

**CITY OF HEALDSBURG
CITY COUNCIL/REDEVELOPMENT SUCCESSOR AGENCY
REGULAR MEETING MINUTES
August 15, 2016
City Hall Council Chamber
401 Grove Street, Healdsburg**

CALL TO ORDER/ROLL CALL

Mayor/Chairperson Chambers called to order the concurrent regular meeting of the City Council and Redevelopment Successor Agency of the City of Healdsburg at 6:00 P.M. with the following Councilmembers present/absent:

Present: Councilmembers/: Mansell, McCaffery, Plass, Ziedrich and Mayor Chambers
Board Members

Absent: Councilmembers/: None
Board Members

APPROVAL OF AGENDA

The agenda was revised to consider New Business Item A, Senior Center Bequest, after the Consent Calendar.

On a motion by Councilmember McCaffery, seconded by Councilmember Ziedrich, approved the August 15, 2016 City Council/Redevelopment Successor Agency meeting agenda as revised. The motion carried on a unanimous voice vote. (Ayes 5, Noes 0, Absent -None)

APPROVAL OF MINUTES

On a motion by Councilmember Plass, seconded by Councilmember McCaffery, approved the August 1, 2016 special and regular meeting and the August 8, 2016 special meeting minutes as submitted. The motion carried on a unanimous voice vote. (Ayes 5, Noes 0, Absent -None)

PROCLAMATION – DESMOID TUMOR AWARENESS

Mayor Chambers, with Council concurrence, issued a proclamation designating September 2016 as Desmoid Tumor Awareness Month and presented the proclamation to Angela Froschl.

Angela Froschl thanked Council for the proclamation and asked for a moment of silence in the memory of a victim who passed away from a desmoid tumor.

PRESENTATION - RAILROAD MUSEUM

Councilmember Ziedrich declared conflict of interest due to real property ownership in the vicinity of the depot and left the Council Chamber at this time.

David Sheber, Healdsburg Freight Depot Museum, discussed their mission statement and provided background information on railroading along the north coast and Healdsburg Depot, and discussed their proposal to establish the Healdsburg Depot Museum. He gave an overview of the vision and business model of the Healdsburg Freight Depot Museum Society who will manage the renovation, maintenance and operation of the museum. They propose to: keep the museum in its original “form”, renovate the interior, replace the exterior and work with the City Planning Department to open a historical structure to the public.

Discussion ensued regarding whether other proposals had been submitted for the site, the difference between the railroad museum and railroad park, and the negotiations with SMART.

Councilmember Ziedrich returned to the Council dais at this time.

COUNCIL REPORTS ON MATTERS OF INTEREST OCCURRING SINCE PREVIOUS REGULAR MEETING/EXPENSE REIMBURSEMENT REPORTS

Councilmember McCaffery reported he attended the Marin Sonoma Mosquito and Vector Control Executive Committee meeting; the Foss Creek clean-up committee meeting, the Wags and Whiskers fundraiser and the Water Carnival and bridge celebration.

Vice Mayor Plass reported he attended his last NCPA Finance Committee meeting as the Chair and that he had been appointed as Vice Chair of the NCPA Commission and Chairperson of the Legislative and Regulatory Committee. He further reported that he attended the Chamber of Commerce Board meeting and the rededication of the Memorial Beach Bridge.

Councilmember Mansell reported she attended the Mayors and Councilmembers meeting in Cloverdale and the bridge dedication. Councilmember Mansell thanked Councilmember McCaffery for all his hard work on the water carnival.

Councilmember Ziedrich reported he attended a meeting with Health Action network representatives and noted they would be making a presentation before Council in September on universal preschool. Councilmember Ziedrich further reported he attended the Mayors and Councilmembers dinner and the Memorial Bridge celebration.

Mayor Chambers reported he attended the Mayors and Councilmembers dinner in Cloverdale and the bridge dedication. Mayor Chambers stated the new Matheson Street sidewalk is almost complete and thanked Councilmember McCaffery for his work on the water carnival and Vice Mayor Plass for his work representing the City in NCPA.

CITY MANAGER REPORTS

None.

PUBLIC COMMENTS ON NON AGENDA ITEMS

BJ Fog, Rivers Bend, presented a thank you note to the City Council for the safety sidewalk that is being constructed on Matheson/South Fitch Mountain Road.

Gail Jonas also thanked the Council for not following the expert's recommendation to replace the Memorial Bridge and for choosing to rehab the bridge.

Colleen Carmichael, North Sonoma County Services, announced that a memorial service is planned for Robert Bell on August 25th at Railroad Park and that their annual fund raising event will be held on August 27th in the Alexander Valley Hall. She thanked the City for their support to NSCS.

A resident of Rivers View thanked Council for the sidewalk.

Ken Buchignani commented on the contract with Lew Edwards Consultants to promote an amendment that most of the tax payers does not approve of and asked how much money Jim Heid was paid to address the housing crisis - the one that is buying property and selling it for millions.

Anthony Aldendifer inquired about the City's source of fluoride and whether there has been any testing on its safety. He expressed concerns about the effects of fluoride being that it is considered a cumulative and neuro toxin and added that many agencies around the world have stopped fluoridation. He asked again about sourcing of the fluoride and about touring the wastewater treatment plant.

Tom Aldendifer inquired if other options had been explored, such as fluoride supplements instead of adding it to the water. He encouraged the Council to look at other options instead of mass fluoridation of the water.

Maureen Mousley stated that if fluoride is so good, then why the City buys bottled water. She also commented on the parking problem and suggested the parking time limits be extended to Grove and Vine Streets.

Heidi Marino addressed Council regarding the housing crisis and added that the community lost trust in the City Council when it decided to do away with the GMO.

Hank Skewis commented on the 2014 poll done by the City which showed that housing was one of the highest priorities. He opined housing should be built that local workers who earn between \$30,000 and \$70,000 can afford to rent or buy and that the Cerri site should be used for housing, not parking.

CONSENT CALENDAR

Councilmember Ziedrich abstained from voting on check number 130560, payable to Healdsburg Lumber.

On a motion by Councilmember McCaffery, seconded by Councilmember Plass, approved the Consent Calendar as follows:

A. CHECK DISBURSEMENT REPORT

By motion, approved the check disbursement report for checks issued by the City of Healdsburg during the month of July 2016, with Councilmember Ziedrich abstaining on the check noted above. (Ayes 5, Noes 0, Absent - None, Abstaining - as noted)

B. ADOPT AN ORDINANCE ADDING CHAPTER 17.36, GRADING AND EROSION CONTROL TO TITLE 17, PROPERTY DEVELOPMENT OF THE HEALDSBURG MUNICIPAL CODE

Adopted upon second reading and waiving reading of the text, Ordinance No. 1152 entitled, "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HEALDSBURG AMENDING TITLE 17 TO ADD A NEW CHAPTER 17.36 TITLED "GRADING AND EROSION CONTROL." (Ayes 5, Noes 0, Absent - None)

C. EMERGENCY VEHICLE ACCESS AND TURNAROUND EASEMENT

Adopt Resolution No. 86-2016 entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEALDSBURG ACCEPTING THE GRANT OF AN EMERGENCY VEHICLE ACCESS AND TURNAROUND EASEMENT," for property located at 622 Coughlan Road. (Ayes 5, Noes 0, Absent - None)

D. BOYS AND GIRLS CLUB - REQUEST TO SERVE ALCOHOL AT THE PINOT ON THE RIVER WINE TASTING FESTIVAL

Adopt Resolution No. 87-2016 entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEALDSBURG APPROVING THE BOYS AND GIRLS CLUBS OF CENTRAL SONOMA COUNTY'S PERMIT, REQUEST TO FENCE THE PLAZA, AND ALLOW FOR CONSUMPTION OF ALCOHOL IN PLAZA PARK AT THE ANNUAL PINOT ON THE RIVER WINE TASTING FESTIVAL ON OCTOBER 23, 2016" (Ayes 5, Noes 0, Absent - None)

The motion to approve the Consent Calendar as submitted carried on a unanimous roll call vote. (Ayes 5, Noes 0, Absent - None)

NEW BUSINESS – WALTER MURRAY BEQUEST

Recreation Supervisor Haskell informed Council the City of Healdsburg received a bequest for the benefit of the Senior Center in the amount of \$25,000 from Walter Murray. It is proposed that the donation be used to complete the remodeling project at the Senior Center with upgrades to the Senior Center dining room. The total cost of the project is estimated at \$26,429, which would require the use of unappropriated Community Services fund balance in the amount of \$1,429.

The proposed resolution: (1) authorizes the City Manager to receive the donation and enter into a purchase order with Kevin Mack Construction to for the additional work; and (2) increases appropriations in the Building Maintenance Fund by \$26,429.

In response to Councilmember McCaffery's inquiry, Recreation Supervisor Haskell stated the completion of the project would be delayed by approximately a week and noted the classes would continue at the Community Center.

Councilmembers commented on the generosity of the community.

On a motion by Vice Mayor Plass, seconded by Councilmember Ziedrich, adopted Resolution No. 88-2016 entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEALDSBURG AUTHORIZING THE CITY MANAGER TO RECEIVE A BEQUEST FROM THE E. WALTER MURRAY LIVING TRUST IN THE AMOUNT OF \$25,000 TO BE USED AT THE HEALDSBURG SENIOR CENTER AND ENTER INTO A CONTRACT WITH KEVIN MACK CONSTRUCTION INC. FOR FACILITY IMPROVEMENTS AND INCREASE APPROPRIATIONS IN THE BUILDING MAINTENANCE FUND." The motion carried on a unanimous roll call vote. (Ayes 5, Noes 0, Absent – None)

PUBLIC HEARING - REVISION TO GARBAGE COLLECTION AND RECYCLING SERVICE RATES EFFECTIVE SEPTEMBER 1, 2016

Public Works Director Salmi provided background information on the Franchise Agreement with Redwood Empire Disposal, Inc. (RED) noting that the collection rates consist of the following components: collection, disposal tipping fee, compostable processing fee; and franchise fee. The collection component consists of five operation costs categories rates: labor, fuel, vehicle replacement, vehicle maintenance, and all other costs. As called for in the Agreement, RED has submitted the annual request for a rate adjustment. The total sum of the collection component categories is -2.30%, which resulted in no adjustment to the collection component. Of all the other components, only the disposal tipping fee increased resulting in a minor change to the rates.

The proposed resolution, if approved, would revise the rate schedules for refuse collection and disposal services effective September 1, 2016.

Councilmember Mansell expressed interest in discussing the feasibility of composting locally.

In response to Councilmember Ziedrich's inquiry, Director Salmi stated most of the required reporting is submitted to the Sonoma County Waste Management Agency; and the reports to the City are submitted in a timely basis. Any complaints received are not service related.

Mayor Chambers opened the public hearing.

There being no public speakers, on a motion by Vice Mayor Plass, seconded by Councilmember McCaffery, closed the public input portion of the hearing. The motion carried on a voice call vote. (Ayes 5, Noes 0, Absent - None)

On a motion by Councilmember McCaffery, seconded by Councilmember Ziedrich, adopted Resolution No. 89-2016 entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEALDSBURG RESCINDING RESOLUTION NO. 115-2015 AND ADOPTING A RATE SCHEDULE FOR REFUSE COLLECTION AND DISPOSAL SERVICES FEES EFFECTIVE SEPTEMBER 1, 2016." (Ayes 5, Noes 0, Absent - None)

OLD BUSINESS – CERRI SITE REDEVELOPMENT PROJECT

Community Services director Themig provided background information on the history of the Cerri site and past redevelopment efforts that were halted due to the dissolution of the Redevelopment Agency. Director Themig reviewed the environmental site assessment conducted of the site that determined that there is no ground water contamination on the site.

Director Themig reviewed the design options, as follows:

Option 1

Retains the existing building, which would be renovated and repurposed with new exterior parking. This option includes as total of 57 parking spaces (33 spaces outside, 24 inside), limited solar due to load capability of existing structure. Amenities include a catering kitchen, restrooms, and storage. Capacity of the site is approximately 775. Cost - \$3,098,591.

Option 2

Removes the existing building and constructs new parking and modern shade structure. This option includes as total of 77 parking spaces (10 in the railroad right-of-way), approximately 16,600 sq. ft. of solar panels. Amenities include a catering kitchen, restrooms, and storage. Capacity of the site is approximately 1,100. Cost \$5,303,999.

Option 3

Removes the existing building and constructs new parking and agrarian shade structure. This option includes as total of 70 parking spaces (10 in the railroad right-of-way), approximately 4,050 sq. ft. of solar panels. Amenities include a catering kitchen, restrooms, and storage. Capacity of the site is approximately 870. Cost \$5,066,250.

Option 4

Removes the existing building and constructs new parking (no structure or amenities). This option includes as total of 77 parking spaces (10 in the railroad right-of-way), solar TBD. Cost \$1,618,513.

Director Themig discussed the operational considerations, ongoing costs and funding for each of the options and summarized the public input and opinions received. Parking was a major concern for the downtown area and needs to be a core function of the site. Public comments gravitated toward Option 1, although it was not unanimous.

The Farmer's Market preferred option was Option 3 which maximizes parking for vendors and customers, has flexibility of use of space plus ingress/egress. They were not opposed to Option 4, surface parking only and encouraged the City to look long-term.

The public opinion was that:

- The community has strong support for the Farmers Market; ways to modify the design to work better for the Farmers Market included: stadium style steps between the building and the parking lot, and closing North Street during the Farmers Market for additional space
- There is a strong desire to enhance the connectivity and use of the Wetzel Garden as part of this project
- There is a strong interest in incorporating solar into the project
- The arts community is interested in exploring a long-term solution for performance, visual arts, instruction

Council discussion ensued regarding whether the spaces in the railroad right-of-way would be permanent, the cost estimates for the various options, potential users of the site for special events, the desire to realize as much parking as possible, funding sources for the project and solar panels, the desire to utilize environmentally friendly surfaces for the parking, available spaces for meetings and community events, and whether changing use of the site jeopardizes the City's ability to retain the site.

Public Comments

Kathy Birdsong commented on the discussion and action taken by the Parks and Recreation Commission and suggested that Council consider who the project would be for – the community or the tourists. She expressed concern about this venue competing with the Community Center and inquired about the funding source to operate and maintain the facility. She asked that if the City is considering public/private partnerships that it not lease the site to a high end restaurant.

Jay Tripathi stated the Purity site is a good anchor point to bring the Plaza Park through the West Plaza together. He opined the building does not have a lot of historic significance and suggested leaving it as is for right now as the Parks and Recreation Commission recommended; develop the rest of the parking lot and allow the Commission time to come up with something that works.

Ann inquired if a parking lot in the site was the best use. She opined the land is too valuable and there are other needs in the community, such as housing. There are other places outside the downtown that are better suited for parking.

Jack spoke against using the site for parking adding that parking downtown is an old idea and the space should be used for more interesting uses, such as a train stop. He suggested taking a step back and looking at all the options for the best long term use of the site.

Merrilyn Joyce spoke in favor of saving and rehabilitating the building and of dedicating a street for the farmers market. She suggested providing tram service to the farmers market to alleviate the need for parking.

Mel Amato proposed a variation of Option 4, tearing down most of the building except the façade and about 20 feet that could be used as a museum; building a shade structure with an angled roof for solar and parking.

Lamarion Spence spoke in favor of retaining the building.

Member of the audience spoke in favor of using a holistic approach.

Beth Sawatzky spoke in favor of Option 1, opining that the City has a walking problem, not a parking problem.

Renee Kiff stated she did not have a strong opinion on whether the building stays or goes; however, there is a terrible parking problem for the market and noted the elderly cannot carry the heavy produce. She added the Farmers Market needed a home.

Farmers Market member concurred that the Farmers Market needs a permanent home and stated the Farmers Market was supportive of Option 3 because it pays tribute to the farming community. She spoke in favor of designating the site as the permanent home for the Farmers Market with or without a shade structure.

Wendy Hopkins advocated for the preservation and reuse of the building. However, she could be supportive of preserving a portion of the building and of looking at ways to help the farmers and increase parking. She opined there is a parking problem and the City should consider a multi-story parking structure.

Lou Preston clarified that the farmers are not against the Cerri building, they just don't want to use it because there are issues of ingress and egress. He was supportive of closing North Street and opined that this option should be considered.

Kenny Lowe, Farmers Market Manager, stated there is a parking problem and bathrooms are needed. He added the farmers are supportive of Option 3 because it maximizes parking and includes a public restroom.

Joan Conway, farmer, spoke in support of Option 3; however, if that was not financially feasible she was supportive of the parking lot option.

Glen Sirchuck spoke in favor of developing the parking lot and deciding later what to do with the building. He suggested Council consider closing the street and see how it works.

Horace Criswell spoke in support of Option 3 or Option 4 and of closing the street.

Member of the audience spoke about the parking challenges the City is facing and opined none of the proposed options solve the problem. He proposed going back to the drawing board and reconsider.

Mark Goff stated he submitted a petition to save the building and added the goal was to create a space for community and the farmers market and parking. He was supportive of Option 1.

Elizabeth Pembroke spoke in favor of saving the building and of reaching a compromise with the Farmers Market and closing the street to provide additional space.

Holly Hoods spoke in favor of renovating and re-purposing the building and added that closing North Street would help the farmers. She suggested doing the project in stages if the funding was not readily available.

Joe Naujokas stated that it appears that no one is happy with the options and suggested having a design competition that might provide other options.

Council comments

Councilmember Ziedrich was supportive of a compromise: preserving a portion of the building, developing the rest of the site with parking and dedicating the street for the market to expand.

Councilmember Mansell stated that she was supportive of having a place that honors food over wine, and a place for education; adding that she was for home, people and education. Councilmember Mansell stated her priority was housing and she was supportive of taking time to look at the vision for the space and possibly looking at cost in a different way. Councilmember Mansell stated she was not supportive of an asphalt parking lot and reiterated that it was not about the building or parking, it was about the people and food. Councilmember Mansell was supportive of providing the farmers a permanent place.

Councilmember McCaffery was supportive of maximizing the parking and of preserving the front 40 feet of the building for bathrooms and a kitchen, which is something that is going to benefit everybody.

Vice Mayor Plass spoke in favor of preserving and repurposing the building in such a way that is flexible for multiple uses. He was supportive of designating the site, including the street, as a permanent home for the farmers market. Vice Mayor Plass added he was supportive of a multi-level parking structure behind Bear Republic and of developing a parking lot on the Cerri site as well as preserving and repurposing the building. Vice Mayor added he would be supportive of at a minimum of preserving the façade and of including bathrooms and if possible include a preparation kitchen.

Mayor Chambers stated a commitment was made to the Farmers Market for a permanent home and there is reluctance to take down a building. Mayor Chambers added he did not see as much value on the building as other people do. Mayor Chambers pointed out that the site lends itself for all the uses that people want: a SMART station, parking, solar, a community gathering place, bathrooms, etc.; except for preserving the building.

City Manager Mickaelian asked for Council to narrow as much as possible the direction to staff.

Following a brief Council discussion, on a motion by Councilmember McCaffery, seconded by Councilmember Ziedrich, directed staff to develop a plan that: maximizes parking, preserves the façade and a portion of the building, includes bathrooms and a kitchen, can be implemented in phases and uses an ecologically friendly surface for the parking lot surface. The motion carried on a unanimous roll call vote. (Ayes 5, Noes 0, Absent – None)

OLD BUSINESS - GROWTH REGULATION ORDINANCE REPORT

Community Housing and Development Director Massey recalled Council, at its July 18th meeting, placed an amendment to the current Growth Management Ordinance (GMO) on the November 8th ballot. If the measure is passed by the voters, the existing restrictions on the number of new residential units allowed per year will be removed and the City will be required to:

- Adopt and periodically amend a Housing Action Plan (Adopted 7/18)
- Increase the inclusionary housing requirement to 30% (In Progress)
- Adopt and periodically amend new growth management measures in conjunction with updating the Housing Element (In Progress)

As directed by Council, staff prepared a draft Growth Regulation Ordinance (GRO) which would be adopted contingent upon voter approval of the GMO amendment. The following provisions are included in the GRO:

- A growth cap for all new “market rate” residential unit development*
- Growth cap would not apply to: affordable housing units (deed restricted, less than 120% AMI); secondary or accessory dwelling units; replacement or reconstruction of existing residences; and homeless shelters, elderly care facilities, nursing homes, sanitariums, community care, or health care facilities
- Growth cap will also not apply to: new category of deed restricted middle income housing units (121% up to 160% AMI) and the Saggio Hills development project (35 allocations)
- Growth cap will be linked to the Housing Element cycle (typically 8 years as defined by the State)
- Growth cap will be linked to the adopted Housing Action Plan (2017-2022)
- Growth cap for market rate housing units is set at 420 units (an average of 70 units per year and a 1.5% growth rate). The allocations are divided into three (3) categories:
 - Category A: Conventional Single Family Housing - 80 allocations for the current housing cycle (average 13/year)

- Category B: Alternative Single Family Housing (higher density single family detached units such as small lot subdivisions, clusters, cottage courts or other creative configurations) - 100 allocations for the current housing (average 17/year)
- Category C: Multifamily Housing - 240 allocations for the current housing cycle (average 40/year)

Director Massey summarized the proposed reallocation provision, which would allow reallocation of units in Category A to Category B or Category C, and reallocation of Category B allocations to Category C with City Council approval during the housing cycle. Category B or C allocations cannot be reallocated to Category A. The purpose of the reallocation provision is to provide flexibility to allow more, higher density alternative single family (Category B) and/or Multi-family (Category C) projects. The growth cap would be reset and re-evaluated as part of the Housing Element update, typically every 8 years.

Director Massey asked for Council direction on the reallocation provision.

Councilmember Ziedrich clarified that allocations in Category A can be reallocated to Categories B and C; however, the projects would still have to comply with all the zoning regulations.

In response to Councilmember Mansell's inquiry, Director Massey stated the income range for 121% to 160% AMI equated to approximately \$99,000 to \$132,000. Those units would be exempt.

Gail Jonas clarified that if an ordinance is passed by the voters, it can only be changed by the voters and that if an ordinance is approved by the City Council then the ordinance can be changed by the City Council without going to the voters. She commented that even though the HAP and allocations are tied to the Housing Element update which typically is done every 8 years; the HAP and the GRO can be changed anytime because it was not tied in the ballot language. She added that theoretically the Council could change the Housing Element anytime.

Warren Watkins commented on the staff report and opined there were inconsistencies between the staff report and the presentation and inquired if the Saggio Hills allocations would be exempt, which was implied in the staff report. He asked that that reference be deleted from staff's recommendations.

Member of the audience suggested that the formula be included in the ordinance to clarify the AMI percentage applicability and state what it means in terms of dollars.

Mayor Chambers stated that the Council would try to make it as clear as possible.

Councilmember McCaffery spoke in favor of the proposed re-allocation provision.

In response to Councilmember Mansell's inquiry, City Manager Mickaelian stated that per the Development Agreement, Saggio is entitled to 35 allocations for two years and the balance after that.

A brief discussion ensued regarding the Saggio Hills allocations and the reasons for including them in the exemptions list.

Councilmember Ziedrich was supportive of the re-allocation provision.

On a motion by Councilmember McCaffery, seconded by Councilmember Ziedrich, approved the proposed re-allocation provision. The motion carried on a unanimous roll call vote. (Ayes 5, Noes 0, Absent – None)

WRITTEN COMMUNICATIONS

The City Council received the report on the Parks and Recreation Commission actions taken at its July 27, 2016 meeting, Senior Citizens Advisory Commission actions taken at its July 28, 2016 meeting, and the Planning Commission actions taken at its August 9, 2016 meeting.

CLOSED SESSIONS

None.

ADJOURNMENT

There being no other City Council business to discuss, the meeting was adjourned at approximately 9:58 P.M.

APPROVED:

ATTEST:

Thomas L. Chambers, Mayor

Maria Curiel, City Clerk