

CITY OF PITTSBURG
Housing Authority Minutes
December 18, 2006

Chair Ben Johnson called the meeting of the Housing Authority to order at 7:14 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 Council - Existing Litigation pursuant to Section 54956.9(a) of the Government Code regarding City of Pittsburg vs. Seecon Financial and Construction, Case No. 06AS00951; and Conference with Legal Counsel - Anticipated Litigation pursuant to subdivision (b) of Section 54956.9 regarding three cases.

Chair Johnson advised that there was nothing to report from Closed Session.

MEMBERS PRESENT: Casey, Evola, Kee, Mixon, Parent, Wallen, Johnson

MEMBERS ABSENT: None

STAFF PRESENT

Executive Director, Marc Grisham
Assistant Executive Director, Matt Rodriguez
Legal Counsel, Ruthann Ziegler
City Clerk, Alice Evenson
Director of Housing and Community Programs, Annette Landry
Director of Pittsburg Power Company, Garrett Evans
Director of Engineering and Building, Joe Sbranti
Director of Economic Development, Brad Nail
Director of Redevelopment, Randy Starbuck
Director of Human Resources, Marc Fox
Director of Public Works, John Fuller
Director of Planning, Melissa Ayres
Director of Recreation, Paul Flores
Director of Finance, Marie Simons
Chief of Police, Aaron Baker

The CITY COUNCIL CONVENED JOINTLY with the HOUSING AUTHORITY and the REDEVELOPMENT AGENCY to consider the following.

PUBLIC HEARING

1. **RESOLUTION 06-227** Approving Budget for and Reallocating Redevelopment
Combined w/RDA 06-1170 Agency Funds from Tenth/Cumberland Infrastructure
Combined w/CC 06-10697 Account to Contract 2006-13 Housing Authority Tenant
Improvements Project and Accompanying
Redevelopment Agency/Housing Authority Resolutions

Redevelopment Director Randy Starbuck stated that the item pertained to the tenant improvements for the City of Pittsburg Housing Authority to be constructed and installed within a portion of the ground floor of the mixed-use building currently under construction at the northeast corner of E. Tenth Street and Railroad Avenue. Contract 2006-13, Housing Authority Tenant Improvements, provides for the design and construction of the tenant improvements for the portion of the Gateway Project intended to be occupied by the Housing Authority. The Agency resolution would reallocate unencumbered redevelopment funds from the Gateway Project known as Contract 2006-05, Gateway Off-Site Improvements to fund the necessary tenant improvements for the Housing Authority component, and make necessary findings required by Redevelopment Law. Additionally, the Agency resolution would authorize the Agency Executive Director to enter into consultant design and construction agreements for the tenant improvements as well as authorize the Agency Executive Director to begin negotiations with the developer of the Gateway Project, Gateway Mixed Use Development, a California Limited Partnership for construction of the tenant improvements within the Housing Authority component, and would also make necessary findings required by Redevelopment Law. Pursuant to the accompanying Housing Authority and City Council resolutions, the Housing Authority and the City Council would make necessary findings required by California Community Redevelopment Law (Health & Safety Code Section 33000 et. seq.) that no other means of financing the tenant improvements were available to the City or the Housing Authority.

Mr. Starbuck advised that the setting aside of the monies was for the construction of the improvements although the actual improvements would come back. The first act was to approach Domus, the developer. He recommended that the Housing Authority consider the first resolution after which the Redevelopment Agency and City Council resolutions could be considered. The fiscal impact for the current approved budget for Gateway Off-Site Improvements, Contract 2006-05 would be \$3,000,000. He requested that \$950,000 of those funds be reallocated to a new project entitled Contract 2006-13, Housing Authority Tenant Improvements.

A summary of the project funding for the tenant improvements within the Housing Authority component were as shown in the December 18, 2006 staff report, which summary identified the costs for design, construction, miscellaneous services and supplies. The Agency requested an allocation of \$250,000 to pay the costs associated with the Agency component. In connection with such allocation, the Agency would be allocating \$75,000 to be utilized by the Agency for professional services from the consultant, ZG Design.

Mr. Starbuck recommended that the Agency adopt a resolution allocating \$950,000 of the fund entitled Tenth/Cumberland Infrastructure to Contract 2006-13, Housing Authority Tenant Improvements. It was also recommended that the Agency Board adopt a resolution to authorize the Executive Director to enter into a design consultant and construction management agreement with ZG Design not to exceed \$75,000. He further recommended that the Housing Authority and the City Council adopt a resolution in accordance with Redevelopment Law.

In order to expedite construction and possibly achieve cost savings, Mr. Starbuck

further recommended that the Agency authorize the Agency Executive Director to begin negotiations with the developer for the purpose of constructing the tenant improvements. In the event following such negotiations the Agency Executive Director determines that the tenant improvements can be constructed by the developer in connection with the on-going construction of the Gateway Project in a more efficient and cost-effective manner than publicly bidding the construction of the tenant improvements, staff would return to the Agency Board and City Council at a later date for additional authorization to execute such documents necessary to permit such construction of the tenant improvements by the developer.

Mayor Johnson opened the public hearing for Housing Authority Resolution 06-227, Redevelopment Agency Resolution 06-1170 and City Council Resolution 06-10697. There was no one to speak to the items. Mayor Johnson closed the public hearing for Housing Authority Resolution 06-227, Redevelopment Agency Resolution 06-1170 and City Council Resolution 06-10697.

On motion by Member Parent, seconded by Vice Chair Casey and carried unanimously to adopt Housing Authority Resolution 06-227.

Mayor Johnson moved between the Redevelopment Agency and City Council agendas to adopt the following resolutions:

On motion by Member Parent, seconded by Vice Chair Casey and carried unanimously to adopt Redevelopment Agency Resolution 06-1170.

On motion by Councilmember Parent seconded by Vice Mayor Casey and carried unanimously to adopt City Council Resolution 06-10697.

CONSENT CALENDAR

On motion by Vice Chair Casey, seconded by Member Parent and carried unanimously to adopt the Consent Calendar, as follows:

a. **DISBURSEMENT LIST** Dated: November 30, 2006.

Approved Disbursement List dated November 30, 2006.

b. **MINUTES** Dated: November 27, 2006

Approved minutes dated November 27, 2006.

ADJOURNMENT

The meeting of the Housing Authority adjourned at 7:20 P.M. to January 16, 2007.

Respectfully submitted,

Alice E. Evenson, Secretary

als

CITY OF PITTSBURG
Redevelopment Agency Minutes
December 18, 2006

Chair Ben Johnson called the meeting of the Redevelopment Agency to order at 7:21 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 Council - Existing Litigation pursuant to Section 54956.9(a) of the Government Code regarding City of Pittsburg vs. Seecon Financial and Construction, Case No. 06AS00951; and Conference with Legal Counsel - Anticipated Litigation pursuant to subdivision (b) of Section 54956.9 regarding three cases.

Chair Johnson advised that there was nothing to report from Closed Session.

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

MEMBERS ABSENT: None

STAFF PRESENT

Executive Director, Marc Grisham
Assistant Executive Director, Matt Rodriguez
Legal Counsel, Ruthann Ziegler
City Clerk, Alice Evenson
Director of Housing and Community Programs, Annette Landry
Director of Pittsburg Power Company, Garrett Evans
Director of Engineering and Building, Joe Sbranti
Director of Economic Development, Brad Nail
Director of Redevelopment, Randy Starbuck
Director of Human Resources, Marc Fox
Director of Public Works, John Fuller
Director of Planning, Melissa Ayres
Director of Recreation, Paul Flores
Director of Finance, Marie Simons
Chief of Police, Aaron Baker

PUBLIC HEARING

1. **RESOLUTION 06-1170** Approving Budget for and Reallocating Redevelopment
Combined w/HA 06-227 Agency Funds from Tenth/Cumberland Infrastructure
Combined w/CC 06-10697 Account to Contract 2006-13 Housing Authority Tenant
Improvements Project and Accompanying
Redevelopment Agency/Housing Authority Resolutions

Redevelopment Director Randy Starbuck stated that the item pertained to the tenant improvements for the City of Pittsburg Housing Authority to be constructed and installed within a portion of the ground floor of the mixed-use building currently under construction.

The building is located at the northeast corner of E. Tenth Street and Railroad Avenue. Contract 2006-13, Housing Authority Tenant Improvements, provides for the design and construction of the tenant improvements for the portion of the Gateway Project intended to be occupied by the Housing Authority. The Agency resolution would reallocate unencumbered redevelopment funds from the Gateway Project known as Contract 2006-05, Gateway Off-Site Improvements to fund the necessary tenant improvements for the Housing Authority component, and make necessary findings required by Redevelopment Law. Additionally, the Agency resolution would authorize the Agency Executive Director to enter into consultant design and construction agreements for the tenant improvements as well as authorize the Agency Executive Director to begin negotiations with the developer of the Gateway Project, Gateway Mixed Use Development, a California Limited Partnership for construction of the tenant improvements within the Housing Authority component, and would also make necessary findings required by Redevelopment Law. Pursuant to the accompanying Housing Authority and City Council resolutions, the Housing Authority and the City Council would make necessary findings required by California Community Redevelopment Law (Health & Safety Code Section 33000 et. seq.) that no other means of financing the tenant improvements were available to the City or the Housing Authority.

Member Parent spoke to Page 2 of 4 of the December 18, 2006 staff report and the fees shown for the design consultant in the amount of \$36,000, with a \$10,000 contingency. She requested clarification from staff as to why a 30 percent contingency had been included.

Mr. Starbuck explained that the contingency would serve more than the subject consultant. Engineering staff was of the opinion it would be appropriate to include additional funding if additional consultants were required relative to electrical, wireless connectivity, and the Internet.

Member Parent pointed out that there was also a construction contingency of \$60,000.

City Engineer Joe Sbranti commented that the reason engineering had included design contingencies was to avoid a return to the Council to adjust a contract. In this instance, a design contingency had been set up that the consultants would not be allowed to use unless staff had directed them to do additional work. The design contingency could later be moved from one account to another, although it was simpler to include in a contract and withhold unless direction was given for additional work.

On motion by Member Parent, seconded by Vice Chair Casey and carried unanimously to adopt Redevelopment Agency Resolution 06-1170.

On motion by Councilmember Parent, seconded by Vice Mayor Casey and carried unanimously to adopt City Council Resolution 06-10697.

Mayor Johnson convened the City Council at 7:24 P.M. and reconvened as the Redevelopment Agency at 7:59 P.M.

CONSENT CALENDAR

On motion by Member Kee, seconded by Vice Chair Casey and carried unanimously to adopt the Consent Calendar, as follows:

- a. **MINUTES** Dated: November 27, 2006 and December 4, 2006

Approved minutes dated November 27, 2006 and December 4, 2006.

- b. **RESOLUTION 06-1171** Consideration of an Exclusive Negotiating Rights Agreement with West Tenth Street Associates LLC for a Proposed Mixed Use Project Along the South Side of West Tenth Street, from Beacon Street, West to the Entrance to the Heritage Point Subdivision

Adopted Resolution 06-1171.

- c. **RESOLUTION 06-1172** Consideration of Purchase and Sale Agreements/Joint Escrow Instructions for the Purchase of 511-515 W. Tenth Street and 557 W. Tenth Street

Adopted Resolution 06-1172.

- d. **RESOLUTION 06-1173** Authorizing Funding Allocation of \$165,000 to Implement the 2007 Old Town Marketing and Promotion Plan by the Recreation Services Department
Combined w/06-1174
Combined w/06-1175

- e. **RESOLUTION 06-1174** Approving a Professional Services Agreement By and Between the Redevelopment Agency of the City of Pittsburg and Pittsburg Chamber of Commerce, Program Year 2007
Combined w/06-1173
Combined w/06-1175

- f. **RESOLUTION 06-1175** Approving a Consultant Agreement By and Between the Redevelopment Agency of the City of Pittsburg and Main Street Property Services, Inc., Program Year 2007
Combined w/06-1173
Combined w/06-1174

Adopted Resolution 06-1173.

Adopted Resolution 06-1174.

Adopted Resolution 06-1175.

ADJOURNMENT

The meeting of the Redevelopment Agency adjourned at 8:00 P.M. to January 16, 2007.

Respectfully submitted,

Alice E. Evenson, Secretary

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CITY OF PITTSBURG
Pittsburg Public Financing Authority
December 18, 2006

Chair Ben Johnson called the meeting of the Pittsburg Public Financing Authority to order at 8:01 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 Council - Existing Litigation pursuant to Section 54956.9(a) of the Government Code regarding City of Pittsburg vs. Seecon Financial and Construction, Case No. 06AS00951; and Conference with Legal Counsel - Anticipated Litigation pursuant to subdivision (b) of Section 54956.9 regarding three cases.

Chair Johnson advised that there was nothing to report from Closed Session.

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

MEMBERS ABSENT: None

STAFF PRESENT

Executive Director, Marc Grisham
Assistant Executive Director, Matt Rodriguez
Legal Counsel, Ruthann Ziegler
City Clerk, Alice Evenson
Director of Housing and Community Programs, Annette Landry
Director of Pittsburg Power Company, Garrett Evans
Director of Engineering and Building, Joe Sbranti
Director of Economic Development, Brad Nail
Director of Redevelopment, Randy Starbuck
Director of Human Resources, Marc Fox
Director of Public Works, John Fuller
Director of Planning, Melissa Ayres
Director of Recreation, Paul Flores
Director of Finance, Marie Simons
Chief of Police, Aaron Baker

CONSENT CALENDAR

On motion by Vice Chair Casey, seconded by Member Kee and carried unanimously to adopt the Consent Calendar, as follows:

a. **MINUTES** Dated: November 27, 2006 and December 4, 2006

Approved minutes dated November 27, 2006 and December 4, 2006.

ADJOURNMENT

The meeting of the Pittsburg Public Financing Authority adjourned at 8:02 P.M.

Respectfully submitted,

Alice E. Evenson, Secretary

als

CITY OF PITTSBURG
Pittsburg Power Company Minutes
December 18, 2006

Chair Ben Johnson called the meeting of the Pittsburg Power Company 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 Council - Existing Litigation pursuant to Section 54956.9(a) of the Government Code regarding City of Pittsburg vs. Seecon Financial and Construction, Case No. 06AS00951; and Conference with Legal Counsel - Anticipated Litigation pursuant to subdivision (b) of Section 54956.9 regarding three cases.

Chair Johnson advised that there was nothing to report from Closed Session.

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

MEMBERS ABSENT: None

STAFF PRESENT

- Executive Director, Marc Grisham
- Assistant Executive Director, Matt Rodriguez
- Legal Counsel, Ruthann Ziegler
- City Clerk, Alice Evenson
- Director of Housing and Community Programs, Annette Landry
- Director of Pittsburg Power Company, Garrett Evans
- Director of Engineering and Building, Joe Sbranti
- Director of Economic Development, Brad Nail
- Director of Redevelopment, Randy Starbuck
- Director of Human Resources, Marc Fox
- Director of Public Works, John Fuller
- Director of Planning, Melissa Ayres
- Director of Recreation, Paul Flores
- Director of Finance, Marie Simons
- Chief of Police, Aaron Baker

CONSENT CALENDAR

On motion by Member Parent, seconded by Vice Chair Casey and carried unanimously to adopt the Consent Calendar, as follows:

a. **MINUTES** Dated: November 27, 2006 and December 4, 2006

Approved minutes dated November 27, 2006 and December 4, 2006.

ADJOURNMENT

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

Respectfully submitted,

Alice E. Evenson, Secretary

als

CITY OF PITTSBURG
Southwest Pittsburg Geologic Hazard Abatement District II
December 18, 2006

Chair Ben Johnson called the meeting of the Southwest Pittsburg Geologic Hazard Abatement District II (GHAD) to order at 8:04 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 Council - Existing Litigation pursuant to Section 54956.9(a) of the Government Code regarding City of Pittsburg vs. Seecon Financial and Construction, Case No. 06AS00951; and Conference with Legal Counsel - Anticipated Litigation pursuant to subdivision (b) of Section 54956.9 regarding three cases.

Chair Johnson advised that there was nothing to report from Closed Session.

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

MEMBERS ABSENT: None

STAFF PRESENT

Executive Director, Marc Grisham
Assistant Executive Director, Matt Rodriguez
Legal Counsel, Ruthann Ziegler
City Clerk, Alice Evenson
Director of Housing and Community Programs, Annette Landry
Director of Pittsburg Power Company, Garrett Evans
Director of Engineering and Building, Joe Sbranti
Director of Economic Development, Brad Nail
Director of Redevelopment, Randy Starbuck
Director of Human Resources, Marc Fox
Director of Public Works, John Fuller
Director of Planning, Melissa Ayres
Director of Recreation, Paul Flores
Director of Finance, Marie Simons
Chief of Police, Aaron Baker

CONSENT CALENDAR

On motion by Vice Chair Casey, seconded by Member Evola and carried unanimously to adopt the Consent Calendar, as follows:

a. **MINUTES** Dated: November 27, 2006 and December 4, 2006

Approved minutes dated November 27, 2006 and December 4, 2006.

ADJOURNMENT

The meeting of the Southwest Pittsburg Geologic Hazard Abatement District II adjourned at 8:04 P.M.

Respectfully submitted,

Alice E. Evenson, Secretary

als

CITY OF PITTSBURG
City Council Minutes
December 18, 2006

Mayor Ben Johnson called the meeting of the City Council to order at 7:24 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 Council - Existing Litigation pursuant to Section 54956.9(a) of the Government Code regarding City of Pittsburg vs. Seecon Financial and Construction, Case No. 06AS00951; and Conference with Legal Counsel - Anticipated Litigation pursuant to subdivision (b) of Section 54956.9 regarding three cases.

Mayor Johnson advised that there was nothing to report from Closed Session.

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

MEMBERS ABSENT: None

STAFF PRESENT

City Manager, Marc Grisham
Assistant Executive Director, Matt Rodriguez
Legal Counsel, Ruthann Ziegler
City Clerk, Alice Evenson
Director of Housing and Community Programs, Annette Landry
Director of Pittsburg Power Company, Garrett Evans
Director of Engineering and Building, Joe Sbranti
Director of Economic Development, Brad Nail
Director of Redevelopment, Randy Starbuck
Director of Human Resources, Marc Fox
Director of Public Works, John Fuller
Director of Planning, Melissa Ayres
Director of Recreation, Paul Flores
Director of Finance, Marie Simons
Chief of Police, Aaron Baker

PLEDGE OF ALLEGIANCE

The City Council led the Pledge of Allegiance.

PRESENTATIONS

1. Housing Authority Department Overview

Director of Housing and Community Programs Annette Landry took the opportunity to introduce members of the Pittsburg Housing Authority staff who were present in the audience.

Ms. Landry reported that the Pittsburg Housing Authority administered the Section 8 Housing Choice Voucher Program with its mission to enable lower income households to obtain decent, safe and sanitary housing. The Housing Authority received approximately \$11 million in funds each year from the Department of Housing and Urban Development (HUD) to be used for Housing Assistance Payments (HAP) for up to 948 voucher recipients, which funds also covered staff expenses.

Ms. Landry noted that the administration fees for the Housing Authority were covered by the grant from HUD and must be used for activities related to the provision of tenant based rental assistance, including related development activities such as the introduction of new eligible programs through HUD. Excess fees, if any, would be part of the administrative fee reserves and could only be used for future administrative fees.

Ms. Landry advised that the Authority had an adopted budget at the beginning of each program year with a projection of what was expected to be spent by the end of each year ending June 30. This year's beginning administrative fund balance had shown an adopted balance of \$595,225, which projection would not change by the end of June 30. With the HUD revenues, the Authority would have an adopted budget of \$805,715, although the projected amount would be reduced to \$713,897 as a result of nationwide HUD reductions. She noted that the Authority had the same expenses, as shown, and would have to use its reserves to address any shortfalls. The ending administrative fund balance would therefore be approximately \$452,363.

Ms. Landry explained that her staff worked to ensure that eligibility requirements were met. She stated that Housing Specialists gathered information from new applications, conducted annual re-certifications each year of existing clients and handled portability requests allowing tenants the flexibility to move in and out of the City. The inspection staff conducted move-in inspections for new admissions and conducted annual inspections for current participants. Management, supervisory and clerical support staff was responsible for the program operations including program design, reporting, training and keeping the policies and procedures current.

Ms. Landry added that staff was in the middle of an open waiting list which had been opened on November 27 and which would close on December 27, 2006. She reported that there had been an overwhelming response to the waiting list with close to 10,000 applications having been received. There would be a lottery system to pick 2,000 applicants for placement on the next waiting list.

Ms. Landry described the Housing Authority's program objectives to provide excellent customer service to its clients and the community through partnerships with the Pittsburg Police Department and Code Enforcement, the City Attorney's Office which provided training on how to handle court matters and appeals, property managers and owners, and other government agencies.

Ms. Landry introduced a new component of the Housing Authority, the Home Ownership Program which had received an overwhelming response. She thanked the consultant involved with that program who had worked closely with the Housing Authority on the Rehab Program and Section 8 Home Ownership Programs. The concept behind the Home Ownership Program was that rather than use a voucher subsidy to help a family with rent, the Home Ownership Program would allow a first time homeowner to use his or her voucher subsidy to meet monthly homeownership expenses. The program had a number of pre-assistance counseling sessions with participants required to attend and satisfactorily complete homeownership counseling, including topics on home maintenance, money management, budgeting, credit counseling, credit repair as well as mortgage financing.

The program currently involved 118 households which had submitted completed applications out of the 948 that the Authority was approved to provide. A total of 36 households had been pre-approved with lenders and pre-approved applicants had taken 11 house tours and attended a homebuyer's workshop in partnership with the Redevelopment Agency, which had developments in the City, and where some of the Section 8 tenants had been able to purchase.

Ms. Landry identified the lenders involved with the program including Wells Fargo Bank, Pacific Funding Group, Washington Mutual, Financial Title, Fannie Mae and Freddie Mac.

Mayor Johnson inquired whether or not manufactured housing could be financed under the Home Ownership Program, to which Ms. Landry understood that could be done as long as a permanent structure was involved.

Mayor Johnson convened to the Housing Authority at 7:14 P.M. and reconvened as the City Council at 7:24 P.M.

2. Bond Financing Results

Finance Director Marie Simons explained that the purpose of the presentation was to provide the City Council with an overview of the bond process and the excellent rules of four bond transactions recently completed by the City's Redevelopment Agency. She noted that for the past two years interest rates had continued to climb, although in November 2006 at the time the bonds were priced the interest rates had declined and were at the lowest levels since last January.

Ms. Simons advised that on November 6, 2006, the City Council had approved the issuance of the Redevelopment Agency four series of bonds not to exceed \$190 million in total. The bonds had been structured in four separate series, with one taxable transaction for the housing bonds, and three transactions related to the non-housing bonds for the purpose of generating both taxable and tax exempt bond proceeds and to refund the Agency's 1993 bonds.

The difference between the taxable and tax exempt bonds was that the tax exempt

bond proceeds could be used for projects that benefited the public as a whole. Taxable bond proceeds could be used for private purposes for private benefit as long as the projects furthered the goals of the Redevelopment Agency's objectives.

On November 6, 2006, the Redevelopment Agency had received ratings from two national rating agencies; Fitch and Standard and Poors. Fitch had assigned the Agency a rating upgrade from A Minus to A on the non-housing senior bonds, including the bonds issued prior to 2004. Standard and Poors reaffirmed the A rating on the non-housing senior bonds. Both Fitch and Standard and Poors reaffirmed the subordinate non-housing bond rating of A Minus, including the 2004 bonds as well as the new 2006 bonds.

Fitch had assigned a new rating to the Agency's housing bonds of A Minus and Standard and Poors affirmed the Triple B Plus rating. Any rating above Triple B was considered an investment grade rating, quality bonds. The ratings continued to validate the financial stability of the Redevelopment Agency and the Agency's ability to pay debt on past bonds as well as the new bonds. The ratings also contributed to the reason the City was able to market the bonds at a low interest cost.

On November 10, 2006, the Agency locked in the swap rap for the synthetic fixed rate option bonds at all inclusive of 3.9 percent with the financing team having recommended such financing as the cheapest form of borrowing available to the Agency. Compared to a traditional fixed financing, the Agency saved over \$300,000 per year, which would amount to almost \$9 million over the life of the bonds.

Ms. Simons reported that on November 28 and 29, 2006, the Agency sold the three other bonds and achieved lower interest rates similar to other financings brought to the market on the same day. In December, the Agency completed the issuance of all four bonds, totaling \$169.8 million. As of December 14, the funds were now in the hands of the trustee and ready to be spent. Both the City Manager and Agency Director would present to the Council in early 2007 a recommended list of how to spend those funds.

Ms. Simons advised that the 1993 refunded bond issue had refunded the 1993 bonds which had an interest rate of 5.71 percent and which were refunded at a little over 4.4 percent, which she described as excellent with good savings. As a result, earlier projections of the yearly savings would be double \$80,000 for a total of \$2 million.

Ms. Simons commended the investment team, particularly the investment bankers of De La Rosa and Piper Jaffray for their aggressive marketing strategies. She added that due to the effective interest rates, the Agency was able to raise \$89.6 million in non-housing proceeds, \$61.2 million of tax exempt and \$28 million of taxable proceeds. Due to the refunded transactions, a net present value savings of \$3.68 million had been achieved, translating on an annual basis of \$175,000 per year, totaling \$4.3 million over the life of the bonds. Further, the Agency had been able to raise \$9.7 million in housing proceeds, with all funds to be used for the benefit of the community at a later date.

Ms. Simons took the opportunity to acknowledge Peter Miller from Public Financial

Management, Ralph Holmes and Holly Focal from De La Rosa, and Mark Curran from Piper Jaffray.

Mayor Johnson commended the hard work of staff and the financial team. He was pleased that the City had been able to save some money.

RALPH HOLMES, De La Rosa, applauded his team and presented the Council with documentation on the financing. He took the opportunity to thank his and City staff for their efforts.

City Manager Marc Grisham noted the outstanding financing that had been accomplished and the successful efforts in the marketplace. He too applauded the work of staff and the financial team.

COUNCILMEMBERS REPORTS/REMARKS

Councilmember Parent reported that she had attended the Dow Citizen Advisory Panel. She noted that a donation for the Small World Ferris Wheel would be presented at a future meeting. She had also attended the Chamber of Commerce Mixer at Mechanics Bank and a lunch at the Senior Center. She and the Vice Mayor had attended the Employee Recognition Presentations, a Community Advisory Commission member recognition dinner, and the Mayor's Conference at which time an announcement of the availability of positions on a number of boards and commissions representing the Mayor's Conference had been provided.

Councilmember Parent advised that she had also attended the Ribbon Cutting Ceremony sponsored by the Chamber of Commerce for the Big Apple Bagel Shop in the Bailey Road Shopping Center, and had attended the Highlands Ranch Park Dedication Ceremony, and the Holiday Parade. She commended the volunteers and band boosters who had participated in the parade. She and Councilmember Kee had also met as the Redevelopment Agency Subcommittee with a report that the School Street project would be brought forward with a recommendation from the subcommittee for Council review. Additionally, she had attended the swearing in of new Councilmembers in the City of Antioch.

In response to the Mayor's request that those representing the Council on outside agencies provide periodic reports of meetings, Councilmember Parent, as a member of the Delta Diablo Sanitation District (DDSD), reported that the DDSD had received a report on the cooperative overflow emergency response plan training in conjunction with the cities of Antioch and Pittsburg. The plan had been completed and 55 people had been trained to know how to react in the event of a spill. Further, the DDSD had received a report on six months of e-waste being accepted through the Household Hazardous Waste site since May 15. The DDSD had also organized a program with Orchard Supply Hardware for the recycling of fluorescent bulbs.

Councilmember Kee reported that he had attended the Holiday Parade. He reported

that Tri Delta Transit would begin bus service operations all the way to the Marina area starting on Jan 1, 2007. He otherwise wished everyone a happy holiday.

Councilmember Evola reported in addition to the events mentioned by Ms. Parent, that he had attended the Winter Art Show featuring local artists, the First Annual Chamber Mixer, the reorganization meetings for the cities of Concord and Martinez, and the Tree Lighting Ceremony in Old Town. He applauded Stan Davis for playing Santa Claus this year. He had also attended the dedication ceremony for the Highlands Ranch Park.

Mayor Johnson reported that he had attended some of the same events. He thanked Ms. Parent for attending the Mayor's Conference that he had been unable to attend since he had attended the National League of Cities Convention in Reno. He thanked City staff who had attended that same event which had been quite educational. He had also attended the Holiday Parade. He too commended the drum majors from the high school and the two elementary schools who had offered a tremendous performance during that event.

Mayor Johnson also reported that he had attended the Boat Regatta Parade. He thanked the Yacht Club and the Chamber of Commerce for that event. He commended all of the efforts in the downtown.

CITY MANAGER REPORTS/REMARKS

There were no City Manager Reports/Remarks.

CITIZEN REMARKS

PETE CARPINO, Pittsburg, spoke as a resident and a member of the new Elks Lodge in the downtown. He commented that one of the reasons the Elks Lodge had chosen the site and had agreed to build was the views of the water and the inlet, although oleanders which had been planted directly behind the fence with additional trees beyond had begun to intertwine with one another forming a barrier. The plant material had obstructed the views the Elks Lodge would like to enjoy. He understood that the property behind the Elks Lodge belonged to the Redevelopment Agency. He asked that the Redevelopment Agency see what could be done to remove the oleanders and additional trees so that the views of the water and inlet were no longer obstructed.

Mr. Grisham explained that staff would review the ownership issue with the Redevelopment Agency. He understood that the land was under the control of the adjacent Homeowner's Association (HOA) although he would clarify that issue.

Mr. Carpino understood that there was a City easement located directly behind the fence where the oleanders had been planted and that a letter had already been sent to request the removal of that plant material.

CAROL HUFF, Relay for Life Event Chair, American Cancer Society, introduced Co-

chair Bob Hunt, both cancer survivors who thanked the community for its participation and the Council's support for Relay for Life 2006. She reported that East County communities had raised over \$280,000 toward a cure.

Ms. Huff congratulated Team Mazzei of Pittsburg, one of the top 10 fundraising teams. She spoke to the funds raised over the years towards a cure, with the American Cancer Society having funded 40 Nobel Prize Winners and other associated programs. In 2005, she reported that Relay for Life had collected signatures on a wall of hope, which would be brought back to the communities. All signatures had been compiled on the Wall of Hope banner which had been sent to Washington, D.C. for celebration where 10,000 volunteers had held over 500 meetings with members of Congress and 300 signers of the Congressional Cancer Promise. She expressed her hope that the City and the community would join them in making cancer a community priority by helping with Relay for Life in May 2007. Volunteers were needed for the planning committee, along with assistance with various needs of the event.

Councilmember Parent reported that in 2005, two teams from the Pittsburg Police Department and City employees had been formed for Relay for Life. She expressed her hope that the same could be done in 2007.

Ms. Huff added that early bird registration for the 2007 Relay for Life teams would continue through December 31 at a fee of \$50. The fee would increase to \$150 after the deadline.

Mayor Johnson went back to the Redevelopment Agency agenda at 7:59 P.M. and reconvened as the City Council at 8:04 P.M.

PUBLIC HEARING

1. **ORDINANCE 06-1280** Introduction of an Ordinance to Amend the Community Development Plan for the Los Medanos Community Development Project to Extend by Two Years and Respective Time Limits on the Effectiveness of the Redevelopment Plan and the Receipt of Property Taxes

City Manager Marc Grisham advised that pursuant to SB 1096, the City Council may adopt an ordinance to amend the Los Medanos Community Development Plan to extend the ability of the Redevelopment Agency of the City of Pittsburg to undertake redevelopment activities, pay indebtedness and receive tax increment by up to two years. The ability to extend these time frames under SB 1096 in exchange for the legislation that required redevelopment agencies to contribute a cumulative \$125,000,000 to the Educational Revenue Augmentation Fund ("ERAF") each year for the 2004-2005 and 2005-2006 fiscal years. For the Agency, this ERAF contribution was approximately \$2.4 million and \$2.8 million for the two fiscal years respectively.

As part of the legislation, for redevelopment project areas where the expiration of the

effectiveness of the redevelopment plan is 10 years or less from the last day of the fiscal year in which such an ERAF payment is made, then the redevelopment plan can be amended to extend the redevelopment plan time limits on plan effectiveness and receipt of tax increment by one year for each year of such ERAF contribution. In addition, as part of the legislation, for redevelopment project areas where the expiration of the effectiveness of the redevelopment plan is at least 10 years but less than 20 years from the last day of the fiscal year in which such an ERAF payment is made, then the redevelopment plan can be amended to extend the redevelopment plan time limits on plan effectiveness and receipt of tax increment by one year for each year of such ERAF payment if the City Council can make certain findings. If the plan effectiveness date is more than 20 years from the last day of the fiscal year in which such an ERAF payment is made, the redevelopment plan for that area cannot be extended.

The extension of the effective dates and the time to receive tax increment for the applicable subareas of the redevelopment project area would enable the Agency to recover all or a portion of the tax revenues lost as a result of the ERAF shift in fiscal years 2004-05 and 2005-06. While the exact benefit is difficult to determine, based on current tax increment revenues the benefit would be approximately \$6.0 million.

Mr. Grisham recommended the introduction of and first reading of the proposed ordinance amending the Community Development Plan for the Los Medanos Community Development Project.

Mayor Johnson opened the public hearing for Ordinance 06-1280. There was no one to speak to the item. Mayor Johnson closed the public hearing for Ordinance 06-1280.

Councilmember Kee commented that the staff report had used the term ERAF "contribution." He would have used a different term which did not mean voluntary.

On motion by Councilmember Parent, seconded by Councilmember Kee and carried unanimously to introduce Ordinance 06-1280 by title only and waive further reading.

2. **RESOLUTION 06-10685** Amending the General Plan – City Initiated East Third Street General Plan Amendments

Mr. Grisham explained that the Council is requested to adopt a resolution amending the General Plan land use designation on two (portion of one) properties that are both north of East Third Street and generally east of Harbor Street, from the current land use designations of Marine Commercial and Park to Industrial. Conversely, the area that would generally be considered the extension of Harbor Street (+/-2 acres), north of E. Third Street, is proposed to be changed from a land use designation of Marine Commercial to Park. The project site totals about 11.5 acres and includes APN 073-020-004 and a portion (approximately 8.7 acres) of APN 073-010-013.

There would be no fiscal impact associated with the project.

Mr. Grisham recommended that the City Council adopt a resolution to adopt the

Negative Declaration and amend the General Plan Land Use Element, Downtown Element, and Open Space and Youth and Recreation Element and related figures, text and tables therein.

Councilmember Kee stated for the record that Tesoro had been a client of his in the past but had not been a client for more than a year. He would therefore participate in making a decision on the item.

Mayor Johnson opened the public hearing for Resolution 06-10685. There was no one to speak to the item. Mayor Johnson closed the public hearing for Resolution 06-10685.

On motion by Vice Mayor Casey, seconded by Councilmember Evola and carried unanimously to adopt Resolution 06-10685.

3. **RESOLUTION 06-10686** Adoption of a Resolution Upholding Appeal of Mt. Diablo Recycling Use Permit/Design Review Approvals – AP-06-339

Mr. Grisham advised that USS-POSCO Industries had filed an appeal of the Planning Commission's decision to approve Use Permit/Design Review Application No. AP-06-339, allowing the demolition of a 72,864 square foot addition to the building and approving a use permit to operate a Large Recycling Center therein.

Mr. Grisham explained that the appeal had been reviewed by both the Planning Department and the City Council. He recommended that the appeal be upheld and the item be returned to the Planning Commission for consideration following the completion of additional environmental analyses.

Vice Mayor Casey inquired when the item would be brought back to the City Council.

Planning Director Melissa Ayres advised that if the Council upheld the appeal, the Project Planner would prepare a new Initial Study rather than a Categorical Exemption and would identify any impacts with either a Mitigated Negative Declaration or a Negative Declaration, which document and the original application by Mt. Diablo Recycling Center would be submitted to the Planning Commission for a public hearing and action on the project. It would not return to the City Council unless the new decision of the Planning Commission was appealed to the City Council.

Mayor Johnson opened the public hearing for Resolution 06-10686. There was no one to speak to the item. Mayor Johnson closed the public hearing for Resolution 06-10686.

On motion by Councilmember Parent, seconded by Councilmember Evola

and carried unanimously to adopt Resolution 06-10686.

Councilmember Evola stepped down from the dais at this time stating that he would not participate in the consideration of Ordinance 06-1281 combined with Resolution 06-10687 since he worked for the company that was involved with the item, which was the source of his income. He left the Council Chambers.

4. **ORDINANCE 06-1281**
Combined w/06-10687 Introduction of an Ordinance Amending Chapter 15.90, "Transportation Mitigation Fee," of the Pittsburg Municipal Code

5. **RESOLUTION 06-10687**
Combined w/06-1281 Rescinding Resolution No. 06-10651 and Approving and Adopting the Pittsburg Local Transportation Mitigation Fee Program Update Report, Including a Revised Schedule of Local Transportation Development Impact Mitigation Fees and a Revised List of Transportation Improvement Projects

City Attorney Ruthann Ziegler explained that the ordinance and resolution would rescind City Council Resolution No. 06-10651 and adopt new local transportation mitigation fees based upon a revised Pittsburg Local Transportation Mitigation Fee (LTMF) Study Update report, dated December 2006. The report included several options for updating the fee which were summarized in Table 9 of the report. The new fees would be based upon new growth projections and a revised list of transportation improvement projects necessary to mitigate new development's local transportation impacts.

Ms. Ziegler advised that the ordinance would streamline the current Municipal Code and allow the future adoption of the LTMF by resolution. The resolution before the Council would involve conceptual changes similar to what had initially been adopted by the Council at its November 6 meeting. One change related to four projects where staff on its own initiative had subsequent to the November 6 Council meeting determined that there were four projects that had been included in the information on November 6 of which there had been adequate funding provided. Based on that, staff determined it was appropriate to remove any additional funding for those projects from the fee proposal and bring those changes back to the Council, resulting in a decrease in the fee projections before the Council.

Ms. Ziegler added that during the November 6 meeting, representatives from Seecon Financial Group had presented a large notebook of materials which had been presented to the Council during the meeting, as opposed to a prior time, and which had raised several questions about the fees. Subsequently, she, the City Engineer and other representatives from the City met with representatives of Seecon to discuss their concerns related to the fees. City staff and the City's consultant had considered that information. The recommendation to the Council was as noted in the staff report.

Ms. Ziegler added that it was the determination of City staff and the City's consultant

that the issues raised by Seecon were not of the sort that would result in a reason for the fee to be modified or decreased as the developer had requested.

The City collects the local transportation mitigation fee from developers and administers the fee project's construction. If the City Council approved the staff recommendations, the current single-family residential fee of \$4,020 per unit would be increased to \$6,139 per unit, the current multi-family residential fee of \$2,733 per unit would be increased to \$3,743 per unit, the current retirement community fee of \$1,609 per unit would be increased to \$2,431 per unit, and the current commercial and industrial fee of \$0.63 per square foot would be increased to \$1.27 per square foot.

Staff recommended that that the City Council approve and adopt (1) a resolution rescinding Resolution 06-10651, and approving a revised Pittsburg Local Transportation Mitigation Fee (LTMF) Program Update Report and establishing a revised local transportation mitigation fee schedule, which is listed as Exhibit "A of the resolution and as Option 3 in Table 9 of the report; and (2) an ordinance amending Chapter 15.90, "Transportation Mitigation Fee" of the Pittsburg Municipal Code, per the staff report dated December 18, 2006.

Mayor Johnson opened the public hearing for Ordinance 06-1281 and Resolution 06-10687.

WILSON WENDT, Attorney representing the Albert D. Seeno Construction Companies and related entities, explained that they had determined that the proposed fee had not on November 6 satisfied the requirements of the mitigation fee. He stood by his comments offered at the November 6 City Council meeting. He otherwise expressed his appreciation that the City Attorney and the City Engineer had met with the developer in the interim.

Mr. Wendt explained that he had presented a large bulk of materials again to the Council at this time to ensure that documentation was in the record. At this time, he presented to the Council for the record, a letter that had been addressed to him and included in his letter to the Mayor and the City Council which had been faxed from the developer's consultant, Abrams and Associates, which had referenced Table 1, Item No. 21 in the packet of materials he had prepared for the Council.

Mr. Wendt advised that the consultant, Abrams and Associates, was present in the audience and would like to discuss the possibility of deleting one of the improvements contained in the report for Range Road. He suggested that there was no justification for that improvement and its deletion from the improvements would reduce the fees.

STEPHEN ABRAMS, Abrams & Associates, recognized the need to fund transportation improvements, although he suggested the program was not fair since it included tens of millions for improvements that were not required due to new development.

Mr. Abrams suggested that the fee would not do much for commercial development

or existing residential development as it should, with almost two thirds of the program spent on the Range Road Overcrossing, the Pittsburg/Antioch Highway and California Avenue Widening. He suggested that inequities were being created with congested areas in the City that residents must deal with and use regularly. He cited Buchanan Road, Railroad Avenue and Loveridge Road as examples of roads that should receive a proportionate share noting that no more than one percent was being spent on any of those roadways. He suggested that the best way to rectify the inequity would be to remove Range Road Overcrossing from the improvements. He suggested that the majority of residents would not need the Range Road Overcrossing now or in the future.

Mayor Johnson stated that he was an advocate of the Range Road Overcrossing, which he suggested was important for the City since there was no current access to the north/south of the City. With a school planned in that area, access must be provided to the school. Also Discovery Homes was building new homes near Range Road where traffic must be connected. He disagreed with Mr. Abrams' argument. He otherwise inquired of Mr. Abrams whether or not he was aware of other cities subsidizing their fees as had the City of Pittsburg.

Mr. Abrams explained that he was not denying that benefits existed for the Range Road Overcrossing, although in his opinion from a traffic and engineering planning standpoint, it was not justified. If it was justified it would have been included in the State Route 4 Widening Program or in the East County Impact Fee Program to be fully constructed.

Mayor Johnson closed the public hearing for Ordinance 06-1281 and Resolution 06-10687.

Ms. Ziegler asked the City Engineer to address the current cost estimates in the fees and how looking at those estimates could be conservative or too low based on whether 1997 or 2004 cost projections as well as cost of living adjustments had been used.

Mr. Sbranti explained that after meeting with the consultant last week staff had an opportunity to review a number of their cost estimates and had found that the cost estimates had been conducted some time ago and had not kept up with the construction cost index. In a review of four specific projects; California Avenue Widening, West Leland Road Phase II, Avila Road Widening and Willow Pass Road Widening, if those projects were brought to date based solely on construction cost indexing, the fee revenues needed would increase by approximately \$5 million for those fees alone. He added that construction cost indexing could be applied to a number of other projects and he would anticipate a similar result, although construction cost indexing was not always accurate when applied to projects.

Mr. Sbranti cited the eBART project currently being studied by the Contra Costa Transportation Authority (CCTA), which cost estimate had been \$377 million two years ago and was now estimated at \$1.3 billion.

Mr. Sbranti noted that there were 29 projects in the list of projects and that some of

the estimates could be out of date and needed to be updated. Staff was more than willing to revise those estimates on an annual basis to ensure that they were current. He noted the possibility that some of those estimates could go down and bring new costs on an annual basis. He stated that staff could review the 29 projects over a period of a month or two and come up with more accurate estimates and could do so on a regular basis. He emphasized the intent to annually review each of the costs.

Mr. Grisham added that initial analysis had shown that construction estimates were generally conservative and the fee was expected to increase, not decrease.

Ms. Ziegler also asked the City Engineer to speak to the housing projections based on the Association of Bay Area Governments (ABAG) numbers and to clarify the fees for residential and commercial development, and whether or not the projects would benefit development on one side of the highway as opposed to the other side.

Mr. Sbranti explained that in his review of the report attention was called to the housing projection numbers. The projections used were 325 building permits per year on an average which was the basis of the fee generation. When reviewing that number, it had been determined that figure was a bit low and should be as high as 360 or a bit higher, although in review of the past three years the number was high and was actually in the 200 range. Given that information, he suggested that the estimate of 325 was an appropriate one.

Mr. Sbranti also clarified in response to the City Manager that the number of building permits for 2006 were currently at 155. He went on to explain that staff had reviewed the projects across the map and had found geographically that the projects were spread more on the south side than on the north side of the City and were spread evenly from east to west. The projects had been characterized as being heavily weighted to the north since the projects that were located directly over the freeway were characterized as being on the north side. The Range Road Overcrossing would benefit both sides of the freeway and all portions of the City allowing new traffic to utilize an additional crossing from north to south and lightening the load on Railroad Avenue and Loveridge Road.

Mr. Sbranti reiterated that the projects were spread throughout the City such as the extension of San Marco Boulevard or the Leland Road extension, in more residential areas. He noted that a residential or a commercial project on the north end of town near the Pittsburg/Antioch Highway, as an example, might benefit more from the Pittsburg/Antioch Highway improvements while someone from San Marco would benefit from the San Marco Boulevard Extension or the Leland Road Extension over to Avila Road.

Mayor Johnson inquired whether or not Avila Road would be split between Pittsburg and the City of Concord, to which Mr. Sbranti advised that the roadway that the City of Pittsburg would contribute would be 100 percent in Pittsburg.

Mr. Grisham explained that the City had received a letter from one of the Secon entities regarding residential development around the golf course. He suggested that the

proposal would have an enormous amount of merit and if the project moved forward it would benefit from the Range Road Overcrossing, which would be the logical connection point to the southerly development and was clearly a situation where it would equally benefit both the north and south sides of the City.

In response to the Mayor as to whether or not a continuation of the item would be detrimental to the City financially, Mr. Grisham stated that in his opinion there was sufficient information from the City Attorney, the City Engineer and the City's Consultant to act on the staff recommendations.

Councilmember Kee noted one of the comments that any work on Range Road should be considered a regional project. Having sat with former Councilmember Glynn on a board on which that issue had been considered, he stated that the regional body had rejected Range Road as a regional project due to the lack of regional traffic. Given the voluminous documentation presented at this time, which he noted seemed to be an ongoing pattern, he inquired of the City Attorney whether or not the Council could still take action on the matter at this time.

Ms. Ziegler explained that much of the information that had been provided during the November 6 meeting and at the current meeting was information from several years ago with redundancy between the November 6 material and the material submitted this date. She pointed out that some of the information in the notebooks was actually incomplete although information might have been put into the record at this time. Based on the oral presentation from the developer's consultant and the attorney regarding Range Road, in her opinion there was nothing new of substance provided at this time. As to the actions before the Council, she recommended two separate motions

Mr. Grisham emphasized his displeasure with the continued last minute submittal of information which he found discourteous to his staff, the City Attorney and the City Council as a decision making body.

In response to the Mayor, Ms. Ziegler advised that the items would require a majority three fifths vote to pass.

Councilmember Kee made a motion to introduce Ordinance 06-1281 by title only and waive further reading.

Councilmember Parent clarified with the City Attorney that the action before the Council would streamline the process and would not impose the particular fee. She seconded the motion.

On motion by Councilmember Kee, seconded by Councilmember Parent to introduce Ordinance 06-1281 by title only and waive further reading, carried by the following vote:

Ayes:	Casey, Kee, Parent, Johnson
Noes:	None
Abstain:	None

Absent: Evola

As to Resolution 06-10687, Councilmember Parent commented that the staff recommendation included a proposal that the City subsidize the development of homes in the City by 15 percent. She suggested that staff had been conservative and commented that those who served on a number of public agencies were aware that almost no bid for any public works project at any time in the last year had come in below the Engineer's Estimate. Emphasizing the increase in the costs of construction, she stated that as reported by the City Engineer, the figures used in the calculations were conservative.

Councilmember Parent asked the Council to consider not accepting the engineer's figure of a reduction of 15 percent, but to require the whole figure, what the fee should be to fully fund new developments additional costs and consider instructing staff since that figure was likely too low, to bring back to the Council within six months a revised figure that was more accurate based on more recent construction costs.

Councilmember Kee inquired whether or not staff could revise the information in six months given the 30 odd projects that would have to be reviewed.

Mr. Sbranti stated that could be done. He understood that Councilmember Parent wanted the full fee for the residential development side but to include the subsidy on the commercial/industry/office side.

Councilmember Parent recognized that the justification was separate for the commercial/industry/office development side. She emphasized the need to create jobs where people would not have to travel outside the area in order to work. If the subsidy for commercial development would help do that, she suggested it would be justified, although the City did not need to justify the building of more homes.

Mr. Sbranti clarified that such direction would be support for Option 1 included in the LTMF dated December 2006.

Councilmember Kee noted that Option 1 listed the fee at \$7,170 for residential construction per Table 9.

On motion by Councilmember Parent, seconded by Councilmember Kee to adopt Resolution 06-10687, including Option 1 from Table 9, as shown on Page 31 of the December 2006 staff report, carried by the following vote:

Ayes:	Casey, Kee, Parent, Johnson
Noes:	None
Abstain:	None
Absent:	Evola

Councilmember Evola returned to the dais at this time.

6. **RESOLUTION 06-10697** Approving Budget for and Reallocating Redevelopment

Combined w/RDA 06-1170 Agency Funds from Tenth/Cumberland Infrastructure
Combined w/HA 06-227 Account to Contract 2006-13 Housing Authority Tenant
Improvements Project and Accompanying
Redevelopment Agency/Housing Authority Resolutions

City Manager Grisham stated that the item pertained to the tenant improvements for the City of Pittsburg Housing Authority to be constructed and installed within a portion of the ground floor of the mixed-use building currently under construction at the northeast corner of E. Tenth Street and Railroad Avenue. Contract 2006-13, Housing Authority Tenant Improvements, provides for the design and construction of the tenant improvements for the portion of the Gateway Project intended to be occupied by the Housing Authority. The Agency resolution would reallocate unencumbered redevelopment funds from the Gateway Project known as Contract 2006-05, Gateway Off-Site Improvements to fund the necessary tenant improvements for the Housing Authority component, and make necessary findings required by Redevelopment Law. Additionally, the Agency resolution would authorize the Agency Executive Director to enter into consultant design and construction agreements for the tenant improvements as well as authorize the Agency Executive Director to begin negotiations with the developer of the Gateway Project, Gateway Mixed Use Development, a California Limited Partnership for construction of the tenant improvements within the Housing Authority component, and would also make necessary findings required by Redevelopment Law.

In Joint Session with the Housing Authority and the Redevelopment Agency, the City Council took the following action.

On motion by Councilmember Parent, seconded by Vice Mayor Casey and carried unanimously to adopt City Council Resolution 06-10697.

CONSIDERATION

1. **MINUTE ORDER** Council Committee Appointments for 2007

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 and such appointments shall be approved by the entire Council at its first meeting in January following reorganization. This year due to the Council recess the first meeting in January, staff recommended that Committee Assignments for 2007 be approved now to facilitate Council attendance at agency meetings occurring prior to the second Council meeting in January.

Mayor Johnson expressed his appreciation for the input of the Council and its volunteerism for the next several months.

Vice Mayor Casey reported that he had worked with the new Mayor. He commended him for his thoughtfulness and hard work.

Councilmember Kee also thanked the Mayor for his hard work.

It was recommended that the City Council adopt by Minute Order the City Council Committees - 2007 attached as Exhibit A to the staff report dated December 18, 2006.

On motion by Councilmember Parent, seconded by Vice Mayor Casey and carried unanimously to approve Council Committee Appointments for 2007.

CONSENT CALENDAR

On motion by Councilmember Kee, seconded by Councilmember Evola and carried unanimously to adopt the Consent Calendar, with the removal of items h, i and j.

- a. **MINUTES** Dated: November 27, 2006 and December 4, 2006

Approved minutes dated November 27, 2006 and December 4, 2006.

- b. **CLAIMS** #1740 Jack and Lorie A. Meyers; #1748 Domineuqe Doyal

Denied claims #1740 Jack and Lorie A. Meyers; #1748 Domineuqe Doyal.

- c. **RESOLUTION 06-10688** Approval of Emergency Water Services Agreement and Water System Intertie Construction Funding

Adopted Resolution 06-10688.

- d. **RESOLUTION 06-10689** Amend the Seasonal Employee Salary Schedule Due to an Increase in the State of California Minimum Wage Law

Adopted Resolution 06-10689.

- e. **RESOLUTION 06-10690** Acceptance and Approval of Promoting Safe and Stable Families Grant and Keller Canyon Special Needs Grant Funding

Adopted Resolution 06-10690.

- f. **RESOLUTION 06-10691** Authorize Winter Chevrolet Inc. and Winter Honda Inc. 2006-07 Semi-annual Distribution Payments

Adopted Resolution 06-10691.

- g. **RESOLUTION 06-10692** Authorize Mazzei Pontiac-Cadillac's 2006-07 Semi-annual Distribution Payments and the City of Antioch's 2006-07 Annual Sales and Use Tax Disbursement

Payment

Adopted Resolution 06-10692.

- k. **RESOLUTION 06-10696** Add Water Instrument/Maintenance Technician II to the Classification Plan, Establish a Salary Range, and Authorize One (1) Position

Adopted Resolution 06-10696.

The following items were removed from the Consent Calendar for discussion.

- h. **RESOLUTION 06-10693** Declaring Surplus and Direct the Disposition of Excess Improvement Funds Related to the City of Pittsburg Marina Park Assessment District No. 98-01 and the City of Pittsburg Century Plaza Auto Mall (Phase I) Assessment District No. 2001-03

Mr. Grisham recommended that the item be continued to the City Council meeting of January 16, 2007.

- i. **RESOLUTION 06-10694** Approval of Final Map, Improvement Plans and Subdivision Improvement Agreement for Subdivision 9112, Vista Del Mar – Phase 3

Mr. Grisham reported that he had received a fax from an Attorney representing individuals in the area adjacent to the subject development regarding the item. He understood there were members of the audience wishing to speak to the item.

JAN GRUEN, Attorney representing William Lyon Homes, deferred her comments at this time to respond to any public comments.

THOMAS SULLIVAN, Attorney representing six residential properties on Santa Lucia Drive located on a hillside overlooking the Vista Del Mar project, reported that last summer excavation activities by the developer, William Lyon Homes, had triggered significant earth movement on and around that hillside. His clients had been displaced from their homes for nearly three months while the developer conducted repairs to shore up the hillside. He understood that the hillside repairs were complete on the William Lyon Homes property and the developer was now seeking the approval of two Final Maps for that development, one of which encompassed the subject hillside.

Mr. Sullivan advised that his clients opposed the approval of the Final Maps. He stated that he had submitted a letter and exhibits detailing the grounds for his clients' opposition and he asked that the letter be included in the subject proceedings. As to some

of the conditions in the Tentative Map for the William Lyon Homes project, specifically Condition 19(a) which would require a detailed geologic map detailing the subject landslides with test borings and or exploration pits used to evaluate all areas of unstable materials, his clients were unaware of such map, borings, pit or evaluation of the unstable material now comprising their rear yards and perhaps underlining their homes.

Mr. Sullivan noted that Condition 20 required a detailed construction plan detailing sections, limits of work and grading specifications for all off-site landslides. He advised that his clients were unaware of such detailed construction plan dealing with the earth movement triggered by William Lyon Homes on their properties other than an inadequate and inaccurate repair proposal contained in a letter from Berlager to William Lyon Homes dated December 12, 2006, a copy of which was attached to his letter and which proposal had been addressed in detail by his clients' geotechnical consultant in a separate letter, also attached to his letter to the City.

Mr. Sullivan referred to Condition 69 of the Vesting Tentative Map requiring the project engineer to confirm that the off-site portions of Landslide A had been remediated, although it was a preexisting landslide that the developer William Lyon Homes had activated by excavating the base of the hillside. He suggested that the off-site portions of Landslide A located on his clients' properties had not been remediated.

Mr. Sullivan added that Condition 70 of the Vesting Tentative Map required the project geotechnical engineer to perform a supplemental investigation to evaluate the potential for soil creep and debris flow on existing and newly constructed slopes. Mitigation measures to protect against slope failure shall be set forth in a report which shall be subject to review and approved by an independent geotechnical engineer retained by the City, which to his clients' knowledge had not been satisfied.

Mr. Sullivan suggested that conceivably the Klinefelder report referenced in his letter that the City had refused to provide to his clients could contain some portion of that independent review. He noted that his clients' geotechnical consultant had submitted a letter expressing his opinion that the slope stability analysis provided to date was inaccurate. He added that his clients had no desire or intention to needlessly hinder the William Lyon Homes development or the Vista Del Mar project, and would like for the eyesore of a massive unfinished development outside their rear doors to be completed as soon as possible. He added that his clients could not and would not sit idly by while the developer attempted to gain approval of the Final Maps to allow the developer to proceed along with the project ignoring conditions of approval that had become all the more critical in light of the landslide that the developer itself had caused.

Mr. Sullivan emphasized that his clients had suffered significant inconvenience, hardship, anxiety and loss of use of their properties and through the ordeal had attempted to work cooperatively and constructively with the developer and with the City.

Mr. Sullivan suggested that his clients had been rewarded with an inadequate, inaccurate and incomplete proposal to repair their properties, two days before they were made aware of the subject hearing. He clarified that his clients were not asking the City to

force the developer to settle with them in that if litigation was necessary it would be done. His clients were asking the City Council to require the developer to comply with all of the conditions of the Vesting Tentative Map before the approval of any Final Maps and decline to approve the Final Maps at this time.

JAN GRUEN, Attorney for William Lyon Homes, asked that Councilmember Evola recuse himself on the discussion since the land owned above the project was owned by Seecon and some remediation had been done to Seecon property and causation was, in fact, disputed as to the landslide.

Ms. Ziegler explained that it was the choice of a Councilmember whether he/she wished to recuse himself/herself if there was not an actual conflict. She noted that the issue before the City Council at this time was whether or not to authorize the filing of the Final Map on the Vista Del Mar project, and for that project Councilmember Evola did not have a conflict.

Ms. Gruen stated in response to the comments made by Mr. Sullivan that the slide at issue was located in a Geological Hazardous Abatement District (GHAD) area and not the subject of the maps William Lyon Homes was seeking final approval at this time. She also noted that all conditions relative to approval, enumerated by Mr. Sullivan, had, in fact, been satisfied fully by William Lyon Homes. She added that this was not an appropriate venue for politics or the forcing of a settlement in this case.

Ms. Gruen explained that what remained to be done to the homeowners' homes was cosmetic in nature only. William Lyon Homes had been extremely responsive to the slide that had taken place and had taken immediate steps to ensure immediate repair to all of the basic conditions. In so doing, she stated that significant amounts of soil had been removed, excavated and exposed for review by all geotechnical engineers, including engineers from William Lyon Homes, those with the City who were monitoring the situation as well as the geotechnical engineers for Seecon, all who had the opportunity to review the conditions of the soil to confirm it was properly corrected and that anything needed to be done, tested, or remediated or undertaken had, in fact, been achieved. She suggested that there was nothing left to do to test whether anything further needed to be done.

Ms. Gruen added that William Lyon Homes had repaired all of the adverse conditions on the property owners' property, the property owners' had no right to enter other people's property and begin boring, testing and excavation of land that did not belong to them and land that was not the subject matter of the Final Maps and approvals. She emphasized that all conditions had been repaired at William Lyon Homes' expense and that the repairs would be the subject matter of causation and liability at a later date. She respectfully requested that the City Council honor the application and grant the Final Maps.

In response to the Mayor, Ms. Ziegler noted that the issue before the Council was not whether one agreed or disagreed with how or what caused the slide or the degree of response from the developer, but whether or not to approve the Final Maps.

In response to the comments made by Mr. Sullivan as to his suggestion of non-compliance with a number of conditions of the Vesting Tentative Map, Mr. Sbranti explained that staff was not in the practice of bringing projects to the Council that did not meet their conditions of approval. The conditions referenced had been met and there were additional facts that staff had available that referenced those conditions. He added that there was significant information that had been made available to the consultants for the property owners and he would be happy to go through that information at a later date with those parties on a detailed basis to show how each of those conditions had been met.

Mr. Sbranti added that staff sympathized with what the property owners had gone through and he recognized the inconveniences that had occurred over the past several months. He explained that William Lyon Homes and their geotechnical consultant as well as staff's independent consultant had met to repair the hillside, which work had been done in several phases. During that period, staff had met with the property owners on several occasions. Staff had also kept in communication with the property owners through phone conversations as well as on-site meetings, along with a monitoring of the hillsides through the course of several months, with the readings tracked and provided to the consultants representing the homeowners. Further, a professional surveyor had set points on all of the homes and had monitored those points. Water level tests and damage surveys had also been conducted on all properties and had been redone to verify any changes.

Mr. Sbranti commented that the amount of movement in the homes was minor, with significant damage to the rear yards of many of the properties. Staff had quantified that damage through a report with its independent consultant and had shared all information with the property owners and their consultants over the course of the past several months. The first phase of the work had been completed up to approximately 1050 Santa Lucia Drive, at which time the City was able to remove yellow tags on six of the seven properties. The property at 1054 Santa Lucia Drive had remained yellow tagged until work on the Seecon property was complete, which work had been completed in November 2006 after which the yellow tag was removed from that property. He stated that all of the homes had been reoccupied for some time.

Mr. Sbranti also stated that the hillside has been stabilized. There was a letter from Berlager, the geotechnical consultant from William Lyon Homes, who had certified that the repairs were complete. Throughout this period of time there were several other geotechnical engineers on site, particularly Klinefelder representing the City, who had monitored the repairs and who was satisfied that the slope had been stabilized. In addition, the geotechnical engineer representing the homeowners and at times the geotechnical engineer representing Seecon had been on site.

To his knowledge, Mr. Sbranti was unaware of any questions related to the stability of the hillside.

Mr. Sbranti stated that the concerns raised by Mr. Sullivan referred back to the analysis done by Berlager back in August, although to his knowledge no one had questioned the stability of the slope. Every geotechnical engineer he had spoken to was

satisfied that the repairs had been done properly and that the slope was stable.

Mr. Grisham added that as they got into the site, removing soil and looking at the underlining conditions, more information and data had been collected. Staff wanted to ensure that the Klinefelder report included all information that had been observed on the site, which was in the process of being completed. The report would be shared once available.

On motion by Vice Mayor Casey, seconded by Councilmember Parent and carried unanimously to adopt Resolution 06-10694.

- j. **RESOLUTION 06-10695** Approval of Final Map, Improvement Plans and Subdivision Improvement Agreement for Subdivision 9112, Vista Del Mar – Phase 4

On motion by Councilmember Parent, seconded by Vice Mayor Casey, and carried unanimously to adopt Resolution 06-10694.

ADJOURNMENT

The City Council adjourned at 9:13 P.M. to a regular meeting on January 16, 2007.

Respectfully submitted,

Alice E. Evenson, City Clerk

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