

CITY OF PITTSBURG
Redevelopment Agency Minutes
February 7, 2005

Chair Nancy Parent called the meeting of the Redevelopment Agency to order at 7:27 P.M. in the City Council Chambers at City Hall, 65 Civic Avenue, Pittsburg, California after having convened into Closed Session at 6:00 P.M. for Conference with Legal Counsel – Existing Litigation pursuant to Section 54956.9(a) of the Government Code, regarding Redevelopment Agency of the City of Pittsburg, California vs. United States Steel Corporation, Case No. C 04-2349 MJ; and Conference with Legal Counsel – Anticipated Litigation pursuant to subdivision (b) of Section 54956.9 regarding three cases.

Chair Parent advised that there was no reportable action from Closed Session

MEMBERS PRESENT: Casey, Glynn, Johnson, Kee, Parent

MEMBERS ABSENT: None

STAFF PRESENT

Executive Director, Marc Grisham
Legal Counsel, Ruthann Ziegler
City Clerk, Lillian Pride
Deputy City Clerk, Alice Evenson
Director of the Redevelopment Agency, Garrett Evans
Director of Development Projects, Randy Jerome
Director of Engineering and Building, Joe Sbranti
Director of Economic Development, Brad Nail
Director of Human Resources, Marc Fox
Director of Public Works, John Fuller
Director of Recreation, Paul Flores
Director of Finance, Marie Simons
Police Chief, Aaron Baker

Mayor Parent CONVENED JOINTLY the CITY COUNCIL and the REDEVELOPMENT AGENCY to consider the following:

PUBLIC HEARING

1. **RESOLUTION 05-1022** Approval of a Disposition and Development Agreement
Combined w/CC 05-10221 By and Between the Redevelopment Agency of the City
Of Pittsburg and BMS Investments 5, LLC and Making
Certain Findings in Connection Herewith

The Redevelopment Agency of the City of Pittsburg and BMS Investments 5, LLC have negotiated terms for a Disposition and Development Agreement (DDA), a Ground Lease Agreement and an Option to Purchase Agreement for the development, lease and potential sale of approximately 76,000 square feet of vacant land located at 1201 California Avenue in the City of Pittsburg. The developer will construct an approximately 56,000 square foot, 4 story, 96-room quality hotel operating under the Hampton Inn & Suites brand on the site.

Economic Development Director Brad Nail advised that in December 2004, the Agency had completed the purchase of the property located at the Loveridge Road exit by the Chevron Gas Station and the Jack in the Box restaurant. The facility would consist of 76,000 square feet. The proposal would initiate a 55-year ground lease to the developer who would construct a four story, 96-room Hampton Inn Suites hotel which would be a first class operation with conference facilities that would seat more than 100 people at one time. The facility would also generate approximately \$250,000 per year in ground lease payments to the City and transit occupancy taxes which would go directly to the General Fund. The developer had submitted initial site plans which were currently in the Planning Department for design review with the hope that the hotel would be under construction by July 2005.

There would be a fiscal impact in the amount of \$625,000 in connection with the Agency's funding in an amount not to exceed \$500,00 to be used by the developer for specific on-site improvements, excluding vertical construction costs and Agency funding in an amount not to exceed \$125,000 to the architect and/or engineer for costs incurred in connection with the design of the hotel. The total expenditure not to exceed \$625,000 would be funded by the Economic Development Loan-Deferred Account, under the Agency's budget. Additional Enterprise Zone (EZ) incentives would also be made available to the developer in accordance with the EZ eligibility requirements, as implemented by the City.

The development of the hotel on the site would also have a positive impact to the Agency budget. The developer shall pay annual rent payments to the Agency in the amount of \$34,000 as set forth in the Lease. The annual rent payment would increase each year by a rate equal to the percentage increase in the Local Agency Investment Fund (LAIF) rate of Consumer Price Index for All Urban Consumers, U.S. Urban Wage Earners and Clerical Workers (San Francisco-Oakland-San Jose, California) whichever is greater, thereby generate a steady revenue stream to the Agency. Annual rent payments would commence 30 months after the issuance of the building permits for the hotel.

Additionally, the developer had the option to purchase the site from the Agency during the 8th, 12th, 15th and 20th year of the lease at specified purchase prices in accordance with the terms and conditions of the Option Agreement. This potential sale of the site to the developer at a future date would create an additional positive fiscal impact to the Agency budget, allowing funds to become available for future redevelopment projects in the City.

Mr. Nail recommended that the Agency approve the DDA, which included the Lease and Option Agreement as exhibits. He further recommended that the Agency authorize and direct the Executive Director of the Agency to execute the DDA on behalf of the Agency, authorize and direct the Secretary of the Agency to attest thereto, and authorize the Executive Director to execute such further documents and take such further actions as may be necessary or appropriate to carry out the Agency's obligations pursuant to the DDA, including the execution of the Lease and Option Agreement upon the developer's satisfaction of the conditions set forth in Article 2 of the DDA.

Chair Parent opened the public hearing for Redevelopment Agency Resolution 05-1022 and City Council Resolution 05-10221.

RAMESH PATEL thanked the Council for the opportunity to build the hotel in the City. He expressed his hope that it would be a successful venture for his company and the City and he noted that the taxes to the City would be significant. He explained that the life span of a hotel was usually between 50 to 55 years and was consistent with the land lease. The hotel was also part of the Hilton brand reservation system and should do well in the community. The hotel would also have the same amenities as a Hilton Hotel with public spaces, meeting rooms, Internet and wireless access. He thanked Mr. Nail and the City Manager for their efforts to ensure that the project was underway. He was hopeful that the hotel would be open for business by July 2006.

In response to the Chair, Mr. Patel advised that the meeting rooms would likely have an occupancy of 110 to 120 persons. There would be no restaurant facilities in the hotel other than continental breakfasts to be served to the customers in the hotel following the strict guidelines of Hilton Hotels.

Chair Parent closed the public hearing for Resolutions 05-1022 and 05-10221.

On motion by Member Johnson, seconded by Member Casey and carried unanimously to adopt Redevelopment Agency Resolution 05-1022.

On motion by Councilmember Johnson, seconded by Councilmember Glynn and carried unanimously to adopt City Council Resolution 05-10221.

CONSIDERATION

1. **RESOLUTION 05-1023** Old Town Marketing Activity Plan

Executive Director Marc Grisham reported that a major component in the redevelopment of the City of Pittsburg's Old Town was having the location become a destination bound area. There were various concepts that could achieve that goal with one being marketing and promotion activities. Toward that end a partnership with the Chamber of Commerce, numerous individuals, organizations and the City had been developed to provide a promotion plan for the City's Old Town. The plan incorporated a schedule of events for 2005 to draw the public, commercial interests and investors into Old Town.

Recreation Director Paul Flores reported that the project would offer a new era for the Old Town area with certain goals and projects that had been proposed. One of the goals was to have the Old Town area become a destination bound area with regular scheduled events and activities. Another goal of the plan was to attract new commercial and retail businesses, with a highlight and preview on planned Old Town projects and investments, assistance in the retention of established Old Town retail and commercial outlets, more social activities and community interaction, and a preview of the quality of life of the Old Town area now and what it would present in the future.

The project would involve a partnership with the Chamber of Commerce, the Pittsburg Unified School District (PUSD), and numerous community organizations that had a common interest in the development of Old Town. The Old Town area had currently benefited from redevelopment and promotional activities such as custom car shows. Downtown Sounds and August After Hours had also proven to be successful in drawing interest and the public to the area. The expanded activity plan would add to the redevelopment plans of the City and of the Old Town District.

The Agency was asked to adopt a resolution approving the marketing promotion plan and funding required to implement the plan.

Member Casey questioned the name to be used as "Old Town" or "Downtown." He suggested that the term Old Town brought back the history of the City as opposed to the redevelopment of a commercial area in a downtown. He suggested that the area be referred to as Old Town from this point forward.

Vice Chair Kee agreed. He inquired of staff whether or not the Recreation Commission had already reviewed the proposal or would be involved in the organization and planning of some of the activities.

Mr. Flores advised that all department related activities would be presented to the Recreation Commission, which would be asked to assist in the activities themselves.

Chair Parent stated that she had lunch with approximately 20 people who had graduated from Pittsburg High School around the same time that she did and who lived all over and outside of the County. One individual had recently taken a parent to the Old Town area who had become very emotional when seeing the area being rebuilt and now vibrant with new housing. She reported that many people had been encouraged with what was happening in Old Town, which was encouraging for everyone.

On motion by Vice Chair Kee, seconded by Member Glynn and carried unanimously to adopt Resolution 05-1023.

Mr. Flores announced an upcoming event for Sunday, February 13 from 2:00 to 4:00 P.M. for Old Town Sounds, featuring the Central Junior High School Jazz Band.

2. **RESOLUTION 05-1024** Amendment to a Consultant Agreement By and Between the Redevelopment Agency of the City of Pittsburg and Main Street Property Services, Inc.

On December 20, 2004, the Redevelopment Agency of the City of Pittsburg adopted Resolution No. 04-1018, which approved a consultant agreement by and between the Agency and Main Street Property Services, Inc. for the purposes of developing and producing the *Downtown Pittsburg Design Principles and Guidelines*. The Agency would like to further utilize the consultant to provide marketing services for the downtown. The Agency and the consultant proposed to amend the agreement to add an Exhibit B which would outline additional services related to marketing the downtown.

Mr. Evans advised that concurrent with the Old Town activities, the item was a Consultant Agreement with Main Street Property Services, Inc. to aggressively outreach and conduct a marketing campaign outside of the City limits. The firm has done the program successfully in downtown Pleasanton, the Niles District in Fremont, the Community Building in Novato and the Salvio Pacheco Square located in the City of Concord. The item was concurrent with the efforts of the Chamber. Members of the firm had met with the Chamber and staff to ensure that there were no overlaps, with everyone working in concert to ensure that the program would work for the previously known downtown, to the *Old Town Pittsburg Design Principles and Guidelines*.

The amount of the additional Scope of Services, as set forth in the First Amendment to the Consultant Agreement by and between the Agency and the Consultant was for a price not to exceed \$150,000. Agency staff requested an allocation of funding in the amount of \$150,000 from the Redevelopment Tax Increment Reserves to be added to the Downtown Core Project for a total of \$215,000.

Mr. Evans recommended that the Agency Board approve the First Amendment and authorize and direct the Executive Director to execute the First Amendment on behalf of the Agency. In addition, Agency staff recommended that the Executive Director be authorized to execute such further documents and take such further actions as may be necessary or appropriate to carry out the Agency's obligations pursuant to the First Amendment. Staff further recommended that the Agency Board approve the additional allocation of \$150,000 from the Redevelopment Tax Increment Reserves for a total project budget of \$215,000.

Member Casey noted that the resolution had several references to the "downtown" which he asked be amended to read "Old Town."

Member Johnson spoke to the redevelopment structure of the contract which he understood was asking for approval of funds for the thought process. He inquired whether or not additional programs would be set for the redevelopment of the buildings, such as the overhangs, signage and the like. He also asked about the time frame related to the proposal.

Mr. Evans explained that a much larger outreach campaign would include the

Commercial Rehabilitation Loan Program, working with current owners to improve building facades, as an example, as part of the design guidelines. Information from the Main Street organization was presented to the Council illustrating what that firm proposed to do. He commented that the Design Principles and Guidelines for Old Town were two months into the six month program with the rest of the contract to be spanned over one year.

Project Manager Ursula Luna added that the Downtown Design Guidelines were currently in progress to encourage a retail corridor for Railroad Avenue with a focus on the downtown core from Tenth Street along Railroad Avenue. The Downtown Guide would address items such as storefront signage, storefronts, pedestrian walkways, landscaping and street furniture. Marketing of the downtown to outside of the City limits as well as to City residents would be pursued. She advised that Main Street Property Services had been very successful in other communities. The firm would be focusing on creating a brand for the City with all marketing materials to go out with that brand.

Ms. Luna requested that the marketing team be allowed to consider some of the branding concepts before adopting a new name. She asked that Main Street Property Services, Inc. be allowed to make some recommendations before the Council officially amended the resolution.

In response to Member Casey, Ms. Luna commented that there had not been anything determined for the name, either Old Town or downtown, since work had not commenced on the marketing portion of the proposal. She expressed her hope that the firm would be allowed to start that process and consider renaming the area to Old Town as one of the possibilities.

Mr. Grisham suggested that the documents could all be changed to read "Old Town" per the Agency's direction. The marketing and branding process would be brought back to the Agency to ensure that the Agency was comfortable with what was being considered.

Member Johnson requested that the item be linked to the City's website so that the public was informed of the efforts being pursued for the City's future. Mr. Evans advised that would be done.

Vice Chair Kee inquired whether or not any thought had been given to how existing buildings would be treated once a signage program had been developed.

Mr. Grisham expected that after a signage program was prepared staff would return to the Agency with such a program and with possible incentives, such as no interest loans or façade treatments. Staff would work to identify all of the options to encourage good signs.

Further in response to Member Johnson, Mr. Evans explained that staff would be coordinating efforts with A.F. Evans and would be looking into the enhancement of the waterfront to Tenth Street to ensure consistency throughout the Old Town Area.

On motion by Member Glynn, seconded by Member Casey and carried unanimously

to adopt Resolution 05-1024, as amended to change the documents to read "Old Town."

3. **RESOLUTION 05-1025** Awarding an Exclusive Negotiating Agreement By and Between the Redevelopment Agency of the City of Pittsburg and Miller-Sorg Group, Inc.

Mr. Grisham reported that on October 18, 2004, the Agency Board approved Resolution No. 04-494 which established a Unified Development Area (UDA) at the southwest corner of Tenth and Cumberland Streets. The Redevelopment Agency of the City of Pittsburg desired to enter into an Exclusive Negotiating Rights Agreement with the Miller-Sorg group, Inc. which provides procedures and standards for the negotiation by the Agency and developer of a Disposition and Development Agreement (DDA) for acquisition and development of the UDA.

Mr. Evans explained that the item before the Agency was an Exclusive Negotiating Agreement (ENA) with Miller-Sorg Group, Inc., one of the applicants from the Black Diamond project. Staff had been impressed with their overall background and suggested it would be a good opportunity to point them in the direction of another project. The project comprised 14 parcels, roughly three acres and the ENA would allow staff to negotiate a DDA with a time period of 120 days. In the event there were California Environmental Quality Act (CEQA) issues, there could be an extension of three months.

There would be no fiscal impact. Mr. Evans recommended that the Agreement between the developer and the Agency be approved. He further recommended that the Agency authorize and direct the Executive Director of the Agency to execute the Agreement on behalf of the Agency and authorize the Executive Director to execute such further documents and take such further actions as may be necessary to carry out the Agency's obligations pursuant to the Agreement.

Member Glynn inquired of the timeline to expect some action in the area.

Mr. Evans commented that the Agency had already conducted appraisals and outreach to the property owners, some of whom had made agreements with the offer prices on his/her properties. It was anticipated that the ENA would go smoothly and quickly with a DDA to be presented to the Agency in June or July. Thereafter the plans would be submitted to the Planning Commission for consideration of the development.

Member Casey made a motion to adopt the resolution. Member Johnson seconded the motion.

On the question, Chair Parent noted for the record that all property owners in the area had been notified that he/she could participate as developers, although there had been no positive reactions to that notification.

MIKE RICE, Miller-Sorg Group, Inc., commented that they had worked closely with

the City of Suisun on similar redevelopment projects, which had been successful. He expressed his hope to find the same success in the City of Pittsburg. He stated that the firm would work diligently to come up with a good design for the community.

On motion by Member Casey, seconded by Member Johnson and carried unanimously to adopt Resolution 05-1025.

CONSENT CALENDAR

On motion by Vice Chair Kee, seconded by Member Johnson and carried unanimously to adopt the Consent Calendar, with the removal of Item b, as follows:

a. **MINUTES** Dated: January 18, 2005

Approved minutes dated January 18, 2005.

c. **RESOLUTION 05-1026** Authorizing the Executive Director to Execute Consultant Agreements for Various Technical Services

Adopted Resolution 05-1026.

The following item was removed from the Consent Calendar for discussion.

b. **MINUTE ORDER** Commercial Rehabilitation Loan Program Policy and Procedure Change

Member Johnson thanked staff for reviewing the program policy and for making the changes that had been made, which he suggested would be good for the City and which would work better than the previous policy.

On motion by Member Johnson, seconded by Member Glynn and carried unanimously to approve the Commercial Rehabilitation Loan Program Policy and Procedure Change.

ADJOURNMENT

The meeting of the Redevelopment Agency adjourned at 8:01 P.M. to February 22, 2005.

Respectfully submitted,

Lillian J. Pride, Secretary
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CITY OF PITTSBURG
Pittsburg Power Company Minutes
February 7, 2005

Chair Nancy Parent called the meeting of the Pittsburg Power Company to order at 8:02 P.M. in the City Council Chambers at City Hall, 65 Civic Avenue, Pittsburg, California after having convened into Closed Session at 6:00 P.M. for Conference with Legal Counsel – Existing Litigation pursuant to Section 54956.9(a) of the Government Code, regarding Redevelopment Agency of the City of Pittsburg, California vs. United States Steel Corporation, Case No. C 04-2349 MJ; and Conference with Legal Counsel – Anticipated Litigation pursuant to subdivision (b) of Section 54956.9 regarding three cases.

Chair Parent advised that there was no reportable action from Closed Session

MEMBERS PRESENT: Casey, Glynn, Johnson, Kee, Parent

MEMBERS ABSENT: None

STAFF PRESENT

Executive Director, Marc Grisham
Legal Counsel, Ruthann Ziegler
City Clerk, Lillian Pride
Deputy City Clerk, Alice Evenson
Director of the Redevelopment Agency, Garrett Evans
Director of Development Projects, Randy Jerome
Director of Engineering and Building, Joe Sbranti
Director of Economic Development, Brad Nail
Director of Human Resources, Marc Fox
Director of Public Works, John Fuller
Director of Recreation, Paul Flores
Director of Finance, Marie Simons
Police Chief, Aaron Baker

CONSIDERATION

1. **RESOLUTION 05-121** Approve and Authorize the Executive Director to Execute Gas and Electric Operations Agreements Between the City of Vallejo and the Pittsburg Power Company Regarding the Distribution of Gas and Electricity on Mare Island

Executive Director Marc Grisham stated that the Pittsburg Power Company, which has been doing business on Mare Island as Island Energy, has completed negotiations on gas and electric operations agreements with the City of Vallejo regarding the distribution of gas and electricity on Mare Island.

These agreements provide for the right to expand Island Energy's service to previously un-served areas of Mare Island and for a fee to be paid by Island Energy to the City of Vallejo based on Island Energy's gross income from the sales of gas and electricity on Mare Island.

Any and all expenses incurred under the Agreement shall be subject of an appropriate rate case to be presented to the Board as necessary or as part of its annual budget process. Any necessary increases in the rates shall be borne by the Island Energy ratepayers.

Mr. Grisham recommended that the Board approve and authorize the Executive Director to execute the Gas and Electric Operations Agreement between the City of Vallejo and the Pittsburg Power Company regarding the distribution of gas and electricity on Mare Island.

Chair Parent noted that the City of Vallejo had already signed the agreement.

On motion by Member Glynn, seconded by Member Johnson and carried unanimously to adopt Resolution 05-121.

CONSENT CALENDAR

On motion by Member Johnson, seconded by Member Glynn and carried unanimously to adopt the Consent Calendar, as follows:

- a. **MINUTES** Dated: January 18, 2005

Adopted Minutes dated January 18, 2005.

ADJOURNMENT

The meeting of the Pittsburg Power Company adjourned at 8:03 P.M.

Respectfully submitted,

Lillian J. Pride, Secretary

CITY OF PITTSBURG
City Council Minutes
February 7, 2005

Mayor Nancy Parent called the meeting of the City Council to order at 8:03 P.M. in the City Council Chambers at City Hall, 65 Civic Avenue, Pittsburg, California after having convened into Closed Session at 6:00 P.M. for Conference with Legal Counsel – Existing Litigation pursuant to Section 54956.9(a) of the Government Code, regarding Redevelopment Agency of the City of Pittsburg, California vs. United States Steel Corporation, Case No. C 04-2349 MJ; and Conference with Legal Counsel – Anticipated Litigation pursuant to subdivision (b) of Section 54956.9 regarding three cases.

Mayor Parent advised that there was no reportable action from Closed Session.

MEMBERS PRESENT: Casey, Glynn, Johnson, Kee, Parent

MEMBERS ABSENT: None

STAFF PRESENT

- City Manager, Marc Grisham
- City Attorney, Ruthann Ziegler
- City Clerk, Lillian Pride
- Deputy City Clerk, Alice Evenson
- Director of the Redevelopment Agency, Garrett Evans
- Director of Development Projects, Randy Jerome
- Director of Engineering and Building, Joe Sbranti
- Director of Economic Development, Brad Nail
- Director of Human Resources, Marc Fox
- Director of Public Works, John Fuller
- Director of Recreation, Paul Flores
- Director of Finance, Marie Simons
- Police Chief, Aaron Baker

Mayor Parent considered the following general City Council items at 7:01 P.M. prior to pursuing the Redevelopment Agency agenda.

PLEDGE OF ALLEGIANCE

Ms. Coniglio led the Pledge of Allegiance.

PROCLAMATION

1. Pittsburg High School Varsity Football Team

Councilmember Johnson read the proclamation for the Pittsburg High School Varsity Football team and presented the proclamation to the Varsity Football Coach Victor Galli.

VICTOR GALLI, Coach of the Pittsburg High School Varsity Football team, accepted the proclamation on behalf of Pittsburg High School and its football program and expressed his hope that the team would continue to make the community proud.

COUNCILMEMBER REPORTS/REMARKS

Councilmember Casey reported that he had attended a meeting with the Community Advisory Committee (CAC) on the Community Development Block Grant Funds (CDBG) and had been impressed with the hard work of the CAC. He thanked the Mayor for the appointment to the Committee. He had also met with the Economic Development Department and a member of the Council Subcommittee at which time he had been brought up to date on proposed and planned projects.

Councilmember Johnson commended the CDBG grant process for allowing the Council Subcommittee to provide assistance. He stated that there had been over 46 applicants in the interview process. He also had the opportunity and enjoyed meeting with the Mayor and the Interim City Manager of the City of Riverside, a community similar to Pittsburg, which also had its own power plant, water and gas utilities.

Councilmember Glynn stated that he had attended the annual installation dinner for the Chamber of Commerce where the Business and Citizen of the Year had been named. He also noted that the City had hosted the John F. Kennedy University Open House and that approximately 60 students had applied for a number of the programs that would be offered by the new facility in April 2005.

Vice Mayor Kee reported that he had attended the first meeting of the Tri Delta Transit Board along with the Mayor, as an Alternate, along with voting member Councilmember Glynn at the Urban Limit Line (ULL) meeting.

Councilmember Glynn explained that the ULL meeting had no final conclusions for the East County participants. Another meeting had been scheduled for February 9, where it was the hope that the issues with the various plans under consideration could be resolved.

Mayor Parent reported that the City would be sponsoring a Blood Drive on February 23. The Red Cross Blood Mobile would be in the City Hall parking lot from 8:00 A.M. to 2:00 P.M. Interested participants could contact the Red Cross to make appointments or volunteer during the hours of operation to give blood.

Mayor Parent had also attended a Black History Month event which had been sponsored by Give Always To Others at the Impulse Gallery when the 60th Anniversary of the explosion at Port Chicago had been recognized. She noted that the Parade Magazine in last Sunday's newspaper had included an article about the Port Chicago incident.

Mayor Parent also commented that she had spoken with a citizen who was alive at the time of the Port Chicago incident, who, as a veteran, had expressed concern that the veterans were running out of cemetery space. That individual had opined that since there was a memorial at Port Chicago in recognition of those who had been killed in the explosion years ago, the land around Port Chicago, should it become available, would make an appropriate veterans cemetery. Supervisor Federal Glover had also been present at that time. She had recommended that Supervisor Glover and the Veterans Affairs Committee consider such a recommendation.

Mayor Parent also reported on her attendance at the Mayor's Conference when a Professor from the City of Riverside had been the keynote speaker. She took this opportunity to commend City staff, the Police Department and the City's legal department for its work on the Cary Verse case should he be placed in the community of Bay Point.

Other activities the Mayor had been involved including the February 5 clean-up of the area between School Street and the railroad tracks at Railroad Avenue and Harbor Street, and the Chamber of Commerce installation dinner when officers had been installed and when Gil Ruiz had been presented with the Citizen of the Year Award. She was also scheduled to speak to the Government Affairs Committee of the Chamber of Commerce breakfast meeting on February 8. As an update to the Creative Arts Seat Committee, she reported that the concert series had allowed the group to raise enough funds to refurbish all of the seats in the Little Theater. Approximately 1,500 seats remained to be refurbished in the Large Theater. She encouraged everyone's support of those efforts either through attending the concert series or through donations.

Director of Human Resources Marc Fox added that the Human Resources Department had information for City employees or members of the public to sign up for the upcoming Blood Drive.

CITY MANAGER REPORTS/REMARKS

City Manager Marc Grisham reported that the Redevelopment Director had taken possession of the "pink palace" building located at the corner of Tenth and Railroad Avenue. Staff was hopeful that the building would be demolished by March 2005.

Mr. Grisham also read into the record a portion of a news release that would be placed on the City's website, indicating that the Government Finance Officer's Association had issued a Certificate of Achievement for Excellence in Financial Reporting to the City of Pittsburg for its Comprehensive Annual Finance Report (CAFR). He advised that the Certificate of Achievement was the highest form of recognition in the area of governmental accounting and financial reporting representing significant accomplishment by government and its management.

Finance Director Marie Simons was asked to receive the award. She reported that the award was for the City's financial report, presented to the Council for fiscal year ending in 2003 when the City had to comply with the new reporting model GASB 34.

In particular, Ms. Simons commended Thua Pham, who was the primary caretaker of all of the City's accounting records and who supervised accounts payable, accounts receivable, payroll and the like. He was also responsible for the closure of the accounting records and worked with the auditors to prepare the annual financial report submitted to the Council. She suggested that he should receive the award on behalf of the Finance Department.

THUA PHAM expressed his appreciation to the City Council for its support and its commitment, and to his staff for the award. He also thanked the other City Departments and in particular Ms. Simon for her efforts to allow him to complete the financial report.

CITIZENS REMARKS

There were no citizen remarks.

Mayor Parent reconvened the City Council meeting at 8:03 P.M.

PUBLIC HEARING

1. **RESOLUTION 05-10221** Approval of a Disposition and Development Agreement
Combined w/RDA 05-1022 By and Between the Redevelopment Agency of the City Of Pittsburg and BMS Investments 5, LLC and Making Certain Findings in Connection Herewith

The Redevelopment Agency of the City of Pittsburg and BMS Investments 5, LLC have negotiated terms for a Disposition and Development Agreement (DDA), a Ground Lease Agreement and an Option to Purchase Agreement for the development, lease and potential sale of approximately 76,000 square feet of vacant land located at 1201 California Avenue in the City of Pittsburg. The developer will construct an approximately 56,000 square foot, 4 story, 96-room quality hotel operating under the Hampton Inn & Suites brand on the site.

In Joint Session with the Redevelopment Agency, the City Council took the following action:

On motion by Councilmember Johnson, seconded by Councilmember Glynn and carried unanimously to adopt City Council Resolution 05-10221.

2. **RESOLUTION 05-10215** Establishment of an Inclusionary Housing In Lieu Fee And Inclusionary Housing Monitoring Fee

Mr. Grisham commented that the item had been continued from the previous Council meeting to allow additional input from the development community as it related to the fee structure. The City's recently adopted Inclusionary Housing Ordinance allowed developers, in limited circumstances, to pay a fee to the City in lieu of constructing the required affordable units.

The Council must establish by resolution the amounts of the fees before developers could utilize the in lieu fee option. The ordinance also allowed the City Council to establish fees in order to defray City costs to monitor and enforce inclusionary housing agreements. Staff had drafted a resolution for Council consideration which established these fees.

Funds collected in the form of in lieu fees would be used for construction of affordable units by another developer. Implementation of the inclusionary ordinance would require City staff to conduct ongoing monitoring in order to ensure compliance with the income and occupancy levels for specified affordable units. As proposed, the City would also be reimbursed for the necessary additional staff time through payment of administration and monitoring fees on a per-residence basis.

Mr. Grisham recommended that the City Council adopt a resolution establishing inclusionary housing in lieu and monitoring fees for the implementation of the inclusionary ordinance requirements.

Mayor Parent reopened the public hearing for Resolution 05-10215.

JIM CONIGLIO, representing Discovery Homes, expressed his support for the resolution. He commended City staff for working with the developers on all of the issues.

Mayor Parent advised that the Council had received correspondence this date from the Home Builders Association of California which had expressed its gratitude for the information in the staff report and which had commended City staff for remaining open and up front during the process, including the fact that staff had kept the Association informed along every step of the process. The Association suggested that the staff recommendation was fair and equitable.

Mayor Parent closed the public hearing for Resolution 05-10215.

On motion by Councilmember Johnson, seconded by Councilmember Glynn and carried unanimously to adopt Resolution 05-10215.

CONSIDERATION

1. **MINUTE ORDER** Adoption of New Commission Bylaws

Mr. Grisham noted the amendments to the Municipal Code in April 2004 pertaining to the conduct of City Commissions provided that each Commission submit new bylaws to the Council for review and approval. Bylaws for the Planning Commission, Community Advisory Commission, Youth Commission and Recreation Commission had been submitted for Council review and approval.

There was no fiscal impact. Staff recommended that the City Council approve, by minute order, the recommended Planning Commission, Community Advisory Commission, Recreation Commission and Youth Commission bylaws, respectively.

Councilmember Casey commented that the Recreation and Youth Commission

bylaws contained no information on the status or goals of the Commissions. Speaking to the Youth Commission, given its problems with attendance in the past, he suggested that the Council review that issue to ensure there would be a viable Youth Commission in the future. He otherwise had no concerns with the resolution and moved its approval.

Councilmember Johnson requested that the bylaws be amended for all Commissions to ensure that all had the same bylaws for consecutive excused absences. He sought uniformity for all of the Commission bylaws. He also sought clarification on his understanding that the Historical Resources Commission (HRC) had been folded into the Planning Commission. He suggested that the HRC either be constituted as a whole Commission separate from the Planning Commission, or that there be clarification that it had been folded into the Planning Commission. He noted that the Planning Commission bylaws had stated that the HRC was one body by itself.

Vice Mayor Kee spoke to the bylaws related to vacancies on both the CAC and the Recreation Commission where the bylaws had shown that after three unexcused absences, the fourth absence would constitute a resignation. Given that Commissioners were appointed by the City Council, he suggested that the City Council would be responsible for removing a member of a Commission, not the Commission itself. He suggested that the Commission could make such a recommendation to the City Council. He recommended that section be amended or eliminated in both the CAC and Recreation Commission bylaws.

Councilmember Glynn noted that most issues that had been raised in the new documents had been considered by the Council Subcommittee which had spent months reviewing the document for consistency and standardization. He agreed that the City Council should be the only authority to remove a Commissioner. For those Commissions that experienced difficulties achieving a quorum, he recommended a discussion as to whether or not that Commission should be retained. He agreed that action to adopt the new Commission Bylaws should be tabled pending revisions.

Councilmember Casey stated that he would agree to table the item if that was the decision of the entire Council.

Mayor Parent noted there were a number of inconsistencies in the bylaws. One of the Commission's bylaws had stated that the Commission would be controlled by Robert's Rules of Order, when possible, but not to invalidate any action. Two other Commission bylaws had shown the Commissions to be controlled by Robert's Rules of Order Newly Revised. She emphasized that all Commissions should have the same bylaws regarding compliance with Robert's Rules of Order.

Mayor Parent also commented that the Planning Commission bylaws had shown that the bylaws could only be amended one time each year, although that made no sense, and in fact, the Commission could not amend the bylaws since the Council adopted the bylaws for each Commission. Only the Council could amend the bylaws. Also, the Recreation Commission included a provision that it could amend its bylaws as well, which was not

accurate and which should also be corrected.

Mayor Parent further questioned the rules for absences in that some of the bylaws indicated four meetings unexcused or excused would constitute a Commissioner's resignation. She suggested that should be clarified to read four meetings whether excused or unexcused. She asked the City Manager to revise the bylaws as directed and to bring the item back to the Council in 30 days.

Mr. Grisham noted that the Commissions had each made the recommendations to revise its bylaws based on the direction from the City Council. The bylaws had a certain uniqueness and individuality to them. He understood that the Council's goal was that all of the bylaws be the same in particular areas, which the Mayor affirmed regarding absences, who would be changing Commissioners in the event of excessive absences and what Rules of Order the Commission would operate by.

The Mayor also affirmed that the intent was not to send the bylaws back to each Commission, but to change the bylaws subject to the input from the Council at this time.

Councilmember Glynn recommended the reinstatement of the Council Subcommittee to redraft the bylaws consistent with the Council's intent.

Councilmember Johnson again requested clarification as to the status of the HRC, whether or not it would be combined with the Planning Commission or be its own Commission.

Mayor Parent understood that the Council had assigned the former work of the HRC to the Planning Commission as one of its functions.

Mr. Grisham recalled that the Council had designated the Planning Commission to serve as the HRC. He noted that staff would amend the bylaws, as directed, with a clarification in the Planning Commission bylaws where the HRC would act in the same manner as the Planning Commission, since that was the Commission designated by the Council to do the job of the HRC.

Councilmember Johnson suggested that the same clarification should be pursued for the Youth Commission since it had been combined with the Recreation Commission.

Councilmember Glynn understood that the Youth Commission had an exemption because of the time that group met, which was primarily after school on certain days. In general, that Commission functioned no differently from any other Commission with regards to all of the other applicable rules.

By consensus, the adoption of the New Commission Bylaws was tabled for 30 days.

2. **RESOLUTION 05-10222** Authorizing the Mayor To Sign a Letter to BART

Requesting a BART/e-BART Station Near the State Route 4/Railroad Avenue Intersection and Initiating a Study to Develop an Area Plan for a Transit Oriented Development at this Location

Mr. Grisham noted that the City's General Plan and Shaping Our Future maps envisioned a BART station and transit-oriented development near the intersection of State Route 4 and Railroad Avenue. Staff requested that the Council confirm in writing 1) its support for a BART and/or e-BART station at this location; 2) its request that the site be evaluated for a station as part of the upcoming Environmental Impact Report (EIR) for the BART/e-BART extension; and 3) its commitment to develop a master plan for a transit oriented development adjacent to the new station. Staff further requested that the Council authorize staff to negotiate terms with BART to establish a station at this location and initiate a transit oriented development study for the Civic Center block and the area generally bounded by State Route 4 on the north, Harbor Street on the east, Leland Road on the south and Railroad Avenue on the west. It was reported that presentations had been made to the BART staff and there had been discussions with the CCTA, all which had been positive.

There was no fiscal impact to the City at this time. Potential fiscal impacts might exist regarding a funding partnership with BART after further negotiations.

It was recommended that the City Council 1) authorize the Mayor to sign a letter to BART in support of an e-BART Station or BART to e-BART transfer station near the intersection of Highway 4 and Railroad Avenue as generally described above: 2) authorize staff to negotiate terms with BART to construct the station/transfer station; and 3) direct staff to develop a work program and budget for developing a transit oriented development plan for the subject area.

Councilmember Johnson thanked staff for the initiative and for meeting with BART and the CCTA. He recognized that there was not a lot of support for the placement of a BART station in the City of Pittsburg, although he emphasized the importance that the City have its own station.

Vice Mayor Kee also thanked staff for its efforts in speaking with higher elected officials to lobby for a transfer station in the City. He recognized that the City was doing everything possible to ensure consistency with the guidelines for station placement, which was one of the reasons why City Hall had been located where it was instead of in Old Town. He agreed that the BART Station would be vital to the City.

Mayor Parent recommended a change to the last sentence of the letter to be more proactive to reflect that the City would like to have a meeting with BART, not leave it up to BART to decide to have the meeting. She also suggested that the "CC" at the end of the letter be amended to read that Joel Keller was a BART Director and an ePPAC Member.

BRUCE OHLSON, a member of the Board of Directors of the East Bay Bicycle

Coalition, advised that Pittsburg bicyclists were 100 percent in favor of a BART or an eBART station in the median of State Route 4 on Railroad Avenue. He noted that the Metropolitan Transportation Commission (MTC) had a Safe Routes to Transit program which encouraged and helped plan, fund and build bicycle facilities in the vicinity of major transit nodes. Pittsburg bicyclists urged the City to mandate the build out of the area around the station to fully accommodate bicycles in the transportation infrastructure.

On motion by Mayor Parent, seconded by Councilmember Kee and carried unanimously to adopt Resolution 05-10222, as amended.

3. **RESOLUTION 05-10223** Approval of City of Pittsburg Emergency Operations Plan

Mr. Grisham commented that under the authority of California Emergency Services Act (Chapter 7 of Division 1 of Title 2 of the California Government Code) the City of Pittsburg was authorized to develop plans for emergency event response and recovery.

There was no fiscal impact. Mr. Grisham recommended that the City Council adopt the resolution approving the City of Pittsburg Emergency Operation Plan.

Vice Mayor Kee commended the Pittsburg Police Department on the preparation of the document. He recognized that the document would have to be followed and that each individual would have to understand his/her role in the process.

Councilmembers Johnson and Casey agreed.

Mayor Parent recalled that she had attended a training session with the Sheriff's Department regarding the document. She understood that all City employees had received the same training. Police Chief Aaron Baker affirmed that was the case.

On motion by Vice Mayor Kee, seconded by Councilmember Glynn and carried unanimously to adopt Resolution 05-10223.

4. **RESOLUTION 05-10224** Authorization for the City Manager to Execute a First Supplemental Indenture of Trust for the Fountain Plaza Apartments Located at 1010 Power Avenue

Mr. Grisham requested authorization for the City Manager to execute a First Supplemental Indenture Trust for the Fountain Plaza Apartments located at 1010 Power Avenue, thereby amending the restated indenture dated September 1, 1994.

Mr. Grisham expected at a future point to come back to the City Council and discuss the transfer of ownerships of the property and things that could be done that would result in the rehabilitation and modernization of the apartment units.

There would be no fiscal impact inasmuch as the report and its corresponding

resolution only authorized execution and delivery of a First Supplemental Indenture of Trust containing technical amendments to the current Indenture under which the bonds were issued.

Mr. Grisham recommended that the City Council authorize the City Manager to execute a First Supplemental Indenture of Trust containing the technical amendments described herein.

Councilmember Johnson spoke to the condition of the revenue bonds for the 45 project units that would be restricted to affordable income units and which had expired in August 1999. He questioned how those units would be renewed. He also questioned whether or not the apartment complex contained any Section 8 Housing.

Director of the Redevelopment Agency Garrett Evans explained that would be a matter of the Agency reaching an agreement with the ownership to restrict units. The apartments had met the requirements for the original bonds in the 1980s and the time period had expired. It would depend on the negotiated transaction and the units could be counted depending on the structure of the agreement. He commented that there possibly were a couple of Section 8 Housing units as found in most multi-family housing. He had not seen an updated rent roll for the property.

Mr. Grisham added that this was an ongoing agreement with the financings that had originally been done by the City and its Redevelopment Agency relating to both multi-family and single family units. The time criteria for the units remaining affordable as it related to Federal law had been a short period of time. There had been a great deal of such financings in the 1980s. The covenants related to affordability were coming up all over the State, which was why projects such as Marina Heights and Fountain Plaza included a review of the issues of affordability since the Redevelopment Agency affordable issues were longer than 15 years. He commented that staff would review the rent roll as part of the process.

Councilmember Johnson inquired of the cost to the City for the indentured trust, to which Mr. Evans explained that there was no cost to the City in that Orrick, Herrington and Sutcliffe, the City's Bond Counsel, had recommended the steps to facilitate any type of transaction.

On motion by Councilmember Johnson, seconded by Councilmember Glynn and carried unanimously to adopt Resolution 05-10224.

5. **MINUTE ORDER** Councilmember Committee Assignment

In accordance with the City of Pittsburg Policies and Procedures for the City Council adopted by the City Council on September 4, 2001 by Resolution No. 01-9475, the Mayor and Vice Mayor shall appoint individual Councilmembers to standing and ad hoc committees.

A need currently exists to appoint a committee member and alternate to the newly

created eBART Partnership Policy Advisory Committee (ePPAC).

There was no fiscal impact to the City. By Minute Order, it was recommended that the Council appoint a committee member and alternate to the eBART Partnership Policy Advisory Committee.

Mayor Parent made a motion to appoint Councilmember Glynn as the committee member and Vice Mayor Kee as the alternate to ePPAC in order to maintain continuity with the other transportation committees in East County, in which Mr. Glynn was the City's representative and Mr. Kee was his alternate.

On motion by Mayor Parent, seconded by Councilmember Glynn and carried unanimously to appoint Councilmember Glynn as the Committee Member and Vice Mayor Kee as the Alternate to the newly created ePPAC.

Councilmember Glynn thanked the Mayor and the Vice Mayor for allowing him to continue in the process.

CONSENT CALENDAR

On motion by Vice Mayor Kee, seconded by Councilmember Glynn and carried unanimously to adopt the Consent Calendar, with the removal of item e, as follows:

a. **MINUTES** Dated: January 18, 2005

Approved minutes dated January 18, 2005.

b. **CLAIMS** #1617 Adena Allen; #1626 Shirley Vical; #1633 Ron Huppert and Javier Salgado

Denied claims #1617 Adena Allen; #1626 Shirley Vical; #1633 Ron Huppert and Javier Salgado.

c. **ORDINANCE 05-1236** Amendment to Municipal Code 15.104 to Update the Fee for the Stormwater Management Plan for Kirker Creek Watershed Drainage Area

Adopted Ordinance 05-1236.

d. **ORDINANCE 05-1237** Amendment to the Municipal Code, Section 17.32.020, Park Dedication

Adopted Ordinance 05-1237.

f. **RESOLUTION 05-10226** Making Minor Technical Corrections to the Department

Directors Benefits and Salary Schedule by Including
Uniform Allowance

Adopted Resolution 05-10226.

- g. **RESOLUTION 05-10227** Reject Bids for the Water Treatment Plant Security Camera System

Adopted Resolution 05-10227.

- h. **RESOLUTION 05-10228** Acceptance of Contra Costa County Keller Canyon Landfill Mitigation Funds

Adopted Resolution 05-10228.

- i. **RESOLUTION 05-10229** Police Department Operational Review

Adopted Resolution 05-10229.

- j. **RESOLUTION 05-10230** Accepting Contract No. 97-12, Hillview Reservoir Storm Drain Line Project as Complete and Authorizing the City Engineer to File a Notice of Completion

Adopted Resolution 05-10230.

- k. **RESOLUTION 05-10231** Accepting a Transportation Development Act Reimbursement in the Amount of \$56,000 for Contract 03-01, Eighth Street and Century Boulevard Pavement Reconstruction Project

Adopted Resolution 05-10231.

- l. **RESOLUTION 05-10232** Approving an Open Purchase Order with Ford Graphics of Concord, California for Graphic Reproduction Services

Adopted Resolution 05-10232.

- m. **RESOLUTION 05-10233** Authorize Funding Payments to Contra Costa County Pittsburg Library for Additional Hours of Service Not to Exceed a Cost Proposal of \$87,000 for Fiscal Year 2004-2005

Adopted Resolution 05-10233.

The following item was removed from the Consent Calendar for discussion.

- e. **RESOLUTION 05-10225** Accepting Plans and Specifications for the West Leland Extension

Councilmember Johnson commented that he had asked that the item be pulled so that he could emphasize the need for assurance that there be a four lane road constructed from the beginning, with the work to start in April 2005.

On motion by Councilmember Casey, seconded by Councilmember Johnson and carried unanimously to adopt Resolution 05-10225.

ADJOURNMENT

The City Council adjourned at 8:45 P.M. to February 22, 2005.

Respectfully submitted,

Lillian J. Pride, City Clerk

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