

**Minutes
City Council/Public Financing Authority
City of Huntington Beach**

Monday, August 17, 2015
4 00 PM - Room B-8
6 00 PM - Council Chambers
Civic Center, 2000 Main Street
Huntington Beach, California 92648

**An audio recording of the 4:00 PM portion of this meeting
and a video recording of the 6:00 PM portion of this meeting
are on file in the Office of the City Clerk and are archived at
www.surfcity-hb.org/government/agendas/**

4:00 PM - ROOM B-8

CALL TO ORDER – 4 00 PM

City Clerk Joan L. Flynn requested and was granted permission to be absent pursuant to City Charter Section 310 (a)

ROLL CALL

Present Posey, O'Connell, Katapodis, Hardy, Sullivan, Delgleize, and Peterson
Absent None

ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS (Received After Agenda Distribution)

Pursuant to the Brown "Open Meetings" Act, Assistant City Clerk Robin Estanislau announced supplemental communications that were received by the City Clerk's Office following distribution of the Council agenda packet

For Study Session Item No. 1, Director of Finance Lori Ann Farrell, submitted a PowerPoint communication dated August 17, 2015, entitled *Long-Term Financial Plan Update*

PUBLIC COMMENTS PERTAINING TO STUDY SESSION / CLOSED SESSION ITEMS (3 Minute Time Limit) – 1 Speaker

(The number [hh mm ss] following the speaker's comments indicates their approximate starting time in the archived audio located at <http://www.surfcity-hb.org/government/agendas/>)

Mr. Ed Mountford, representing Woodbridge Pacific Group, spoke to explain that Woodbridge Pacific Group is withdrawing their proposal to be considered for Administrative Items No. 16 – Select a Developer for the Redevelopment of the Rodgers Seniors' Center Site for residential development (00 01 11)

STUDY SESSION

- 1. Lori Ann Farrell, Finance Director, provided an update on the 5-Year Long Term Financial Plan Estimates and the FY 2015/16 Proposed Budget**

Finance Director Lori Ann Farrell presented a PowerPoint presentation entitled *Long-Term Financial Plan Update, Aug 17, 2015*, that included the following titled slides *Summary, Benefits of a Five-Year Plan, 5-Year Plan Highlights, Long-Term Financial Plan Expenditure Analysis, Expenditure Assumptions, Revenue Assumptions, 5-Year Projection Scenarios, Base Case (in thousands), Base Case (Great Recession Modified), Unfunded Liabilities, Unfunded Liabilities Overview as of CAFR for 9/30/2014, CalPERS Increases (Revised), 8-Year CalPERS Employer Rate Increases* (All Funds) with Volatility Reduction Plan (*as of 6/30/13), Funded FTE vs YOY PERS Costs (Without Volatility), Plan to Expedite Paydown of Liabilities, Use of One-Time Funds - Recommendations, Recap, Budget Calendar, and Questions?*

In response to Councilmember Peterson's inquiry, Director Farrell explained that Section 115 Trust would affect anything above and beyond the City's contract-required CalPERS contribution rates. Director Farrell also discussed two scenarios related to CalPERS assumed earnings rate changes.

Councilmember Delgleize questioned penalties associated with the City's "One Equals Five" plan to pay off unfunded liability. Director Farrell described CalPERS support for the plan, and that penalties would not be applied.

Councilmember Posey and Director Farrell discussed restrictions and availability of budget set-asides being placed in the 115 Trust.

Councilmember Posey and Fire Chief Patrick McIntosh discussed whether or not fire equipment costs would be offset by the sale of existing equipment.

RECESS TO CLOSED SESSION

Mayor Hardy Announced Pursuant to Government Code § 54957.6, the City Council shall recess into Closed Session to meet with its designated labor negotiators and Fred Wilson, City Manager regarding the following: Fire Management Association (FMA), Huntington Beach Firefighters' Association (HBFA), Huntington Beach Municipal Employees' Association (MEA), Management Employees' Organization (MEO), Huntington Beach Police Officers' Association (POA), Police Management Association (PMA), Marine Safety Management Association (MSMA), and/or Surf City Lifeguard Employees' Association (SCLEA).

CLOSED SESSION

2. Pursuant to Government Code § 54956.9(d)(1), the City Council recessed into Closed Session to confer with the City Attorney regarding the following lawsuit: Huntington Beach Residents for Equal Treatment, et al. v. City of Huntington Beach, Orange County Superior Court Case No. 30-2015-00787810, which concerns a challenge to the City Council action repealing the downtown residential parking district.

3. Pursuant to Government Code § 54956.9(d)(1), the City Council recessed into Closed Session to confer with the City Attorney regarding the following lawsuit: The Kennedy Commission, et al. v. City of Huntington Beach, Orange County Superior Court Case No. 30-2015-00801675, which concerns a challenge to the City Council action amending the Beach and Edinger Corridors Specific Plan.

4. Pursuant to Government Code § 54956.9(d)(1), the City Council recessed into Closed Session to confer with the City Attorney regarding the following lawsuit: Ocean View School District v. City of Huntington Beach, et al., Orange County Superior Court Case No. 30-2012-00539563, Court of Appeal Case No. G049545, which concerns a CEQA challenge to the City's final EIR on a mixed use project on the southwest corner of Beach Boulevard/Warner Avenue.

5. Pursuant to Government Code § 54956.9(d)(1), the City Council recessed into Closed Session to confer with the City Attorney regarding the following lawsuit: Donald Boland vs. City of Huntington Beach, WCAB Case Nos. ADJ9314548 and ADJ9002089, Claim Nos. COHB-12-0336 and COHB-15-0225.

6. Pursuant to Government Code § 54957.6, the City Council recessed into Closed Session to meet with its designated labor negotiators and Fred Wilson, City Manager regarding the following: Fire Management Association (FMA), Huntington Beach Firefighters' Association (HBFA), Huntington Beach Municipal Employees' Association (MEA), Management Employees' Organization (MEO), Huntington Beach Police Officers' Association (POA), Police Management Association (PMA), Marine Safety Management Association (MSMA), and/or Surf City Lifeguard Employees' Association (SCLEA).

6:00 PM - COUNCIL CHAMBERS

RECONVENED CITY COUNCIL/PUBLIC FINANCING AUTHORITY MEETING – 6 02 PM

CLOSED SESSION REPORT BY CITY ATTORNEY – None

City Clerk Joan L. Flynn requested and was granted permission to be absent pursuant to City Charter Section 310 (a)

ROLL CALL

Present Posey, O'Connell, Katapodis, Hardy, Sullivan, Delgleize, and Peterson
Absent None

PLEDGE OF ALLEGIANCE – Led by Mayor Pro Tem Katapodis

INVOCATION - Led by the Reverend Peggy Price, member of the Greater Huntington Beach Interfaith Council

In permitting a nonsectarian invocation, the City does not intend to proselytize or advance any faith or belief. Neither the City nor the City Council endorses any particular religious belief or form of invocation.

AWARDS AND PRESENTATIONS

Mayor Hardy called on Pat Bril who presented the Adoptable Pet of the Month.

Pat Bril introduced Sunny, an affectionate 8-year old Border Collie mix and announced those interested in pet adoption should contact the Orange County Humane Society at www.ochumansociety.com

Mayor Hardy called on Public Cable Television Authority's (PCTA) General Manager John Borack who announced PCTA's recent victory at the SCAN-NATOA awards for "Reflections of Former Mayors," and informed the City Council and the public of PCTA services.

Mr Borack described services provided by PCTA to the City, including video production and managing cable/internet/phone complaints. He also discussed PCTA's receipt of "Best Talk Show" for "Reflections of Former Mayors" awarded by the Southern California and Nevada National Association of Telecommunications Officers and Advisors (SCAN-NATOA)

Mayor Hardy presented a commendation to Mr Borack

Mayor Hardy called on Director of Community Services Janeen Laudenback who presented a Special Olympics World Games 2015 Host Town recap report which included a video clip.

Director Laudenback was joined by Nouha Hreish, Co-Chair of the Special Olympics World Games 2015 Host Town Huntington Beach Committee to present a video compilation of events. Ms Hreish was then joined by Committee volunteers to present gifts to Fire Chief McIntosh and Police Chief Handy

Mayor Hardy called on students who participated in the Anjo, Japan Sister City Exchange Program who provided an overview of their experiences overseas.

Exchange Program chaperone Ryan Heberden and students Andy Oliver, Alana Salas-Yoshii, Amory Yagar and Logan Twardowski described their cultural experience abroad

Mayor Hardy called on Assistant Planning Manager Jennifer Villasenor who presented the Mayor's Award to the Department's Associate Planner, Hayden Beckman.

Manager Villasenor described Planner Beckman's experience and excellent customer service to support his honor as recipient of the Mayor's Award

ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS (Received After Agenda Distribution) - Public Hearing items will be announced at the time of the Public Hearing

Pursuant to the Brown "Open Meetings" Act, Assistant City Clerk Robin Estanislau announced supplemental communications that were received by the City Clerk's Office following distribution of the Council agenda packet

Administrative Items No. 16: Communication submitted by Bob Yoder and Mike O'Melveny, Shea Homes Southern California dated August 16, 2015, re *Shea Homes Offer Clarification*, and e-mail communications submitted by

Christina Ruiz	Carol Woodworth	Ed Mountford, Woodbridge Pacific Group
Chuck Johnson	Joseph Mastropaolo	Cari Swan
Carol Rapp	Sylvia Calhoun	Rod Sterud

Councilmember Items No. 18: Letter dated August 17, 2015, from Matt Petteruto and Bryan Starr, Orange County Business Council, supporting U S Export/Import Bank Reauthorization, and e-mail communications submitted by

Cari Swan	Barry Williams	Pat Quintana
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Christina Ruiz
Sheila Garland

Rob Pool
Ron Higby

Sylvia Calhoun
Rod Sterud

PUBLIC COMMENTS (3 Minute Time Limit) – 23 speakers

(The number [hh mm ss] following the speaker's comments indicates their approximate starting time in the archived audio located at [http //www surfcity-hb org/government/agendas/](http://www.surfcity-hb.org/government/agendas/))

Calvin Free was called to speak and voiced concerns regarding the non-agendized item of keeping the Huntington Harbour fuel dock open and available (00 36 00)

Maureen was called to speak and voiced her opinion that too many presentations are scheduled before the Public Comments portion of the meeting (00 39 40)

Ross Nash was called to speak and voiced concerns about pedestrian safety near the pier, suggesting that speed bumps be considered to slow bikes and skate boards. He also discussed camera surveillance of traffic in the immediate area (00 42 10)

Kathleen Pedick, Calvary Chapel of the Harbour, was called to speak and invited everyone to attend the Labor of Love music event on Saturday, September 5, with 95+ vendors and activities for all ages (00 44 21)

Sally Adams, Huntington Beach Art Center Board Member, was called to speak and announced upcoming Fall events (00 45 37)

Scott Seaton was called to speak and voiced concerns regarding the non-agendized item of keeping the Huntington Harbour fuel dock open and available (00 46 57)

Jerry Wheeler, Huntington Beach Chamber of Commerce CEO, was called to speak and voiced support of Agenda Item No 18 - Renewal of the U S Export-Import Bank reauthorization (00 49 54)

Rahul Koul was called to speak and voiced support of Agenda Item No 18 - Renewal of the U S Export-Import Bank reauthorization (00 52 38)

Peggy Price was called to speak and invited everyone to become involved in supporting the Compassion Games from September 11 - 21, 2015 (00 54 47)

Clem Dominguez was called to speak and voiced concerns about Agenda Item No 18 - Renewal of the U S Export-Import Bank reauthorization, and further stated his opinion that selling the Rodgers Senior Center is a major betrayal of public trust (00 58 16)

Larry Campbell was called to speak and voiced concerns regarding the non-agendized item of keeping the Huntington Harbour fuel dock open and available (01 00 54)

John Briscoe was called to speak and voiced his concerns about the City of Huntington Beach's hiring process and policy of privacy for employee personnel files (01 02 31)

Andrew Hard, Freedom Boat Club, was called to speak and voiced concerns regarding the non-agendized item of keeping the Huntington Harbour fuel dock open and available (01 05 48)

Lance Ware was called to speak and voiced concerns regarding the non-agendized item of keeping the Huntington Harbour fuel dock open and available (01 08 47)

Carol Woodworth was called to speak and voiced opposition to Administrative Items No 16 – Select Developer for the Redevelopment of Rodgers Senior Center Site for residential development, and Councilmember Items No 18 - Renewal of the U S Export-Import Bank reauthorization (01 10 55)

Joseph Mastropaolo was called to speak and voiced opposition to Administrative Items No 16 – Select a Developer for the Redevelopment of Rodgers Senior Center Site for residential development, voiced opposition to Item No 13 on the August 3, 2015 agenda regarding Council's vote to accept HUD grants, and requested that the August 3, 2015 minutes be corrected to include a written statement he provided to the City Clerk (01 13 58)

Victor Valladares was called to speak and voiced concerns about employees of Zodiac Aerospace and Rainbow Environmental parking daily on Emerald, Cypress, Barton and Queens, making it difficult for the Oakview neighborhood residents to find parking He stated support for parking permits and painting some curbs red to create a safer environment near the area school (01 18 10)

Oscar Rodriguez invited participation in the Tools for Schools Oakview Community Fundraiser at Wahoo's Fish Tacos on Warner Avenue to benefit Oakview, Westmont and Lakeview schools on August 29th from 4-7 p m (01 20 48)

Chuck Johnson was called to speak and voiced his opposition to Administrative Items No 16 - Select a Developer for the Redevelopment of Rodgers Senior Center Site for residential development (01 21 58)

Cari Swan was called to speak and voiced opposition to Administrative Items No 16 - Select a Developer for the Redevelopment of Rodgers Senior Center Site for residential development, opposition to Administrative Items No 18 - Renewal of the U S Export-Import Bank reauthorization, and opposition to Item No 13 on the August 3, 2015 agenda regarding Council's vote to accept HUD grants (01 24 48)

Scot Campbell was called to speak and voiced his support of the recent equestrian event and shared his concerns regarding the non-agendized item of keeping the Huntington Harbour fuel dock open and available (01 28 04)

Dianne Thompson, Chamber of Commerce, Co-Chair of Government Affairs Committee, was called to speak and voiced support of Agenda Item No 18 - Renewal of the U S Export-Import Bank reauthorization (01 30 03)

Alberto Sandoval, Boeing Company Government Relations Manager, was called to speak, submitted a letter and voiced support of Agenda Item No 18 - Renewal of the U S Export-Import Bank reauthorization (01 31 31)

COUNCIL COMMITTEE - APPOINTMENTS - LIAISON REPORTS AND ALL AB 1234 DISCLOSURE REPORTING

Mayor Pro Tem Katapodis reported attending the OCTA Board meeting and OCTA Transit Committee meeting

Councilmember Posey reported attending the Chamber of Commerce Ribbon Cutting for Lucero Vineyards and Winery, as well as the Chamber of Commerce AM Connect Breakfast and gave the State of the City address

Councilmember Delgleize reported attending Orange County Business Council (OCBC) Chairman's Leadership Breakfast and the OC Veterans Advisory Council meeting

Mayor Hardy reported attending the Human Relations Task Force meeting where she was the speaker. The mission of this Task Force is to promote and celebrate diversity in the community, and there are currently two vacant positions on this volunteer committee

CITY MANAGER'S REPORT

1. Chief Patrick McIntosh provided an overview of Fire Department services.

Fire Department Chief Patrick McIntosh provided an overview of Fire services via a PowerPoint presentation entitled *Huntington Beach Fire Department* that included the following titled slides: *Mission Statement, Huntington Beach Fire Department A Class 1 Fire Department, Fire Department Profile, Fire Department Profile Resources, Marine Safety Division, Marine Safety Profile, Fire Department Regionalization, Fire Department Joint Powers Arrangement, Training Facilities, Hazardous Materials Response, The Department Focus, Public Education, Emergency Services, Fire Prevention, Fire Total Calls for Service 2014, Marine Safety Total Calls for Service 2014, Junior Lifeguard Program, FireMed Program, and Looking Forward*

CONSENT CALENDAR

Mayor Hardy pulled Consent Items 2 & 11, Councilmember O'Connell pulled Consent Item 3

2. Continued to September 8, 2015: Approve and adopt minutes

Mayor Hardy asked to continue this item to the September 8, 2015, meeting to allow time for clarification of a request made by a speaker during Public Comments to amend the minutes

A motion was made by Hardy, second Delgleize to **continue the** review and approval of the City Council/Public Financing Authority regular meeting minutes dated August 3, 2015, as written and on file in the office of the City Clerk to **September 8, 2015**

The motion carried by the following vote

AYES	Posey, O'Connell, Katapodis, Hardy, Sullivan, Delgleize, and Peterson
NOES	None

3. Approved the Three-Year Goals and Strategic Objectives as developed at the July 13, 2015 Strategic Planning Session

Councilmember O'Connell pulled the item to ask how the Police Department plans to respond to increased crimes in the City. City Manager Fred Wilson responded that the Police Chief will provide a review of services that is expected to address Councilmember concerns at the next meeting

A motion was made by O'Connell, second Posey to approve the Three-Year Goals and Strategic Objectives as developed at the Strategic Planning Session held on July 13, 2015

The motion carried by the following vote

AYES Posey, O'Connell, Katapodis, Hardy, Sullivan, Delgleize, and Peterson
NOES None

4. Accepted the lowest responsive and responsible bid and authorized execution of a construction contract with PTM General Engineering Service, Inc. in the amount of \$130,105, for the traffic signal modification at the intersection of Bolsa Chica Street and Bolsa Avenue, CC-1485; appropriated \$35,000 from the Proposition 42 undesignated fund balance; and, authorized fifteen (15) percent in change orders

A motion was made by Katapodis, second Delgleize to accept the lowest responsive and responsible bid submitted by PTM General Engineering Service, Inc , in the amount of \$130,105, and, authorize the Mayor and City Clerk to execute a construction contract in a form approved by the City Attorney, and, appropriate \$35,000 from the Proposition 42 undesignated fund balance, and, authorize the Director of Public Works to execute change orders not to exceed a total of 15 percent of the contract construction costs or \$19,516

The motion carried by the following vote

AYES Posey, O'Connell, Katapodis, Hardy, Sullivan, Delgleize, and Peterson
NOES None

5. Accepted the lowest responsive and responsible bid and authorized execution of a construction contract with Nobest Incorporated in the amount of \$650,501 for the Residential Tree Petition Street Improvements, CC-1504

A motion was made by Katapodis, second Delgleize to accept the lowest responsive and responsible base bid submitted by Nobest Incorporated in the amount of \$650,501, and, authorize the Mayor and City Clerk to execute a construction contract in a form approved by the City Attorney

The motion carried by the following vote

AYES Posey, O'Connell, Katapodis, Hardy, Sullivan, Delgleize, and Peterson
NOES None

6. Awarded and authorized execution of a construction contract in the amount of \$250,000 to Nu-Line Technologies for the FY 2014/15 Sewer Rehabilitation Project, CC-1506

A motion was made by Katapodis, second Delgleize to accept the lowest responsive and responsible bid submitted by Nu-Line Technologies in the amount of \$250,000, and, authorize the Mayor and City Clerk to execute a construction contract in a form approved by the City Attorney

The motion carried by the following vote

AYES Posey, O'Connell, Katapodis, Hardy, Sullivan, Delgleize, and Peterson

13. Public Hearing held - adopted Resolution No. 2015-43 approving an Annual Assessment within the Huntington Beach Auto Dealers Association Business Improvement District (BID) for Fiscal Year 2015-2016

14. Continued with Public Hearing closed to September 8, 2015 the request to consider adoption of Resolution No. 2015-44 approving an Annual Assessment within the Huntington Beach Downtown Business Improvement District (HBDBID) for Fiscal Year 2015-2016; and, authorize \$20,000 appropriation

City Manager Wilson introduced Duran Villegas, Real Estate and Project Manager, Business Development, who made a PowerPoint presentation entitled *Renewal Process and Public Hearing* that included the following titled slides *Written Protests, Huntington Beach Auto Dealers Association 2015-2016 BID Renewal, BID Members, Proposed 2015-2016 Budget and Goals, Recommended Action, Huntington Beach Downtown Business Improvement District Renewal, 2015-2016 Downtown BID, Proposed Assessments for 2015-2016, Downtown BID Boundary, Proposed 2015-2016 Budget and Goals, and Recommendation Action*

Mayor Hardy opened the Public Hearing for Items 13 and 14

Pursuant to the Brown "Open Meetings" Act, for Public Hearing Item No 14, Assistant City Clerk Robin Estanislau announced supplemental communications received by the City Clerk's Office following distribution of the Council agenda packet. An e-mail communication received from Rod Sterud, Huntington Beach Downtown Business Improvement District (HBDBID) member, opposing the item.

Assistant City Clerk Estanislau proceeded to read a statement describing BID protest procedures.

Susan Welfringer, Huntington Beach Downtown Business Improvement District (HBDBID) Manager, was called to speak and voiced support for Public Hearing Item No 14 - Approve an Annual Assessment within the Huntington Beach Downtown Business Improvement District for Fiscal Year 2015-2016. She also announced upcoming events in Downtown Huntington Beach (01 58 43).

Steve Grabowski, President, HBDBID, was called to speak and voiced support for Public Hearing Item No 14 - Approve an Annual Assessment within the Huntington Beach Downtown Business Improvement District for Fiscal Year 2015-2016 (02 01 20).

With no one else present to speak, Mayor Hardy closed the Public Hearings.

For the Auto Dealer BID, Assistant City Clerk Estanislau reported zero protests were received and the percentage of assessments was zero percent, or zero of the \$101,520 projected amount.

For the Downtown BID, Assistant City Clerk Estanislau reported one protest of the 282 businesses in the BID boundary was received, and the percentage of assessments protested was 0005%, or \$60 00 of the \$110,000 projected assessment amount.

Councilmember O'Connell voiced concern that some in the community have questioned the legality of how the BIDs were set up and he asked the City Attorney to look into this. He further requested an audited financial statement for the Downtown BID, adding that he would like to see return on investment (ROI) information included in the future.

Councilmember Peterson voiced support for the Auto Dealer BID, but questioned administration costs for the Downtown BID, indicating that he would oppose the Downtown BID item due to lack of audited financials

Councilmember Posey voiced his concerns with lack of detailed financials for the Downtown BID. He questioned how business owners become BID members and how they get out if they choose to

Mayor Hardy confirmed with staff that the City receives a monthly detailed budget, and voiced her support of both the Downtown and Auto Dealers BIDs

Susan Welfringer and Steve Grabowski responded to questions and stated they will provide additional financials as soon as possible. Steve Grabowski stated that past financial information could probably be available the next day and apologized for not providing all the details that the Council expected

Councilmember Posey stated that the Auto Dealers BID has specific goals and objectives and has tracked increased sales (sales tax to the City) and he would like to see the same model used by the Downtown BID

Councilmember Sullivan expressed support for Item 14, stating his opinion that if they weren't successful there would be more than one business protesting. He also concurred that future reports should include more financial details

A motion was made by Katapodis, second Sullivan to approve Public Hearing Item No. 13 by adopting City Council Resolution No. 2015-43, "A Resolution of the City Council of the City of Huntington Beach Approving an Annual Assessment Within the Huntington Beach Auto Dealers Association Business Improvement District for Fiscal Year 2015-2016."

The motion carried by the following vote

AYES	Posey, O'Connell, Katapodis, Hardy, Sullivan, Delgleize, and Peterson
NOES	None

A motion was made by Delgleize, second Posey **to continue with Public Hearing closed to September 8, 2015 to receive a detailed budget report** Public Hearing Item No. 14 - Consider adoption of Resolution No. 2015-44 approving an Annual Assessment within the Huntington Beach Downtown Business Improvement District (HBDBID) for Fiscal Year 2015-2016, and, authorize \$20,000 appropriation

The motion carried by the following vote

AYES	Posey, O'Connell, Delgleize, and Peterson
NOES	Katapodis, Hardy, and Sullivan

ADMINISTRATIVE ITEMS

- 15. Accepted the Sewer Service Fund Performance Audit for Fiscal Year 2014-15 and suspended the annual Consumer Price Index adjustment of the Sewer Service Charges for Fiscal Year 2015-16**

A motion was made by Sullivan, second O'Connell to accept the Sewer Service Fund Performance Audit for Fiscal Year 2014-15 as presented, and, suspend the Annual CPI Adjustment of Sewer Service Charges for Fiscal Year 2015-16

The motion carried by the following vote

AYES	Posey, O'Connell, Katapodis, Hardy, Sullivan, Delgleize, and Peterson
NOES	None

16. Selected Shea Homes as Developer for the Redevelopment of Rodgers Senior Center Site; and, authorized staff to negotiate an Exclusive Negotiation Agreement (ENA) with Shea Homes for residential development

City Manager Fred Wilson provided a quick summary of background details, processes and dates for the item, explaining that originally there were two developers (Shea Homes and Woodbridge Pacific Group) to be considered by City Council this evening. However, at 4:00 p.m. today, Ed Mountford, representing Woodbridge Pacific Group, officially withdrew their proposal. Therefore the Council will see only the presentation by Shea Homes.

Bob Yoder, Shea Homes representative, provided a PowerPoint presentation entitled *Redevelopment of Michael E. Rodgers Seniors' Center Site* which included the following titled slides: *Our Team, Our Consultants, Why Shea Homes and Team, The Shea Difference, Portfolio Examples, Preliminary Project Site Plan, Preliminary Project Perspective, Street Perspective at 17th, Street Perspective 17th and Pecan, Street Perspective Park at 17th and Orange, Street Perspective at 17th, Parks Targeted for Improvements, Buy Local, Shea Homes is Committed to a Transparent, Collaborative Outreach Process, The Campaign, Community Outreach/CEQA/Campaign Key Milestones and Actions, and Why our Measure C Campaign will Succeed*.

Mayor Hardy voiced concerns about how affordable housing would be incorporated into the project. Mr. Yoder responded that Shea Homes anticipates an in-lieu fee to meet the requirement.

City Manager Wilson summarized the land purchase offer of a payment of \$14,600,000 at the conclusion of the project. Discussion ensued on the ENA negotiation process, and whether ENA money would be nonrefundable if Measure C failed.

Councilmember Delgleize asked for more information on benefits to the City, and questioned the transparency process for this project. City Manager Wilson explained that costs for the EIR process is on the shoulders of the developer. Staff confirmed the CEQA process must be completed before the Measure C vote by the people, so the voters will be aware of the environmental impacts.

Councilmember Sullivan stated that the Measure C process is to inform the public about what is planned for the land and the best informer is the developer.

Councilmember Posey stated that the land sale amount of nearly \$15,000,000 will go a long way to pay the Parks unfunded deferred maintenance of nearly \$20,000,000, and he supports the recommendation.

Councilmember O'Connell stated support for the item and likes the fact that the developer plans to buy and shop locally for this project, and that park improvements are included.

Mayor Pro Tem Katapodis explained that the project will be a Measure C vote, that the public will make the decision, and that the park being included makes it seem like a good solution .

Councilmember Peterson voiced concerns about the City stipulating how the money is used, adding that in his opinion it should be the responsibility of the developer to do community outreach to determine citizen recommendations

City Attorney Gates reminded Council that the item only directs staff to negotiate the next steps at this time which is the Environmental Impact Report, and then putting it on the ballot . He described comments and presentation material as conjecture at this time, explaining that only in the future will specifics be known, and following the Measure C process will ensure that the City is not advocating nor taking a position on this project

Mayor Hardy asked if the developer could drop out of the process after the EIR, and whether or not the City would be liable for any clean-up that may be necessary . City Manager Wilson responded that most contracts have a 30-day exit clause . City Attorney Gates added that these types of issues are open to negotiation, and assured Council that the City will be well protected

Mayor Hardy stated she will not support changing parkland to residential use, explaining that while it may take years for the City to have the funds to create a proper park on this site, if homes are built the site, it will never become a proper park

A motion was made by Katapodis, second Sullivan to select **Shea Homes** to enter into an Exclusive Negotiation Agreement for the residential development of the Rodgers Senior Center site, and, direct staff to negotiate an Exclusive Negotiation Agreement with **Shea Homes**.

The motion carried by the following vote

AYES	Posey, O'Connell, Katapodis, Sullivan, Delgleize, and Peterson
NOES	Hardy

ORDINANCES FOR INTRODUCTION

17. Approved for introduction Ordinance No. 4068 adding section 13.48.075 to the Huntington Beach Municipal Code (HBMC) prohibiting feeding, disturbing or physical contact with wildlife on City property

A motion was made by Sullivan, second Katapodis to after the City Clerk reads by title, approve for introduction Ordinance No 4068, "An Ordinance of the City of Huntington Beach Adding Section 13 48 075 to the Huntington Beach Municipal Code Relating to Parks " The motion carried by the following vote

AYES	Posey, O'Connell, Katapodis, Hardy, Sullivan, and Peterson
NOES	None
OUT OF ROOM	Delgleize

COUNCILMEMBER ITEMS

18. Item Submitted by Councilmember O'Connell Approved - Recommendation for City Council to take action in support of the renewal of the U. S. Export-Import Bank and authorize the Mayor and the City's Federal Legislative Representative to advocate for the Bank's reauthorization

Councilmember O'Connell recapped his proposal with some historical facts and statistics and stated his opinion that there is a local benefit through the U S Export-Import Bank

Councilmember Peterson voiced his opinion this is a Federal issue, and City Council shouldn't be setting precedence by getting involved, stating there are private options available for funding

Councilmember Posey supported Councilmember O'Connell's recommendation, and also believes local businesses can benefit

Councilmember Delgleize voiced support for the item and stated her opinion that all politics are local

Mayor Pro Tem Katapodis sees both sides of the issue but ultimately feels local businesses benefit He further stated there should be a stipulation that 20% of local businesses benefit

Mayor Hardy stated she has already written a letter in support of U S Export-Import Bank because of the benefits to local businesses, so she will be supporting the item

A motion was made by O'Connell, second Hardy to approve a City position of support for congressional reauthorization of the U S Export-Import Bank, and, authorize the Mayor and the City's federal representative to advocate in support

The motion carried by the following vote

AYES	Posey, O'Connell, Katapodis, Hardy, Sullivan, and Delgleize
NOES	Peterson

19. Item Submitted by Councilmember Peterson Approved - Direct the City Manager to provide at the September 8, 2015 City Council meeting a Meet and Confer Report

Councilmember Peterson stated he brought the item forward to clarify when Council expects City Manager Wilson to report back to Council on this issue City Manager Wilson acknowledged the clarification this item provides for an Open Session presentation

A motion was made by Peterson, second Sullivan to direct the City Manager to provide at the Open Session City Council Meeting on September 8, 2015, the results of the meet and confer process that the City engaged in with all bargaining units The report should include the status of the meet and confer process and the results,, for all bargaining units, for all five (5) elements of the proposed ordinance, as reflected in the Councilmember Item of August 3, 2015

The motion carried by the following vote

AYES Posey, O'Connell, Katapodis, Hardy, Sullivan, Delgleize, and Peterson
NOES None

COUNCILMEMBER COMMENTS (Not Agendized)

Councilmember Posey suggested that City Manager Wilson and Public Works Director Travis Hopkins be thinking about ways to alert City residents about potential El Nino storms – specifically sand bags and overflow issues. He also questioned if City water bills can show percentage of savings to make it easier for residents to track the results of their efforts to reduce water usage.

Councilmember O'Connell reported attending the Chamber of Commerce AM Connect Breakfast, the Junior Lifeguard Graduation Ceremony, the OC Veterans Advisory Council Meeting, Sand Dollars of Huntington Beach Luncheon and the OCBC Chairman's Leadership Breakfast.

Councilmember Delgleize reported attending the Eagle Scout Award presentation on behalf of Mayor Hardy to honor her nephew, Alex Delgleize.

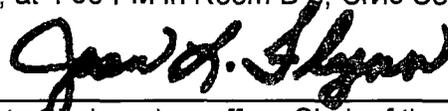
Councilmember Sullivan reported attending the OC Veterans Advisory Council Meeting, the OC Senior Citizens Advisory Council, and the Huntington Beach Public Library 40th Anniversary Art Show Opening Reception.

Mayor Pro Tem Katapodis reported attending a special Southern California Association of Governments meeting as well as an OCTA meeting.

Mayor Hardy reported attending the Planning Committee meeting for the H B Reads Program. Expect an announcement soon on the book selected for the upcoming year. Mayor Hardy also attended the Sand Dollars of Huntington Beach Luncheon, the OC Veterans Advisory Council Meeting, and the Junior Lifeguard Graduation Ceremony.

ADJOURNMENT - 9 33 PM

Adjournment to the next regularly scheduled meeting of the Huntington Beach City Council/Public Financing Authority is Tuesday, September 8, 2015, at 4 00 PM in Room B-8, Civic Center, 2000 Main Street, Huntington Beach, California.



City Clerk and ex-officio Clerk of the City Council of the City of Huntington Beach and Secretary of the Public Financing Authority of the City of Huntington Beach, California

ATTEST:



City Clerk-Secretary

Mayor, Chair