

Minutes
Regular Meeting of City Council/Public Financing Authority
Special Meeting of the Housing Authority and Successor Agency
City of Huntington Beach

Monday, June 4, 2012
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 - 4:01 PM

ROLL CALL

(Councilmember Joe Shaw requested and was granted permission to be absent pursuant to Resolution No. 2001-54)

Present: Harper, Dwyer (arrived at 4:07 PM), Hansen, Carchio, Bohr, and Boardman
Absent: Shaw

ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS (Received After Agenda Distribution)

Pursuant to the Brown "Open Meetings" Act, City Clerk Joan Flynn announced supplemental communication received by her office following distribution of the Council agenda packet:

PowerPoint presentation submitted for Study Session Item No. 1 by Lori Ann Farrell, Finance Director dated June 4, 2012 and entitled *City of Huntington Beach FY 2011/2012 Mid Year Budget Report*.

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

Jason Melschau, President, Huntington Beach Police Officers' Association (HBPOA), voiced concerns about proposed cuts that would realign Police Officer Patrol from a 12 beat, to an 8 beat system that would cause longer response times and provide fewer Officers to respond to calls. He stated that the identified deficit of \$2M in the Police FY 12/13 budget will result in unsustainable service levels.

STUDY SESSION

1. Held Mid Year Budget Review Presentation by Director of Finance, Lori Ann Farrell, regarding Fiscal Year 2010/11 Audit and Financial Performance; Current Fiscal Year 2011/2012 projected budget performance; and Long Term Financial Plan Update, including preliminary FY 2012/13 Budget estimates.

Finance Director Lori Ann Farrell provided a PowerPoint presentation entitled *City of Huntington Beach FY 2011/12 Mid-Year Report* that included the following titled slides: Summary, FY 2010/11 Audit Results, FY 2010/11 Performance (Audited), FY 2010/11 Year End Results, General Fund Balance, Potential Use of Reserves to Meet Critical Needs, FY 2011/12 Mid-Year Update, FY 2011/12 Overview, FY 2011/12 Recap, FY 2012/13 Projected Budget, Long Term Financial Plan Assumptions, Long Term Financial Plan, Current Budget Scenario FY 2012/13: RDA Elimination and CalPERS Increase, Impact of \$2.5 million Challenge by Department, \$2.5 million Potential Service Impacts, \$2.5 million Potential Service Impacts, Scenario A: Employee Override Tax Eliminated, FY 2012/13 Budget Scenarios, Potential Budget Challenges, FY 2012/13 State Budget Update, FY 2012/13 State Budget Update, FY 2012/13 Budget Timeline (Tentative), Next Steps, and Questions?

Mayor Pro Tem Dwyer questioned using reserves to subsidize the 15% Infrastructure Fund, and Councilmember Boardman questioned use of \$4.27M in the CIP Reserve. Discussion ensued on what amount would be saved by paying off the PARS debt obligation early.

Mayor Hansen and Director Farrell discussed revenue assumptions (redevelopment, sales tax, transient occupancy tax, PERS), and Councilmember Carchio questioned revenue assumptions related to Costco. Mayor Pro Tem Dwyer questioned if fees from large projects were included in revenue assumptions.

Mayor Hansen discussed the table of organization remaining constant (positions remaining status quo after FY 13/14), and Councilmember Boardman questioned equipment replacement obligations.

Mayor Pro Tem Dwyer questioned building a two-month reserve, and questioned PERS projected returns dropping to 7.25 percent.

Mayor Hansen voiced concerns about how minimum staffing in the Fire Department impacts the bottom line dollar amount.

Councilmember Boardman voiced concerns about elimination of the Art Center, and Mayor Pro Tem Dwyer and Mayor Hansen discussed other cuts to prevent its closing.

Councilmember Carchio discussed Community Service programs that do not produce revenue to cover program expenses, and exploring the idea Art Center operations being taken over by a foundation. Councilmember Boardman continued by suggesting staff look at partnerships and limited hours.

Mayor Hansen requested that staff provide information on subsidized costs to provide minimum staffing in the Fire Department.

Mayor Pro Tem Dwyer and Deputy City Manager Bob Hall discussed the potential of transferring the City's level of responsibility in relation to housing obligations to a County Housing Authority.

Mayor Hansen discussed exhausting all options before use of reserve and right-sizing the organization beyond across-the-board cuts.

Councilmember Carchio and Police Chief Small discussed cutting \$845,000 from the Traffic Division. Councilmember Carchio continued by discussing reducing contracted services levels.

Councilmember Bohr and Director Farrell discussed how collection of the employee retirement tax override will cease January 1, 2013 if the proposed ballot initiative is successful.

Councilmember Boardman recommended examining reducing the percentage of Transient Occupancy Tax (TOT) passed through to the Huntington Beach Marketing and Visitors Bureau.

Mayor Hansen expressed opposition to across-the-board cuts, and requested more information on programs and services by cost.

Councilmembers Bohr and Boardman discussed use of the \$2.7M previously allocated for economic uncertainties, and Councilmember Boardman questioned deferring payments to former negotiated developer agreements.

RECESS TO CLOSED SESSION

A motion was made by Carchio, second Bohr to recess to Closed Session. The motion carried by the following roll call vote:

AYES:	Harper, Dwyer, Hansen, Carchio, Bohr, and Boardman
NOES:	None
ABSENT:	Shaw

CLOSED SESSION

2. Pursuant to Government Code § 54957.6, the City Council recessed to Closed Session to meet with its designated labor negotiators: Fred Wilson, City Manager; Paul Emery, Deputy City Manager; Bob Hall, Deputy City Manager; Michele Carr, Director of Human Resources; and Lori Ann Farrell, Director of Finance, regarding labor negotiations with MEO.

3. Pursuant to Government Code § 54956.9, the City Council recessed into Closed Session to confer with the City Attorney regarding the following lawsuit: Citizen's Association of Sunset Beach v. The City of Huntington Beach; Orange County Superior Court Case No. 30-2010-00431832.

4. Pursuant to Government Code § 54956.9, the City Council recessed into Closed Session to confer with the City Attorney regarding the following lawsuits: City of Huntington Beach v. Alvarez, et al., Orange County Superior Court Case No. 07CC02215. City condemning right-of-way to widen Garfield near its intersection with Delaware.

6:00 PM - COUNCIL CHAMBERS

RECONVENE CITY COUNCIL/PUBLIC FINANCING AUTHORITY MEETING - 6:04 PM Mayor Hansen reconvened the City Council and Public Financing Authority regular meeting, and called to order the Housing Authority and Successor Agency Special Meetings.

CLOSED SESSION REPORT BY CITY ATTORNEY - None.

ROLL CALL

(Councilmember Joe Shaw requested and was granted permission to be absent pursuant to Resolution No. 2001-54)

Present: Harper, Dwyer, Hansen, Carchio, Bohr, and Boardman
Absent: Shaw

PLEDGE OF ALLEGIANCE - Led by Mayor Hansen

INVOCATION - Provided by Maneck Bhujwala, President, Greater Huntington Beach Interfaith Council

AWARDS AND PRESENTATIONS

Announcement - As part of the City's Human Relations Task Force recognition of federal diversity months, Mayor Hansen announced the month of June as Lesbian, Gay, Bisexual and Transgender month.

Presentation - Mayor Hansen called on Children's Needs Task Force Chair Broc Howard to introduce the 2012 Youth Character Awardees: Berenice Amigor Ocean View High School; Kenny Atlas, Smith Elementary School; Katelyn Baker (not present); Cory Bell, Smith Elementary School; Jobe Belles (not present); Hailey Bonillas, Marina High School; Randon Davitt, Pegasus School; Terry Flynn, Dwyer Middle School; Luis Garcia (not present); Leslie Gaspar, Vista View Middle School; Jakob Kress (not present); Jennifer Lucas, Marina High School; Sidney Steiner, Smith Elementary School; and Taylor Van Rossum, Smith Elementary School.

Presentation - Mayor Hansen called on City Clerk Joan Flynn and the Huntington Beach Employee Chili Cookoff Committee to present a check to Stephanie Deagle, Chair for the Huntington Beach Relay for Life. Ms. Deagle and her Relay Committee gave a wrap up of the May 5-6 Relay held in Central Park. A short PowerPoint presentation was provided to show pictures of the event.

Presentation - Mayor Hansen called on Aaron Berenschot, OC Crime Stoppers Coordinator for the Orange County Sheriff's Department to discuss OCCS which is a non-profit organization working with the Public, Law Enforcement, and Media, providing a way for people to report crime anonymously. Mr. Berenschot provided a PowerPoint slide presentation, and distributed a folder of information to Council.

ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS (Received After Agenda Distribution)

Pursuant to the Brown "Open Meetings" Act, City Clerk Joan Flynn announced supplemental communications received by her office following distribution of the City Council agenda packet:

Communication for Public Hearing Item No. 17 received from Rick R. Pedigo of Pedigo Products, Inc., dated June 1, 2012 regarding the Development Impact Fees.

Communication for Ordinances for Introduction Item No. 21 received from Jennifer McGrath, City Attorney, dated June 4, 2012, recommending the ordinance limiting the number of massage establishments be removed from the agenda.

PUBLIC COMMENTS (3 Minute Time Limit)

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

Tina Stevenson spoke regarding the Norma B. Gibbs "Butterfly" Park project and tile design samples that will be included as part of the Park's restoration project, and distributed a folder of information on the project to Council. (00:32:15)

Lubica Selecka, artist, spoke regarding the Norma Gibbs Butterfly Project. (00:34:29)

Leslie Gilson, Gibbs Park Restoration Coordinator, spoke regarding the mosaic design and its \$11,811 cost for eight circles with borders. She thanked supporters and requested City partnership. (00:36:13)

Jenelle Godges, Southern California Edison, spoke regarding Summer readiness and SCE's mitigation of resources without the San Onofre Nuclear Generating Station by partnering with other substations. (00:38:38)

Walter Fernandez, Animal Assistance League of Orange County, spoke in support of steps to prevent harm to pets on the fourth of July. He distributed information to Council entitled *Protecting Your Animals on July 4th*. (00:44:16)

Marsha Waldman spoke in favor of Public Hearing Item No. 17 - Ordinance No. 3946 (Parkland Acquisition and Park Facilities Development Impact Fees) to build a new senior center. (00:46:26)

Judy Ann Morris spoke in support of Public Hearing Item No. 17 - Ordinance No. 3946 (Parkland and Park Facilities Development Impact Fees), to build a new senior center. (00:48:41)

Beverly Findlay-Kaneko voiced concerns about the condition of the San Onofre Nuclear Generating Station and requested that the City Council take action to support related safety efforts. (00:50:28)

Ryan Kaneko voiced concerns about the condition of the San Onofre Nuclear Generating

Station and requested that the City Council take action to support related safety efforts. (00:53:29)

Laurie Headrick, San Clemente Green, voiced concerns about the condition of the San Onofre Nuclear Generating Station and requested that the City Council take action to support related safety efforts. (00:55:08)

Gary Headrick, San Clemente Green, voiced concerns about the condition of the San Onofre Nuclear Generating Station and requested that the City Council take action to support related safety efforts and distributed information on the San Clemente Green Organization. (00:59:32)

Robert Wentzel displayed photographs of the Memorial Day celebration at the Pier, and thanked Council for their service. (01:03:46)

Travis Allen introduced himself as a candidate for the 72nd Assembly District, and discussed his qualifications for the desired seat. (01:06:02)

Dave Sullivan voiced concerns about litigation involving the proposed Senior Center in Huntington Central Park. (01:08:52)

Ralph Bauer spoke in favor of the staff recommendation for Public Hearing Item No. 17 - Ordinance No. 3946 (Parkland Acquisition and Park Facilities Development), and distributed written comments to Council. (01:33:44)

Barbara Boskovich spoke in favor Public Hearing Item No. 17 - Development Impact Fees, to help fund building the Senior Center in Huntington Central Park. (01:35:27)

Councilmember Dwyer updated Ms. Boskovich on action being taken by the Police Department to address reported problems at the SRO development in her area.

Kate Klimow, Vice President, Orange County Business Council (OCBC), requested delay of Public Hearing Item No. 17 - Development Impact Fees, to conduct further analysis of the Nexus report and how proposed fees comply with the City's 10-point business plan. She also expressed support for Resolution 2012-23, Alternative Fee Schedule No. 1 (Mayor Hansen's Proposal). (01:37:05)

Jerry Wheeler, President and CEO of the Huntington Beach Chamber of Commerce, spoke in support of Public Hearing Item No. 17 - Development Impact Fees, Resolution No. 2012-23, Alternative Fee Schedule No. 1 (Mayor Hansen's Proposal). (01:39:05)

Anthony Eaton voiced concerns about the negative impacts posed by Public Hearing Item No. 17 - Development Impact Fees, to families relocating into Huntington Beach. (01:41:07)

Bryan Starr, Business Industry Association (BIA), spoke in support of Public Hearing Item No. 17 - Development Impact Fees, Resolution 2012-23, Alternative Fee Schedule No. 1 (Mayor Hansen's Proposal). (01:42:37)

Brandon Johnson, representing an out-of-state property owner, voiced concerns about the negative effects that Public Hearing Item No. 17 - Development Impact Fees has on a new

construction project he is involved with, and encouraged Council to adopt Resolution No. 2012-23, Alternative Fee Schedule No. 1 (Mayor Hansen's Proposal). (01:44:13)

Dave Sullivan spoke in support of the staff's recommendation for Public Hearing Item No. 17 - Development Impact Fees, and suggested Council postpone voting on the item until such a time when all Council are present. (01:45:57)

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

Councilmembers Harper and Carchio attended the ACCOC & OCBC *One Voice, Two Capitols* advocacy trip in Sacramento May 14 and 15; Councilmember Carchio attended OCGL Prayer Breakfast on May 12; Councilmember Boardman attended *Contemporary Traditionalists - A West Coast Perspective* event at the Art Center on May 19 and discussed the Library Board's outreach effort *Geek The Library*, literacy program donations, and recent homework, math and reading club articles in the HB Independent; Mayor Hansen attended the ICSC Conference in Las Vegas May 20-23.

Councilmember Bohr submitted a report that will be made available in the Clerk's Office.

CITY MANAGER'S REPORT

City Manager Fred Wilson announced that the Community Services Department will host a photo contest in the month of June, *Parks Make Life Better*, and encouraged the public to submit photographs with a short description of why the location is special.

CONSENT CALENDAR

1. Approved and adopted minutes

A motion was made by Carchio, second Dwyer to approve and adopt the minutes of the City Council/Public Financing Authority/Successor Agency Special Meeting of May 17, 2012, as written and on file in the Office of the City Clerk. The motion carried by the following roll call vote:

AYES:	Harper, Dwyer, Hansen, Carchio, Bohr, and Boardman
NOES:	None
ABSENT:	Shaw

2. Adopted Resolution Nos. 2012-21 and 2012-22 that call for and consolidate with the County to conduct the General Municipal Election for City Officers to be held on November 6, 2012

A motion was made by Carchio, second Dwyer to adopt Resolution No. 2012-21, "A Resolution of the City Council of the City of Huntington Beach, California, Calling and Giving Notice of the Holding of a General Municipal Election to be held on Tuesday, November 6, 2012 for the Election of Certain Officers as Required by the Provisions of the Charter;" and, adopt Resolution No. 2012-22, "A Resolution of the City Council of the City of Huntington Beach, California, Requesting the Board of Supervisors of the County of Orange to Consolidate a General Municipal Election to be held on Tuesday, November 6, 2012 with the Statewide General

Election to be Held on that Date Pursuant to Section 10403 of the Elections Code." The motion carried by the following roll call vote:

AYES: Harper, Dwyer, Hansen, Carchio, Bohr, and Boardman
NOES: None
ABSENT: Shaw

3. Adopted Resolution No. 2012-25 authorizing application for funds from the State-Local Partnership Program (SLPP) for the FY Arterial Rehabilitation Project

A motion was made by Carchio, second Dwyer to adopt Resolution No. 2012-25, "A Resolution of the City Council of the City of Huntington Beach Authorizing Application for Funds for the State-Local Partnership Program Under the Proposition 1B Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 for the FY 12/13 Arterial Rehabilitation Project." The motion carried by the following roll call vote:

AYES: Harper, Dwyer, Hansen, Carchio, Bohr, and Boardman
NOES: None
ABSENT: Shaw

4. Awarded Construction Contract in the amount of \$99,858.50 to Greenland Construction Inc., for the Central Park Irrigation Reservoir Modification Project, CC1382; and, appropriated \$100,000 from the Water Fund to the Well 8 Gap account

A motion was made by Carchio, second Dwyer to accept the lowest responsive and responsible bid submitted by Greenland Construction Inc., in the amount of \$99,858.50; and, authorize the Mayor and City Clerk to execute a construction contract in a form approved by the City Attorney; and, appropriate \$100,000.00 from the Water Fund to the Well 8 GAP, Account No. 50691024.82100. The motion carried by the following roll call vote:

AYES: Harper, Dwyer, Hansen, Carchio, Bohr, and Boardman
NOES: None
ABSENT: Shaw

5. Authorized execution and approved provision for Sewer Services Agreements between Midway City Sanitary District, VF Outdoor, Inc. (Vans), and the City of Huntington Beach for the proposed Skate Park located on City owned property between McFadden Avenue and Center Avenue, east of Gothard, APN 142-073-03

A motion was made by Carchio, second Dwyer to approve the "Agreement for Provision of Sewer Services" between Midway City Sanitary District and the City of Huntington Beach to provide sewer services to City owned property; and, approve the "Agreement Between the City of Huntington Beach and VF Outdoor, Inc. for Sewer Services at Vans Skate Park Parcel" for the proposed skate park project; and, authorize the Mayor and City Clerk to execute the Agreements and all other related documents to finalize the Agreements; and, authorize the City Manager to sign all necessary documents to effectuate the Agreements. The motion carried by the following roll call vote:

AYES: Harper, Dwyer, Hansen, Carchio, Bohr, and Boardman

NOES: None
ABSENT: Shaw

6. Approved and authorized execution of the Second Amendment to the Purchase and Sale Agreement and Joint Escrow Instructions with Campbell Lodging, Inc. for 7872 Edinger Avenue

A motion was made by Carchio, second Dwyer to approve the "Second Amendment to Purchase and Sale Agreement and Joint Escrow Instructions" with Campbell Lodging, Inc. for 7872 Edinger Avenue; and, authorize the Mayor and City Clerk to sign the Amendment; and, authorize the City Manager to sign all necessary documents to effectuate this Agreement. The motion carried by the following roll call vote:

AYES: Harper, Dwyer, Hansen, Carchio, Bohr, and Boardman
NOES: None
ABSENT: Shaw

7. Approved and authorized execution of a three-year contract with Zambelli Fireworks Manufacturing Company Inc. for the fireworks display on the Fourth of July at the end of the Pier

A motion was made by Carchio, second Dwyer to approve and authorize the City Manager or Designee to execute the "Services Contract Between the City of Huntington Beach and Zambelli Fireworks Manufacturing Company, Inc. for Fireworks Display on the Fourth of July." The motion carried by the following roll call vote:

AYES: Harper, Dwyer, Hansen, Carchio, Bohr, and Boardman
NOES: None
ABSENT: Shaw

8. Approved and authorized execution of a License Agreement between the City of Huntington Beach and Compass Group USA, Inc./Canteen Vending Division

A motion was made by Carchio, second Dwyer to approve and authorize the Mayor and City Clerk to execute the "License Agreement Between the City of Huntington Beach and Compass Group USA, Inc., by and Through Its Canteen Vending Division" for installation and operation of beverage and snack vending machines at various community facilities and other approved public locations; and, authorize the City Manger to execute all documents in furtherance of this Agreement. The motion carried by the following roll call vote:

AYES: Harper, Dwyer, Hansen, Carchio, Bohr, and Boardman
NOES: None
ABSENT: Shaw

9. Approved the Strand Parking Structure Budget pursuant to the Operating Agreement with CIM/Huntington LLC., and appropriate funds to cover the operating expenditures

A motion was made by Carchio, second Dwyer to approve the June 2012 - September 2012 Strand Parking Budget, establishing estimated revenues and expenditures relating to the Strand Parking Structure; and, appropriate \$300,000 for expenditures (from the Strand Parking Revenue) from Fund 712 for Fiscal Year 2011/12 for payment of operating expenditures related

to the Strand Parking Structure through the end of the City's fiscal year (September 2012). The motion carried by the following roll call vote:

AYES: Harper, Dwyer, Hansen, Carchio, Bohr, and Boardman
NOES: None
ABSENT: Shaw

10. Adopted Ordinance No. 3939 revising Municipal Code Chapter 17.56 regarding fireworks sale and discharge preventing a conflict with the Fire Code
Approved for introduction May 7, 2012

A motion was made by Carchio, second Dwyer to adopt Ordinance No. 3939, "An Ordinance of the City of Huntington Beach Amending Chapter 17.56 of the Huntington Beach Municipal Code Relating to the Huntington Beach Fire Code." The motion carried by the following roll call vote:

AYES: Harper, Dwyer, Hansen, Carchio, and Bohr
NOES: Boardman
ABSENT: Shaw

11. Adopted Ordinance No. 3940 amending Huntington Beach Municipal Code (HBMC) Chapter 8.40 relating to Noise Control
Approved for introduction May 7, 2012

Councilmember Boardman pulled the ordinance to question: 1) the amount of time residents who are affected by an event have to provide input; 2) limiting the length or number of exemptions; and, 3) how the City selects hearing officers for noise-related issues and/or appeals. City Attorney McGrath described the 300 foot radius notification process and how hearing officers can be hired independently or selected from volunteer personnel such as retired Police officers.

Discussion ensued on the appeal process for decisions made at the Planning and Building Director level, and extenuating circumstances that have the potential to activate other permits and decisions.

A motion was made by Hansen, second Carchio to adopt Ordinance No. 3940, "An Ordinance of the City of Huntington Beach Amending Chapter 8.40 of the Huntington Beach Municipal Code Relating to Noise Control." The motion carried by the following roll call vote:

AYES: Harper, Dwyer, Hansen, Carchio, Bohr, and Boardman
NOES: None
ABSENT: Shaw

12. Adopted Ordinance No. 3949 approving Zoning Text Amendment No. 11-002 removing the Housing Designation on the Project Site (The Skate Park Project)
Approved for introduction May 7, 2012

A motion was made by Hansen, second Carchio to adopt Ordinance No. 3949, "An Ordinance of the City of Huntington Beach Amending the Beach and Edinger Corridors Specific Plan

District 2.1.4 Town Center - Neighborhood Segment by Removing the Residential Designation from Property Listed as (APN # 142-073-03)." The motion carried by the following roll call vote:

AYES: Harper, Dwyer, Hansen, Carchio, Bohr, and Boardman
NOES: None
ABSENT: Shaw

13. Adopted Ordinance No. 3950 approving a 5-year extension of time to the existing Amended and Restated Development Agreement with Mayer Financial, LP and The Waterfront Hotel, LLC for the Waterfront Development
Approved for introduction May 7, 2012

A motion was made by Carchio, second Dwyer to adopt Ordinance No. 3950, "An Ordinance of the City of Huntington Beach Adopting the First Amendment to Amended and Restated Development Agreement By and Between City of Huntington Beach, Mayer Financial, L.P., and the Waterfront Hotel, LLC." The motion carried by the following roll call vote:

AYES: Harper, Dwyer, Hansen, Carchio, Bohr, and Boardman
NOES: None
ABSENT: Shaw

14. Increased budget appropriations for the Huntington Beach Successor Agency for Fiscal Year 2011/12 to reflect the dissolution of the Huntington Beach Redevelopment Agency

A motion was made by Carchio, second Dwyer to authorize the Executive Director to increase the Successor Agency Budget for Fiscal Year 2011/12 based on the approved Recognized Obligation Payment Schedule for Fund 350; and, authorize the Executive Director to transfer balance sheet items from the following funds, as needed, to the new RORF Fund (350): (305) RDA Capital Project Area Fund, (221) Cooperation Agreement Repayment, (315) Southeast Coastal Project Area Fund, (407) RDA HB Debt Service Project Area Fund; and (409) Debt Service Southeast Coastal Fund. The motion carried by the following roll call vote:

AYES: Harper, Dwyer, Hansen, Carchio, Bohr, and Boardman
NOES: None
ABSENT: Shaw

15. Increased budget appropriations for the Huntington Beach Housing Authority for Fiscal Year 2011/12 which reflect the dissolution of the Huntington Beach Redevelopment Agency

A motion was made by Carchio, second Dwyer to authorize the Executive Director to increase the Housing Authority Budget for Fiscal Year 2011/12 (Fund 220) by \$2,715,500; and, authorize the Executive Director to transfer balance sheet items from the Low Income Housing Fund (Fund 306) to the Housing Authority Fund (Fund 220), as necessary. The motion carried by the following roll call vote:

AYES: Harper, Dwyer, Hansen, Carchio, Bohr, and Boardman
NOES: None
ABSENT: Shaw

16. Adopted Housing Authority Resolution No. 03 amending the Housing Authority Bylaws by designating the City Treasurer as the Housing Authority Treasurer

A motion was made by Carchio, second Dwyer to adopt Resolution No. 03, "A Resolution of the Huntington Beach Housing Authority Revising Its Bylaws." The motion carried by the following roll call vote:

AYES:	Harper, Dwyer, Hansen, Carchio, Bohr, and Boardman
NOES:	None
ABSENT:	Shaw

PUBLIC HEARING

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

17. CONTINUED TO JUNE 18 - NEW PUBLIC HEARING: Revise the City's Existing Development Impact Fees by adopting Resolution No. 2012-23 and Ordinance Nos. 3942 through 3947 (Continued from the May 7, 2012 City Council Meeting.)

Mayor Hansen explained to members of the public who had signed up to speak that the public hearing was officially closed on May 7. He then reopened the Public Comments portion of the agenda and called forward members of the public who failed to speak earlier in the evening (speakers' names are included in the Public Comments portion of the minutes).

Pursuant to the Brown "Open Meetings" Act, City Clerk Flynn repeated for the record receipt of a communication from Rick R. Pedigo of Pedigo Products, Inc., dated June 1, 2012 regarding the Development Impact Fees.

Bob Hall provided a short PowerPoint presentation entitled *Development Impact Fee Study and Nexus Report*, with titled slides: Alternatives (3), and Projected Revenue Summary.

A motion was made by Bohr, second Boardman to adopt Resolution No. 2012 - 23, "A Resolution of the City Council of the City of Huntington Beach Adopting the Development Impact Fee Calculation and Nexus Report for the City of Huntington Beach, and Establishing New and Revised Development Impact Fees For All Development Within the City (Staff Recommendation - Exhibit A);" and, approve for introduction Ordinance No. 3942, "An Ordinance of the City of Huntington Beach Amending the Huntington Beach Municipal Code by Adding Chapter 17.75 Relating to Development Impact Fees for Police Facilities;" and, approve for introduction Ordinance No. 3943, "An Ordinance of the City of Huntington Beach Amending the Huntington Beach Municipal Code by Adding Chapter 17.74 Relating to Development Impact Fees for Fire Facilities;" and, approve for introduction Ordinance No. 3944, "An Ordinance of the City of Huntington Beach Amending Chapter 17.65 of the Huntington Beach Municipal Code Relating to Traffic Impact Fees;" and, approve for introduction Ordinance No. 3945, "An Ordinance of the City of Huntington Beach Deleting Chapter 17.66 of the Huntington Beach Municipal Code and Adding Chapter 17.67 Relating to Library Development Impact Fees;" and, approve for introduction Ordinance No. 3946, "An Ordinance of the City of Huntington Beach Amending the Huntington Beach Municipal Code by Adding Chapter 17.76 Relating to Parkland Acquisition and Park Facilities Development Impact Fees;" and, approve for introduction Ordinance No. 3947, "An Ordinance of the City of Huntington Beach Amending

the Huntington Beach Municipal Code by Adding Chapter 17.73 Relating to the General Provisions for Development Impact Fees." The motion failed by the following roll call vote:

AYES: Bohr, and Boardman
NOES: Dwyer, Harper, Hansen, and Carchio
ABSENT: Shaw

A motion was made by Harper, second Hansen to approve Resolution No. 2012 - 23, "A Resolution of the City Council of the City of Huntington Beach Adopting the Development Impact Fee Calculation and Nexus Report for the City of Huntington Beach, and Establishing New and Revised Development Impact Fees For All Development Within the City (Hansen Option - Exhibit A-1);" and, approve for introduction Ordinance No. 3942, "An Ordinance of the City of Huntington Beach Amending the Huntington Beach Municipal Code by Adding Chapter 17.75 Relating to Development Impact Fees for Police Facilities;" and, approve for introduction Ordinance No. 3943, "An Ordinance of the City of Huntington Beach Amending the Huntington Beach Municipal Code by Adding Chapter 17.74 Relating to Development Impact Fees for Fire Facilities;" and, approve for introduction Ordinance No. 3944, "An Ordinance of the City of Huntington Beach Amending Chapter 17.65 of the Huntington Beach Municipal Code Relating to Traffic Impact Fees;" and, approve for introduction Ordinance No. 3945, "An Ordinance of the City of Huntington Beach Deleting Chapter 17.66 of the Huntington Beach Municipal Code and Adding Chapter 17.67 Relating to Library Development Impact Fees;" and, approve for introduction Ordinance No. 3946, "An Ordinance of the City of Huntington Beach Amending the Huntington Beach Municipal Code by Adding Chapter 17.76 Relating to Parkland Acquisition and Park Facilities Development Impact Fees;" and, approve for introduction Ordinance No. 3947, "An Ordinance of the City of Huntington Beach Amending the Huntington Beach Municipal Code by Adding Chapter 17.73 Relating to the General Provisions for Development Impact Fees." The motion failed by the following roll call vote:

AYES: Harper, and Hansen
NOES: Dwyer, Carchio, Bohr, and Boardman
ABSENT: Shaw

A motion was made by Boardman, second Carchio to adopt Resolution No. 2012 - 23, "A Resolution of the City Council of the City of Huntington Beach Adopting the Development Impact Fee Calculation and Nexus Report for the City of Huntington Beach, and Establishing New and Revised Development Impact Fees For All Development Within the City (Carchio Recommendation - Exhibit A-3, **as amended by late communication to include a requirement that 2% of the fee be directed to fund public art in public parks, and direct staff to establish a public art approval process**);" and, approve for introduction Ordinance No. 3942, "An Ordinance of the City of Huntington Beach Amending the Huntington Beach Municipal Code by Adding Chapter 17.75 Relating to Development Impact Fees for Police Facilities;" and, approve for introduction Ordinance No. 3943, "An Ordinance of the City of Huntington Beach Amending the Huntington Beach Municipal Code by Adding Chapter 17.74 Relating to Development Impact Fees for Fire Facilities;" and, approve for introduction Ordinance No. 3944, "An Ordinance of the City of Huntington Beach Amending Chapter 17.65 of the Huntington Beach Municipal Code Relating to Traffic Impact Fees;" and, approve for introduction Ordinance No. 3945, "An Ordinance of the City of Huntington Beach Deleting Chapter 17.66 of the Huntington Beach Municipal Code and Adding Chapter 17.67 Relating to Library Development Impact Fees;" and, approve for introduction Ordinance No. 3946, "An Ordinance of the City of Huntington Beach Amending the Huntington Beach Municipal Code by

Adding Chapter 17.76 Relating to Parkland Acquisition and Park Facilities Development Impact Fees;" and, approve for introduction Ordinance No. 3947, "An Ordinance of the City of Huntington Beach Amending the Huntington Beach Municipal Code by Adding Chapter 17.73 Relating to the General Provisions for Development Impact Fees." The motion failed by the following roll call vote:

AYES: Boardman, Bohr, and Carchio
NOES: Hansen, Harper, and Dwyer
ABSENT: Shaw

A motion was made by Boardman, second Bohr to continue the item to June 18. No vote followed. Mayor Hansen suggested, and Councilmember Boardman agreed, that the opportunity to hear Mayor Pro Tem Dwyer's Alternative Option 2 be considered by Council.

A motion was made by Dwyer, second Hansen to adopt Resolution No. 2012 - 23, "A Resolution of the City Council of the City of Huntington Beach Adopting the Development Impact Fee Calculation and Nexus Report for the City of Huntington Beach, and Establishing New and Revised Development Impact Fees For All Development Within the City (Dwyer Recommendation - Exhibit A-2);" and, approve for introduction Ordinance No. 3942, "An Ordinance of the City of Huntington Beach Amending the Huntington Beach Municipal Code by Adding Chapter 17.75 Relating to Development Impact Fees for Police Facilities;" and, approve for introduction Ordinance No. 3943, "An Ordinance of the City of Huntington Beach Amending the Huntington Beach Municipal Code by Adding Chapter 17.74 Relating to Development Impact Fees for Fire Facilities;" and, approve for introduction Ordinance No. 3944, "An Ordinance of the City of Huntington Beach Amending Chapter 17.65 of the Huntington Beach Municipal Code Relating to Traffic Impact Fees;" and, approve for introduction Ordinance No. 3945, "An Ordinance of the City of Huntington Beach Deleting Chapter 17.66 of the Huntington Beach Municipal Code and Adding Chapter 17.67 Relating to Library Development Impact Fees;" and, approve for introduction Ordinance No. 3946, "An Ordinance of the City of Huntington Beach Amending the Huntington Beach Municipal Code by Adding Chapter 17.76 Relating to Parkland Acquisition and Park Facilities Development Impact Fees;" and, approve for introduction Ordinance No. 3947, "An Ordinance of the City of Huntington Beach Amending the Huntington Beach Municipal Code by Adding Chapter 17.73 Relating to the General Provisions for Development Impact Fees." Vote to follow discussion.

Councilmember Harper and Mayor Hansen discussion how to proceed and whether or not a vote of approval on any alternative proposed could be realized without a seven members of the Council being present.

Councilmember Carchio offered support for his own proposal phasing in at 30% , 60% , and 90% over three years. Mayor Pro Tem Dwyer discussed meeting with developers who felt certain fees would make completing certain projects infeasible.

Mayor Hansen recognized incorporation of park fees to build the Senior Center. Councilmember Bohr discussed property acquisition fees, and Prop 13 property protection.

Mayor Pro Tem Dwyer discussed a 2% carve out for park in-lieu fees, and reiterated how his proposal can help fund the Art Center. Mayor Hansen asked staff to calculate the 2% carve out (2% of total park fees) over a three year period.

Mayor Pro Tem Dwyer recommended a 4-year phasing to 90%, including a 2% carve out.

The motion failed by the following roll call vote:

AYES: Harper, Dwyer, and Hansen
NOES: Carchio, Bohr, and Boardman
ABSENT: Shaw

Discussion ensued on options to amend Alternative Option 3.

A motion was made by Hansen, second Dwyer to adopt Resolution No. 2012 - 23, "A Resolution of the City Council of the City of Huntington Beach Adopting the Development Impact Fee Calculation and Nexus Report for the City of Huntington Beach, and Establishing New and Revised Development Impact Fees For All Development Within the City (Dwyer Recommendation - Exhibit A-3 **as amended by phasing in 25% per year for 4 years and a 2% carve out to reach Dwyer's 90% cap**);" and, approve for introduction Ordinance No. 3942, "An Ordinance of the City of Huntington Beach Amending the Huntington Beach Municipal Code by Adding Chapter 17.75 Relating to Development Impact Fees for Police Facilities;" and, approve for introduction Ordinance No. 3943, "An Ordinance of the City of Huntington Beach Amending the Huntington Beach Municipal Code by Adding Chapter 17.74 Relating to Development Impact Fees for Fire Facilities;" and, approve for introduction Ordinance No. 3944, "An Ordinance of the City of Huntington Beach Amending Chapter 17.65 of the Huntington Beach Municipal Code Relating to Traffic Impact Fees;" and, approve for introduction Ordinance No. 3945, "An Ordinance of the City of Huntington Beach Deleting Chapter 17.66 of the Huntington Beach Municipal Code and Adding Chapter 17.67 Relating to Library Development Impact Fees;" and, approve for introduction Ordinance No. 3946, "An Ordinance of the City of Huntington Beach Amending the Huntington Beach Municipal Code by Adding Chapter 17.76 Relating to Parkland Acquisition and Park Facilities Development Impact Fees;" and, approve for introduction Ordinance No. 3947, "An Ordinance of the City of Huntington Beach Amending the Huntington Beach Municipal Code by Adding Chapter 17.73 Relating to the General Provisions for Development Impact Fees." The motion failed by the following roll call vote:

AYES: Dwyer, and Hansen
NOES: Harper, Carchio, Bohr, and Boardman
ABSENT: Shaw

This public hearing will be republished/renoticed and will be heard by the City Council on June 18, 2012.

18. Approved Site Plan Review No. 12-01 (Beach and Ellis Mixed Use Project) (Mayor Hansen's Appeal of Planning Commission's Approval)

Associate Planner Rosemary Medel presented a PowerPoint presentation entitled *Site Plan Review No. 12-01 - Beach and Ellis Mixed Use Project*, with titled slides: Request, BECSP, Site Plan, Architecture, Renderings, Rendering - Beach and Ellis Intersection, Planning Commission Action, Appeal of Planning Commission Action, Site Plan Review No. 12-01 Overview, Planning Commission Discussion Issues, Pedestrian Connectivity/Open Space, Summary, and Recommendation.

Mayor Hansen opened the public hearing.

Janice Mantini, Planning Commission Chair, spoke in support of the item. (02:36:06)

Ben Brosseau, applicant, spoke in support of the item. (02:37:21)

Steven Sheldon, applicant, provided a PowerPoint presentation entitled *City Council June 2, 2012 Beach and Ellis*, with titled slides: Management of the Property, Demand of Apartments in the Area, Successful Retail, Community Outreach, Neighbor Support, and Merchant Outreach. (02:39:50)

Jerry Wheeler, President and CEO, Huntington Beach Chamber of Commerce, spoke in support of the item. (02:42:57)

Kevin Klaess, Orange Dog Bar & Grille, spoke in favor of the project. (02:44:41)

Tran spoke in favor of the item. (02:45:23)

Tam Duong spoke in favor of the item. (02:45:46)

Mark Bixby, speaking as a resident and not a member of the Planning Commission, spoke in opposition to the item, specifically expressing concerns about the use of the central plaza area for loading and unloading. (02:46:21)

Barbara Boskovich voiced concerns about the impact of traffic and current problematic activity at the existing Single Room Occupancy (SRO) development. She also voiced opposition to a 6-story development. (02:48:58)

Morrie Colchec, property owner, discussed his support for the project. (02:52:14)

With no one else present to speak on the item, Mayor Hansen closed the public hearing.

Mayor Hansen explained the purpose of the appeal.

A motion was made by Hansen, second Harper to approve CEQA Findings of Fact; and, approve Site Plan Review No. 12-01 with findings and conditions of approval ***as amended by correcting Attachment No. 1 changing the amount of public open space from 23,145 sq. ft. to 17,540 sq. ft.***

Councilmember Boardman and Planning Manager Mary Beth Broeren discussed the remediation plan and ongoing monitoring of soil clean up, the SRO private open space with easement, and improvements to make the project more pedestrian friendly.

Councilmember Boardman and Steve Shelton (applicant) discussed how the structural parking will be enforced on weekends. Mr. Shelton described the parking master plan, including stickers for permitted guests, and towing violating vehicles.

Councilmember Boardman voiced concerns with the project's compatibility with surrounding developments, the central plaza area being used for loading and unloading, and language related to density within the specific plan.

Police Chief Small and Mayor Pro Tem Dwyer discussed activity at the SRO, including a decreased number of calls for service and activity.

Mayor Pro Tem Dwyer and Transportation Manager Stachelski discussed inclusion of a review of Patterson Lane within the upcoming Capital Improvement Program.

Councilmember Harper discussed market involvement in the proposed project.

Councilmember Bohr and Mr. Sheldon discussed the possibility of a gate separating commercial parking from residential.

The motion carried by the following roll call vote:

AYES: Bohr, Hansen, Carchio, Harper, and Dwyer
NOES: Boardman
ABSENT: Shaw

ORDINANCES FOR INTRODUCTION

19. Approved for introduction Ordinance No. 3948 amending Chapter 1.22 of the Huntington Beach Municipal Code (HBMC) relating to claims against the City by adding clarification to the City's claim of authority to regulate class actions and require exhaustion of administrative remedies

A motion was made by Carchio, second Boardman to after the City Clerk reads by title, approve for introduction Ordinance No. 3948, "An Ordinance of the City of Huntington Beach Amending Chapter 1.22 of the Huntington Beach Municipal Code Relating to Claims Against the City." The motion carried by the following roll call vote:

AYES: Boardman, Bohr, Hansen, Carchio, Harper, and Dwyer
NOES: None
ABSENT: Shaw

20. Approved for introduction Ordinance No. 3952 amending Chapter 8.21 of the Huntington Beach Municipal Code (HBMC) relating to refuse management

A motion was made by Carchio, second Boardman to after the City Clerk reads by title, approve for introduction Ordinance No. 3952, "An Ordinance of the City of Huntington Beach Amending Chapter 8.21 of the Huntington Beach Municipal Code Relating to Refuse Management." The motion carried by the following roll call vote:

AYES: Boardman, Bohr, Hansen, Carchio, Harper, and Dwyer
NOES: None
ABSENT: Shaw

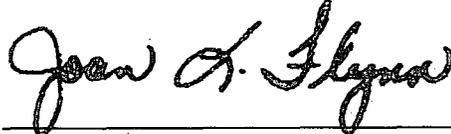
~~21. 5.24 HBMC Massage Ordinance Limiting Maximum Number of Establishments~~

COUNCILMEMBER COMMENTS (Not Agendized)

Councilmember Harper requested that tonight's meeting be held in memory of Noble Waite.

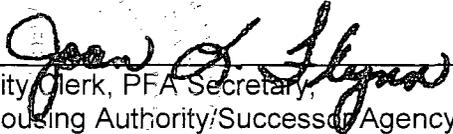
Mayor Pro Tem Dwyer recognized the passing of Tom Fuentes. Additional comments were provided by Councilmembers Harper, Dwyer, and Bohr.

ADJOURNMENT of the Housing Authority and Successor Agency Special Meeting at **9:36 PM**;
adjourn the City Council/Public Financing Authority Regular Meeting to the next regularly
scheduled meeting of **Monday, June 18, 2012 at 4:00 PM**, Civic Center, 2000 Main Street,
Huntington Beach, California.

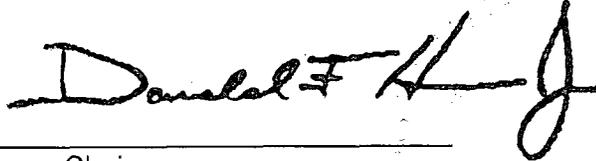


City Clerk and ex-officio Clerk of the City
Council/Successor Agency of the City of
Huntington Beach, Housing Authority Clerk,
Secretary of the Huntington Beach Public Finance
Authority of the City of Huntington Beach, California

ATTEST:



City Clerk, PFA Secretary,
Housing Authority/Successor Agency
Clerk



Mayor-Chair