

CITY OF PITTSBURG
Housing Authority Minutes
June 19, 2006

Chair Michael Kee called the meeting of the Housing Authority to order at 7:30 P.M. in the City Council Chambers at City Hall, 65 Civic Avenue, Pittsburg, California after having convened at 6:30 P.M. into Closed Session for Conference with Legal Counsel – Anticipated Litigation pursuant to subdivision (c) of Section 54956.9 of the Government Code regarding two cases; and Conference with Real Property Negotiator pursuant to Section 54956.8 regarding APN 085-192-004, 820 Railroad Avenue; APN 085-193-006, 998 Railroad Avenue; APN 085-193-007, 998 Railroad Avenue; APN 085-193-008, Railroad Avenue; and APN 085-193-009, Railroad Avenue.

Legal Counsel Ruthann Ziegler reported that in Closed Session the City Council had discussed, among other matters, a proposal by USS Posco that had been submitted to the County Tax Assessor to sharply decrease the appraised value of four different parcels, which would have a significant adverse financial effect upon the City. During the Closed Session, the Council had directed legal staff and the City staff to vigorously oppose that downward appraisal. Steps would immediately be taken to do so, including contacting the County Tax Assessor and taking other steps accordingly.

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

MEMBERS EXCUSED: Mixon [Excused]

STAFF PRESENT

Executive Director, Marc Grisham
Legal Counsel, Ruthann Ziegler
Deputy City Clerk, Alice Evenson
Director of Housing and Community Programs, Annette Landry
Director of the Redevelopment Agency, Garrett Evans
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 Planning, Melissa Ayres
Director of Recreation, Paul Flores
Police Chief, Aaron Baker

CONSENT CALENDAR

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

a. **DISBURSEMENT LIST** Dated: May 31, 2006

Approved Disbursement List dated May 31, 2006.

b. **MINUTES**

Dated: May 15, 2006

Approved minutes dated May 15, 2006.

ADJOURNMENT

The meeting of the Housing Authority adjourned at 7:32 P.M. to the next meeting set for July 17, 2006.

Respectfully submitted,

Lillian J. Pride, Secretary

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CITY OF PITTSBURG
Redevelopment Agency Minutes
June 19, 2006

Chair Michael Kee called the meeting of the Redevelopment Agency to order at 7:33 P.M. Chair Michael Kee called the meeting of the Housing Authority to order at 7:30 P.M. in the City Council Chambers at City Hall, 65 Civic Avenue, Pittsburg, California after having convened at 6:30 P.M. into Closed Session for Conference with Legal Counsel – Anticipated Litigation pursuant to subdivision (c) of Section 54956.9 of the Government Code regarding two cases; and Conference with Real Property Negotiator pursuant to Section 54956.8 regarding APN 085-192-004, 820 Railroad Avenue; APN 085-193-006, 998 Railroad Avenue; APN 085-193-007, 998 Railroad Avenue; APN 085-193-008, Railroad Avenue; and APN 085-193-009, Railroad Avenue.

Legal Counsel Ruthann Ziegler reported that in Closed Session the City Council had discussed, among other matters, a proposal by USS Posco that had been submitted to the County Tax Assessor to sharply decrease the appraised value of four different parcels, which would have a significant adverse financial effect upon the City. During the Closed Session, the Council had directed legal staff and the City staff to vigorously oppose that downward appraisal. Steps would immediately be taken to do so, including contacting the County Tax Assessor and taking other steps accordingly.

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

MEMBERS EXCUSED: None

STAFF PRESENT Executive Director, Marc Grisham
Legal Counsel, Ruthann Ziegler
Deputy City Clerk, Alice Evenson
Director of Housing and Community Programs, Annette Landry
Director of the Redevelopment Agency, Garrett Evans
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 Planning, Melissa Ayres
Director of Recreation, Paul Flores
Police Chief, Aaron Baker

PUBLIC HEARING

The CITY COUNCIL CONVENED JOINTLY WITH THE REDEVELOPMENT AGENCY to consider the following:

working with them and their investors to create a fairly simple solution to resolve a technical tax issue. He stated that the Council's action would allow the firm to close on the financing this week and start construction next week.

Mayor Kee closed the public hearing for Redevelopment Agency Resolution 06-1129 and City Council Resolution 06-10568.

Member Johnson verified with staff that the minor typos and language changes earlier identified would be made to the document.

Member Parent clarified that the action would have nothing to do with how much tax was collected by the City's General Fund or the Redevelopment Agency. The action related only to the obligations of the developer or other tax entities.

On motion by Member Johnson, seconded by Member Parent and carried unanimously to adopt Redevelopment Agency Resolution 06-1129.

On motion by Member Johnson, seconded by Member Parent and carried unanimously to adopt City Council Resolution 06-10568.

Chair Kee recused himself from the next item given that one of the entities in the area proposed (Tesoro) was his client. He left the dais and the Council Chambers at this time.

Vice Chair Glynn chaired the meeting.

2. **RESOLUTION 06-1130** Adopting a Unified Development Area, North of East Third Street, Between Railroad Avenue and Columbia Street

Mr. Grisham reported that the Redevelopment Agency of the City of Pittsburg proposed to designate a Unified Development Area (UDA) generally located north of East Third Street, between Railroad Avenue and Columbia Street, consisting of approximately thirty-three (33) acres as shown on the map attached as Exhibit A to the staff report dated June 19, 2006. Designation of the UDA and the potential future redevelopment of the UDA would address the blighting conditions that continued to persist in the project area and would assist the Agency in furthering the goals and objectives of the Redevelopment Plan for the Los Medanos Community Development Project Area.

Mr. Grisham identified the UDA along the riverfront where several property owners including Renova Partners, the Redevelopment Agency of the City of Pittsburg, Tesoro, Portland Cement and Isle Capital were involved.

Director of the Redevelopment Agency Garrett Evans stated that the UDA was the first step to allow property owners a way into the redevelopment process.

Mr. Evans reported that there was one amendment to the UDA in that a letter had

been received from Renova Partners requesting to be added to the UDA. He explained that as an adjacent property owner to the original UDA that had been noticed, it would be appropriate that Renova Partners join the UDA.

Member Parent clarified that the UDA would not include Railroad Avenue as shown in the staff report.

Mr. Grisham stated that reference would be corrected since the area would be past Railroad Avenue. The condominium project was not included.

The designation of the UDA would have no fiscal impact, although \$10,000 would be allocated from the Agency's General-Legal account to pay for legal fees and miscellaneous expenses associated with the creation of the UDA.

It was recommended that the Agency Board adopt the resolution designating the UDA and authorizing the Executive Director to consider potential uses such as residential, commercial, recreational/public space, boat storage, port facility and aquatic center.

Vice Chair Glynn opened the public hearing for Resolution 06-1130.

MICHAEL SARABIA, Bay Point, congratulated the City on Assembly Bill 2324 by Assemblymember Canciamilla. He supported the UDA as a great opportunity for the City that would spill over into adjoining areas, including Bay Point. He suggested that a ship container port would allow the City of Pittsburg to participate in world commerce similar to the Ports of Oakland, Los Angeles and Long Beach. He also suggested that the movement of products from a world class port would have to be carefully considered given the method of transportation used. He commented that railroads were the most cost effective, energy efficient way of moving cargo quickly, and that mode of transportation would not destroy roads. Since the proposed eBART project could use the same areas for transport, he urged careful consideration of those modes of transport and suggested that shared costs in planning and use be considered.

MICHAEL MARCY, Martinez, the Government and Public Affairs Manager for Tesoro, operators of the petroleum coke terminal located at 595 East Third Street in Pittsburg, supported the proposed UDA if the measure was consistent with the City's General Plan and that any future development of the area allow a combination of uses including those compatible with Tesoro's existing and ongoing operations.

SCOTT LEBBIN, Hermosa Beach, an employee of Koch Carbon described the company as operating the Bay Area boat terminal (BABT) as a land/water shipping terminal since 1998 handling petroleum coke brought in by truck, stored in domes and distributed through ocean-going ships. He stated that the product was stored on site in state-of-the-art technology. Koch Carbon had worked with the City to expand the shipping terminal in the area.

Mr. Lebbin recognized the importance of the proposal and suggested that would help

protect jobs, maintain tax revenues, balance various uses and provide potential port facilities. He added that Koch Carbon was evaluating new business opportunities, looking forward to growing the business and expanding the shipping terminal in the area. Recognizing the importance of the development initiative, and understanding the importance of the UDA in achieving those goals, he stated that Koch Carbon looked forward to being a participant with the City.

JENNIFER HERNANDEZ, Berkeley, a land use and environmental lawyer and Pittsburg native working with Koch Carbon, emphasized the importance in the UDA process of maintaining compatibility with adjacent land uses to preserve the industrial core of the waterfront and Pittsburg. While the UDA was intended to address blighted conditions, she did not believe that the Koch Carbon facility itself was blighted and she wanted the record to reflect that statement.

Vice Chair Glynn closed the public hearing for Resolution 06-1130.

On motion by Member Johnson, seconded by Member Casey to adopt Resolution 06-1130, as amended to show the area of the Unified Development Area (UDA) as east of Bay Harbor Park and Columbia Street, carried by the following vote:

Ayes:	Casey, Johnson, Parent, Glynn
Noes:	None
Absent:	Kee [recused]

Chair Kee returned to the dais at this time.

3. **RESOLUTION 06-1131** Adopting a Unified Development Area, North of Pittsburg Antioch Highway, on Both Sides of Loveridge Road

Mr. Grisham stated that the Redevelopment Agency of the City of Pittsburg proposed to designate a Unified Development Area (UDA) generally located north of the Pittsburg Antioch Highway on both sides of Loveridge Road, consisting of approximately one hundred eighty six (186) acres as shown on the map attached as Exhibit A to the staff report dated June 19, 2006. Designation of the UDA and the potential future redevelopment of the UDA would address the blighting conditions that continued to persist in the project area and would assist the Agency in furthering the goals and objectives of the Redevelopment Plan for the Los Medanos Community Development Project Area.

Mr. Grisham stated that the UDA would allow the City to work with property owners and address shared development issues related to infrastructure needs, environmental remediation and other factors important to the process. He noted that some correspondence had been received.

Lynn Hutchins, Agency Counsel with the law firm of Goldfarb & Lipman, reported

that she had received a letter from the lawyers representing the property owner of APN 073-200-021 requesting that they not be included within the UDA area and suggesting that the Redevelopment Agency might be liable for inverse condemnation claims. She noted that there was a court case on the issue and she was fairly confident that the Agency would not be subject to inverse condemnation claims by moving forward with the matter.

The designation of the UDA would have no fiscal impact, although \$10,000 would be allocated from the Agency's General-Legal account to pay for legal fees and miscellaneous expenses associated with the creation of the UDA.

It was recommended that the Agency Board adopt the resolution designating the UDA and authorizing the Executive Director to determine the feasibility of developing a mixed use project to consist of industrial and commercial uses, solicit owner participation in the redevelopment of the properties as provided in the Redevelopment Plan for the Project Area and establish the method for seeking development proposals.

Chair Kee opened the public hearing for Resolution 06-1131.

CHRIS CONKLING, Moraga, representing USS-Posco Industries, opposed the inclusion of Site LA into the proposed UDA because USS Posco had been involved in the redevelopment process of Site LA for over a year. He questioned why the City would want to use taxpayer funds when a proposal was currently being considered with private funds. He noted that USS Posco had earlier submitted a letter to identify its position.

Chair Kee reported that the letter from USS-Posco Industries had been received by the City and the letter was part of the public record.

RYAN GUERTIN, Concord, Hall Equities Group, Concord, representing the owners of the Contra Costa Industrial Park, 1101 to 1251 Loveridge Road, stated that there were several tenants that had been included in the UDA that had leases that went to 2010, 2011, 2016 and 2020. He urged the Council to consider that situation.

Chair Kee closed the public hearing for Resolution 06-1131.

Chair Kee verified with the Executive Director that the action would in no way evict any tenant or require any property owner to give up any rights to property at this point.

Member Parent was glad to see that USS Posco would be doing something with its property. She stated that the area was prime for development and she emphasized the intent to create additional jobs in the City to offer an alternative to multi-hour commutes to jobs elsewhere in the Bay Area. It was also the intent to provide the City with additional revenue sources for the benefit of the entire citizenry.

Member Johnson emphasized the importance of a combined proposal to avoid a piecemeal approach.

On motion by Member Parent, seconded by Member Johnson and carried

unanimously to adopt Resolution 06-1131.

CONSENT CALENDAR

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

- a. **MINUTES** Dated: June 5, 2006

Approved minutes dated June 5, 2006.

- b. **RESOLUTION 06-1132** Approval of a Legal Services Contract with Goldfarb & Lipman LLP for Services as Special Redevelopment Counsel

Adopted Resolution 06-1132.

- c. **RESOLUTION 06-1133** Authorizing the Executive Director to Enter into the Consultant Agreement By and Between the Redevelopment Agency of the City of Pittsburg and Pacific Community Services, Inc.

Adopted Resolution 06-1133.

- d. **RESOLUTION 06-1134** Authorizing the Executive Director to Execute a Consultant Agreement By and Between the Redevelopment Agency of the City of Pittsburg and the Contra Costa County Employment and Human Services Department on Behalf of the Workforce Development Board's Contra Costa Small Business Development Center

Adopted Resolution 06-1134.

- e. **MINUTE ORDER** Approval of Affordable Housing Agreement – Vista Del Mar
Combined w/CC Item i.

Approved Affordable Housing Agreement – Vista Del Mar.

- f. **RESOLUTION 06-1135** Increase the Ninyo & Moore's Purchase Order and Approve the Work Plan

Adopted Resolution 06-1135.

ADJOURNMENT

The meeting of the Redevelopment Agency adjourned at 8:02 P.M. to June 26, 2006 at 6:00 P.M.

Respectfully submitted,

Lillian J. Pride, Secretary

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CITY OF PITTSBURG
Pittsburg Power Company Minutes
June 19, 2006

Chair Michael Kee 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 at 6:30 P.M. into Closed Session for Conference with Legal Counsel – Anticipated Litigation pursuant to subdivision (c) of Section 54956.9 of the Government Code regarding two cases; and Conference with Real Property Negotiator pursuant to Section 54956.8 regarding APN 085-192-004, 820 Railroad Avenue; APN 085-193-006, 998 Railroad Avenue; APN 085-193-007, 998 Railroad Avenue; APN 085-193-008, Railroad Avenue; and APN 085-193-009, Railroad Avenue.

Legal Counsel Ruthann Ziegler reported that in Closed Session the City Council had discussed a proposal by USS Posco submitted to the County Tax Assessor to sharply decrease the appraised value of four different parcels, which would have a significant adverse financial effect upon the City. During Closed Session, the Council had directed legal staff and City staff to vigorously oppose that downward appraisal. Steps would immediately be taken to do so, including contacting the County Tax Assessor.

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

MEMBERS EXCUSED: None

STAFF PRESENT

Executive Director, Marc Grisham
Legal Counsel, Ruthann Ziegler
Deputy City Clerk, Alice Evenson
Director of Housing and Community Programs, Annette Landry
Director of the Redevelopment Agency, Garrett Evans
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 Planning, Melissa Ayres
Director of Recreation, Paul Flores
Police Chief, Aaron Baker

PUBLIC HEARING

1. **RESOLUTION 06-149** Approving the Electric Rate Schedule Changes for ES-1 And ES-2 and Continuation of the Current Gas and Street Lighting Rate Schedules for Service on Mare Island for the Pittsburg Power Company d.b.a. Island Energy and Approving the \$100,000 Loan to Island Energy for the Purpose of Maintaining a Sound Operation

Executive Director Marc Grisham reported that the Pittsburg Power Company (PPC), doing business as Island Energy on Mare Island, currently had a Gas and Electric Rate Schedule approved on June 20, 2005. Staff had performed a Rate Case Review analysis starting in February through May 2006 and had determined that the current FY 2005-2006 Street Lighting Schedule LS and Gas Rate Schedule GS-1 and GS-2, should remain in effect for FY 2006-2007. Staff had further determined that the Electric Rate Schedules ES-1 and ES-2 should be revised for FY 2006-2007, effective July 1, 2006 and continue through June 30, 2007, or until changed. In addition and in order to avoid a shortfall, which was anticipated as a result of keeping rates down, the PPC was proposing a \$100,000 loan to Island Energy. Even with the increase, he stated that the rates would remain competitive with PG&E rates.

Due to the slowdown of the housing market on Mare Island and the departure of a major customer of Island Energy's, the Rate Case analysis had projected a 2.2 percent decrease in electricity sales and a 25.3 percent decrease in gas sales for FY 2006-2007 when compared to sales for FY 2005-2006, leading to a potential shortfall of \$93,090. Island Energy had proposed a \$100,000 loan from the PPC. The loan would have no fiscal impact on other PPC projects and no fiscal impact to the City of Pittsburg General Fund. If the recommended loan and the electric rate increases were not approved, a shortfall of \$416,434 was anticipated.

Mr. Grisham recommended that the public hearing be opened, testimony be taken and the public hearing be closed and the resolution be adopted to revise the Electric Rate Schedule ES-1, ES-2 and continue the Street Lighting Rate Schedule LS, Gas Rate Schedule GS-1 and GS-2, as specified for the service on Mare Island and approve the \$100,000 loan, with the authorization for the Executive Director and the City Finance Director to transfer the funds from the Pittsburg Power Company (Fund 59) to Island Energy (Fund 58) for the purpose of allowing Island Energy to continuously deliver high quality and responsive services to all its customers and maintain a sound operation.

Chair Kee opened the public hearing for Resolution 06-149. There was no one to speak. Chair Kee closed the public hearing for Resolution 06-149.

Member Parent stated that as a member of the Power Company Advisory Committee, the Committee had reviewed the rate schedule which would provide enough operating funds and at the same time provide a very competitive rate better than PG&E rates. She thanked staff, the attorney and the analysts who worked for the PPC for their attention to detail in what was a complicated system of rates. She noted that some residential customers of Island Energy had actually attended the committee meetings.

As the other member of the Power Company Advisory Committee, Vice Chair Glynn echoed Member Parent's comments and noted that the City of Vallejo had been very helpful in facilitating the distribution of information to Island Energy's customers within that City's jurisdiction.

On motion by Member Parent, seconded by Vice Chair Glynn and carried unanimously to adopt Resolution 06-149.

CONSENT CALENDAR

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

- a. **RESOLUTION 06-150** Approving an Agreement for Attorney Services for the
Pittsburg Power Company

Adopted Resolution 06-150.

ADJOURNMENT

The meeting of the Pittsburg Power Company adjourned at 8:07 P.M. to June 26, 2006 at 6:00 P.M.

Respectfully submitted,

Lillian J. Pride, Secretary

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CITY OF PITTSBURG
City Council Minutes
June 19, 2006

Mayor Michael Kee called the meeting of the City Council to order at 8:08 P.M. in the City Council Chambers at City Hall, 65 Civic Avenue, Pittsburg, California after having convened at 6:30 P.M. into Closed Session for Conference with Legal Counsel – Anticipated Litigation pursuant to subdivision (c) of Section 54956.9 of the Government Code regarding two cases; and Conference with Real Property Negotiator pursuant to Section 54956.8 regarding APN 085-192-004, 820 Railroad Avenue; APN 085-193-006, 998 Railroad Avenue; APN 085-193-007, 998 Railroad Avenue; APN 085-193-008, Railroad Avenue; and APN 085-193-009, Railroad Avenue.

City Attorney Ruthann Ziegler reported that in Closed Session the City Council had discussed, among other matters, a proposal by USS Posco that had been submitted to the County Tax Assessor to sharply decrease the appraised value of four different parcels, which would have a significant adverse financial effect upon the City. During the Closed Session, the Council had directed legal staff and the City staff to vigorously oppose that downward appraisal. Steps would immediately be taken to do so, including contacting the County Tax Assessor and taking other steps accordingly.

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

MEMBERS EXCUSED: None

STAFF PRESENT City Manager, Marc Grisham
City Attorney, Ruthann Ziegler
Deputy City Clerk, Alice Evenson
Director of Housing and Community Programs, Annette Landry
Director of the Redevelopment Agency, Garrett Evans
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 Planning, Melissa Ayres
Director of Recreation, Paul Flores
Police Chief, Aaron Baker

Mayor Kee considered the following general City Council items at 7:01 P.M. prior to pursuing the Housing Authority agenda.

PLEDGE OF ALLEGIANCE

Gloria Magleby led the Pledge of Allegiance.

PROCLAMATIONS

1. Relay for Life

Councilmember Parent read the Proclamation for Relay for Life “The Color of Cancer” scheduled for a 24-hour period from 10:00 A.M. on June 24, to close at 10:00 A.M. on June 25. She presented the Proclamation to the organizing committee for Relay for Life. She reported that the City of Pittsburg had two teams participating in the Relay for Life this year; one team from the Police Department and one team led by the Mayor. She urged members of the public to participate and contribute to the Relay for Life event.

A representative of the organizing committee for Relay for Life thanked the City, the Council and the community for participating in the event, which she reported was the seventh Relay for Life in the area which had raised over one million dollars for the cure. The funds were being used to provide essential research grants, advocacy efforts, community education and free services for cancer patients. She added that thousands of local residents had gotten involved in the event over the years. She stated that the Relay for Life had become an integral part of the community’s efforts to fight cancer. The goal is to raise \$320,000 this year.

PRESENTATION

1. Community Development Block Grant Video

Due to technical difficulties, the presentation was continued to another meeting.

COUNCILMEMBER REPORTS/REMARKS

Councilmember Casey reported on his attendance at the groundbreaking for the Marina Promenade.

Councilmember Parent reported that she had participated in the City’s booth for public education at the Farmer’s Market. She encouraged the public to visit the Farmer’s Market. She stated that this week’s theme was cooking, and cooking demonstrations would be presented. She also noted that this last week she had entertained spouses of the Elks and had offered walking tours of Old Town when positive comments had been offered. She noted that the Elks attending the meeting in Pittsburg had come from as far away as Los Banos. On another matter, she took this opportunity to thank Alice Evenson for suggesting the use of the Environmental Center, and to Buck Buchanan and his staff for the Optic Board’s retreat.

Councilmember Parent had also attended the Transit Village Workshop that had been held at the Senior Center, described the performances for Old Town Sound when over 100 had attended, reported that fireworks would be set off from a barge in the river for the Fourth of July, and stated that she had been invited along with other Councilmembers to the ceremonies and dinner hosted by USS Posco celebrating the merger with US Steel.

Councilmember Johnson reported that he had attended a convention in Bakersfield for Disabled American Veterans. He commented that World War II veterans were dying off at a rate of 2,000 a day. He noted that 500,000 WWII veterans remained.

Vice Mayor Glynn reported that since the last Council meeting he had attended the regular meeting of the United Veterans Council, the transportation planning meetings, had attended a combination American Legion meeting followed by a lunch with veterans of the Battle of the Bulge, and had provided military honors graveside ceremonies for a veteran at Holy Cross Cemetery. He had also attended his Grandson's graduation.

Mayor Kee stated that he had been on family vacation last week although prior to that time he had attended the Hunger Awareness event at Solomon Temple Baptist Church and had bagged and handed out groceries to needy families. He stated that event occurred at the Solomon Temple Baptist Church the second Thursday of each month.

The Mayor reported that he had attended Hillview Jr. High with Paul Flores when letters from children from Shimoneseki, Japan had been delivered. Those letters were in response to letters that Pittsburg students had written to their counterparts in Japan. Mayor Kee reported that the Council had received two letters of commendation for Pittsburg Police Officers from Pittsburg citizens. He thanked the Police Chief for the services offered to the community.

Mayor Kee also wished everyone a Happy Juneteenth, which commemorated federal troop enforcement of the Emancipation Proclamation in Texas on June 19, 1865.

Mayor Kee also wished Councilmember Parent a Happy Birthday and Councilmember Parent noted that the Mayor's birthday was a day after hers.

CITY MANAGER REPORTS/REMARKS

City Manager Marc Grisham reported that a delegation from Shanghai, China had been in the City over the weekend. He thanked Brad Nail and Paul Flores for all their help and stated that the visit had gone very well. He added that Shanghai wanted to work closely with the City on a variety of activities.

Mr. Grisham also noted that the project for the Marina Promenade was moving as fast as possible so that the first part of that project could be completed prior to the Seafood Festival. Mr. Grisham announced the following upcoming events, many although not all, focused in Old Town:

- June 24 - 11:00 A.M. to 5:00 P.M. Old Town Thunder with Harley Davidson/Diablo Mountain Motorcycles and the Chamber of Commerce;
- July 2 - Annual Mayor's Ice Cream Social at Small World Park;
- July 4 - 5:00 P.M. to 9:00 P.M. Marina Games at the Central Harbor Park; with fireworks starting at 9:00 P.M.
- July 6 - Hot Rod Night Car Show with music provided by Special Request.

The car shows had been extremely popular and the average was close to 100 cars a show.

Mr. Grisham also reported with respect to fire lines and fire fees that the Public Works Department was working to reduce fees where appropriate given an oversizing of pipes into the properties or private hydrant issues. He stated that the proper noticing would be provided and the item would return to the Council on July 10 when action would be recommended. He stated that the Council at that time would have the ability to declare an abeyance or moratorium period to work out issues that had not been resolved prior to that time.

CITIZENS REMARKS

CHARLES SMITH, Pittsburg, referred to an event that had closed Los Medanos Street which he noted had disrupted Pittsburg Seventh Day Adventist Church activities.

Mr. Grisham reported that a major neighborhood clean-up had occurred at that time, as requested by the neighborhood. The road had been closed to accommodate the dumpsters and heavy equipment at the site to move the materials being cleaned up. The clean-up had started at 9:00 A.M. and all Police Cadets had worked in that neighborhood. He reported that notices had been sent to the neighborhood and all property owners, including the Seventh Day Adventist Church, to advise of the event. He explained that a greater noticing had not occurred since the Tenth Street Clean-up had resulted in a situation where there had been a general dumping of significant debris on the street because of the clean up. He noted that tons of debris had been removed, the exact amount of which was unknown at this time.

Mr. Smith applauded that situation although he stated that the clean-up had disrupted 200 people in the midst of church services. He suggested that the dumpsters could have been deployed to another site. He objected to the situation where church services had been disrupted.

MARIAN PARTRIDGE, Branch Librarian at the Pittsburg Library, identified the Summer Reading Program for children, teens and adults, when prizes would be awarded. She stated that the intent was to get the whole family reading during the summer so that reading skills were kept up during the summer.

STAN DAVIS, Pittsburg, noted that he had appeared before the Council with respect to the fire fees. He suggested that the fees were burdensome and not business friendly. He noted that for the last 16 or 17 months, his bill had jumped from \$160 to \$2,500. He requested a reconsideration of the fire fee schedule to avoid impacts to residents.

Mayor Kee noted that the Council would consider the issue on July 10, 2006.

Mayor Kee adjourned to the Housing Authority agenda at 7:30 P.M. and reconvened as the City Council at 8:08 P.M.

PUBLIC HEARING

1. **RESOLUTION 06-10563** Ordering the Abandonment of a 10-Foot “School Walkway” Located Between Lots 23 and 24 of Subdivision 2977, Mountain View (891 Cross Street and 201 Patricia Avenue)

Mr. Grisham reported that on October 13, 1961 the final map for Subdivision 2977, Mountain View had been recorded. Included on this map was a 10-foot “School Walkway” located between Lots 23 and 24. The City had a sanitary sewer and storm drain line located within the walkway area, and therefore, would retain an easement for maintenance purposes. The walkway had been closed to pedestrian traffic more than ten years ago. The City had no present or prospective public use for the walkway and, therefore, desired to abandon its interest in it.

Since the item was not a project and since the City no longer needed to maintain the walkway area, the action to abandon the walkway would result in a small fiscal savings to the City.

Mr. Grisham recommended the adoption of the resolution ordering the abandonment of a 10 foot “School Walkway” located between Lots 23 and 24 of Subdivision 2977, Mountain View (891 Cross Street and 201 Patricia Avenue) and authorizing the City Engineer to execute a Quitclaim Deed to accomplish the abandonment.

Mayor Kee opened the public hearing for Resolution 06-10563.

BRUCE OHLSON, Pittsburg, a member of the Board of Directors of the East Bay Bicycle Coalition, noted that he had first learned of the abandonment of the school walkway this date. He commented that this was the third walkway abandonment of which he had knowledge over the past year. He suggested that was a serious trend since the blocking of walkways encouraged the use of private automobiles for short trips and discouraged walking, bicycling, skating or other non-motorized means. He suggested it would seem reasonable that the City maintain, improve and create additional walkways, not abandon them. He suggested that the walkways would not be costly to retain. He urged the Council to direct staff to retain, not abandon walkways. He stated that walking was healthy for the individual, for the community, and for the environment and should be supported.

Mayor Kee closed the public hearing for Resolution 06-10563.

On motion by Vice Mayor Glynn, seconded by Councilmember Casey and carried unanimously to adopt Resolution 06-10563.

2. **RESOLUTION 06-10564** Approval of the 2006-2007 Community Development Block Grant (CDBG) Annual Action Plan

Mr. Grisham advised that the Department of Housing and Urban Development

(HUD) required the City Council to review and approve the 2006-2007 Community Development Block Grant Annual Action Plan. The Annual Action Plan included the CDBG funding recommendations for the 2006-2007-program year that the Council approved on March 20, 2006. HUD also required a public hearing and public comment period before submitting the Annual Action Plan to HUD.

Mr. Grisham recommended that the City Council open the public hearing and receive testimony, close the public hearing and adopt the resolution approving the 2006-2007 Annual Action Plan. It was further recommended that the City Council close the public comment period for the 2006-2007 Annual Action Plan.

Mayor Kee opened the public hearing for Resolution 06-10564. There was no one to speak. Mayor Kee closed the public hearing for Resolution 06-10564.

On motion by Councilmember Johnson, seconded by Councilmember Casey and carried unanimously to adopt Resolution 06-10564.

Mayor Kee took this opportunity to thank the Annette Landry, the Director of Housing and Community Programs, and the Councilmembers who had served on the committee to review the CDBG applications.

3. **RESOLUTION 06-10565** Mirant Power Generation Plant Annexation – Adopting
 Combined w/Ord 06-1264 a Negative Declaration and Amending the General Plan
 Combined w/CC 06-10566 Land Use Designation on Portions of Approximately
 1,091 Acres Comprised of 17 Parcels for the Mirant
 Power Generation Plant Annexation – General Plan
 Amendment and Rezoning

4. **ORDINANCE 06-1264** Mirant Power Generation Plant Annexation - Introduction
 Combined w/CC 06-10565 of an Ordinance to Prezone Portions of Approximately
 Combined w/CC 06-10566 1,091 Acres Comprised of 17 Parcels for the Mirant
 Power Generation Plant Annexation – General Plan
 Amendment and Rezoning

5. **RESOLUTION 06-10566** Mirant Power Generation Plant Annexation – Application
 Combined w/Ord 06-1264 Initiating Proceedings for Reorganization of Boundaries;
 Combined w/CC 06-10565 Annexation to the City of Pittsburg/Annexation to Delta
 Diablo Sanitation District of Approximately 1,080 Acres
 Comprised of 15 Parcels for the Mirant Power
 Generation Plant Annexation – General Plan
 Amendment and Rezoning

Mr. Grisham reported that the Planning Commission recommended that the City Council amend the General Plan land use designations of and/or prezone approximately 1,091 acres comprised of 17 parcels (three partial) located north of Willow Pass Road and south of Suisun Bay, within the Northwest subarea of the Pittsburg General Plan. The

purpose of the project was to eventually annex the properties into the City of Pittsburg and Delta Diablo Sanitation District, which the Council was being asked to initiate through a resolution of intent to initiate Local Agency Formation Commission (LAFCO) proceedings. The properties were located inside the City of Pittsburg's Sphere of Influence and Planning Area. There was no physical development proposed with the project.

Mr. Grisham reported that the proposed action would pertain only to zoning activities and did not pertain to any financial agreements between the County and the City of Pittsburg. As stated previously, the City was making every effort to ensure that the County was kept whole and that the revenue derived from the power plant at that site would continue to accrue to Contra Costa County. The total fiscal impact was not known at this time. Staff did not anticipate a negative impact as a result of the General Plan amendment, rezoning or future annexation. Prior to annexation, the City and Contra Costa County must enter into a tax sharing agreement for all properties annexed to the City. The annexation of additional properties would increase the tax revenue to the City. Annexation would also create a slight increase in public services to serve some of the annexed properties and rights of way.

Mr. Grisham recommended that the City Council adopt a resolution adopting the Negative Declaration and amending the General Plan land use designation on portions of approximately 1,091 acres comprised of 17 parcels (three partial).

It was also recommended that the City Council introduce, waive further reading, and pass to second reading an ordinance to prezone portions of approximately 1,091 acres comprised of 17 parcels (three partial), to be consistent with the recommended General Plan land use designations adopted with the project.

It was further recommended that the City Council adopt a resolution of intent to initiate LAFCO proceedings to annex 15 of the 17 parcels (two from General Plan amendment and rezoning not included) into the City of Pittsburg and Delta Diablo Sanitation District.

Mayor Kee opened the public hearing for Resolution 06-10565, Ordinance 06-1264 and Resolution 06-10566.

JUDY DAWSON, Bay Point, an elected member of the Bay Point Municipal Advisory Council (MAC), reported that a letter had been sent by the MAC in opposition to the City's proposed action. She noted the implication that the Range Road Overpass would be the dividing line for the property making the east side of that overpass for Pittsburg and the west side for Bay Point all the way to the Delta. She asked the City Council not to do any more taking of the property in question. Ms. Dawson reported that the MAC had voted to oppose the annexation of the land at its June meeting. She suggested it would be prudent for the Pittsburg City Council and the Bay Point MAC to meet prior to any LAFCO consideration. She urged the Council to work with its neighbor.

GLORIA MAGLEBY, a 64-year Bay Point resident, stated that Bay Point had finally

become viable with a positive image. She noted that there was little land to grow and improve the Bay Point tax base. While she recognized the City of Pittsburg's right to annex the property, she urged the City to do the right thing.

Mayor Kee closed the public hearing for Resolution 06-10565, Ordinance 06-1264 and Resolution 06-10566.

Councilmember Parent asked for a clarification of the area under consideration.

Mr. Grisham clarified that the City was looking at the Mirant Plant, the asphalt plant, and some of the trailer parks. He stated that there were some issues in that area, particularly regarding sewer and water. He suggested that the County did not have the resources to address those issues. He commented that there was also some small scale industrial in that area. He also emphasized that the power plant and the tank farm were situated immediately adjacent to existing residential neighborhoods in Pittsburg, while any Bay Point neighborhoods were separated by a significant area of marshlands and open space.

Councilmember Parent clarified that the trailer parks were situated to the west of Range Road.

When asked, Mr. Grisham advised that the tax sharing agreements would be complicated. He stressed that the trailer park and the small industrial uses on the west of Range Road were the closest to the City of Pittsburg. He noted that there were drainage problems in the area and other issues that the City would like to address and could address more effectively than the County.

Planning Director Melissa Ayres referred the Council to Exhibit B in the staff report dated June 19, 2006, a map from the City's General Plan, where the various planning boundaries, the unincorporated area and Bay Point had been shown. She stated that plan clearly showed that the inclusion of that area in Bay Point would not be a logical connection to that area since it was surrounded on three sides by the City of Pittsburg, with the area to the north being the Mirant property.

Councilmember Parent clarified that the area in question was not intended to be included in the City for the purposes of development since that area in the City's General Plan was primarily designated as open space and not suited nor planned for development. She added that it had been made clear to the public in the Measure P process that the City was not attempting to include the subject property inside the Urban Limit Line (ULL) for the purpose of development.

Ms. Ayres added that the City proposed changes to its General Plan to match the County General Plan for the Mirant property. The potential for entitlements would not change and any future discretionary approvals would be subject to CEQA. She stated that the Council had actually initiated annexation proceedings in 2001 but that action had been deferred pending the adoption of Measure P. The current action would pick up that

additional land which had been designated as open space in both the County and the City General Plans.

Councilmember Johnson agreed that there was little developable land in the area in question. He did not see a problem with the proposal, as submitted, and suggested it was time to move forward.

Mayor Kee verified with Mr. Grisham that there would be many more steps to take in the process which could include working with the Bay Point MAC.

On motion by Councilmember Johnson, seconded by Councilmember Parent and carried unanimously to adopt Resolution 06-10565, a resolution adopting the Negative Declaration and amending the General Plan land use designation on portions of approximately 1,091 acres comprised of 17 parcels (three partial).

On motion by Councilmember Johnson, seconded by Councilmember Parent and carried unanimously to introduce Ordinance 06-1264 and pass to second reading an ordinance to prezone portions of approximately 1,091 acres comprised of 17 parcels (three partial), to be consistent with the recommended General Plan land use designations adopted with the project and waive further reading.

On motion by Councilmember Johnson, seconded by Councilmember Parent and carried unanimously to adopt Resolution 06-10566, a resolution of intent to initiate LAFCO proceedings to annex 15 of the 17 parcels (two from General Plan amendment and zoning not included) into the City of Pittsburg and Delta Diablo Sanitation District.

6. **ORDINANCE 06-1265** Introduction of an Ordinance to Amend Chapter 18.84 of the Pittsburg Municipal Code to Regulate the Storage of Coke, Coal, Sulfur and Other Dusty Materials

Mr. Grisham advised that the Pittsburg Municipal Code (PMC) did not currently regulate the handling of coke, coal, sulfur, or other dust generating materials. In order to protect the Pittsburg community from all possible emissions of airborne particulate matter that could be caused by the open storage of coke, coal, and sulfur piles, and to regulate any possible fugitive dust, an amendment was being proposed to add to PMC Chapter 18.84 "Special Land Use Regulations, Applicable to Specific Uses," a new section prohibiting the open storage of the abovementioned materials. He characterized the ordinance as a clean-up ordinance.

Mr. Grisham also noted that Koch Carbon was working with closed storage and was the type of marine industrial type port operation that the City wanted to work with, particularly since Koch Carbon operated under Best Practices.

Mr. Grisham added that the Planning Commission had also been interested in addressing other types of materials, although he suggested that additional materials would have to be addressed in the future. Currently, the proposal related only to coke materials.

There was no direct fiscal impacts associated with the amendment to the PMC. It was recommended that the Council introduce, waive further reading, and pass to second reading the proposed ordinance to add Article 17, entitled "Storage of Coke, Coal, and Sulfur," to Chapter 18.84 of the Pittsburg Municipal Code.

Councilmember Johnson emphasized the importance of addressing the emissions from coke related products that had historically impacted the Central Addition.

Mayor Kee opened the public hearing for Ordinance 06-1265. There was no one to speak to the item. Mayor Kee closed the public hearing for Ordinance 06-1265.

Councilmember Parent agreed with the Planning Commission that other materials also needed to be considered in addition to coke related products. She supported some consideration of those other products as soon as possible, hopefully within 120 days. She noted that even the closed coke storage was dirty although that closed storage facility at Koch Carbon was better than the Tesoro facility.

Ms. Ayres stated that the Planning Department was working on the update to the Zoning Ordinance and as part of that process all the performance standards for industrial and other districts would be submitted to the City Council for consideration.

Councilmember Parent also noted that the Delta Diablo Sanitation District would now regulate stormwater. As such, everything that fell into the ground would have to be processed through the wastewater treatment plant before it was deposited into the river, which could be costly. She suggested that the more that could be done now to keep off of the ground things that would need to be treated by the wastewater plant, the better.

On motion by Councilmember Johnson, seconded by Councilmember Casey and carried unanimously to introduce Ordinance 06-1265 by title only and waive further reading.

7. **RESOLUTION 06-10568** Approval of the First Amended and Restated Disposition and Development Agreement By and Among the
Combined w/RDA 06-1129 Redevelopment Agency of the City of Pittsburg, Trinity Housing Foundation, and Black Diamond Old Town, LLC

The Redevelopment Agency of the City of Pittsburg entered into a Disposition and Development Agreement (DDA), dated November 7, 2005, with Black Diamond Old Town, LLC. The developer's financial partners desired certain changes to the original DDA to address financing concerns so Agency staff had caused the preparation of the First Amended and Restated Disposition and Development Agreement among the developer, the Agency, and Trinity Housing Foundation, a nonprofit corporation that had experience handling disbursements to address these concerns. The Amended DDA called for a ground lease of the applicable portion of the site during each phase of construction of the project, with an option by the developer to purchase the applicable portion of the site when

construction of each phase of the project had been completed.

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

On motion by Councilmember Johnson, seconded by Councilmember Parent and carried unanimously to adopt Resolution 06-10568.

The item was taken out of agenda order.

CONSENT CALENDAR

Councilmember Parent referred to Consent items k. and l. and requested to be apprised of the balance of the fund in each case. Mr. Grisham advised that there were enough funds in the budget to approve \$2,000 for each project.

Councilmember Parent referred to Item j. and questioned whether or not the contractor in that item, Fehr & Peers, was prepared to stand up to the accuracy of its report.

City Engineer Joe Sbranti advised that Fehr & Peers was willing to testify to the accuracy of its report. Mr. Grisham added that Councilmembers would be provided with the Fehr & Peers document.

On motion by Councilmember Johnson, seconded by Councilmember Casey and carried unanimously to adopt the Consent Calendar, as follows, with an amendment to items k. and l. for \$2,000 in sponsorship funds for each project.

a. **MINUTES** Dated: June 5, 2006

Approved minutes dated June 5, 2006.

b. **RESOLUTION 06-10567** Approving the Engineer's Report and Declaring the City Council's Intent to Order Improvements for the Landscaping & Lighting Assessment District 1988-01, Citywide (Fiscal Year 2005-06)

Adopted Resolution 06-10567.

c. **RESOLUTION 06-10569** Approving the Engineer's Report and Declaring the City Council's Intent to Order Improvements for the Landscaping & Lighting Assessment District 1988-02, Oakhills (Fiscal Year 2005-06)

Adopted Resolution 06-10569.

d. **RESOLUTION 06-10570** Acceptance of Public Improvements within Subdivision

8785, St. Vincent de Paul for Continuous Maintenance

Adopted Resolution 06-10570.

- e. **RESOLUTION 06-10573** Awarding Contract Number 1999-03B, Century Boulevard/North Park Boulevard Connector Road, Traffic Signal Installation to Low Bidder Richard A. Heaps Electrical Contractor, Inc. of Sacramento, California

Adopted Resolution 06-10573.

- f. **RESOLUTION 06-10574** Accepting Contract 2005-31, Street Sweeping Sign Installation Project, as Complete and Authorizing the City Engineer to File a Notice of Completion

Adopted Resolution 06-10574.

- g. **RESOLUTION 06-10575** Adopt a Resolution Establishing the Appropriations Limit for the 2006-2007 Fiscal Year in Accordance with the State of California Constitutional Proposition IV, Article XIII (B) and Proposition III

Adopted Resolution 06-10575.

- h. **RESOLUTION 06-10576** Adoption of Policy Related to the Provision of Water and Sewer Services Pursuant to Government Code Section 65589.7

Adopted Resolution 06-10576.

- i. **MINUTE ORDER** Approval of Affordable Housing Agreement – Vista Del Mar
Combined w/RDA Item e.

In Joint Session with the Redevelopment Agency, approved Affordable Housing Agreement – Vista Del Mar.

- j. **RESOLUTION 06-10577** Allocating Additional Funding for the Pittsburg Traffic Mitigation Fee Update Study for Costs Associated with Performing Alignment Studies and Estimates Required for the Update

Adopted Resolution 06-10577.

- k. **RESOLUTION 06-10578** Success Through Self Academy Request for Community Sponsorship Funds

Adopted Resolution 06-10578.

- I. **RESOLUTION 06-10579** Delta Bay Athletic Association Request for Community Sponsorship Funds.

Adopted Resolution 06-10579.

- m. **RESOLUTION 06-10580** Award FY 2006/07 Purchase Contracts for Maintenance Supplies and Services

Adopted Resolution 06-10580.

- n. **RESOLUTION 06-10581** Award FY 2006/07 Purchase Contracts for Asphaltic Concrete

Adopted Resolution 06-10581.

CONSIDERATION

1. **APPOINTMENTS** Commission Appointments

Openings exist on the Community Advisory Commission (CAC), Recreation Commission, Planning Commission, and Mosquito and Vector Control Board of Trustees. The City had advertised for all openings and had received applications for each Commission. All applicants had been invited to interview with the City Council on June 5, 2006 and eight applicants total had been interviewed at that time.

There was no fiscal impact. Appointments of eligible candidates to Commission openings for the Recreation Commission, one vacancy; Planning Commission, two vacancies; Community Advisory Commission, three vacancies; and Mosquito and Vector Control, one vacancy was recommended.

Planning Commission

On motion by Councilmember Johnson, seconded by Vice Mayor Glynn and carried unanimously to reappoint **Ralph Ramirez** to the Planning Commission.

Councilmember Parent was pleased to see so many candidates apply for all the Commissions. In the interest of having new people and new ideas and because of his background in architecture, she moved the appointment of Edward Diokno to the Planning Commission.

On motion by Councilmember Parent, seconded by Mayor Kee, **Edward Diokno** was appointed to the Planning Commission by the following vote:

Ayes: Casey, Parent, Kee
Noes: Glynn, Johnson

Community Advisory Commission

On motion by Councilmember Johnson, seconded by Councilmember Casey, **Ross De Boie** was reappointed to the Community Advisory Commission by the following vote:

Ayes: Casey, Johnson, Kee
Noes: Glynn, Parent

On motion by Councilmember Parent, seconded by Councilmember Johnson and carried unanimously to appoint **Linda Strickland** to the Community Advisory Commission.

On motion by Councilmember Parent, seconded by Vice Mayor Glynn and carried unanimously to appoint **Dennis Elliott** to the Community Advisory Commission.

Recreation Commission

On motion by Councilmember Casey, seconded by Vice Mayor Glynn and carried unanimously to appoint **James Watkins** to the Recreation Commission.

Mosquito and Vector Control Board

Given that only one candidate had been interviewed for the Mosquito and Vector Control Board and that candidate had been appointed to the Recreation Commission, Councilmember Parent directed staff to renotify the vacancy on that Board. She emphasized the important work of the Board to address issues such as the West Nile Virus.

Mayor Kee requested that letters be prepared to encourage applicants not appointed at this time to continue to seek service to the community.

ADJOURNMENT

The City Council adjourned at 8:53 P.M. to a regular meeting of the City Council on June 26, 2006.

Respectfully submitted,

Lillian J. Pride, City Clerk
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