

CITY OF SAN CLEMENTE

City Council Minutes

Adjourned Regular Meeting - November 6, 2006

An Adjourned Regular Meeting of the San Clemente City Council was called to order on November 6, 2006 at 6:00 p.m. in the Council Chambers, located at 100 Avenida Presidio, San Clemente, California.

PRESENT ANDERSON, DAHL, KNOBLOCK, RITSCHER, MAYOR
EGGLESTON

ABSENT NONE

STAFF PRESENT George Scarborough, City Manager; Jeff Oderman, City
Attorney; Myrna Erway, City Clerk; Joanne Baade, Deputy
City Clerk

CLOSED SESSION

MOTION BY COUNCILMEMBER RITSCHER, SECOND BY COUNCILMEMBER ANDERSON, CARRIED 5-0, to recess to Closed Session at 6:00 p.m. to discuss the following:

A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION, pursuant to Government Code Section 54956.9(a):

Name of Case: Preserve Shorecliffs Homeowners v. City of San Clemente, et al.,
OCSC Case No. 06CCF09940.

B. CONFERENCE WITH LABOR NEGOTIATOR, pursuant to Government Code Section 54957.6:

Agency Representative: Pall Gudgeirsson, Assistant City Manager

Employee Organizations: San Clemente City Employees Association, Management Employees, Mid-Management Employees and Confidential Employees.

City Manager Scarborough, City Attorney Oderman, Assistant City Manager Gudgeirsson and City Clerk Erway were in attendance for both Closed Session items. Human Resources Manager Penrod was in attendance for Closed Session Item B only.

INVOCATION

Bobby Jeffers, San Clemente Bahai Faith Community, gave the invocation.

PLEDGE OF ALLEGIANCE

Mayor Eggleston led the Pledge of Allegiance.

1. SPECIAL PRESENTATIONS

A. Buddy Poppy Days Proclamation

Mayor Eggleston presented a proclamation to George Key, Commander, VFW San Clemente Post #7142, declaring November 10, 11 and 12, 2006 as Buddy Poppy Days.

B. Presentation of Resolution - Designation of City Matriarch (Lois Divel)

Mayor Eggleston presented a Resolution to Lois Divel designating her as the matriarch of the City of San Clemente.

Raad Ghantous, San Clemente, praised Lois Divel's contributions to San Clemente.

Michael Kaupp, San Clemente, commented that Lois Divel is an icon who is an inspiration to others; opined that she will represent the City well in her role as matriarch.

C. **Proclamation - Marine Appreciation Month**

Mayor Eggleston presented a proclamation to Lt. Col. Pelham declaring the month of November 2006 as Marine Appreciation Month.

Col. Stewart Navarre presented Mayor Eggleston with a Certificate of Recognition in appreciation of his exceptional sustained support of the Marines of Camp Pendleton and the surrounding region.

D. **Orange County Human Relations Commission - Annual Report and Certificates of Recognition**

Francisco Marmolejo and Susan Reese, Board of Directors of the Orange County Human Relations Council, reviewed the Orange County Human Relations Commission Annual Report and presented a Certificate of Recognition to the City for its cooperative efforts on behalf of human relations. Additionally, Mr. Marmolejo and Ms. Reese presented an award to San Clemente Police Services for its Parent Project.

2. MOTION BY MAYOR PRO TEM DAHL, SECOND BY COUNCILMEMBER ANDERSON, CARRIED 5-0, to waive reading in full of all Resolutions and Ordinances.

3. **CONSIDERATION OF AGENDIZING ITEMS REQUIRING IMMEDIATE ACTION**

None.

4. **ORAL COMMUNICATIONS (PART ONE)**

Extension of Avenida La Pata

Sandra Goldstone and Stefanie Bates, San Clemente, stated that persons who purchased homes in Forster Valley and the eastern slope of the ridgeline signed disclosures that defined the proposed route for the extension of Avenida La Pata; stated that residents were concerned when they learned that alternative routes were being considered; thanked Council for adopting a resolution supporting the investigation of alternate alignments; expressed hope that the ultimate extension of Avenida La Pata will not impact the ridgeline; presented a "Petition to Save the Ridgeline", which was signed by 1,400 residents of Forster Valley.

5. **CONSENT CALENDAR**

MOTION BY COUNCILMEMBER ANDERSON, SECOND BY COUNCILMEMBER KNOBLOCK, CARRIED 5-0, to approve the Consent Calendar with the removal of Items F, G, K and O.

A. **City Council Minutes**

MOTION BY COUNCILMEMBER ANDERSON, SECOND BY COUNCILMEMBER KNOBLOCK, CARRIED 5-0, to approve the City Council minutes of October 3, 2006 and October 17, 2006.

B. MOTION BY COUNCILMEMBER ANDERSON, SECOND BY COUNCILMEMBER KNOBLOCK, CARRIED 5-0, to receive and file:

- (1) Parks and Recreation Commission minutes of September 12, 2006.
- (2) Coastal Advisory Committee minutes of September 14, 2006.
- (3) Planning Commission minutes of October 18, 2006.

C. **Warrant Register**

MOTION BY COUNCILMEMBER ANDERSON, SECOND BY COUNCILMEMBER KNOBLOCK, CARRIED 5-0, to approve Wire Transfers Nos. 418 and 419 and Warrant Nos. 779346 through 779517 for the period 10-2-06 through 10-6-06 in the amount of \$2,497,331.57; approve Warrant Nos. 779518 through 779686 for the period 10-9-06 through 10-13-06 in the amount of \$2,069,228.87; approve Wire Transfers Nos. 420 through 422 and Warrant Nos. 779687 through 779914 for the period 10-16-06 through 10-20-06 in the amount of \$6,732,321.61; for a total Warrant Register of \$11,298,882.05.

Payroll Register

MOTION BY COUNCILMEMBER ANDERSON, SECOND BY COUNCILMEMBER KNOBLOCK, CARRIED 5-0, to approve Warrant Nos. 318414 through 318456, Automatic Deposit Advises 143028 through 143251, for the period 9-25-06 through 10-8-06 in the amount of \$349,175.61; approve Warrant Nos. 318457 through 318507, Automatic Deposit Advises 143252 through 143475, for the period 10-9-06 through 10-22-06 in the amount of \$356,070.76; for a total Payroll Register of \$705,246.37.

D. **Contract Award - Avenida Vista Hermosa Rehabilitation**

MOTION BY COUNCILMEMBER ANDERSON, SECOND BY COUNCILMEMBER KNOBLOCK, CARRIED 5-0, to:

1. Approve the plans and specifications for contract award for Street Improvement Project No. 16330, Federal Project No. STPL-5274 (021).
2. Approve, and authorize the Mayor to execute, Contract C06-49 by and between the City of San Clemente and All American Asphalt, providing for the completion of Street Improvement Project No. 16330, Federal Project No. STPL-5274 (021), the rehabilitation of Avenida Vista Hermosa, in the amount of \$197,494.

E. **Banking and Custody Services Request for Proposal (RFP) and Bank Selection**

MOTION BY COUNCILMEMBER ANDERSON, SECOND BY COUNCILMEMBER KNOBLOCK, CARRIED 5-0, to:

1. Approve, and authorize the Mayor to execute, a three-year banking services agreement (with two year options), with Union Bank of California, for an amount not to exceed \$70,000.
2. Approve, and authorize the Mayor to execute, a three-year custody services agreement (with two year options) with Union Bank of California. Contract C96-90

H. **Contract Award - Camino de los Mares Rehabilitation**

MOTION BY COUNCILMEMBER ANDERSON, SECOND BY COUNCILMEMBER KNOBLOCK, CARRIED 5-0, to:

1. Approve the plans and specifications for contract award for Camino de los Mares rehabilitation, Project No. 18138, Federal Project No. STPL-5274 (023).
2. Approve, and authorize the Mayor to execute, Contract C06-52 by and between the City of San Clemente and All American Asphalt, providing for the Camino de los Mares Rehabilitation, Project No. 18138, Federal Project No. STPL-5274 (023), in the amount of \$697,960.20.
3. Approve a supplemental appropriation of \$300,000 to Account 012-861-45300-000-18138, Improvements Other Than Buildings in the Gas Tax Fund, for the Camino de los Mares rehabilitation project.

I. Notice of Completion - Reservoir Exterior Repair

MOTION BY COUNCILMEMBER ANDERSON, SECOND BY COUNCILMEMBER KNOBLOCK, CARRIED 5-0, to:

1. Accept the Reservoir Exterior Repair, Project No. 26401.
2. Authorize the Mayor to execute, and the City Clerk to record, the Notice of Completion for the Reservoir Exterior Repairs, Project No. 26401. Contract C06-27

J. Final Parcel Map 2003-255, Florencia Condos - 128 Avenida Florencia

MOTION BY COUNCILMEMBER ANDERSON, SECOND BY COUNCILMEMBER KNOBLOCK, CARRIED 5-0, to:

1. Approve Final Parcel Map 2003-255 as it conforms to the requirements set forth in the Subdivision Map Act and the previously approved Tentative Parcel Map.
2. Authorize the City Engineer to execute the Parcel Map.
3. Authorize the City Clerk to execute and submit for recordation the Parcel Map with the County of Orange Recorder's Office.

L. Contract Amendment - Water and Sewer Systems Asset Management Study

MOTION BY COUNCILMEMBER ANDERSON, SECOND BY COUNCILMEMBER KNOBLOCK, CARRIED 5-0, to:

1. Approve, and authorize the Mayor to execute, Amendment No. 2 to Contract C01-24 by and between the City of San Clemente and Brown and Caldwell for the Water and Sewer Systems Asset Management Study, Project Nos. 12606 and 13502. This Amendment increases the contract amount from \$215,611 to \$233,111.
2. Approve a supplemental appropriation in the amount of \$10,000 from the Water Fund, Depreciation Reserve for the Water and Sewer Systems Asset Management Study, Project Nos. 12606 and 13502.
3. Approve a supplemental appropriation in the amount of \$10,000 from the Sewer Fund, Depreciation Reserve for the Water and Sewer Systems Asset Management Study, Project Nos. 12606 and 13502.

M. Reappropriation of Prior Year Encumbrances

MOTION BY COUNCILMEMBER ANDERSON, SECOND BY COUNCILMEMBER KNOBLOCK, CARRIED 5-0, to:

1. Approve the reappropriation of the encumbrances outstanding at June 30, 2006 in the total amount of \$27,231,170 and the commitments not formally encumbered in the total amount of \$22,072,460, both as indicated in the Administrative Report, dated November 6, 2006, which is on file with the City Clerk.
2. Approve the reappropriation of grant revenues of \$10,183,474.
3. Approve the reappropriation of the transfers in/out between funds of \$4,868,190.

N. **Adoption of City Investment Policy 202-1**

MOTION BY COUNCILMEMBER ANDERSON, SECOND BY COUNCILMEMBER KNOBLOCK, CARRIED 5-0, to adopt revised Investment Policy No. 202-1, effective November 6, 2006.

P. **Contract Amendment - Construction and Maintenance Agreement for the Rail Corridor Pedestrian Beach Trail**

MOTION BY COUNCILMEMBER ANDERSON, SECOND BY COUNCILMEMBER KNOBLOCK, CARRIED 5-0, to approve, and authorize the Mayor to execute, Amendment No. 1 to Contract C04-35, the Construction and Maintenance Agreement for Pedestrian Underpass at Mariposa, San Clemente Rail Corridor Pedestrian Beach Trail, San Clemente Beach Safety Enhancement Project, by and between the City of San Clemente and Southern California Regional Rail Authority.

ITEMS REMOVED FROM THE CONSENT CALENDAR FOR DISCUSSION

F. **Acceptance of the Calle Saluda, Avenida Talega and Vista Hermosa Bridges, Tract 16337, in the Talega Development**

In response to Council inquiry, City Attorney Oderman confirmed that City acceptance of the subject bridges would not cause the City to incur any liability for the personal injury accident that occurred during the construction of the Vista Hermosa bridge.

MOTION BY MAYOR PRO TEM DAHL, SECOND BY COUNCILMEMBER ANDERSON, CARRIED 4-0-1 (COUNCILMEMBER RITSCHER ABSTAINING), to:

1. Authorize the Mayor to execute the Indemnification Agreement in lieu of Notices of Completion for the improvements of the Calle Saluda, Avenida Talega and Vista Hermosa bridges. Contract C06-50
2. Adopt Resolution No. 06-71 entitled A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE, CALIFORNIA, AUTHORIZING THE ACCEPTANCE OF IMPROVEMENTS AND RELEASE OF IMPROVEMENT BONDS FOR THE CALLE SALUDA, AVENIDA TALEGA AND AVENIDA VISTA HERMOSA BRIDGES, TRACT 16337, IN THE TALEGA DEVELOPMENT, TALEGA ASSOCIATES, LLC.

G. Contract Award - Aeration System Replacement

Staff responded to Council inquiries relative to the need to replace the aeration system at this point in time, and advised that \$8 million will remain in the Sewer Depreciation Reserve after the project cost of \$1,820,000 is deducted.

MOTION BY MAYOR PRO TEM DAHL, SECOND BY COUNCILMEMBER ANDERSON, CARRIED 5-0, to:

1. Approve the plans and specifications for Aeration System Replacement, Project No. 15201.
2. Approve, and authorize the Mayor to execute, Contract C06-51 by and between the City of San Clemente and Stanek Constructors, Inc., providing for the Aeration System Replacement, Project No. 15201, in the amount of \$1,820,000.

K. Release of Improvement Performance Bond - Landscaping of Streetscapes and Slopes Adjacent to the Vista Del Mar Elementary School Site

MOTION BY COUNCILMEMBER ANDERSON, SECOND BY COUNCILMEMBER KNOBLOCK, CARRIED 4-0-1 (COUNCILMEMBER RITSCHER ABSTAINING), to adopt Resolution No. 06-74 entitled A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE, CALIFORNIA, AUTHORIZING THE RELEASE OF THE IMPROVEMENT PERFORMANCE BOND FOR STREETSCAPES AND SLOPES LANDSCAPE IMPROVEMENTS ADJACENT TO THE VISTA DEL MAR ELEMENTARY SCHOOL SITE IN THE TALEGA DEVELOPMENT.

O. **Exclusive Negotiation Agreement Between the City and LAB Holding, LLC**

Council discussed the fact that the proposed agreement provides that the developer shall pay to the City the value that the North Beach property will have in three to five months, as opposed to the value that the property will have in approximately three years when the City transfers the property to the developer with new zoning and entitlements.

During the course of discussion, City Attorney Oderman explained that Staff does not believe that the proposal represents a subsidy or reduction of the fair value of the City's property; opined that a developer would be unwilling to pay costs associated with entitling and increasing the value of the property, and then pay the City the increased value of the property.

MOTION BY COUNCILMEMBER ANDERSON, SECOND BY MAYOR PRO TEM DAHL, CARRIED 4-1 (COUNCILMEMBER KNOBLOCK VOTING NOE), to approve, and authorize the Mayor to execute, an Exclusive Negotiation Agreement between the City of San Clemente and LAB Holding, LLC, relating to development of City-owned property in North Beach. Contract C06-34

6. **PUBLIC HEARINGS**

A. **Historic Property Preservation Agreement 06-292, Redmond Residence - 201 Esplanade**

Public Hearing to consider a request by the property owners of 201 Esplanade to enter into a Mills Act agreement with the City of San Clemente. The Mills Act agreement ensures the proper maintenance of the historic resource, while potentially providing benefits to the property owner in the form of lower property taxes. The legal description of the subject property is Lot 25, Block 13 of Tract 822.

Principal Planner Pechous reviewed the contents of the Administrative Report and responded to Council inquiries.

Mayor Eggleston opened and closed the Public Hearing, there being no one desiring to speak to this issue.

MOTION BY COUNCILMEMBER KNOBLOCK, SECOND BY MAYOR PRO TEM DAHL, CARRIED 5-0, to adopt Resolution No. 06-75 entitled A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE, CALIFORNIA, APPROVING HISTORIC PROPERTY PRESERVATION AGREEMENT 06-292 FOR THE PROPERTY LOCATED AT 201 ESPLANADE. (Contract C97-86)

B. Tentative Tract Map 16984, Hedley Industrial Condominium Conversion - 216 Avenida Fabricante

Public Hearing to consider a request to allow a one-lot subdivision for ownership purposes of six multi-unit industrial buildings located within the Rancho San Clemente Specific Plan-Industrial Park, at 216 Avenida Fabricante, the legal description being Lot 7 of Tract 14609.

Associate Planner Gregg reviewed the contents of the Administrative Report.

Mayor Eggleston opened and closed the Public Hearing, there being no one desiring to speak to this issue.

MOTION BY COUNCILMEMBER KNOBLOCK, SECOND BY COUNCILMEMBER RITSCHER, CARRIED 5-0, to adopt Resolution No. 06-76 entitled A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE, CALIFORNIA, APPROVING TENTATIVE TRACT MAP 16984, A REQUEST TO ALLOW A CONDOMINIUM CONVERSION OF SIX PREVIOUSLY APPROVED MULTI-UNIT INDUSTRIAL BUILDINGS LOCATED WITHIN THE RANCHO SAN CLEMENTE SPECIFIC PLAN AND 216 AVENIDA FABRICANTE.

C. **Appeal of Sign Exception Permit 06-402, Marblehead Coastal 'Plaza San Clemente' Master Sign Program**

Public Hearing to consider an appeal of a previously denied application by Villa San Clemente, LLC, which would allow freeway-oriented signs and other signs on the Marblehead Coastal 'Plaza San Clemente' project that exceed the standards of the zoning code. Marblehead Coastal 'Plaza San Clemente' consists of approximately 642,584 square feet of commercial uses including a 120 to 130 room hotel, conference center, theater, restaurants and outlet retail uses. The 50.5-acre project site is located within the Marblehead Coastal Specific Plan-Commercial and is west of the San Diego Freeway (Interstate 5) and northeast of the intersection of Avenida Pico and the future extension of Avenida Vista Hermosa.

Contract Planner Nagel narrated a PowerPoint presentation entitled "Marblehead Coastal 'Plaza San Clemente' Master Sign Program" and responded to Council inquiries. A hard copy of Mr. Nagel's presentation, dated November 6, 2006, is on file with the City Clerk.

Community Development Director Holloway advised that Mr. Craig has stated that the Carlsbad Company Stores are successful without freeway-oriented signage because of characteristics unique to the Carlsbad site. Mr. Holloway then reviewed a chart entitled "Marblehead Coastal Signage", which is on file with the City Clerk, that compares characteristics associated with the Carlsbad and San Clemente locations.

Mayor Eggleston opened the Public Hearing.

Steve Craig, Applicant, introduced Rick Bass, Dr. Charles R. Taylor, Tim Paone and Louis Troiani, noting that they will address some of the Planning Commission's findings as well as some of the comments offered by Staff.

Rick Bass, President of Bass Associates, Inc., of Sarasota, Florida, stated that he was retained to offer an unbiased opinion concerning the Planning Commission's findings; stated that his analysis has been provided to Council; summarized the findings of his review, noting that 1) there is no data to indicate that on-site business signs create traffic hazards, 2) many studies have found that conspicuous signs aid in traffic flow, wayfinding, and accident reduction, and 3) studies show that signs impact businesses both positively and negatively; asserted that the signage that is proposed is

reasonable and appropriate for the size, scale and location of the center and is necessary for the center's economic viability.

Dr. Charles R. Taylor, Professor of Marketing at Villanova University and Immediate Past President of the American Academy of Advertising, reviewed his qualifications and noted that a copy of his report has been provided to Council; commented on the sales impact of signage and the special importance of signage to outlet malls; stressed that a wealth of evidence demonstrates that signage plays a vital role in the success of retail businesses; stated that there are four major functions of on-premise signs, i.e., 1) communicating the location of businesses; 2) reinforcing advertisements and other marketing communications; 3) branding the site, and 4) enhancing store image.

Tim Paone, land use attorney, commented that he submitted a letter to the City that outlines concerns about the Planning Commission's actions; stated that if the buildings faced the freeway instead of facing the interior of the center, this project would likely be the only project in the City that is denied traditional freeway signage; pointed out that the City's Specific Plan calls for a regional visitor-attracting and serving retail center that will generate significant sales tax revenue; opined that signage that only identifies "Plaza San Clemente" will prevent the City from achieving its objectives since the Center would only attract local persons who are familiar with the individual tenants; urged that Council not deny the subject project the same privilege that is afforded to others.

Louis Troiani, Design Architect, provided an overview of Plaza San Clemente's sign program, noting that the Applicant proposes freeway-oriented signage as well as 1.5 sq. ft. of sign area per lineal foot of building frontage; explained that reverse-channel signage is proposed to be located on the project's freeway elevation; noted the signs will be tied to a master control system that will turn the signs off two hours after the center closes; explained that the freeway-oriented signs will be limited to large, national name-brand tenants; commented that the Carlsbad center is half the size of the center proposed for San Clemente.

During the course of the presentation, Mr. Craig pointed out that 15% of Plaza San Clemente's patrons will come from San Clemente, with the other 85% coming from outside the City; stressed that signage is crucial to enable persons to find the center quickly and easily; suggested that inadequate signage will result in persons taking the wrong freeway offramp and then navigating community roads to locate the center; expressed willingness to consider signage alternatives, including the possibility of removing the approximate 14 tenant signs that are proposed to be parallel to I-5, and relocating those signs to two monument signs that would be situated perpendicular to the I-5.

Natalie McGinley, San Clemente, commented on the importance of honoring the history and feel of San Clemente's village character and asserted that modifications to the size and lighting of the signage are warranted.

Mimi Johnson, San Clemente, stated that she is the widow of Jim Johnson, the creator of the Marblehead Coastal project; commented that Mr. Johnson did not want a shopping center at the subject site because he could have made more money selling the lots for residences; explained that Mr. Johnson re-designed the project to include the shopping center in response to the City's desire for a shopping area to boost City revenues; commented on the importance of signage to help the center be successful; asserted that freeway-oriented signage has been permitted in other areas of the City and questioned why a higher burden would be imposed on Marblehead.

Lynn Sobel, San Clemente, pointed out that the Carlsbad outlet is successful without freeway visibility or signage; voiced concern that the proposed signage would mar the view of hundreds of San Clemente residents and the excess commercialization would negatively impact San Clemente's image as a destination city.

Jim Eckel, Board Member of the Downtown Business Association, opined that the proposed halo-designed signage would reduce the lighting impact while simultaneously enabling merchants to advertise their presence to I-5 travelers; opined that the Carlsbad Company Stores are successful without freeway-oriented signage because of its proximity to Legoland, Carlsbad Auto Mall and Carlsbad Flower Fields.

Shaylin Sanders, San Clemente resident, and employee of Craig Realty Group, stated that Plaza San Clemente proposes signage that is neither ugly nor gaudy, noting that the signage will include names and logos of brand name businesses; suggested that it would be preferable to view signage than a vacant center.

John Tengdin, San Clemente, voiced concern that the findings of the City's sign consultant and Staff recommendation are inconsistent with signage approved elsewhere in the City.

Sheila Kessler, San Clemente, acknowledged the importance of signage, but stressed that signage must be tasteful; urged Council to enforce aesthetic standards and preserve the City's image.

Dwayne Nagel, San Clemente, opined that adequate signage is necessary to attract shops and restaurants and help businesses succeed.

Kevin Mahan, San Clemente, asserted that the project will irrevocably change the character of San Clemente irrespective of signage; opined that the Plaza will resemble a prison from the freeway unless proper signage is included; suggested that signage will ameliorate the impact of the buildings.

Ron Salmon, San Clemente, stated he resides across the street from the proposed project; opined that the building signs will be lit continuously and voiced concern that the project will block 50% of his ocean view; opined that monument signs are sufficient.

Tom Levy, President of the Highland Light Gate and Maintenance Association, stated the Board of Directors voted to oppose any freeway signage at Plaza San Clemente; voiced concern that 1,500+ feet of building is proposed without significant landscaping.

Joe Rodacti, San Clemente, opined that it is Council's responsibility to uphold the sign ordinance absent a compelling reason to grant a variance; conveyed his understanding that neither an Environmental Impact Report or visual impact study has been submitted to the State Clearinghouse and ultimately to CalTrans.

Emily Torney, San Clemente, stated that she resides across the street from the proposed project; spoke in opposition to the proposed signage as it will take away her view and the views of others.

Bob Joseph, Chairman of San Clemente Citizens for Responsible Development, opined that the proposed signage constitutes corporate graffiti; stated the Specific Plan gives Council the discretion to determine where wall signs may be located; urged that signage be provided at the two ends of the development, via monument, tower or arch style, that says "Welcome to San Clemente Plaza - Enjoy fine dining, shopping and entertainment".

Ken Caresio, member of the Board of Directors of the Highland Light Gate and Maintenance Association, questioned whether the project would legally qualify for a sign variance; urged Council to deny the proposal.

Nick Mastroni, San Clemente, stated that his home looks down on the subject project and voiced concern that he will see logos as he looks at his ocean view.

Joe Campbell, Ruby's Diner franchisee and prospective tenant at the shopping center, stated that brand name signage on the outside of the center will contribute to foot traffic within the center, which in turn would benefit his business.

Jim Bevington, San Clemente, stated that Marblehead Inland residents are concerned with the project's mosque-like appearance; asserted that the proposed signage would contribute to the potential for accidents.

Karen Ahola, San Clemente, opined that the Planning Commission made a morally correct and legally sound decision; stated that the development would not be visible from her home, but her family and she will view the development regularly; urged that Council oppose the unprecedented signage request.

Mayor Eggleston announced that he received 35 speaker cards from persons who indicate that they do not wish to address Council, but are opposed to the project.

Leah McLemore, San Clemente, spoke in opposition to the proposed signage since it will negatively impact the City's village environment.

Lynda Mulligan, San Clemente, spoke on the need for sales tax revenue to support community amenities; stated that San Clemente has the opportunity to have the only outlet shopping center in Orange County; asserted that an outlet mall will help to put San Clemente on the map and establish it as a destination community; opined that the signage will be tasteful.

Alicia Hanson, San Clemente, opined that the proposed signage is not needed; stated that she accessed Craig Realty's website and learned that Craig Realty just purchased Billboard Video, which is an LED signage company.

Marina Goffredo, San Clemente, stated that the Shops at Mission Viejo do not identify each tenant on the exterior of the mall and yet persons know the stores that operate in the center; spoke in opposition to billboard signage that will span approximately one mile in length.

Kristi Kindred, San Clemente, urged that Council approve compromise signage so as to not jeopardize the center; stated that signage will financially benefit the City.

Chris Payne, San Clemente, spoke in support of the proposed signage due to his belief that the halo concept and proposed sizes are appropriate; urged that Council overturn the Planning Commission's action.

Kathy Armenteras, San Clemente, stated that she resides in Faire Harbor and urged Council to consider the 1,500 persons who live in Marblehead Inland.

Mike Burke, San Clemente, stated that he has been involved with the Marblehead project for many years but is speaking this evening as a private citizen; stated that the Plaza San Clemente project is located where it is because of the freeway and explained that he always expected that freeway-oriented signage would be provided; asserted that the signage is tasteful and will help make the center successful.

Juleann Murray, San Clemente, stated she resides in Faire Harbor and noted that the project will totally block her view; urged that Council keep signage to a minimum.

Craig Boden, San Clemente, opined that huge buildings without signage would be less attractive than buildings with signs.

Pete Fort, San Clemente, requested that Council ask Mr. Craig to provide an alternative plan.

Mimi Griffin, San Clemente, urged that Council not allow freeway-oriented signage to be placed on the back of buildings.

Bill Mills, ombudsman for the Coast Homeowners Association, urged that Council consider the project's neighbors; pointed out that the Carlsbad center was successful prior to the creation of Legoland.

Guy Gansel, San Clemente, opined that the proposed signage would detract from the quality of the community.

Casey Smith stated her mother is the Vice President and General Counsel of Craig Realty Group; spoke on the importance of signage.

Don Mineo, San Clemente, spoke on the impact that the project will have on his view from Faire Harbor; urged that Council oppose the sign variance.

Skip Ziccardi stated that he is a past resident of San Clemente and is the Marblehead Coastal hotel developer; spoke on the importance of signage to help persons find the hotel; commented on the synergy associated with successful businesses.

Tim Pert, San Clemente, commented on San Clemente's unique charm and urged that Council oppose the signage program; voiced concern that granting a sign variance would set a precedent.

Ed Beyer, San Clemente, voiced concern with the mosque-like appearance of some of the project's towers.

Steve Craig, Applicant, conveyed his respect for the persons who reside in Marblehead Inland and noted that things can be done to mitigate impacts from the project (e.g., turning off signage and business lights); reiterated willingness to explore the possibility of adding two additional monument signs that will not be visible from Marblehead Inland and eliminating the 14 tenant or retail signs that parallel the freeway; explained that the view simulations displayed this evening do not reflect the quality of the architecture; responded to Council inquiries.

There being no others desiring to speak to this issue, the Public Hearing was closed.

MEETING RECESSED

Council recessed at 10:50 p.m. and reconvened at 11:02 p.m., with all members present.

MOTION BY MAYOR PRO TEM DAHL, SECOND BY COUNCILMEMBER KNOBLOCK, CARRIED 5-0, to continue the meeting past 11:00 p.m.

Following discussion and clarifications, MOTION BY COUNCILMEMBER ANDERSON, SECOND BY MAYOR PRO TEM DAHL, CARRIED 5-0, to re-open and continue the Public Hearing to the Council meeting of January 23, 2007. Additionally, Council established a task force, consisting of two Planning Commissioners (to be appointed by the Planning Commission), Mayor Eggleston, Councilmember Knoblock and Staff, for the purpose of analyzing signage alternatives, including the perpendicular signage concept. The task force is to involve the public in workshop meetings. The task force's report is to be submitted directly to Council, as opposed to being processed through the Planning Commission.

7. **UNFINISHED BUSINESS**

A. **Contract Amendment - La Pata/Vista Hermosa Community Park Design Services**

Report from the Beaches, Parks and Recreation Director concerning an amendment to the Professional Services Agreement with David Volz Design (DVD) relative to design services for the La Pata/Vista Hermosa Community Park.

MOTION BY COUNCILMEMBER KNOBLOCK, SECOND BY COUNCILMEMBER ANDERSON, CARRIED 5-0, to:

1. Approve, and authorize the Mayor to execute, Amendment No. 1 to Contract C05-62 by and between the City of San Clemente and David Volz Design (DVD), pertaining to the design of the La Pata/Vista Hermosa Community Park, in the amount of \$317,145.
2. Authorize the expenditure of project funds and issuance of a Notice to Proceed to DVD for the completion of construction documents.

8. **NEW BUSINESS**

A. **Draft Work Program to Evaluate Open Space Policy**

Report from the Community Development Director concerning a draft work program to evaluate the City's open space policy.

Council noted that the purpose of this agenda item is to review the process for evaluating the City's open space policy and not to consider the merits or demerits of the Pacific Golf Club's development application.

City Planner Buell reviewed the contents of the Administrative Report and responded to Council inquiries.

Mark McGuire, on behalf of the Applicant, requested the opportunity to present the Pacific Golf Club's specific proposal to save and upgrade 18 holes of the 27-hole golf course and provide over \$20 million for parks, schools and community facilities; summarized the project's design review, noting that the Design Review Sub-Committee (DRSC) reviewed and

provided comments on the initial submittal; explained that the Applicant returned to the DRSC with a revised project, but the DRSC then indicated that it was not comfortable acting on the project because of the large policy question that remained to be addressed; advised that the DRSC felt that the project should be submitted to the Planning Commission and then to the Council, but the Applicant felt that it needed to know the kind of project that could be developed before presenting what the project could offer in terms of parks and community facilities; advised that the Applicant then worked with Staff to revise the project, noting that the number of units has been reduced from 381 to 316; explained that financial and golf course design analyses have been conducted; stressed that the Pacific Golf Club is running out of time and requested that it be allowed to proceed to the Planning Commission.

Michael Rosenfeld, on behalf of the Pacific Golf Club, reviewed the history of the project; stated that the Pacific Golf Club acquired the property in bankruptcy from the prior owner in an effort to turn the property around; stated that while proceeding through the rigorous demands of the development process, the Applicant has been going through bankruptcy proceedings at the will of the court; stated that time is running out and the Applicant may lose the opportunity to provide significant public benefits; stated that substantial design and density reduction changes have been made to the proposal; explained that the Applicant is under pressure since the court has indicated that it would be disinclined to grant further extensions; stressed the importance of demonstrating to the court that hearings are imminent in order to avoid a forced liquidation.

It was the consensus of Council that the Design Review Subcommittee should review the revised Pacific Golf Club project prior to the project being submitted to the Planning Commission.

City Attorney Oderman stated that his office would be willing to work with Planning staff and sign a declaration for the court that explains the City's development process and associated timeline.

MOTION BY COUNCILMEMBER ANDERSON, SECOND BY MAYOR PRO TEM DAHL, CARRIED 5-0, to:

1. Direct the City Manager to place the Open Space Study on the list for consideration during the 2006-2007 Vital Few Priority process.
2. Direct Staff to continue processing the Pacific Golf and Country Club application to the Council for approval or denial.
3. Request that the Pacific Golf and Country Club application be scheduled for Planning Commission consideration by its second meeting in December, 2006.

9. **ORAL COMMUNICATIONS (PART TWO)**

None.

10. **REPORTS**

A. **Commissions and Committees**

None.

B. **City Manager**

(1) **Presentation of the FY 2005-06 4th Quarter Financial Report.**

This item was deferred to the Council Meeting of November 21, 2006.

(2) **Presentation of Fiscal State of the City Report.**

This item was deferred to the Council Meeting of November 21, 2006.

(3) **Consideration of Rescheduling the Long Term Financial Plan Workshop and Vital Few Priority Workshop**

MOTION BY COUNCILMEMBER KNOBLOCK, SECOND BY COUNCILMEMBER ANDERSON, CARRIED 5-0, to reschedule the Long Term Financial Plan Workshop from February 27, 2007 to February 22, 2007 and the Vital Few Priority Workshop from March 15, 2007 to February 27, 2007.

C. **City Attorney**

None.

D. **Council Members**

(1) **Consideration of Council Position on Orange County Division, California League of Cities Issues.**

Councilmember Ritschel reported that the City Selection Committee will meet on November 9, 2006, noting that the OCTA's 5th District seats are up for selection.

Mayor Eggleston advised that he is unable to attend the November 9, 2006 meeting. Either Councilmember Anderson or Councilmember Ritschel will vote on San Clemente's behalf. No objections were voiced to the intention to vote for Paul Glaab for the OCTA Board of Directors (5th District seat).

(2) **Consideration of Council Position on Legislative Issues.**

None.

(3) **Orange County Fire Authority Status Update.**

None.

(4) **San Clemente-Dana Point Animal Services Authority.**

Mayor Pro Tem Dahl expressed gratitude to the volunteers, staff and veterinarians of the San Clemente-Dana Point Animal Shelter.

(5) **Transportation Corridor Agencies Status Report.**

None.

(6) **Councilmember Items.**

Hunger Walk

Councilmember Anderson reported on his participation in the recent Hunger Walk; noted that over \$25,000 was raised.

Assistance League of Capistrano Valley's Home Tour 2006

Mayor Eggleston advised that the Assistance League of Capistrano Valley's Home Tour 2006 will take place on December 3, 2006 from 11:00 a.m. to 5:00 p.m.

Roller Hockey Facility - Request for City Financial Assistance

Council requested that the Parks and Recreation Commission expeditiously review and provide a recommendation to Council relative to the Beach Cities Hockey Foundation's request for financial aid to assist in paying its lease.

Downtown Business Association

Council noted that the Downtown Business Association's Property-Based Improvement District (PBID) is on hold; requested that the issue be agendaized so that Council can become apprised of the status of the Main Street Program, review the budget for the program, determine whether funding should be continued, and receive an accounting of past City funding contributions to the DBA.

11. **RESOLUTIONS/ORDINANCES**

None.

12. **ADJOURNMENT**

MOTION BY COUNCILMEMBER KNOBLOCK, SECOND BY COUNCILMEMBER RITSCHER, CARRIED 5-0, to adjourn at 12:20 a.m., in memory of the five firefighters who perished in the Esperanza fire. The next Regular Meeting will be held on November 21, 2006 in the Council Chambers, located at 100 Avenida Presidio, San Clemente, California. Closed Session items will be discussed at 6:00 p.m. The General Session will begin at 7:00 p.m.

CITY CLERK of the City of
San Clemente, California

MAYOR of the City of
San Clemente, California