marangella)

Council Member O'Brien stated the last time this was discussed, Council was told the City Attorney had done ten drafts and the cost of this had not been provided. He asked for clarification of the \$3,800 to transition from the old racks to the new, or if this amount was to add a cover to prevent people from placing drinks on top, which he would not support.

Economic Development and Redevelopment Director Paul Marangella explained the \$3,800 was paid by the City to obtain consensus among the twenty news rack vendors to cover the cost to provide a crown on the racks. He said these funds were included in the downtown streetscape improvement budget, so therefore the cost in the ordinance was \$0; the cost of the cap in the streetscape plan was under \$3,800.

Council Member O'Brien asked where the cost of the City Attorney's time was listed.

Director Marangella explained that the drafts involved minor changes at the request of the newspaper vendors and did not involve major hours by the City Attorney.

City Manager Bierman stated that this is not done for other ordinances and wanted to continue.

Councilmember Healy stated this had been a long-term goal of downtown merchants and would be valuable in making downtown more attractive.

Council Member O'Brien said he appreciated this improvement, but wanted to see the costs of any project that comes forward.

MOTION to adopt **Ordinance 2197 N.C.S.**

M/S: Torliatt/Healy
CARRIED BY THE FOLLOWING VOTE:
AYES: Mayor Glass, Healy, Vice Mayor Moynihan, Thompson, Torliatt
NOES: O'Brien
ABSENT: Harris

D. PCDC Resolution Approving the Plans and Specifications Prepared by Pentagram Design and Redevelopment Staff, Approving the Project Budget, Awarding the Contract for the **Petaluma Wayfinding Signs Project No. C200603**. Estimated Maximum Total Project Cost: \$664,500 Funded by Central Business District Fund (3300). (Marangella)

1 **Economic Development and Redevelopment Director Paul Marangella**
2 provided the staff report. He explained this item was rejected last year
3 because only one bid of \$680,000 was presented. He said a vendor had
4 been found offering an installation price of \$302,000. He gave Council a
5 handout that described the signs and their costs and explained the
6 process that led to determining what type of signage would be suitable
7 downtown and how this plan had been approved.
8

9 **Council Member O'Brien** asked if the cost of \$15,031 was per sign or for all
10 four signs. He was told it was per sign.
11

12 **Director Marangella** explained that the arrival signs are very large and
13 require a large foundation. He explained the various signs and that the
14 cost of new poles was high. He stated that he had worked for over a year
15 on this program with all interested parties and the presentation provided
16 an attractive solution to the City's signage needs.
17

18 **Council Member Healy** asked for an explanation of the additional cost
19 over the base bid.
20

21 **Director Marangella** referred to the budget on page 4 and detailed the
22 various costs for Council.
23

24 **Vice Mayor Moynihan** expressed his concern about spending half a
25 million on signs. He said the contingency of \$100,000 indicated costs were
26 not in control.
27

28 **Council Member Thompson** asked if the signs were visible at night and if
29 they could be changed easily. The answer was yes to both concerns.
30

31 **Council Member Torliatt** said she was still having a tough time with the
32 cost of these signs. She said she would make a couple of tweaks to the
33 signage – particular to vehicular signage with the direction to the theater
34 always placed at top of the sign. She wanted signage located as people
35 exit the parking garage to direct them to the highway. She also wanted
36 signage to identify and coordinate the garages. She felt the community
37 needed a signage program but further discussion would be necessary.
38

39 **Council Member O'Brien** said he was also concerned about the cost. He
40 asked if SPARC knew the cost of the signs when they made their decision.
41

42 **Director Marangella** answered no. He explained this was a competitive
43 bid and portions could be deleted if Council directed but there was
44 urgency because they wanted to complete the signage before the
45 streetscape was completed.
46

47 **Council Member O'Brien** asked if costs could be reduced by using fewer
48 colors. He suggested contacting the high school metal shop to
49 manufacture; and if aluminum could be used in place of stainless.
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51 **Director Marangella** thought the manufacture of these signs was well
52 beyond the skill level of high school students.

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Mayor Glass asked what the process would be to separate this and focus on the downtown to have everything in place for traffic flow.

Director Marangella answered that the bid could be awarded with the deletion of the large signs at the freeway.

Council Member Thompson said he was willing to move forward. He said this was the second discussion and the bid was lower; he didn't want to redesign it.

MOTION to approve the resolution.

M/S: Thompson/Healy

Mayor Glass clarified the motion. He asked if Council was to move what staff presented with the direction to reduce the costs or to use **Director Marangella's** suggestion to remove entry signs.

Council Member Thompson stated he did not want to remove the entry signs but he wanted staff to reduce costs, specifically the contingency and administration costs. He also wanted more information about the general fund overhead amount.

City Attorney Rudnansky said he thought the suggestion to move forward and let staff do value engineering appropriate but not before the award, since this was a competitive bid process.

Mayor Glass stated the motion directed staff to do value engineering where possible.

Council Member Harris said it was common sense to direct people around town, but the price was too high and he didn't support this.

Council Member Torliatt said she couldn't support the motion. She said it needed refining because the costs of some signs were extremely high. She said she wanted to support a signage program downtown but the costs associated with it were not acceptable.

Council Member O'Brien said he couldn't support at this time because of the costs and the specifications for materials, particularly the stainless steel. He stated he was concerned with liability placed on the General Fund if the signs were defaced or damaged.

Council Member Healy said that this issue had been discussed for many years without coming to closure on it. He stated that if Council didn't approve this, he didn't think there would ever be a signage program. He said he felt the direction to staff was not specific enough and sending it back to be redesigned and reviewed would obliterate any costs savings. He said he too was concerned with costs, (\$50,000 had been spent on design and consultant costs so far) and felt this was the "one shot at it."

1 **Council Member Torliatt** disagreed with the timeliness since the projects
2 that the signage would indicate hadn't been completed. She felt due to
3 the highly visible nature of this project, the Council had to be very
4 comfortable with the approval of this.

5
6 **Vice Mayor Moynihan** supported a vote on this item and made a **MOTION**
7 to reject this item.

8
9 **Council Member Torliatt** did not want to reject but wanted more time to
10 look at this in detail with staff.

11
12 **Mayor Glass concluded the item would come back, presumably on**
13 **January 3, 2005.**

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15 **5. NEW BUSINESS**

- 16
17 A. **Resolution 2004-227 N.C.S.** Approving **Purchase of Granicus Media**
18 **Management Software** to Provide Internet Access and Search Ability of
19 City Documents and to Facilitate Video Streaming of City Council
20 Meetings. (Petersen)

21
22 **City Clerk Gayle Petersen** introduced Tom Spengler, CEO of Granicus and
23 presented the report to Council. A demonstration of the program's
24 capabilities was provided to Council.

25
26 **Council Member Torliatt** asked how the video was taken.

27
28 **City Clerk Petersen** explained it was done same way it was done
29 currently. She said the City would purchase software that would allow
30 uploading to the Granicus system so no additional video capability would
31 be needed. She pointed out that the Council Chamber's computer,
32 which is fairly old, can run it, and the access to the general public would
33 be very good. She said that with the cost savings in the hours spent
34 transcribing and getting information for citizens, a kiosk could be installed
35 in City Hall for citizens to use for research and look up items.

36
37 **Council Member Torliatt** asked if a citizen without a computer could come
38 to City Hall and print information and what the charge would be.

39
40 **City Clerk Petersen** replied that citizens could print at City Hall and also
41 the library. She said even if they only jotted down the date of a meeting,
42 the Clerk's office could provide the information.

43
44 **Council Member Torliatt** said this made it very important to have PCA
45 videotape meetings.

46
47 **City Clerk Petersen** explained that even if PCA was not available, having
48 stationary cameras would be workable for City staff.

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50 **Council Member Torliatt** said her perception that these were two different
51 services with PCA providing live TV and the Granicus would be a way to
52 do research.

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City Clerk Petersen explained that this would make it possible for people to keep in touch if they don't have cable or access to the public channels. She said this would be uploaded in the middle of the night so people would have access by 5:00 a.m. the next morning. She said annotated minutes would be uploaded with it.

Vice Mayor Moynihan asked if it was possible to download video stream and rebroadcast in a different format.

Tom Spengler, CEO, Granicus said that staff can download but not via the Internet since it uses streaming, not downloading. He said his company works with forty cities and had never had anyone show up with a downloaded copy from the web.

Vice Mayor Moynihan asked about the indication of "Budget - N/A."

City Clerk Petersen said that this was not a funded program and the salary savings in the Clerk's Office would offset the costs.

City Manager Bierman said this was an operating cost and the savings would be offset in staff time.

MOTION to adopt Resolution 2004-227 N.C.S.

M/S: Torliatt/O'Brien
CARRIED UNANIMOUSLY

B. **Presentation and Discussion of Draft Sonoma County General Plan Transportation and Circulation Element.** (Greg Carr, GP Manager, Sonoma County)

Sonoma County Supervisor Mike Kerns gave a brief presentation of the County's Draft General Plan with Jennifer Barrett, Scott Briggs, and Greg Carr. He said they began this process in March 2001 with the formation of a citizen advisory committee. He mentioned Rohnert Park's General Plan update involved a working group of elected officials and the discussions during these meetings brought a realization of regional impacts of development and the need to mitigate these. He suggested forming a group of County staff with elected officials to discuss the City's General Plan process. The rest of the County group gave their presentations.

Council Member Healy asked about the regional impact fee for transportation, and, if pursued, how would this proceed.

Greg Carr, Sonoma County Permit and Resource Management, said he wasn't sure how it would come about; he thought probably through SCTA. He said if the whole County doesn't work together, smaller regions could participate in needed improvements. He felt there would have to be general agreement about what improvements in the system should be shared by everyone.

1 **Council Member Healy** mentioned his concerns about widening Stony
2 Point; widening Lakeville Highway to four lanes out to Highway 37; and
3 more creative Penngrove solutions.
4

5 **Supervisor Kerns** said that Caltrans had indicated it wanted a full
6 interchange that would involve taking private property and did not
7 support a partial interchange. He mentioned supporting widening the
8 bridge at Railroad Avenue for an additional on-ramp.
9

10 **Council Member Torliatt** asked about the modeling and if it included the
11 existing urban growth boundaries for each city and the potential casino in
12 Rohnert Park. She pointed out that the modeling showed an "F minus"
13 rating with the existing urban growth boundaries and she hoped this
14 would result in a focus on infill development. She wanted language to
15 indicate the need to work with Marin County to potentially consolidate
16 transit systems.
17

18 **County Staff** said several scenarios were done and some did include the
19 casino. He said the modeling did include the various cities' urban growth
20 boundaries.
21

22 **Vice Mayor Moynihan** referred to the voter "mandate" for Rainier in the
23 last election and the support for Measure "M." He wanted the Citizens
24 Advisory Committee to make Rainier a priority project. He was concerned
25 about the regional rail system that would impact local circulation with its
26 nine at-grade crossings. He wanted a study of this impact and mentioned
27 the heavy subsidies required for rail. He wanted to control expenditures
28 and modify how operations were carried out. He also mentioned street
29 maintenance at the County and City levels had not been meeting the
30 infrastructure needs and he wanted a Countywide program to address
31 this.
32

33 PUBLIC COMMENT 34

35 **Bill Paxton, Petaluma**, said he attended every transportation and
36 circulation meeting the County held. He said this process had brought a
37 new direction for solving transportation problems. He emphasized the
38 regional need aspect for the whole General Plan process with the County
39 and cities working together.
40

41 6. PUBLIC HEARING 42

- 43 A. Public Hearing Concerning Levy of Assessment Proposed for the
44 **Downtown Petaluma Business Improvement District** for Fiscal Year 2005.
45 (Marangella)
46

47 **Council Member Healy** recused himself - his business is within the
48 boundaries of the district.
49

50 **Director of Economic Development and Redevelopment Paul Marangella**
51 presented the annual report for review and approval to designate the
52 annual assessment. He introduced members of the Petaluma Downtown

1 Association: JoAnn Pozzi, Jeff Mayne, Marie McCusker, Gayle Valentini
2 and Jane Jernigan. He presented the protest letter from Mike's Glass.
3

4 **JoAnn Pozzi, Petaluma, CPA, Vice President of Petaluma Downtown**
5 **Association**, referred to the budget request and attachments with the
6 definitions that Council had requested. She also indicated a business plan
7 for Council's review as well as other pertinent information. She indicated
8 from collection detail provided by Jim Balshaw that 404 of the 778
9 businesses billed had paid a total of \$48,500. Of the 374 that had not paid,
10 174 were exempt or left the district. The 200 remaining owed
11 approximately \$27,500 which would be corrected to \$23,900. She said their
12 efforts to improve the collection rate had resulted in a 50% increase and a
13 collection rate of 67% for the businesses in the BID.
14

15 **Gayle Valentini** read from a statement prepared by Jim Balshaw.
16

17 *Council Members, my apologies for not being able to present*
18 *this information personally, but I have had to take my wife to*
19 *the doctor. Since the mid-year meeting at which the Council*
20 *challenged the PDA to turn around the BID to make an*
21 *effective program, we have pursued every tactic we could*
22 *and I believe we have made a great difference in the*
23 *effectiveness of collecting assessments in 2004 with an even*
24 *brighter outlook for 2005. We have made great improvements*
25 *to the database. We have updated, added, removed, or*
26 *marked as exempt hundreds of businesses to get what I*
27 *believe is now a very accurate database on which to base the*
28 *BID assessment. To correct the database, we have processed*
29 *all of the returned mail to get current addresses; taken and*
30 *returned hundreds of phone calls to correct zone, business*
31 *type, employee count, and to inform the public of the BID*
32 *uses; obtained lists of tenants from major landlords to add new*
33 *records; merged the database with an extract from the City's*
34 *business license records to identify new businesses and*
35 *combined the data to prepare it for easy inclusion on the*
36 *business licenses in the future; created automated and*
37 *manual processes to confirm and correct zones which had*
38 *some major problems; and automated the calculation of each*
39 *assessment to end the manual process of the past.*

40
41 *In addition to all of this, you probably already know that we*
42 *worked with the Finance Department to come up with a*
43 *written set of policies on how to answer questions, took all of*
44 *the customer service calls, created PR pieces to inform the*
45 *community, and defined the policy for the second billing*
46 *penalties and final collections. With our accomplishments to*
47 *date, we have increased payments received by 50% over the*
48 *best prior year, achieving a 67% payment rate so far. The*
49 *collection effort will be the final part of 2004's efforts which will*
50 *further increase the available funds and help the 2005 effort by*
51 *finally getting through to people that this is a City assessment,*
52 *not a voluntary contribution.*

1
2 This new perspective and improved process should see even
3 greater benefit in 2005. This program was a good idea from the
4 start and now finally has the funding to live up to its potential.
5 Thank you for your time and consideration, Jim Balshaw, PDA
6 Board Member and owner of Preferred Sonoma Caterers.
7

8 **PUBLIC COMMENT**
9

10 **Ruth Gerke, Mike's Glass, Petaluma**, spoke regarding the draft PDA
11 distributed in 2000, stating not all businesses received it. She read from
12 page 4 - "if the district is supported by a majority of businesses..." then
13 later stated 51% -- this created a contradiction within the same statement.
14 She wanted to know how much was collected AFTER a threat of
15 collection. She said that to her the PDA BID district is supporting a 4 to 6
16 block radius and the security did not extend beyond this core area. She
17 said the core area should run their own fund raisers - and not make
18 everyone else pay for what is benefiting a small area. She suggested
19 ballots, not petitions, needed to be sent out to preserve anonymity
20 because some businesses are intimidated by their PDA clients or landlords.
21

22 **Tom Maunder, Petaluma**, stated he had been involved in the BID from the
23 beginning. He referred to the meeting of October 16, 2000 and the
24 promises made by PDA. He said he was convinced the Council was
25 hoodwinked and promises made had not been kept. He mentioned the
26 letters threatening collection if the BID is not paid. He played an excerpt
27 from the meeting of 2000 indicating that people would pay voluntarily
28 and collection would probably not be pursued.
29

30 **Claudia Phelps, Ascetic Approach**, said she anticipated having a paper
31 vote and was not sure how many businesses supported BID. She said she
32 was interested in solutions and there was an overlap between BID and
33 PDA and the Keller Street Garage assessment needing funding. She felt
34 that there were resources to keep the City secure, clean, and provide
35 promotion to save money to use for the PDA. She commented on the
36 signage item and suggested using resources suggesting a contest.
37

38 **Council Member Torliatt** asked for clarification that the money received
39 for the BID goes to PDA to decide how to spend.
40

41 **Director Marangella** answered that the money is collected by the City
42 and the PDA acts as the Board of Directors for the BID - the City keeps
43 none of the funds.
44

45 **Pam Ballestrazze, Petaluma Pet Groomer**, suggested a ballot vote. She has
46 customers and uses businesses that are on the PDA and felt awkward
47 without anonymity. She felt that other business owners felt the same way.
48

49 **Council Member O'Brien** requested clarification if the merchants wanted
50 to continue the BID.
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City Attorney Rudnansky explained that the State statute indicated that once the notice of intention is sent out – if there is a 50% protest it would go no further. There was no indication for an affirmative ballot but rather a protest ballot.

Council Member O'Brien referred to page 7 "*voluntary contributions to the district. . .*" and asked, if these are voluntary, how business owners could be sent to collection agencies and forced to pay.

Director Marangella explained that this section referred to people who are outside the district and could choose to contribute, but would not be required to continue.

City Attorney Rudnansky said there was a mention of boundary later on in the section to which Council Member O'Brien was referring.

Council Member O'Brien said he understood that the boundary "*shall not be modified as a result of contribution.*"

Director Marangella explained his interpretation was that if a business was outside the district and contributed to the district, that business could not be gerrymandered into the district.

Council Member Torliatt clarified that the original businesses were notified and this was not done on an annual basis.

City Attorney Rudnansky said this was done at the time of initial formation and this time as well.

Director Marangella explained that under the statute, when the district was created there was a noticing process. He said once it's formed, there was an annual process and if it's protested by 50% plus one, the process stops.

Council Member Torliatt asked when this occurred and what the deadline for the protest was.

Director Marangella said this hearing was the deadline for the protest. He said it was noticed in the newspaper twice after the last meeting on November 15, 2004.

Vice Mayor Moynihan asked if anything prevented a polling to determine if business owners supported the current structure and payment levels.

City Attorney Rudnansky said this could be done but to disestablish the BID there was an ordinance process to follow.

Vice Mayor Moynihan said the issue was if there was support behind this whole approach and if it needed to be reaffirmed.

City Attorney Rudnansky said state law required a protest vote in order to not move forward with the assessment. He suggested that if polling the

1 businesses was desired, this could be done. He said in terms of the original
2 formation, the resolution of intention established a 50% protest vote of the
3 owners who pay 50% of the totals was necessary to stop the proceedings.
4

5 **Vice Mayor Moynihan** said he had supported this in the past. He felt the
6 concept should be what the businesses pay for and what is fair. He felt
7 the City was responsible for maintenance of the streets and security. He
8 said the City seems to be shirking its responsibilities by asking businesses to
9 pay for these.

10
11 **Council Member Thompson** asked how often the PDA board met and if it
12 was a public meeting. He clarified that PDA sends a newsletter and felt it
13 was best to take direction from the PDA as to how the money should be
14 spent. He clarified that the Council would be voting on the BID and go
15 forward in the light that collection had been improved and this had
16 angered people.

17
18 **Ms. Pozzi** replied PDA meets twice a month and yes it is a public meeting.

19
20 **Council Member O'Brien** asked for a change to the resolution's second
21 "Whereas" from "...may be funded" to "...shall be funded."

22
23 **Ms. Pozzi** said they could not fund all the items on the list.

24
25 **Council Member O'Brien** said he would not support this item and he
26 thought a ballot was necessary.

27
28 **City Attorney Rudnansky** said if there was an issue amid business owners
29 that they didn't want this, there was a provision in the ordinance to
30 disband the BID with a petition by 50% of the owners who pay 50% of the
31 total assessment and the Council would consider the petition.

32
33 **Vice Mayor Moynihan** asked Joann if the PDA could poll business owners.

34
35 **Ms. Pozzi** said this would be difficult and pointed to the major
36 improvements to the process. She promised they would create an
37 opportunity for feedback from the members.

38
39 **Council Member Harris** asked if the "may" is changed to "shall" and the
40 percentages stay the same, would this resolve the issue.

41
42 **Mayor Glass** said the percentages were derived from the total.

43
44 **Council Member Torlight** wanted to discuss whether the collection was
45 voluntary or enforced.

46
47 **Ms. Pozzi** clarified that the original ordinance had the authority to enforce.
48 She said the board of directors at the time did not foresee that this would
49 become an issue.

50
51 **MOTION** to adopt Resolution 2004-228 N.C.S.
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M/S: Thompson/Glass
CARRIED BY THE FOLLOWING VOTE:
AYES: Thompson, Glass, Torliatt, Harris, Moynihan
NOES: O'Brien
RECUSED: Healy

B. **Resolution 2004-229 N.C.S.** Authorizing the Issuance of a **Certificate of Public Convenience and Necessity to Mark Neese Authorizing the Operation of George's Taxi/Yellow Cab**, an Eight-Cab Taxi Service Inside Petaluma City Limits. (Fish)

MOTION to adopt **Resolution 2004-229 N.C.S.**

M/S: O'Brien/Torliatt
CARRIED UNANIMOUSLY

**ADJOURN TO: ANNUAL MEETING OF THE
PETALUMA PUBLIC FINANCING CORPORATION**

7. NEW BUSINESS

A. Annual Meeting of the Petaluma Public Financing Corporation

Finance Director Netter introduced the report and explained the information provided.

- Approval of **Minutes of October 27, 2003 and January 5, 2004.**
- **Status Report** on Activity for Year 2004.

MOTION to approve the minutes and status report.

M/S: O'Brien/Harris
CARRIED UNANIMOUSLY

ADJOURN TO CITY COUNCIL CLOSED SESSION

PUBLIC COMMENT – None.

CLOSED SESSION

- **PUBLIC EMPLOYEE APPOINTMENT:** Pursuant to Government Code §54957: City Clerk.
- **PUBLIC EMPLOYEE PERFORMANCE EVALUATION:** Pursuant to Government Code §54957(e): City Manager.
- **CONFERENCE WITH LABOR NEGOTIATOR:** Government Code §54957.6. Agency Negotiator: Michael Bierman/ Unrepresented Employees – Unit 8.
- **CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION** (Government Code §54956.9) Bramblett vs. Petaluma. (Sonoma County Superior Court Case # MCV 174982)
- **CONFERENCE WITH REAL PROPERTY NEGOTIATOR** (Government Code §54956.8)
Property: 138 Lakeville Street (APN 007-072-031)
Negotiating parties: Mike Bierman (City), George and Judy Weiner, trustees of the Weiner trust (Property owners) Under negotiation: price, terms of payment, or both
Property: 365 East Washington Street (APN 007-072-041)

Negotiating parties: Mike Bierman (City), Robert Zukin, J.R. Zukin Corporation (Property owner)
Under negotiation: price, terms of payment, or both

- **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:** Significant Exposure to Litigation Pursuant to Subdivision (b) of §54956.9: Potential Cases: 1

MONDAY, DECEMBER 6, 2004 – EVENING SESSION

CALL TO ORDER – 7:00 p.m.

A. Roll Call

Present: Mayor Glass, Harris, Healy, Vice Mayor Moynihan, O'Brien, Thompson, Torliatt

Absent: None

B. Pledge of Allegiance – Council Member Thompson

C. Moment of Silence

REPORT OUT OF CLOSED SESSION ACTIONS TAKEN – None.

RECOGNITION OF OUTGOING CITY COUNCIL MEMBERS

Outgoing **Council Members Moynihan** and **Thompson** were honored. A certificate of appreciation was presented to **Council Member Clark Thompson** and gift.

A certificate of appreciation, plaque, and gift were presented to **Vice Mayor Bryant Moynihan**.

Council Member Canevaro thanked **Council Member Clark Thompson** for taking his place, and presented him with a gift.

PUBLIC COMMENT – None.

COUNCIL COMMENT

Council Member Harris stated he was unable to be at November 15 meeting and wanted to know what the next steps would be regarding Rainier.

Council Member O'Brien thanked **Vice Mayor Moynihan** and **Council Member Thompson** for their service to City. He referred to the letter from Ed DeCarli of Best Western regarding the Sonoma County Tourism Board appointment asking that his manager be appointed to the board. He said he supported this appointment.

Council Member Healy said to **Vice Mayor Moynihan** that it had been an interesting four years. He thanked **Council Member Thompson** for filling in so ably.

Council Member Torliatt thanked **Vice Mayor Moynihan** and **Council Member Thompson** for their dedicated service on the Council.

Vice Mayor Moynihan thanked everyone for their kindness. He said the last four years had been a learning experience. He mentioned the petition results on Citizens for Safe

1 Streets. He said this showed people in the community really believed that the City
2 needed to get on top of the street problem. He once again said it was far cheaper to
3 maintain than make costly repairs. He stated he hoped the City would meet this
4 challenge. He wished **Council Member Elect Karen Nau** good luck and welcomed
5 **Council Member Keith Canevaro** back.

6
7 **CITY MANAGER COMMENT** – None.

8
9 **8. PUBLIC HEARINGS**

- 10
11 A. **Resolution 2004-230 N.C.S.** Upholding an **Appeal by Lon and Peggy Wiley**
12 of the Decision by the Planning Commission to Uphold in Part and Deny in
13 Part an Appeal of a Decision by the Community Development Director
14 and City Engineer to Administratively Approve a **Tentative Parcel Map for**
15 **Property Located at 3 Ricci Court.** (Robbe/Moore)

16
17 **Council Member O'Brien** stated there had been an allegation that he had
18 a conflict because his brother lives next door to the Wileys. He said he had
19 no financial interest in his brother's property, and according to FPPC he
20 had no conflict. He said to avoid any inference of impropriety, he would
21 recuse himself from this issue. **Council Member O'Brien left the dais.**

22
23 **Planner Tiffany Robbe** presented the staff report, which requested further
24 modification to the tree preservation conditions. Staff recommended
25 upholding the Planning Commission's decision and denying the appeal.

26
27 **Council Member Torliatt** and **Mayor Glass** indicated they had both visited
28 the site individually and had talked with the Wileys.

29
30 **Peggy Wiley, Petaluma,** stated that she and her husband had been
31 targeted by lies and innuendos. She spoke about the personal impacts
32 the process had on them. She said they had made it known when they
33 moved in they intended to subdivide the property and build another
34 home. She mentioned that the Blues moved into the neighborhood after
35 they did and when they found out they were subdividing the property
36 they began a campaign of slander against them to stop the subdivision.
37 She mentioned bureaucratic problems with the Planning Department as
38 well and hoped that procedures would be changed to prevent problems
39 for future citizens.

40
41 **Lon Wiley, Petaluma,** presented the appeal, giving the history of their
42 purchase of the property and how they began the process of subdividing.
43 He explained the improvements the subdivision would provide and the
44 preservation of oaks they planned. He said the last item of controversy
45 was tree T-8, which, in its preservation, would force their front porch to be
46 almost 100 feet from the front of the lot creating a very small backyard.
47 He said his research showed that most other subdivisions removed more
48 trees than what they planned and many homes were built within the tree
49 drip-lines.

50

1 **John Meserve**, consulting arborist, said he had looked at the site a
2 number of times and that all the trees were in place and looked fine. He said
3 he would answer questions.
4

5 **Vice Mayor Moynihan** asked the arborist to explain to Council about Tree
6 T-8.
7

8 **Mr. Meserve** said the tree was in good health. He stated it was an
9 aesthetic issue as the tree was a bit of a "Dr. Seuss tree" – one sided and
10 causing crowding of the other trees. He stated it would benefit the other
11 trees if it were removed.
12

13 **Vice Mayor Moynihan** if any mitigation had been proposed and was
14 advised that the tree would be replaced with three, 24" boxes.
15

16 **Mayor Glass** asked to hear from neighbors. He stated he understood this
17 was an emotional issue, but asked for the demeanor to be pleasant.
18

19 **Linda Blue, Petaluma**, explained that she stood behind everything she said
20 as being entirely true and felt that she had been personally attacked. She
21 said the Wileys were given a buildable area without degrading the
22 neighborhood. She said the Wileys were not disclosing why they wanted to
23 remove tree T-8 which, if it remained, would hinder their plan for a
24 detached three-car garage that the neighbors found objectionable. She
25 said that she and the neighbors feel that everything possible should be
26 done to save the oak trees and the Wileys should feel obligated to protect
27 the trees. She said the floor plan of her home had suffered to allow
28 preservation of the trees on her lot. She said their view would be affected
29 by the Wileys development.
30

31 **Forest Blue, Petaluma**, said they moved to the neighborhood because of
32 the trees. He did not support removing any trees to build a structure and
33 they could be built without cutting down the trees.
34

35 **Ken Bonning, Petaluma**, stated that the reason they moved to this
36 neighborhood was because of the trees. He said their house is set back
37 from the street with a small backyard in order to preserve the beauty of
38 the oaks. He supported the Planning Commission's decision.
39

40 **Sue Burnett, Petaluma**, wanted to clarify the tree trimming that took place
41 on her property. She said the trees were actually on the Wileys' property
42 but were leaning into her property. She had Sonoma County Tree Experts
43 thin the portions that hung over her property.
44

45 **Lon Wiley** added that all the things his wife stated in the letter were part of
46 the public record.
47

48 **Vice Mayor Moynihan** asked about the tree replanting requirements and
49 mitigations.
50

51 **Lon Wiley** answered that as he remembered, they had offered 3:1 in 24"
52 boxes.

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Vice Mayor Moynihan asked if this was one of the conditions that remained that was not part of the appeal.

Mayor Glass explained the only item was the removal of tree T-8 and the construction in the drip line of two of the oaks.

Vice Mayor Moynihan clarified that hand trenching for the utilities and 6" +/- under the preserved trees was also part of the issue. He asked if the Wileys were offering to replace tree T-8 with a 24 inch box – Mr. Wiley said they would mitigate tree T-8 as required and replace the other trees with a five-gallon variety.

Council Member Harris asked if the Wileys were willing to mitigate the other recommendations regarding hand trenching, the drip line and construction hours. Mr. Wiley said he understood the conditions and as far as hours, he could do interior work until the appropriate construction hours.

Council Member Healy asked about the Fire Marshal's requirement to have no parking on one side of Ricci Court.

Planner Robbe explained the court was too narrow to allow parking in front of the Blues' home. The condition required that a sign be placed to state no parking on either side of the street.

Council Member Healy asked why a sign had not been required up till now.

Planner Robbe stated she could not address this.

Council Member Healy said this had worked up till now and didn't understand why the Blues' couldn't park in front of their home. He was advised the Fire Marshal would not allow parking within their 20' right-of-way.

Mayor Glass clarified that the Wileys wanted to remove T-8 to move the house forward and the substitute tree would be a tree for the front yard.

Mr. Wiley said that SPARC would make suggestions as to where to plant the trees.

Mayor Glass wanted assurance that the envelope would be limited to prevent expansion of the house beyond what the neighbors expected.

Mr. Wiley said yes, and pointed to the maps showing with the removal of T-8 he could expand the building envelope.

Vice Mayor Moynihan asked for clarification of why the Planning Commission was compelled to save tree T-8. He commented that the lot was very large even with the setbacks.

Council Member Harris said he had asked the same question.

1
2 **Council Member Torliatt** stated the question was "why get rid of it?"
3

4 **Mr. Wiley** said he did not plan to build a 4,500 SF home.
5

6 **Planner Robbe** clarified the building envelope was 4,500 SF with the
7 deduction of the three-car garage. She stated that because it was a
8 tentative parcel map none of the details of construction were required or
9 provided. She said they would be required to build within the stated
10 building envelope. She said the house proposed would not be reviewed
11 by SPARC; the lot was R-6500 with straight zoning; and they could build
12 whatever they chose. She said the garage was proposed but the area
13 was eliminated because of the preservation of T-4 & T-8 and therefore not
14 included in the building envelope. She said what was approved was the
15 area under T-4 and T-8 so the garage would not be located in this area
16 but a part of a structure could be located under those drip lines.
17

18 **Council Member Healy** said he also visited the site and thought it would
19 be a better project with T-8 removed with appropriate mitigations. He said
20 he would be prepared to uphold appeal in most respects if it was
21 conditioned on SPARC reviewing the actual house to be constructed so
22 the neighborhood would be assured of a sensitive design. He proposed to
23 uphold the appeal with the removal of T-8; the allowance of construction
24 within T-6 and T-9; the hand trenching for utilities; and he would not uphold
25 the appeal with respect to hours of construction. He was still perplexed by
26 the mystery parking issue and wanted staff to see if the vehicle trip count
27 would allow the no parking to be on the far side of the street only so the
28 Blues and other neighbors could park in front of their homes.
29

30 **Mr. Wiley** stated he was not appealing hours of construction - he
31 understood he could do quiet things like painting, etc.
32

33 **Council Member Torliatt** had a question about the T6 and T9 drip line
34 building issue.
35

36 **Arborist Meserve** explained about construction in drip lines and he didn't
37 expect a significant impact to the trees.
38

39 **Council Member Torliatt** said she would like at least 3:1 ratio for tree
40 replacement and this direction would be provided to SPARC with the
41 opportunity for neighbors to comment.
42

43 **MOTION** to approve Resolution 2004-230-N.C.S.
44

45 **M/S:** Healy/Thompson

46 **AYES:** Harris, Healy, Vice Mayor Moynihan, Thompson, Torliatt

47 **NOES:** Mayor Glass

48 **ABSTAIN:** O'Brien
49

50 **Mayor Glass** explained his vote. He said with the unanimous approval of
51 the Planning Commission and staff recommendation, he felt it was difficult
52 to override their decisions.

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B. **Resolution 2004-231 N.C.S.** Establishing a **Rule 20B Underground Utility District** in the Vicinity of "D" Street Between First Street and Fourth Street, and First Street Between "D" and "F" Street. ("D" Street Underground Utility District). (Marangella)

Economic Development and Redevelopment Director Paul Marangella presented the staff report and explained the process as part of the Theater District construction requirements.

PUBLIC COMMENT

Michael Lidwalk asked what the assessment per property would be.

Director Marangella answered that the amount spread across all parcels is approximately \$375,000 for the assessment district.

COUNCIL COMMENT

Council Member Torliatt also asked about the assessment and where the money would come from.

Director Marangella answered that there were two issues. One is the formation of Rule 20-B Underground Utility District, which does not indicate how the district would be paid for, it is only a mechanism to tell PG&E how it will be formed. The second part would involve coming before Council to form an assessment district and when the Council would consider the feasibility of forming the special tax district.

Council Member Torliatt asked if there was one property owner who had a majority of the district. She stated Council was creating an assessment district that would give one property owner the majority vote and she would vote against this.

Director Marangella said he did not know in terms of the square footage and referred to the map that showed Basin Street with the largest burden. He answered that by looking at the map it would appear Basin Street had the majority.

Council Member Moynihan asked why the area was reduced to ending at "F" Street and why other developments were not part of the redevelopment area. He asked how the redevelopment funds would be recovered in the future and he was concerned about the expenditure of PCDC funds.

Director Marangella replied the issue was that the district could be expanded at a later time but PG&E wanted specific projects approved and ready to be built. He said the assessment district that was to be formed would also be added to the area and the funds had been earmarked under the Owner Participation Agreements with any costs to expand the district to be additional. He said he had talked to all but two

1 of the property owners and they were "okay" with the formation of the
2 underground utility district.

3
4 **Council Member Healy** said in his discussion with utility representatives,
5 there were no "economies of scale" since the cost is based on a fixed
6 dollar amount per foot of undergrounding done.

7
8 **Council Member Torliatt** said she supported the undergrounding but was
9 concerned about the property owners that were underrepresented and
10 who did not know how much it would cost. She said she would not vote
11 for this.

12
13 **MOTION** to approve **Resolution 2004-231 N.C.S.**

14 **M/S:** Healy/Thompson

15 **CARRIED BY THE FOLLOWING VOTE:**

16 **AYES:** Mayor Glass, Harris, Healy, Vice Mayor Moynihan, O'Brien,
17 Thompson

18 **NOES:** Torliatt

- 19
20 C. **River Oaks/Petaluma Factory Outlet Village:** Location: 2200 Petaluma
21 Boulevard North. [APNs 048-080-039, 007-401-043, 007-401-044 (Parcel A);
22 007-391-009 (Parcel B); 048-080-038 (Parcel C); 048-080-033,007-391-035
23 (Abandoned Railroad right-of way)]. Project File No. REZ02001.

24
25 Consideration of an Application by Chelsea Property Group to Amend
26 the **River Oaks/Petaluma Factory Outlet Village Master Plan** to Allow
27 Development of Parcels B and C as Proposed in the Petaluma Village
28 Marketplace Planned Community District General Development Plan,
29 including 163,000 Square Feet of Retail and 775 Parking Spaces on Parcel
30 B and up to 81,000 Square Feet of Retail and 445 Parking Spaces on
31 Parcel C. The Environmental Impact Report for this project was certified by
32 the City Council on September 13, 2004. (Moore)

33
34 **Planner Betsi Lewitter** presented the staff report and gave a history of the
35 development starting from 1991, when the 72-plus acre sight was zoned
36 into a Planned Community District (PCD) to allow development of the
37 Petaluma Factory Outlet Village. She explained the different parcels and
38 the master plan that was included in the original approval were designed
39 to meet the General Plan designation of Special Commercial. She
40 explained the present plan to develop Parcels "B" and "C" and the
41 general development plan for those parcels including a subsequent EIR
42 that was approved in September 2004. She explained the modification to
43 the Master Plan that Chelsea proposed.

44
45 **Matt Connolly, Chelsea Properties** spoke that after talking to City officials
46 and receiving input regarding Parcel C and the additional design work
47 they felt was needed for this parcel. He said Chelsea requested that
48 Council direct the City Manager to meet with Chelsea regarding the
49 redesign of Parcel C and report to Council on the progress and plans. He
50 said Chelsea understands any redesign would require a public review and
51 evaluation before Council would conduct hearings. He said they also
52 understood that no guarantees were given regarding the plans in

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meeting with the City Manager. He said it would not be productive to continue with the project with the current design for Parcel C.

Mayor Glass asked if Chelsea was asking that Parcels "B" and "C" would come back with new designs and put the hearing in abeyance until the Council could review and go back to the City Manager for further negotiations. The answer was yes.

Council Member Torliatt asked which City officials and others had Chelsea spoken with.

Fred Etzel, Chelsea Counsel, explained that in speaking with staff and from comments during the City Council meeting when the EIR was certified it became apparent that a vote on the project would not be favorable and Chelsea should go back and re-think the project. He said this process had worked well when the Planning Commission directed Chelsea to meet with the City Manager to work-out other details resulting in a favorable vote at that level. He said he understood there were no guarantees and the project would have to come back to Council for review.

PUBLIC HEARING

David Keller, Petaluma, (speaking for the Petaluma River Council, with **Matti Christensen, Petaluma**, and **Wayne Morgenthal, Petaluma**, ceding their time), said he appreciated Chelsea's willingness to revisit the project and Council would also have to revisit the EIR since Chelsea did not have a stable and definable project and the CEQA was not adequate or legally complete. He said there no demonstrable public benefit that would allow Council to pass the overriding considerations.

Connie Madden, Petaluma, said the Chelsea expansion would be additional retail, not an outlet mall. She said that people were concerned about things changing so fast and the huge traffic impact from what has already been approved. She asked if more retail was really necessary with the redevelopment of Central Petaluma and why would expansion be done in the area that the Retail Leakage Study showed as least desirable.

Rick Parmer, Petaluma, said he wanted to go on record as opposing the outlet mall expansion. He talked about the cumulative impact to impermeable surfaces, about flood plain management capacity, and traffic impacts.

Barry Bussewitz, Petaluma, said there were better places for a project than in the flood plain with traffic impacts and undermining redevelopment downtown. He saw big boxes on the City's riverside.

Paul Johnson, Petaluma, repeated the salient points regarding big box development, economic impacts, and building in the flood plain. He explained his experience in New Jersey where the city built in the flood plain and new homes flooded as a result.

1 **Ellen Bickler, Petaluma**, said she was making an emotional appeal based
2 on ancient oaks, prime riparian property, and endangered species in the
3 area. She mentioned the Retail Leakage Study, traffic, low wages, and
4 flooding would result from this development and she wanted a
5 community impact report.
6

7 **John Cheney, Petaluma**, said if City planners make changes without
8 approvals there would be more flooding problems.
9

10 **Murray Rockowitz, Petaluma**, said many good arguments had been
11 made about building in the floodway, riparian habitat, and traffic
12 congestion. He said the CPSP would bring retail and only so much can be
13 supported; he wanted the Council to consider this. He mentioned
14 Petaluma's uniqueness and character.
15

16 **Michael Litwalk, Petaluma**, stated he was opposed to the project. He said
17 he didn't understand the indemnity issue and wanted to bind Chelsea for
18 flood damage. He said he lives in the flood plain and has talked to his
19 neighbors about their experiences from the 1982 flood. He said this plan
20 reduced the ability of the land to absorb water resulting in the flood
21 control improvements being undermined by adding development
22 upstream.
23

24 **Bruce Hagen, Petaluma**, (Steve Kirk and two others ceded their time)
25 gave a Powerpoint presentation called "It's a Wonderful Town." His
26 presentation illustrated what would happen to Petaluma if Council
27 approved every retail development that arose. He used his hometown,
28 Gilroy, California, as an example of over-development, with retail power
29 centers, big box retail, and how the choices that were made negatively
30 affected the town.
31

32 **Christopher Stevik, Petaluma**, spoke regarding the right-of-way (ROW) for
33 the trolley in the outlet development area and that Chelsea had
34 continued to place parking spaces in this ROW. He said this ROW had
35 been clearly defined in planning documents. He said he wanted the
36 Trolley open space dedicated and he provided directives for
37 development. He said the Heritage Trolley Line would be a draw for
38 Petaluma and an asset for the Factory Outlets.
39

40 **David Libschitz, Petaluma**, visited the Outlet Mall and said it was very
41 empty. He didn't understand why Chelsea would want to develop the
42 area further. He mentioned flooding, the Retail Leakage Study, and
43 wanted the City to work on the Kenilworth and DSL sites for retail.
44

45 **Mary Ann Hansen, Petaluma**, mentioned contamination of groundwater
46 in the area and that the Factory Outlet area is prime land for groundwater
47 recharge.
48

49 COUNCIL COMMENT

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51 **Council Member Harris** said he wanted to save his comments until after
52 negotiations when the exact plan is known.

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3 **Council Member Healy** said Chelsea's proposal was a productive step. He
4 addressed some of the public's concerns regarding setback
5 improvements explaining the riparian corridor was protected; square
6 footage on Parcel B was reduced by about 10,000 SF; use restrictions with
7 a conservation easement on the southern portion of "B"; a view corridor
8 established; and it would open this area to the public. He felt Parcel C
9 was a work in progress and would like the City to acquire it for beneficial
10 uses. He mentioned the flood plain issue with Parcel B mostly out of the
11 flood plain and Parcel C almost entirely within the flood plain. He said the
12 General Plan would be coming to Council next year with surface water
13 information relating to this project. He wanted the Manager to work on
14 acquiring Parcel C, as well as a small portion of the south end of Parcel B.
15 He said he would like to accommodate the trolley alignment and wanted
16 further refinement of retail usage on Parcel B that would be consistent
17 with the Retail Leakage Study.

18 **Council Member Thompson** said he was happy the Planning Commission
19 reviewed B and C portions. He stated he agreed with **Council Member**
20 **Healy** and would be inclined to vote for the project if nothing were to be
21 built on Parcel C since it is in the flood plain. He mentioned the triangular
22 portion on the south end of Parcel B and wanted the City to purchase this.
23 He also supported the trolley process.

24
25 **Vice Mayor Moynihan** spoke about the Army Corps flood project and the
26 misconception of how it would be diminished. He stated it was designed
27 to mitigate incremental impacts of development in the flood plain. He
28 stated this project would not have an adverse impact on the flood control
29 design. He mentioned the Retail Leakage Study outlined what sales tax
30 dollars the City was losing. He supported approval of the project to
31 increase revenue. He said building all the retail on Washington Street
32 would create a problem and that competition was good. He said since
33 there was no trolley - it was an un-funded vision. He mentioned Parcel C
34 as a park and that the community lacked funds to purchase, develop,
35 and operate the proposed park. He said the outlet needed good access,
36 such as Rainier, to improve its viability.

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38 At the request of the Vice Mayor, the following is verbatim:

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1. *"Prior to the Issuance of Building Permits for Parcels C and B, a four lane intersection and access road (Village Road) shall be built and dedicated to the City of Petaluma, by the applicant, from Petaluma Boulevard over the Petaluma River via a 4-lane bridge curving south on the east side of the river and terminating at the triangular section of Parcel B."*
 2. *"Applicant shall dedicate the triangular portion of Parcel B from the terminus of Village Road and the northern top of slope of Deer Creek to the southern most part of Parcel B contiguous to the railroad mainline. The triangular portion of Parcel B is to be retained by the City of Petaluma for a future circulation improvement project and possible connection to the Rainier*

1 Avenue/Highway 101 cross-town connector and highway
2 interchange project. The applicant shall enter into an agreement
3 with the City to pay some fair share contribution to this future
4 project and waive the right to protest the formation of a special
5 assessment district. The applicant shall also pay for the costs of the
6 future bike and pedestrian improvements across the triangular
7 portion of Parcel B."

- 8
9 3. "Prior to the Issuance of Building Permits for Parcels C and B, a two
10 lane highway frontage road shall be built and dedicated to the
11 City of Petaluma, by the applicant, from the southern terminus of
12 Village Road to the north end of Parcel C along the former
13 railroad spur line. Applicant will realign the parking driveways to
14 connect to this frontage road and to provide vehicular
15 connectivity between parcels."
16

17 **Council Member Torliatt** said her direction to the City Manager was to
18 convince Chelsea to withdraw their entire application and keep this in
19 open space. She added that there was plenty of other retail being
20 developed in more appropriate areas and when these are built out the
21 City may be over-retailed. She showed the map of Parcel C and pointed
22 out how much of it was in the flood plain. She said the City should NOT
23 build in Parcel C. She also showed the map of Parcel B with a majority
24 located in the flood plain. She stated she would support building in the
25 "white" area that wasn't in the flood plain. She said she didn't support
26 building in this area either, but if it is approved, she wanted to minimize
27 the amount of building in the flood plain; reduce the parking ratios; at
28 least down to 4; indemnification language was needed; a requirement for
29 conditional use permits for any usage over 30,000 SF; and she would want
30 the City Manager to have Chelsea provide a Community Impact Report.
31 She also wanted the use changed to possibly office use or something
32 other than retail to reduce traffic trips. She said Chelsea needed to put up
33 a sufficient dollar amount to have the infrastructure improvements
34 completed, including the widening of Old Redwood Highway and
35 potentially a Rainier cross-town connector. She said the Council had the
36 authority to say what it wanted and what the developer could build to
37 benefit the community as a whole. She said if Parcel C was not
38 developable, the price would be reduced and the City should partner
39 with others to fund this. She wanted conservation easements pursued on
40 both parcels to preserve the flood plain, to provide recreation and open
41 space opportunities. She mentioned the Trolley and the preservation of
42 the opportunity to provide this.
43

44 **Council Member O'Brien** mentioned the Retail Leakage Study comments
45 and then the comments that the project would cause so much traffic. He
46 felt it was ridiculous to say this property should be kept in open space
47 since it was listed within the UGB as developable land. He directed the
48 City Manager to negotiate the best deal for the City. He thought Chelsea
49 had presented a good compromise proposal.
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51 **Mayor Glass** said the flood control project was as effective as it could be
52 depending on decisions made in the future. He said the flood control

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project was effective if the river was dredged on regular basis. He said the U.S. Army Corps of Engineers' web page information showed over the course of the next 40 years, if there was build-out of the Sonoma County General Plan as anticipated, and build-out of the Petaluma River watershed as anticipated, the protection of the flood control project would deliver about a 40-Year event protection. He said looking at economic benefit as an overriding consideration of the project, it was imperative that Chelsea and the City produce a Community Impact Report to prove an economic benefit, not just a transfer of wealth. He mentioned traffic was a concern; excessive parking, even after being scaled down; indemnification for flooding; penalties for the late payment of the \$1.2 million for traffic mitigation should be pursued, if feasible. He mentioned purchasing the property and supported **Council Member Torliatt's** suggestion to use the property as open space. He said if a far superior plan was brought back he would look at it with an open mind. He stated he was concerned with "over-retailing." He clarified the Retail Leakage Study said that if the other more preferable sites were developed and did not meet the demand, then to look at the Outlet site. He said when looking at downtown development, he was not anti-growth but wanted to channel growth between Highway 101, Washington Street heading west, to Petaluma Boulevard South to build "Petaluma's Miracle Triangle." He stated he wanted to move away from retail that would "cannibalize" the new retail being developed downtown. He mentioned the cumulative impacts of traffic on various intersections, flooding, and the Old Redwood Highway overpass as a priority commitment.

Council Member Torliatt said it had been no secret how she felt about this property or whether she supported UGB. She mentioned the community's overwhelming support for the establishment of the UGB. She said the community cherished open space, supported retail in other areas, and saw the vision.

9. NEW BUSINESS

- A. **Resolution 2004-232 N.C.S.** Appointing Claire Cooper **Interim City Clerk.** (Bierman).

MOTION to approve resolution **2004-232 N.C.S.**

M/S: Torliatt/Moynihan
CARRIED UNANIMOUSLY.

ADJOURN

The meeting was adjourned at 10:40 p.m.



David Glass, Mayor

ATTEST:

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Claire Cooper

Claire Cooper, Deputy City Clerk

CS 80

