

MINUTES
SPECIAL MEETING OF THE CITY COUNCIL
CITY OF SAN LUIS OBISPO
TUESDAY, SEPTEMBER 4, 2007 – 6:15 P.M.
COUNCIL HEARING ROOM, 990 PALM STREET
SAN LUIS OBISPO, CALIFORNIA

ROLL CALL:

Council Members

Present: Council Members Paul Brown, Andrew Carter, Vice Mayor Christine Mulholland and Mayor Dave Romero

Absent: Council Member Allen K. Settle

CLOSED SESSION

Mayor Romero announced the Closed Session topics.

PUBLIC COMMENT ON CLOSED SESSION ITEM

None were forthcoming and Council adjourned to Closed Session.

CONFERENCE WITH LABOR NEGOTIATORS
Pursuant to Government Code § 54957.6

Agency Negotiator: Karen Jenny, Monica Irons
Employee Organization: San Luis Obispo Police Staff Officers' Association (SLOPSOA)

CONFERENCE REGARDING PROPERTY NEGOTIATIONS
Pursuant to Government Code § 54956.8

Property: 2120, 2134, 2140 Santa Barbara Avenue
Negotiating Parties:
City of San Luis Obispo: Jonathan Lowell, Jay Walter and Tim Bochum
Landowner: Robert Conroy, Patrick B. & Joy Clemons
Negotiations: Acquisition for Santa Barbara Street Widening Project

CONFERENCE REGARDING PROPERTY NEGOTIATIONS
Pursuant to Government Code § 54956.8

Property: 3288 Bullock Lane
Negotiating Parties:
City of San Luis Obispo: Jonathan Lowell, Jay Walter and Tim Bochum
Landowner: Linda Lewis
Negotiations: Property Acquisition

City Attorney Lowell reported on the Closed Session at the beginning of the Regular Session. Council met with its negotiators and provided direction during each conference indicated above. There was no further reportable action for any of the conferences.

The Closed Session adjourned at 7:00 p.m.

MINUTES
REGULAR MEETING OF THE CITY COUNCIL
CITY OF SAN LUIS OBISPO
TUESDAY, SEPTEMBER 4, 2007 - 7:00 P.M.
COUNCIL CHAMBER, 990 PALM STREET
SAN LUIS OBISPO, CALIFORNIA

ROLL CALL:

Council Members

Present: Council Members Paul Brown, Andrew Carter, Vice Mayor Christine Mulholland and Mayor Dave Romero

Absent: Council Member Allen K. Settle

City Staff:

Present: Ken Hampian, City Administrative Officer; Jonathan Lowell, City Attorney; Audrey Hooper, City Clerk; Shelly Stanwyck, Assistant City Administrative Officer; John Mandeville, Community Development Director; Monica Irons, Human Resources Director; Jay Walter, Public Works Director; Kim Murry, Deputy Community Development Director – Long-Range Planning; Tim Bochum, Deputy Director of Public Works; Karen Jenny, Risk Manager; Michael Codron, Associate Planner

CLOSED SESSION REPORT

City Attorney Lowell reported that Council met with its Labor Negotiators and Property Negotiators during a Special Meeting in a Closed Session as indicated above. Council gave direction to its Negotiators. No further reportable action was taken.

PUBLIC COMMENT

Sifu Kelvin Harrison, San Luis Obispo, discussed his concerns regarding personal harassment.

Terry Mohan, San Luis Obispo, discussed his plans to publish a Notice of Intention to Circulate a Petition related to the City's increase in water rates due to the Nacimiento Water Project. He explained why he opposes the project.

CONSENT AGENDA

Vice Mayor Mulholland indicated that she would vote against item C7 (Caltrans Route 227 Rehabilitation Project). She expressed discomfort with CalTrans' plans for South Street and with the cost of the new medians. She suggested that if the project proceeds, mulching the area should be considered.

Mayor Romero stated that he would abstain on item C4 (Final Map 2570) because of the proximity of the development to his residence. He expressed concern regarding the cost for the Route 227 Rehabilitation Project (C7), including future maintenance costs, and suggested that alternative landscaping options (such as AstroTurf) should be considered

during the design phase. He asked that item C10 (Agreement with ECOSLO) be pulled for discussion.

Mayor Romero called for public comments on the Consent Agenda at this time.

Terry Mohan, San Luis Obispo, said he opposed item C7 for the reasons already mentioned.

ACTION: Moved by Carter/Mulholland to approve the Consent Agenda as recommended by the City Administrative Officer; motion carried as indicated below, with the exception of item C10, which was considered following action on the other Consent Agenda items.

C1. MINUTES OF AUGUST 14 AND 21, 2007.

ACTION: Moved by Carter/Mulholland to waive oral reading and approve as presented; motion carried 4:0 (Settle absent).

C2. ADOPTION OF ORDINANCE 1508 (2007 SERIES) AMENDING CHAPTER 17.91 OF THE MUNICIPAL CODE, THE CITY'S INCLUSIONARY HOUSING ORDINANCE, TO MAKE MINOR TEXT AMENDMENTS TO CLARIFY RESIDENT SELECTION FOR AFFORDABLE HOUSING UNITS.

ACTION: Moved by Carter/Mulholland to adopt Ordinance No. 1508 (2007 Series); motion carried 4:0 (Settle absent).

C3. REQUEST FOR PROPOSALS - 2007-09 PAVING EVALUATION, SPECIFICATION NO. 90781.

ACTION: Moved by Carter/Mulholland to: 1. Approve the Request for Proposals to provide pavement deflection testing and analysis services. 2. Authorize Staff to advertise for proposals. 3. Authorize the CAO to execute an agreement with the selected consulting firm if the consultants proposed fees are less than \$50,000; motion carried 4:0 (Settle absent).

C4. APPROVAL OF THE FINAL MAP FOR TRACT 2570, 2070 FIXLINI STREET (TR/ER 95-03).

ACTION: Moved by Carter/Mulholland to adopt Resolution No. 9925 (2007 Series) approving the Final Map for Tract 2570 located at 2070 Fixlini Street and authorizing the Mayor to execute the subdivision agreement and biological open space easement agreements on behalf of the City; motion carried 3:0:1 (Romero abstained, Settle absent).

C5. PURCHASING GUIDELINES UPDATE.

ACTION: Moved by Carter/Mulholland to adopt Resolution No. 9926 (2007 Series) updating the City's purchasing guidelines by approving an increase in Department Head purchasing authority from \$5,000 to \$7,500; motion carried 4:0 (Settle absent).

C6. REQUEST FOR PROPOSALS: INVESTMENT ADVISORY SERVICES.

ACTION: Moved by Carter/Mulholland to approve a Request for Proposals (RFP) for investment advisory services and authorize the CAO to award the contract to the most responsive proposal; motion carried 4:0 (Settle absent).

C7. CALTRANS ROUTE 227 REHABILITATION PROJECT BETWEEN US 101 AND TANK FARM ROAD - CONTRIBUTION AGREEMENT.

ACTION: Moved by Carter/Mulholland to approve the proposed Contribution Agreement with Caltrans to provide funding assistance to install medians on South Street (State Route 227) in an amount not to exceed \$150,000; and authorize the Mayor to execute the agreement; motion carried 3:1 (Mulholland opposed, Settle absent).

C8. RATIFY AN AGREEMENT FOR A PLANNED SEISMIC RETROFIT AT 1318 CHORRO.

ACTION: Moved by Carter/Mulholland to: 1. Approve an Agreement between the City and Howard Carroll to allow the planned seismic retrofit of 1318 Chorro. 2. Authorize the Mayor to execute the Agreement; motion carried 4:0 (Settle absent).

C9. 2007-08 HEAVY TRUCK PROCUREMENTS.

ACTION: Moved by Carter/Mulholland to: 1. Approve a purchase order in the amount of \$136,249.88 to Central Valley Truck Center (Fresno, CA) for procurement of one 2008 Volvo VHD64B200 Truck with Spartan Roll-off Unit. 2. Approve a purchase order in the amount of \$168,188.21 to GCS Western Power and Equipment (Buena Park, CA) for procurement of one 2008 TYMCO Model 600 Street Sweeper. 3. Approve a purchase order in the amount of \$97,649.91 to Downtown Ford Sales (Sacramento, CA) for procurement of three 2008 Ford F-250 Cab-and Chassis Trucks; motion carried 4:0 (Settle absent).

Item C10 was pulled and considered following action on the other Consent Agenda items.

C10. APPROVAL OF AGREEMENT FOR SERVICES WITH THE ENVIRONMENTAL CENTER OF SAN LUIS OBISPO COUNTY (ECOSLO).

In response to Mayor Romero's concerns regarding section D.1 of the Agreement, City Attorney Lowell proposed that the words "shall endeavor to locate an office in or near the downtown area" be added to the end of the first sentence in section D.1. He proposed that the last sentence be modified to read, "The office will be staffed and open to the public daily at during regular business hours..."

ACTION: Moved by Mulholland/Brown to approve and authorize the Mayor to sign a two-year services agreement with the Environmental Center of San Luis Obispo County (ECOSLO), in the amount of \$22,500 in each year, for a total not to exceed \$45,000, retroactive to July 16, 2007, with the modifications proposed by the City Attorney; motion carried 4:0 (Settle absent).

C11. TOURISM MARKETING PLAN 2007-08.

ACTION: Moved by Carter/Mulholland to review and approve the updated City of San Luis Obispo Tourism Marketing Plan for 2007-08; motion carried 4:0 (Settle absent).

PUBLIC HEARINGS

1. CONSIDERATION OF AMENDMENTS TO THE ZONING REGULATIONS TO INCREASE BUILDING HEIGHT AND INTENSITY LIMITS IN THE DOWNTOWN COMMERCIAL ZONE; (DOWNTOWN CORE, TA 50-06).

Community Development Director Mandeville and Associate Planner Codron presented the staff report, following which Carlyn Christianson, Planning Commission Chair, discussed the process undertaken by the Planning Commission in arriving at its recommendation. She and staff responded to questions.

Mayor Romero opened the public hearing.

Diane Duenow, San Luis Obispo, read a statement from David Brodie, who was unable to attend the meeting. Mr. Brodie expressed concern that: 1) Raising buildings to 75 feet will negatively affect light, sunlight and wind patterns, which may lessen pedestrian traffic. 2) Consideration should be given to whether a building has attained multiple levels of importance (such as historical, architectural, cultural) and a list of criteria, including open space, should be developed for evaluating a building as a "landmark structure."

Jim Duenow, San Luis Obispo, objected to the increased heights because he thought the resulting new developments would increase traffic congestion, drive away small businesses, and would not result in affordable housing.

Bruce Silverberg, San Luis Obispo, Professor of Architecture, spoke on behalf of adding critical mass, height and density to the downtown for fiscal, economic, environmental and social reasons. However, he expressed concern that the 1,500 square foot floor area ratio for dwelling units is not reflective of urban living and felt that the set-asides for affordable housing should be 30% for moderate and 15% for low income units.

Mark Rawson, San Luis Obispo, referenced a letter he sent to Council (on file in the City Clerk's office) containing his concerns about some of the language in the proposed ordinance, but expressed his support for moderately increasing building heights in the downtown.

Luther Bertrando, San Luis Obispo, opposed the CAO recommendation because of the adverse impact it could have on the character of the downtown if the historic buildings are not protected. He indicated that relocating buildings that are listed as Contributing Properties removes their ability to add to the character of an area once they are taken out of that context.

Dan Carpenter, San Luis Obispo, speaking not as a member of the Planning Commission, but as a resident, urged Council to adopt the Planning Commission recommendation. He expanded on the concerns raised by Mr. Bertrando. He explained how contributing properties add to the master properties (character and integrity) when an entire block or historical district is taken into account.

Boz Schrage discussed principles he thought would be ignored if Council adopts the proposed regulations, but was particularly concerned about the loss of ambience and the change in sense of place that will occur as a result.

Sandra Lakeman, Emeritus Professor of Architecture, discussed her opposition to the height of the Chinatown and Garden Street Terraces projects, as well as the removal of several historic facades from Garden Street. She expressed that the downtown should have a pedestrian scale. (Her statement is on file in the City Clerk's office.)

Elisabeth Abrahams, San Luis Obispo, spoke in support of the Planning Commission recommendation because of her concern regarding historic preservation. She concurred with prior speakers that Contributing Properties, as well as those on the Master List, should be kept in the ordinance as a performance standard.

Joseph Abrahams, San Luis Obispo, read and submitted a statement acknowledging the importance of economic sustainability in the downtown, but pointed out that economic success is comprised of more than individual profit; the character of downtown plays a role in this success and it is critical to consider the elements of this as well. He also noted the importance of collaboration in matters related to the downtown.

Bob Lucas, San Luis Obispo, read and submitted a statement in support of the Planning Commission's recommendation, provided an example of the value of public input, and commented on other concerns.

Terry Mohan, San Luis Obispo, echoed the comments made Mr. Duenow and other speakers who opposed the proposal.

Council recessed from 9:05 to 9:15 p.m. and reconvened with the same members present.

Pete Evans referred to correspondence he has sent to Council (on file in the City Clerk's office) and recommended the use of story poles to describe to onlookers the scope of planned buildings. He expressed concern that the proposed ordinance will benefit developers and suggested citizens should be polled to determine what they want.

Ken Haggard, Member of the San Luis Obispo Green Build Board and Architect, suggested that energy concerns haven't been getting the attention they should with this proposal.

David Garth, Chamber of Commerce, suggested that the added regulations should be for buildings between 60 and 75 feet height, excluding the ones currently proposed. Of greatest concern is the sight line formulation which penalizes buildings that are set back. He asked Council to reject the ordinance as it has been presented, and to follow the CAO recommendation related to historical requirements.

Jan Marx, San Luis Obispo, thought this matter should be taken up when Council considers the Land Use Element, and that Council should adopt the principles of smart growth before taking action on this ordinance. She also suggested that because air and space belongs to everyone, developers should not be permitted to build into that space unless they contribute to the public good (such as to the open space fund).

Jeff Buckingham, San Luis Obispo, Chair of Board of Chamber of Commerce, explained how the proposal would make it harder for some of the existing buildings to be built today. He favored protection for the Master List properties, but preferred removing the Contributing Properties from the performance standard. He asked Council to reject the ordinance as written or make changes if it intends to proceed with it.

Steve Barasch, San Luis Obispo Property Owners Association, distributed a statement he had also provided at the August 21st Council meeting and reiterated his concerns related to the impact of the City's fee structure and regulations on secondary dwellings, in-fill housing and affordable housing in the downtown. He indicated that the current ordinance proposal includes some positive incentives related to FAR and mixed uses.

Chuck Croster, Cultural Heritage Committee Member, supported incentives and generally agreed with the minor adjustments recommended by staff. He explained why he thought preserving historic resources should be a high priority, but that there needs to be some discretion in looking at these resources. He discussed the importance of having clear, concise and graphically helpful design guidelines.

Tom Jones, San Luis Obispo, Dean of College of Architecture and Environmental Design, spoke about the importance of balancing the needs of the private sector to obtain financing with the public's need to receive public benefits they could not otherwise afford. He indicated that the design guidelines will play a key role in guiding development downtown, and that the three-dimensional model tool developed by CalPoly and the City for use in considering projects is very powerful and interactive, and will provide accurate information for decision-makers. He also indicated that requiring affordable housing and energy efficiency are key components of the City's efforts.

Carol Florence, Principle Planner with Oasis and Project Planner for Garden Street Terraces, asked that buildings up to 60-feet in height be removed from the proposed ordinance and that the income limit category of "Workforce" (up to 160% of median income) be added to the property development standards. She also asked that an interim step be considered for the application process that would enable an applicant to get early feedback from the Architectural Review Commission (ARC "Lite") on an application before it is necessary to submit the entire application package due to the cost of providing the application requirements. She concurred with Alternative 4, redesignating preservation of the Master List and Contributing List properties from a Performance Standard to a Policy Objective since required environmental review will address project impacts to any historic properties.

Gary Fowler, San Luis Obispo, supported affordable housing in the downtown but disagreed that the added height will provide it. He also expressed concern that parking, loading and noise issues in the downtown exist and will be worsened with the proposed development that will occur with taller buildings.

John Ashbaugh, San Luis Obispo, Planning Commissioner, discussed the Planning Commission's process in developing the proposed ordinance. He explained that the height ordinance was "loosened" to allow for increased building sizes and that higher standards for affordable housing, historic preservation and energy efficiency were included. He suggested that the two projects currently under review should not be exempted from the provisions of the proposed ordinance.

George Garcia, San Luis Obispo, Architect, acknowledged the need to balance historical preservation with the need for smart growth. He suggested that each historical building should be considered on an individual basis and that project designers need as much flexibility as possible to design good projects.

Hamish Marshall, San Luis Obispo, concurred with comments by Ms. Florence and Mr. Crotser and urged Council to redesignate historic preservation as a Policy Objective as indicated in Alternative 4.

Kory DeClark expressed concern and asked Council to take into consideration that the increased heights will increase the size of commercial spaces, that there will be less local and more national chain stores, and that the downtown will become a monoculture.

Mayor Romero closed the public hearing.

Staff explained how the animated computer program will be used and responded to other questions and comments raised during the public hearing.

Because a concern had been raised about a potential conflict of interest, City Attorney Lowell reviewed the Fair Political Practices regulations that apply in this situation. He explained that Council Member Brown does not have a conflict under these regulations and it would be appropriate for him to participate on this matter if he chooses to do so.

Council discussion ensued, during which Council Members Brown and Carter and Mayor Romero spoke in support of an ordinance amending the Zoning Regulations to increase building height and intensity limits. Council Members Brown and Carter and Mayor Romero expressed support for the CAO recommendation with several minor modifications and indicated that the ordinance will apply to all proposed taller buildings in the downtown and not to just the two projects currently in process. Several expressed thoughts concerning the downtown's role as a vital economic entity and indicated support for more affordable housing downtown.

Vice Mayor Mulholland opposed amending the regulations. Her concerns and/or suggestions included, in part, the following: a survey should be done to determine citizen support for increasing the size or height of buildings in the downtown or to remove historical structures; the small and historically significant areas of the downtown should be protected and taller mixed-use development directed to other commercial areas ; sidewalks should be wider without losing parking and loading areas; green features must be emphasized and higher energy efficiency should be required; views of the sky should not be lost; projects that impact archaeological resources should help fund the archiving of those resources; and a planned development overlay should be considered in order to evaluate each project in terms of its proposed community benefit.

Council reviewed the language proposed in Section 17.42 of the Zoning Ordinance as presented in Attachment 4 and made the following amendments to the proposed language:

17.42.020 Property development standards.

C.1.a. The average floor area of dwellings within the project was changed from the proposed 1,500 square feet or less to 1,200 square feet or less.

C.1.c. This standard was deleted from this section and referred to staff to be incorporated into the design guidelines that will be reviewed by the Architectural Review Commission.

C.1.d. This standard was removed from this section and will become a policy objective.

2. Wording will be added to indicate that no two of the policy objectives can be from the same lettered section. In addition, the reference to the lettering for Policy Objectives will be changed to coincide with the changes made at the meeting.

Policy Objectives

c. The average floor area ratio was changed from the proposed 1,100 square feet or less to 1,000 square feet or less.

Economic Vitality

h. The total floor area was changed from 120% to 150%.

Historic Preservation

Property development standard was relocated to this section and became a policy objective.

Open Space Preservation

i. The staff title was deleted from this section.

Other Policy Objectives

m. Sub-section m. was changed to indicate that it can be used to meet requirements for one policy objective instead of two.

CAO RECOMMENDATION: Moved by Carter/Brown to introduce an ordinance amending Section 17.42 of the Zoning Regulations as indicated above; motion carried 3:1 (Mulholland opposed, Settle absent).

COUNCIL LIAISON REPORTS

Mayor Romero and Council Member Carter reported on their attendance with County personnel to discuss the Dalidio project. No decision has been made by the County at this time.

Mayor Romero reported on his attendance at a Board of Supervisors meeting at which the Board acted on four of the five Nacimiento project contracts and approved the sale of bonds.

COMMUNICATIONS

CAO Hampian referenced a memo to Council and a petition signed by local hoteliers requesting that a presentation be placed on the September 18th Agenda to discuss a citywide tourism improvement district.

Council concurred that the presentation should be placed on the September 18th Agenda.

There being no further business to come before the City Council, Mayor Romero adjourned the meeting at 12:04 a.m. to Tuesday, September 18, 2007, in the Council Chamber, 990 Palm Street, San Luis Obispo.


Audrey Hooper
City Clerk

APPROVED BY COUNCIL: 09/18/07