

**MINUTES OF THE REGULAR MEETING
OF THE CITY COUNCIL OF THE CITY OF
SANTA ANA, CALIFORNIA**

JUNE 17, 2014

CLOSED SESSION MEETING

CALLED TO ORDER

COUNCIL CHAMBER
22 CIVIC CENTER PLAZA
SANTA ANA, CA
5:16 P.M.

ATTENDANCE

COUNCILMEMBERS Present:
ANGELICA AMEZCUA
P. DAVID BENAVIDES
MICHELE MARTINEZ
ROMAN A. REYNA (5:40 p.m.)
VINCENT F. SARMIENTO

COUNCILMEMBERS Absent:
MIGUEL A. PULIDO, Mayor
SAL TINAJERO, Mayor Pro Tem

STAFF Present:
DAVID CAVAZOS, City Manager
SONIA R. CARVALHO, City Attorney
MARIA D. HUIZAR, Clerk of the Council

Quorum was established thru presence of Councilmembers Amezcua, Benavides, Martinez, and Sarmiento.

MOTION: Elect Councilmember Amezcua as Chair (pursuant to SAMC 2-101 due to unavailability of Mayor and Mayor Pro Tem).

MOTION: Benavides **SECOND:** Martinez

VOTE: **AYES:** Amezcua, Benavides, Martinez, and Sarmiento (4)

NOES: None (0)

ABSTAIN: None (0)

ABSENT: Pulido, Reyna and Tinajero (3)

PUBLIC COMMENTS

- Steve McGuigan request City Council discuss the Centennial Park real property matter in open session.

COUNCIL RECESSED to Room 147 for Closed Session discussion at 5:18 p.m.

CLOSED SESSION ITEM - The Brown Act permits legislative bodies to discuss certain matters without members of the public present. The City Council finds, based on advice from the City Attorney, that discussion in open session of the following matters will prejudice the position of the City in existing and anticipated litigation:

1. THREAT TO PUBLIC SERVICES OR FACILITIES – Pursuant to Government Code section 54957.

Consultation with: Santa Ana Police Department, Police Chief Rojas

CLOSED SESSION REPORT – See Item 19A. for any reportable actions.

ADJOURNED THE CLOSED SESSION MEETING AT 5:55 P.M. AND CONVENE TO THE REGULAR OPEN MEETING

REGULAR OPEN SESSION

CALLED TO ORDER

COUNCIL CHAMBER
22 CIVIC CENTER PLAZA
SANTA ANA, CA
6:09 P.M.

ATTENDANCE

COUNCILMEMBERS Present:
MIGUEL A. PULIDO, Mayor (6:20 p.m.)
ANGELICA AMEZCUA
P. DAVID BENAVIDES
MICHELE MARTINEZ
ROMAN A. REYNA
VINCENT F. SARMIENTO
COUNCILMEMBERS Absent:
SAL TINAJERO, Mayor Pro Tem (6:46 p.m.)

STAFF Present:
DAVID CAVAZOS, City Manager
SONIA R. CARVALHO, City Attorney
MARIA D. HUIZAR, Clerk of the Council

INVOCATION

DAVE MITCHELL, POLICE CHAPLAIN

PLEDGE OF ALLEGIANCE

WENDY RIOS

PRESENTATIONS

1. **SPECIAL PRESENTATION** by Neal Kelley, Orange County Registrar of Voters "Santa Ana Elections and Registration".
2. **PROCLAMATION** presented by MAYOR PULIDO to Frank Talarico for his exemplary citizen participation and service to the Santa Ana community.
3. **PROCLAMATION** presented by MAYOR PULIDO declaring Santa Ana as a Purple Heart City.
4. **CERTIFICATE OF RECOGNITION** presented by COUNCILMEMBER BENAVIDES to Civic Restaurant in recognition of its recent grand opening and success as a new restaurant.

5. CERTIFICATES OF RECOGNITION presented by COUNCILMEMBER REYNA to the following parents who were recognized at the Santa Ana Unified School District's Annual Parent of the Year Celebration:

- Christina Aguilera
- Bertha Alvizo
- Janie Anderson
- Mónica Apolonio
- María Arce
- María Arroyo
- María Baeza
- Mark Bausman
- Celina Castro
- Gloria Correa
- María De La Torre
- Ramona Escalera
- Maria Angélica Flores
- Carmen Franco
- Angela Galván
- Alejandra Garcia
- Maria Garcia
- Monica Garcia
- Verenice Godoy
- Angélica González
- Maria Hernández
- Martha Alicia Hernández
- Alejandro Molina
- Honorina Pineda
- Catalina Iniestra
- Elizabeth Jaimes
- Silvia Jimenez
- Blanca Landín
- Ellen Leyva
- Liliana López
- MyLien Luong
- Maria Marin
- Adriana Martin Del Campo
- Maria Mejia
- Rocio Mendoza
- Teresa Mendoza
- Angélica Montiel Oropeza
- Elvia Muñoz
- Asunción Murillo De Pintor
- Leticia Ornelas
- John Palacio
- Esperanza Parra
- Mónica Pluma
- Sugey Quiñonez
- Leon Raya
- Maribel Reyes
- Selene Romero
- Margarita Rubio
- Isidra Salinas
- Maria Eufemia Sánchez
- Carmen Serrano
- Yasmin Solis
- Silvia Taboada
- Ramon Tejada
- Verónica Torres
- Guadalupe Verduzco
- Adriana Villegas
- Claudia Villegas
- Norma Viramontes
- Juanita Zambrano

*Pursuant to Government Code Section 54953(b), Mayor Pro Tem Tinajero participated in a portion of the meeting via teleconference from Holiday Inn Country Club Plaza, 1 East 45th Street, Kansas City, MO 64111 at 6:46 p.m.. The Agenda for said meeting was posted at said location as required by the Brown Act.

RESOLUTION (AGENDA ITEM TAKEN OUT OF ORDER)

55D. SUBMISSION TO THE VOTERS AT THE NOVEMBER 4, 2014 MUNICIPAL ELECTION: CITY OF SANTA ANA MEDICAL MARIJUANA REGULATION AND LIMITATION INITIATIVE - Planning and Building Agency

The following speakers addressed the City Council on the matter:

- John Grace, representative of OC Norml and resident of the City of Huntington Beach, concerned that proposed City initiative would only allow 12 dispensaries in the City; opined that Measure overly

restrictive; noted that City of Laguna Woods approved similar ordinance, but due to zoning regulations has not been able to implement.

- Steve McGuigan, thanked the City for proposing to regulate businesses; concerned with health and safety issues as well as secondary smoke effects; opined that alternatives available to patients seeking relief; City to contact non-profit and health industries before finalizing ordinance; urge all to work and listen to resident's concerns.
- Debbie Tharp, concede time to Sean Donahoe.
- Kandice Hawes, principal officer of Political Action Committee that drafted voter initiative; does not support City initiative as proposed; patients and non-profits should be included in discussion; request time extension for pragmatic deliberation of matter; proposed City peel back some regulations and expand the zones to collect revenue needed to enforce.
- Sean Donahoe, principal officer of the California Cannabis Industry Association, most operative legislation is SB1262 (Correa), noted that staff report out of date because it does not include State agencies drafting regulations; looking for better regulated industry and revenue targets.
- Douglas Lenphere, patients advocate in the City of Palm Springs, urge groups to participate in crafting ordinance; safe and affordable access to medical marijuana; concerned that proposed ordinance will be litigated.
- Vern Nelson, representative of Orange County Juice blog, request City include stakeholders in amending ordinance; commented on testing process and reconsider testing language.
- Robin Cook, opined that drug dealers should not be allowed in the City.
- Marla James, advocate for disabled and seriously ill, presented letter from Matthew Pappas Attorney at Law, opined that proposed ordinance violates the 4th and 5th amendment of the constitution and intend to contest.
- David James, resident of the City of Huntington Beach, spoke on behalf of disabled patients; concerned with interpretation of legislation; should be allowed in commercial area too.
- Salvador Hernandez, concerned that surrounding area has over concentration of dispensaries near his home; opposed to legalizing medical marijuana.
- Thomas Gordon, commented that medical marijuana is to be used for medical reasons; "No" on legalizing for profit drug sale; urged all to take strong stand to protect our neighborhood and children.
- Sean Donahoe, Association working with Senator Correa; Bill proposed at the State level in contrast with City proposed initiative; state level enforcement agency considered at the federal level.

- Paul Lucas, suffers from several illnesses, cannabis provides relief to symptoms; businesses should be allowed where other prescriptions allowed.

Councilmember Martinez, commented that issue being considered at the State and Federal level; over regulations are over intuitive and counterproductive; protect quality of life for all; concerned with proposed ordinance, if approved by majority would like to incorporate additional regulations: expand zones and enforcement plan; proposal is zoning and land use issue thus code enforcement to address operations, City to spend significant amount of money addressing illegal store fronts.

City Attorney Carvalho, noted that proposed ordinance includes two reservations of rights, including power to regulate in case ordinance is inconsistent with State law or judicial decisions that made proposed ordinance inconsistent; also in area of taxation – recommend establishment of taxation at 10% but authorize staff to set fee at 5% - reserve right to change the tax up to 10%; it is possible for the City Council to reserve all rights, but must be adopted by City Council before voters decide.

Councilmember Martinez, proposed addition of sunset clause of 2-5 years, conditional use permit and public safety permit with semi-annual renewal; and remove the cap on number of establishments allowed since separation clause included in proposed ordinance.

Councilmember Sarmiento, thanked colleagues for having discussion on matter; City approved moratorium about 6 years ago; noted that State allows medical marijuana while the Federal government has not taken position on regulation; City has Voter Initiative Petition that has qualified for the (November 2014) ballot and if approved City subject to mandates; City proposing competing measure to give voters ability to consider options; opined that if City over regulates can be de-facto ban; city resources have not been allocated to enforcement; revenue generated through proposed measure will provide City ability to better enforce; suggest City broaden zones, hours of operation to be consistent with City's inspections; fine cap should be at least \$1,000 per violation to be deterrent, not for recreational users, medical purposes only; sunset clause should be included; also, annual review including conditional use permits.

Councilmember Amezcua, supports establishment of conditional use permit, annual permit and sunset at 5 years; include language that allows the City Council to regulate.

Councilmember Reyna, reflected on medical purposes, however some unknowns, request continuation of matter to consider issues raised.

Councilmember Benavides, City to be cautious in moving forward; asked what is net benefit to the City and residents; threat to quality of life and public safety; difficult to enforce and close illegal dispensaries. Asked City Attorney to clarify medical marijuana vs. dispensaries.

City Attorney Carvalho noted that City has moratorium on dispensaries not medical marijuana; users have immunity if have qualified cards; State law does not allow dispensaries; hospitals and clinics are able to dispense under existing State regulations and existing City moratorium.

City Manager Cavazos noted that code enforcement and legal department managing cases, more robust program if additional funds appropriated; needs to be City Council priority.

Councilmember Benavides recapped City options as presented at the previous City Council meeting; recommend City voter approved ban; asked if proposed ordinance is full proof to litigation and what are threats and can future measures be considered even after voters consider proposal(s) in November (2014).

City Attorney Carvalho, noted that City may propose future measures for voter consideration unless a measure fails then cannot be re-considered for one-year after election; also, on litigation exposure City has balanced regulation and pending cases; City venturing into new territory; outright ban is more defensible.

Councilmember Benavides, concerned with signature collection practice.

Mayor Pro Tem Tinajero commented that City could spend large amount of money enforcing current businesses; supports dispensaries in industrial areas; supports City proposal; voters to decide; support continuance of matter to allow staff analyze issues discussed.

Mayor Pulido opined that lack of enforcement has allowed businesses to propagate; asked staff what can be done with the proposed \$1 million in revenue.

City Attorney Carvalho speculates that proliferation may have started when advocates circulated petition, since it would grandfather existing businesses.

City Manager Cavazos suggested that revenue could augment staff in Code Enforcement (5 staff members), an Assistant City Attorney and a Police Officer.

Councilmember Martinez concerned with lack of police enforcement; staff to present Enforcement Action Plan.

Mayor Pulido, City to avoid unintended consequences; businesses away from neighborhoods; asked Planning Interim Director Haluza if zoning could be more flexible.

Interim Director Haluza suggested that 24 dispensaries may be possible if separation distance relaxed to 500 ft. and continue in industrial areas; Enforcement Plan important and forthcoming; proposing multi-prong approach.

Mayor Pulido proposed that revenue generated be used for enforcement purposes; recommend a 2-week continuance.

Councilmember Martinez, asked Police Chief to discuss crime relative to dispensaries. Police Chief Rojas noted that Police Department has responded to robberies, burglaries, trespassing, and loitering; cash based businesses.

Mayor Pro Tem Tinajero noted that eradication of existing illegal businesses will require additional resources; policy direction by the City Council needed; need option for voters to consider; proposed measure allows City Council to amend regulations as needed.

Councilmember Sarmiento, clear direction to be given to staff; policing includes prosecution, code enforcement and police enforcement working collectively; propose separation be reduced from 1,000 to 500 feet; need City resources to reduce illegal elements that provide drugs to our children and keep off the streets; balance needed.

Councilmember Amezcua need to know what city resources needed to effectively enforce.

Councilmember Reyna asked if matter could be continued to the July 1 City Council meeting.

Councilmember Benavides asked if City could propose a ban for voters to consider; all viable recommendation to be presented and staff to work collectively and receive direction from City Manager; concerned that no enforcement plan in place. City Attorney Carvalho indicated that it would be allowed; measure with highest votes prevails.

Mayor Pro Tem Tinajero noted that council majority need to give direction to staff to prepare any other competing measures; supports continuance of matter.

City Manager Cavazos requested clarification on council direction as it relates to funding.

Councilmember Benavides' position is to submit a ban for voters to consider; recognize that enforcement issues exist today; City Manager to present options.

Councilmember Sarmiento asked Police Chief if resources help address drug access problem. Police Chief agreed. City Manager requested direction from majority to identify funds for Plan.

Mayor Pulido summarized that amendments include following options: reduce separation to 500 feet to allow more flexibility, increase number of dispensaries, bring back ideas on what services the increased revenue would provide, staff to analyze proposals for council consideration; elected official tasked with making good decisions for community.

City Attorney Carvalho requested clarification on following areas: should they be allowed in more zones (Councilmember Sarmiento withdrew comment to just reduce separation to 500 feet); adopt additional public safety permit as well as a conditional use permit (Councilmember Martinez affirmed that public safety review needed); include a sunset clause and /or keep reservation clause (Councilmember Amezcua suggest both be included); and whether to include Enforcement Plan funding independent of the ordinance (Mayor Pulido noted that it should be separate discussion).

City Manager suggested that Enforcement Plan will be contingent upon factions after measure approved. Councilmember Martinez commented that hiring of additional staff takes 6-12 months.

Councilmember Benavides requested clarification on sunset and renewal options; proposed work study session.

MOTION: Continue consideration of matter to the July 1, 2014 City Council Meeting.

MOTION: Sarmiento

SECOND: Martinez

VOTE: AYES: Amezcua, Benavides, Pulido, Martinez, Reyna, Sarmiento, Tinajero (7)

NOES: None (0)

ABSTAIN: None (0)

ABSENT: None (0)

* Mayor Pro Tem Tinajero ended the teleconference meeting at 9:10 p.m.

CLOSED SESSION REPORT -- There were no reportable actions.

PUBLIC COMMENT

- Samuel Romero, spoke on Agenda Item 75A, concerned with height of proposed project; took offense to some of the comments made at the Planning Commission meeting.
- John Raya, TKO Boxing, celebrating 20 year anniversary, invited all to attend scholarship event at Original Mikes on Sunday, July 13th at 1 p.m.
- Miriam Hernandez, representing Victory Outreach Santa Ana, supports the City's proposed emergency ordinance to extend operating hours of firework stands (Agenda Item 50A).
- Angel Aguilar, representing Victory Outreach, supports staff recommendation of Agenda Item 50A.
- Ramon Hernandez, President of the Pico Lowell Neighborhood Association, have produce vending trucks that dispense medical marijuana; concerned with unregulated produce trucks; suggested a task force to address issues; have taken pictures and contacted code enforcement and county officials.
- Kathy Raphael, spoke on hoarding issues that came to light after Rita Corpin passed away; shared facts on hoarding and mental issues; suggested mental health industry help address homeless and domestic abuse that often leads to hoarding
- Steve McGuigan, invited all to Summer Concert Series at the Zoo, visit curated art exhibit; and Fourth of July event at Centennial Park.
- Rick Niedermeyer, spoke in support of extending hour of operations of firework stands on July 4th (Agenda Item 50A); and spoke in opposition to agenda Item 25C - will impact parking spaces.
 - Councilmember Sarmiento commented on Agenda Item 25C, request City mitigate impacts since regional project will benefit many; also, supports City sponsored 4th of July event.

CONSENT CALENDAR ITEMS

MOTION: Approve Consent Calendar Items 10A through 31C as recommended by staff, with the following modifications:

- Councilmember Sarmiento abstained on Agenda 25J due to Campaign contribution donation.
- Councilmember Benavides pulled Agenda Item 25C for separate discussion;
- Councilmember Martinez pulled Agenda Item 25K for separate discussion;
- Mayor Pulido pulled Agenda Item 20B for separate discussion; and
- Councilmember Reyna pulled Agenda Item 31B for separate discussion.

MOTION: Martinez

SECOND: Amezcu

VOTE: **AYES:** Amezcuca, Benavides, Pulido, Martinez, Reyna, Sarmiento (6)

NOES: None (0)

ABSTAIN: None (0)

ABSENT: Tinajero (1)

Items removed for separate action or modified are highlighted. Separate actions show the actual vote. Items without votes are adopted as part of the consent motion.

ADMINISTRATIVE MATTERS

MINUTES

10A. MINUTES FROM THE REGULAR OPEN MEETING OF JUNE 3, 2014 - Clerk of the Council Office

MOTION: Approve Minutes.

ORDINANCES/SECOND READING

In the event a Councilmember recorded an "abstention" before consideration of the following ordinance(s) on first reading, such abstention will also be reflected in the minutes for second reading.

11A. SECOND READING ORDINANCE - ORDINANCE REPEALING SANTA ANA MUNICIPAL CODE CHAPTER 10, ARTICLE XII, PERTAINING TO PROXIMITY RESTRICTIONS FOR REGISTERED SEX OFFENDERS TO CHILDREN'S FACILITIES - City Attorney's Office

Placed on first reading at the June 3, 2014 City Council meeting and approved by a vote of 5-0 (Martinez and Sarmiento absent).

Published in the Orange County Reporter on June 6, 2014.

MOTION: Place ordinance on second reading and adopt.

ORDINANCE NO. NS-2862 - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA ANA REPEALING CHAPTER 10, ARTICLE XII OF THE SANTA ANA MUNICIPAL CODE PERTAINING TO PROXIMITY OF REGISTERED SEX OFFENDERS TO CHILDREN'S FACILITIES

- 11B. ORDINANCE SECOND READING: REZONING THE TOWN AND COUNTRY MANOR PROPERTY LOCATED AT 555 EAST MEMORY LANE FROM SUBURBAN APARTMENT (R-4) TO SPECIFIC DEVELOPMENT NO. 87 (SD-87) (AA NO. 2014-01) AND ADOPTING SPECIFIC DEVELOPMENT NO. 87 (SD-87) - Planning and Building Agency

Placed on first reading at the June 3, 2014 City Council meeting and approved by a vote of 5-0 (Martinez and Sarmiento absent).

Published in the Orange County Reporter on June 6, 2014.

MOTION: Place ordinance on second reading and adopt.

ORDINANCE NO. NS-2863 - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA ANA REZONING THE TOWN AND COUNTRY MANOR PROPERTY LOCATED AT 555 EAST MEMORY LANE FROM SUBURBAN APARTMENT (R-4) TO SPECIFIC DEVELOPMENT NO. 87 (SD-87) (AA NO. 2014-01) AND ADOPTING SPECIFIC DEVELOPMENT NO. 87 (SD-87) FOR SAID PROPERTY

MISCELLANEOUS ADMINISTRATION

- 19A. CONFIRMATION OF CLOSED SESSION ACTION(S) – None
- 19B. EXCUSED ABSENCES – None

BUDGETARY MATTERS

APPROPRIATION ADJUSTMENTS

- 20A. AGREEMENT AND APPROPRIATION ADJUSTMENT FOR PARKING ENFORCEMENT SERVICES - Police Department

MOTION:

- 1. AGMT NO. 2014-134 - Authorize the City Manager and Clerk of the Council to execute a two-year agreement amendment with Central Parking Systems, Inc. terminating on June 30, 2016, in an amount not to exceed \$1,401,730, subject to non-substantive changes approved by the City Manager and City Attorney.**
- 2. Approve an appropriation adjustment. (*Requires five affirmative votes*)**

APPROPRIATION ADJUSTMENT NO. 2015-02 – recognizing \$480,000 in the Parking Fines revenue account and appropriating same to the Traffic Division Contract Services expenditure account and the General Fund Non-Departmental Reserve Appropriation account.

20B. AGREEMENTS AND APPROPRIATION ADJUSTMENT FOR LED STREETLIGHT IMPROVEMENTS - Public Works Agency

Mayor Pulido, pleased with City’s green efforts, less energy and cost efficient. Councilmember Martinez asked about long term sustainability.

MOTION:

1. Authorize the City Manager and Clerk of the Council to execute the following agreements, subject to non-substantive changes approved by the City Manager and City Attorney:

- AGMT NO. 2014-135 - Amend the Agreement with Powerlux Corporation to provide an additional 231 LED Post Ttop streetlights for an amount not to exceed \$78,506.
- AGMT NO. 2014-136 - Execute an agreement with California Professional Engineering, Inc., to rewire existing high-voltage streetlight system and install LED post top fixtures for an amount not to exceed \$532,450.
- AGMT NO. 2014-137 - Execute and agreement with Southern California Edison to provide funding through On-Bill Financing for the LED streetlights.

2. Approve an appropriation adjustment. (Requires five affirmative votes).

APPROPRIATION ADJUSTMENT NO. 2015-03 - Recognizing up to \$230,000 in funding from Southern California Edison into the SCE Energy Efficient Street Lighting revenue account, and appropriating the same amount to SCE Energy Efficient Street Lighting expenditure account for the installation of LED streetlights.

MOTION: Pulido

SECOND: Martinez

VOTE: AYES:

Amezcuca, Benavides, Pulido, Martinez, Reyna, Sarmiento (6)

NOES:

None (0)

ABSTAIN: None (0)

ABSENT: Tinajero (1)

SPECIFICATIONS – PURCHASE OF EQUIPMENT AND SERVICES

22A. SPEC. NO. 14-021 - JANITORIAL SERVICES - Finance & Management Services

MOTION: Award a contract to Commercial Cleaning Systems for a three-year period in an annual amount of \$457,000, with provisions for two one-year renewals exercisable by the City Manager, subject to non-substantive changes approved by the City Manager and City Attorney.

22B. SPEC NO. 14-030 – SOFTWARE VMWARE MAINTENANCE AND SUPPORT SERVICES - Finance & Management Services

MOTION: Award a contract to KIS Computer Center for the purchase of a VMware Maintenance Support Contract in an amount not to exceed \$42,000, subject to non-substantive changes approved by the City Manager and City Attorney.

PROJECTS/CHANGE ORDERS

23A. CONTRACT AWARD FOR GRAND AVENUE IMPROVEMENTS AND WIDENING FROM FIRST STREET TO FOURTH STREET AND GRAND AVENUE STORM DRAIN FROM FIRST STREET TO FOURTH STREET (PROJECT NOS. 081732 & 126604) - Public Works Agency

MOTION:

1. Award a contract to Excel Paving Company, the lowest responsible bidder, in accordance with unit bid prices, totaling \$3,179,058.24, for the construction of the Grand Avenue Widening from First Street to Fourth Street and Grand Avenue Storm Drain from First Street to Fourth Street.
2. Approve the Cost Analysis for a total estimated project delivery cost of \$3,933,432.39.
3. Authorize a payment to Southern California Edison not to exceed \$49,400 as payment for the installation of new street lights on Grand Avenue from First Street to Fourth Street.

23B. CONTRACT AWARD FOR LOCAL STREETS RESURFACING USING TIRE RUBBER MODIFIED SLURRY (PROJECT NO. 136787) - Public Works Agency

MOTION:

1. Award a contract to the lowest responsible bidder, Roy Allan Slurry Seal, Inc., in accordance with the Base Bid and Alternate A, totaling \$961,074.50, for construction of the Local Streets Resurfacing using Tire Rubber Modified Slurry.
2. Approve the Cost Analysis for a total estimated project delivery cost of \$1,300,000.

23C. CONTRACT AWARD FOR LOCAL STREETS RESURFACING USING RUBBERIZED EMULSION AGGREGATE SLURRY (PROJECT NO. 146812) - Public Works Agency

MOTION:

1. Award a contract to the lowest responsible bidder, All American Asphalt, in accordance with the Base Bid, totaling \$1,091,344, for the construction of the Local Streets Resurfacing using Rubberized Emulsion Aggregate Slurry.
2. Approve the Cost Analysis for a total estimated project delivery cost of \$1,300,000.

AGREEMENTS

25A. AGMT NO. 2014-138 - LIBRARY AUTOMATION SYSTEM (DATABASE SUBSCRIPTION AND MAINTENANCE SERVICES) - Parks, Recreation & Community Services Agency

MOTION: Authorize the City Manager and the Clerk of the Council to execute an agreement with The Library Corporation, Inc. in an amount not to exceed \$112,739 for a three-year term ending June 16, 2017, subject to non-substantive changes approved by the City Manager and City Attorney.

25B. AGMT NO. 2014-139 - 2014-2015 SENIOR MEALS PROGRAM - Parks, Recreation & Community Services Agency and Community Development Agency

MOTION: Authorize the City Manager and Clerk of the Council to execute an agreement with Community SeniorServ, Inc. in an amount of \$77,398 to be expended by sub-recipient on or before June 30, 2015, subject to non-substantive changes approved by the City Manager and City Attorney.

25C AGMT NO. 2014-140 - MEMORANDUM OF UNDERSTANDING FOR WATER INJECTION WELLS AT CENTENNIAL PARK - Parks, Recreation & Community Services Agency

Councilmember Benavides staff to evaluate the road improvements being made and to determine if the one-time road improvements can be continually maintained.

Councilmember Sarmiento, staff to work with the Orange County Water District and the School District to look at utilizing the parking structure at Centennial Park for temporary parking during construction.

MOTION: Authorize the City Manager and Clerk of the Council to execute a Memorandum of Understanding with the Orange County Water District, subject to non-substantive changes approved by the City Manager and City Attorney.

MOTION: Benavides

SECOND: Amezcua

VOTE: AYES:

Amezcua, Benavides, Pulido, Martinez, Reyna, Sarmiento (6)

NOES:

None (0)

ABSTAIN:

None (0)

ABSENT:

Tinajero (1)

25D. JAIL COUNSELING SERVICES - Police Department

MOTION:

1. AGMT NO. 2014-141 - Authorize the City Manager and Clerk of the Council to execute a three-year agreement with Daniel Achatz in an amount not to exceed \$75,000 over a three-year period ending June 30, 2017, subject to non-substantive changes approved by the City Manager and City Attorney.

2. **AGMT NO. 2014-142 - Authorize the City Manager and Clerk of the Council to execute a three-year agreement with Luis Raul Martinez in an amount not to exceed \$75,000 over a three-year period ending June 30, 2017, subject to non-substantive changes approved by the City Manager and City Attorney.**
3. **AGMT NO. 2014-143 - Authorize the City Manager and Clerk of the Council to execute a three-year agreement with Felice Stinson Hernandez in an amount not to exceed \$75,000 over a three-year period ending June 30, 2017, subject to non-substantive changes approved by the City Manager and City Attorney.**

25E. AGMT NO. 2014-144 - LASERFICHE DOCUMENT MANAGEMENT SYSTEM UPGRADE AND MAINTENANCE - Finance & Management Services

MOTION: Authorize the City Manager and Clerk of the Council to execute an agreement with Compulink Management Center, Inc. for upgrade and maintenance of the City's Laserfiche Document Management systems in an amount not to exceed \$485,000 over three years, with the option for two one-year renewals not to exceed \$110,000 annually, subject to non-substantive changes approved by the City Manager and City Attorney. Costs are inclusive of Laserfiche Rio software licenses & professional services (\$180,000), maintenance for the City and Police Department (\$260,000) and scanning services (\$45,000).

25F. AGMT NO. 2014-145 - PARAMEDIC/MEDICAL BILLING AND COLLECTION SERVICES - Finance & Management Services

MOTION: Approve and authorize the City Manager and Clerk of the Council to execute an agreement with Wittman Enterprises, LLC for a three-year period beginning July 1, 2014 (based on a contingent collection fee of 6% - year one; 6.15% - year two; and 6.3% - year three) ending June 30, 2017, to include an option at the election of the City to transfer administration, promotion, billing, and collection of the City's Paramedic Subscription Program, subject to non-substantive changes approved by the City Manager and City Attorney.

25G. INITIAL AND PRIOR PLACEMENT COLLECTION AGENCY SERVICES - Finance & Management Services

MOTION:

1. **AGMT NO. 2014-146 - Approve and authorize the City Manager and Clerk of the Council to execute an agreement with PennCredit for a three-year period ending June 30, 2017 for collection agency services for all accounts receivable initially placed for collection beginning July 1, 2014, subject to non-substantive changes approved by the City Manager and City Attorney.**
2. **AGMT NO. 2014-147 - Approve and authorize the City Manager and Clerk of the Council to execute an agreement with American Capital Enterprises, Inc. for a two-year period ending June 30, 2016, with provision for a one-year renewal, for collection agency services for all accounts receivable previously placed for collection prior to July 1, 2014, subject to non-substantive changes approved by the City Manager and City Attorney.**

25H. AGMT NO. 2014-148 - VENDOR-OWNED INVENTORY PROGRAM FOR FLEET VEHICLE PARTS - Finance & Management Services

MOTION: Authorize the City Manager and Clerk of the Council to execute an agreement with Warren Distributing, Inc. for a three year period, in an annual amount of \$450,000, with provisions for two one-year term extensions exercisable by the City Manager, subject to non-substantive changes approved by the City Manager and the City Attorney.

25I. SPECIAL LEGAL SERVICES CONTRACT - City Attorney's Office

MOTION: Authorize the City Manager and the Clerk of the Council to execute agreements with the firms listed below for legal services at the specified rates, subject to non-substantive changes approved by the City Manager and City Attorney.

- AGMT NO. 2014-149 – With Silver & Wright, LLP for legal services related to code enforcement and police services for three years.
- AGMT NO. 2014-150 - The Law Offices of Gutierrez Fierro & Erickson, a Professional Corporation for litigation services for two years
- AGMT NO. 2014-151 - Lexolution, LLC; for legal services for one year.
- AGMT NO. 2014-152 - The Law Offices of Pyka, Lenhardt, Schnaider, Zell, a Professional Corporation litigation services for two years.

25J. AGMT NO. 2014-153 - BRISTOL STREET IMPROVEMENTS AND WIDENING (PROJECT NO. 116740 NONGENERAL FUND) PROPERTY

ACQUISITION OF PROPERTY LOCATED AT 1311 NORTH BRISTOL STREET, APN: 405-272-12 - Public Works Agency

MOTION: Authorize the City Manager and Clerk of the Council to execute a purchase agreement with Byung Taek Min and Anna Jae Min, husband and wife, as joint tenants of the property located at 1311 North Bristol Street, in the amount of \$390,000 for the full purchase price of the real property and goodwill (if any), subject to non-substantive changes, approved by the City Manager and City Attorney.

**Councilmember Sarmiento abstained on Agenda Item 25J due to potential conflict of interest (campaign contribution).*

25K. AGMT NO. 2014-154 - BUS SHELTER SERVICES AND BENCH SERVICES - Public Works Agency

Councilmember Martinez, City to evaluate location of bus shelters city wide; ensure that the request for proposal include provision to ensure that the shelters are strategic; portion of advertising space available for community events and promotion opportunities.

MOTION: Authorize the extension with Clear Channel Outdoor, Inc., for a period of one year, expiring June 30, 2015 and providing quarterly revenue of \$37,500 to the City, subject to non-substantive changes approved by the City Manager and City Attorney.

MOTION: Martinez **SECOND:** Sarmiento

VOTE: **AYES:** Amezcua, Benavides, Pulido, Martinez, Reyna, Sarmiento (6)

NOES: None (0)

ABSTAIN: None (0)

ABSENT: Tinajero (1)

25L. AGMT NO. 2014-155 - PURCHASE HOLIDAY LIGHTING FOR INSTALLATION IN DOWNTOWN SANTA ANA ON FOURTH STREET - Public Works Agency

MOTION: Authorize the City Manager and Clerk of the Council to approve purchase agreement, subject to non-substantive changes approved by the City Manager and City Attorney, to provide holiday

lighting fixtures and equipment from Dekra-Lite Decoration Innovation, in an amount not to exceed \$24,324.

25M. AGMT NO. 2014-156 - TRANSLATION SERVICES - Clerk of the Council Office

MOTION: Authorize the City Manager and Clerk of the Council to execute an agreement with Cesar Vargas and Associates for a three-year period in the total amount not to exceed \$90,000 subject to non-substantive changes approved by the City Manager and City Attorney.

LAND USE MATTERS

CONDITIONAL USE PERMIT/VARIANCES

31A. CONDITIONAL USE PERMIT NO. 2014-08 TO ALLOW A TYPE 41 ALCOHOLIC BEVERAGE CONTROL LICENSE FOR BELLA COCINA RESTAURANT AT 1501 WEST MACARTHUR BOULEVARD, UNIT A - JALIL HAERI, APPLICANT - Planning and Building Agency

Planning Commission approved recommended action on May 27, 2014, by a vote of 7-0.

MOTION: Receive and file the staff report approving Conditional Use Permit No. 2014-08 as conditioned.

31B. CONDITIONAL USE PERMIT NO. 2014-11 TO ALLOW AFTER HOURS OPERATION AND CONDITIONAL USE PERMIT NO. 2014-12 TO ALLOW INDOOR COMMERCIAL RECREATION AT ESPORTS ARENA LOCATED AT 120 WEST FIFTH STREET - TRAVIS HACKETT, APPLICANT - Planning and Building Agency

Councilmember Reyna commented on first North American business of its kind; excited about opportunity for e-businesses.

Planning Commission approved recommended action on May 27, 2014, by a vote of 7-0.

MOTION: Receive and file the staff report approving Conditional Use Permit No. 2014-11 as conditioned and Conditional Use Permit No. 2014-12 as conditioned.

MOTION: Reyna

SECOND: Martinez

2. Introduce and hold first reading of ordinance and authorize publication of title.

ORDINANCE NO. NS-2866 - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA ANA AMENDING SECTION 14-55 OF ARTICLE II OF CHAPTER 14 OF THE SANTA ANA MUNICIPAL CODE REGARDING A CHANGE IN OPERATING HOURS OF SAFE AND SANE FIREWORKS STANDS ON THE FOURTH OF JULY

MOTION: Benavides

SECOND: Martinez

VOTE: AYES: Amezcua, Benavides, Pulido, Martinez, Reyna, Sarmiento (6)

NOES: None (0)

ABSTAIN: None (0)

ABSENT: Tinajero (1)

RESOLUTIONS

55A. RESOLUTION - PROVIDE FOR CONTINUATION OF ADDITIONAL PARTIALLY-PAID TEMPORARY MILITARY LEAVE OF ABSENCE FOR CITY EMPLOYEES CALLED TO ACTIVE DUTY- Personnel Services Agency

MOTION: Adopt a resolution.

RESOLUTION NO. 2014-031 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA ANA AMENDING RESOLUTION NO. 2001-065 TO PROVIDE FOR CONTINUATION OF ADDITIONAL PARTIALLY-PAID TEMPORARY MILITARY LEAVE OF ABSENCE FOR CITY EMPLOYEES CALLED TO ACTIVE DUTY WITH THE ARMED FORCES AND CONTINUATION OF BENEFITS FOR THEIR DEPENDENTS

MOTION: Reyna

SECOND: Benavides

VOTE: AYES: Amezcua, Benavides, Pulido, Martinez, Reyna, Sarmiento (6)

NOES: None (0)

ABSTAIN: None (0)

ABSENT: Tinajero (1)

55B. RESOLUTION - FEDERAL WORKFORCE INVESTMENT ACT TITLE I
SUB-GRANT AGREEMENT FOR PROGRAM YEAR 2014-2015 -
Community Development Agency

MOTION:

1. Adopt a resolution.

RESOLUTION NO. 2014-032 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA ANA AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE ALL NECESSARY DOCUMENTS FOR THE WORKFORCE INVESTMENT ACT SUB-GRANT WITH THE STATE OF CALIFORNIA, WORKFORCE INVESTMENT DIVISION

2. AGMT NO. 2014-157 – Execute the Workforce Investment Act agreement between the State of California and the Santa Ana Work Center.

MOTION: Martinez **SECOND:** Reyna

VOTE: **AYES:** Amezcua, Benavides, Pulido, Martinez, Reyna, Sarmiento (6)

NOES: None (0)

ABSTAIN: None (0)

ABSENT: Tinajero (1)

55C. CONSOLIDATION WITH THE COUNTY OF ORANGE ON THE NOVEMBER 4, 2014 GENERAL MUNICIPAL ELECTION - MAYOR AND COUNCIL SEATS (WARDS 2, 4, & 6) - Clerk of the Council Office

MOTION: Adopt resolutions.

1. RESOLUTION NO. 2014-033 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA ANA CALLING FOR AND GIVING NOTICE OF A GENERAL MUNICIPAL ELECTION TO BE HELD IN THE CITY OF SANTA ANA ON NOVEMBER 4, 2014 FOR THE ELECTION OF CERTAIN OFFICERS AND ALL OTHER MEASURES AS PROPOSED OR AUTHORIZED BY THE CITY COUNCIL, AND REQUESTING THE BOARD OF SUPERVISORS OF ORANGE COUNTY TO CONSOLIDATE THE GENERAL MUNICIPAL ELECTION WITH THE STATE'S GENERAL ELECTION

2. RESOLUTION NO. 2014-034 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA ANA ESTABLISHING A SYSTEM FOR CANDIDATES WHOSE STATEMENTS ARE SUBMITTED TO THE ELECTORATE IN THE 2014 GENERAL ELECTION TO PAY THE PRO RATA SHARE OF THE COST OF INCLUSION OF THEIR STATEMENT IN VOTER PAMPHLETS

MOTION: Benavides

SECOND: Martinez

VOTE: AYES: Amezcua, Benavides, Pulido, Martinez, Reyna, Sarmiento (6)

NOES: None (0)

ABSTAIN: None (0)

ABSENT: Tinajero (1)

55D. AGENDA ITEM TAKEN OUT OF ORDER

55E. ANNUAL STATEMENT OF INVESTMENT POLICY - Finance & Management Services

MOTION:

1. Adopt a resolution.

RESOLUTION NO. 2014-035 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA ANA APPROVING THE CITY'S STATEMENT OF INVESTMENT POLICY

2. Receive and file the Annual Statement of Investment Policy.

MOTION: Sarmiento

SECOND: Martinez

VOTE: AYES: Amezcua, Benavides, Pulido, Martinez, Reyna, Sarmiento (6)

NOES: None (0)

ABSTAIN: None (0)

ABSENT: Tinajero (1)

PUBLIC HEARINGS

- 75A. PUBLIC HEARING – APPEAL NO. 2014-01 OF SITE PLAN REVIEW NO. 2014-01 AND TENTATIVE PARCEL MAP NO. 2014-01 TO ALLOW THE CONSTRUCTION OF THE DEPOT AT SANTIAGO MIXED-USE DEVELOPMENT AT 923 NORTH SANTIAGO STREET – C & C DEVELOPMENT, APPLICANT - Planning and Building Agency

Planning Commission approved recommended action on May 12, 2014 by a vote of 5-2 (Bacerra and Bauer opposed).

Legal Notice published in the Orange County Reporter on June 6, 2014 and notices mailed on June 5, 2014.

Staff report presented by Interim Planning and Building Executive Director, Karen Haluza

Depot at Santiago – Project Site, 923 N. Santiago Ave.

Depot at Santiago – Site Plan

- 70-Unit Courtyard-Style Building
- Mix of 1, 2 and 3-Bedroom Units
- 24% of Site In Open Space
- Ground Floor Commercial Space
- Approximately 47 Units/Acre
- Meets All Transit Zoning Code Standards

Approval History

- The City released a request for proposals for projects eligible for the use of Federal HOME funds.
- C&C Development submitted a proposal for a 70-unit, multi-family project – the Depot at Santiago.
- City Council approved a funding agreement with C&C in May 2013.
- Following formal project submittal, community meetings began in October 2013.
- Planning Commission approved the project on May 12, 2014.
- The project was scheduled for City Council confirmation on June 3, 2014.
- An appeal application was filed on May 22, 2014.
- Appeal was set for public hearing on June 17, 2014.

Basis for Appeal

- The Depot project is inappropriate for the location.

Transit Zone Policies

- Includes standards for the development of transit-supportive projects and uses.
- Provides for increased ridership necessary for the success of the proposed streetcar.

City Housing Policies

- City Council commitment to provide dignified housing for people of all income ranges.
- State mandate to provide affordable housing.
- Demonstrated need for family housing.

Project Quality

- Project will replace a severely deteriorated industrial site and bring new investment to the area.
- The project includes over 15,000 square feet of open space – 24% of total site area.
- Of that over 8,000 square feet is publicly-accessible – 55% of total open space.
- Developer has a strong track record of delivering very high quality projects.

Existing Conditions

Existing Land Uses

Depot at Santiago – Open Space

Basis for Appeal

- The Depot project is inappropriate for the location.
- The project is a multi-family rental project rather than a lower density for-sale project.
- The project will negatively affect property values.
- The income of the residents will not be sufficient to support the development of high-quality commercial amenities.

Economic Development

- Tenants at the project may make as much as \$59,000 per year for a family of four.
- Housing costs are capped at no more than 30% of income allowing for more disposable income.
- The project will bring more people to the area, which is needed to support future commercial development.
- The future streetcar project will further enhance the economic development of the area.

Commercial Space

- The project includes 9,317 square feet of retail space – supports 8 to 9 tenants.
- The developer is actively seeking tenants for the retail space and will install the necessary improvements to support potential restaurant uses.
- The developer is offering reduced/subsidized rents to attract commercial tenants.

Recommended City Council Actions

- Deny the appeal request.
- Adopt a resolution approving Site Plan Review No. 2014-01 as conditioned.
- Adopt a resolution approving Tentative Parcel Map No. 2014-01 as conditioned.

Mayor Pulido opened the public hearing.

Appellant representative, Cedric Volk, addressed the City Council; opined that proposed project needs environmental study and address inadequate parking; why not for sale or mixed use instead of rental units; unique opportunity to maximize area; high density; request additional time to address concerns.

The following speakers addressed the City Council:

- John Raya, opined that project should be approved on its merits; gateway project; quality tenants.
- Jason Niedle, opposed to project, lack of public input, submitted letter for the record; light issue at Santiago and heavy traffic with no plan to address; need drop off at The Wooden Floor; insufficient parking; resident issues have not been resolved.
- John Lewis, concerned with layout plan, one entry egress for densely populated project
- Craig Richenburg, echoed comments by John Lewis.
- Dawn Reese, Executive Director of The Wooden Floor, offered support to project commented that 100% of students are attending college; share same philosophy as developer; proposed location at Santiago and Civic Center.
- Sean Coolidge, concerned with proposed development – issue with traffic egress; lack of parking and retail plan; request retail study; designate as artist village with studios.
- Zabdi Alvarez, spoke in support of proposed project; provide dignified housing.
- Carlos Melendez, thanked the City Council for considering comments; supports housing project.
- Araceli Robles, request support for project, currently resides in similar area and has made difference to her family.
- Marina Ramirez, representing Neighbor Watch, supports low income housing, addressed mix use request; City needs to improve the quality of health and living conditions; prioritize needs of the community.
- Mike Balsamo, representing Building Industry Association, spoke in support of the proposed project; better jobs, sales tax revenue and support housing for all income levels; spoke on SB375 and future light rail project that will enhance area and opportunities.
- Apolonio Cortes, member of SACReD, supports proposed project; need accessible housing, benefit the overall health of the community.

- Victor Payan, representing United Artist of Santa Ana, supports project; proposed joint use agreement for use of parking lot across the street; quality of life issue.
- Claire Braeburn, executive director of American on Track, spoke in support of the project; impressed with developer and staff because of commitment; dignity, respect and pride given to tenants will enhance all of Santa Ana.
- Sean Mill, request support of staff recommendation; track record of developer speaks for itself; sustainable retail needed that will support entire community.
- Cesar Covarrubias, Executive Director of the Kennedy Commission, supports staff recommendation; Sunshine Ordinance and council vision has allowed for investment in the community; project will provide quality housing and retail.
- Chuck Kelley, concerned that 100% will be low income housing.
- Skeith DeWine, commented on vision for the area and art movement; request affordable housing for artists.
- Sandra Pocha Peña, spoke on behalf of United Artist of Santa Ana, supports staff recommendation; live-work units in Artist Village no longer available; suggested art vision for area be expanded.

Mayor Pulido closed the Hearing.

Council discussion ensued.

Councilmember Martinez asked staff to clarify traffic concerns addressed by some members of the public.

Acting City Engineer, Taig Higgins noted that developer provided traffic study; single drive-way issue will include restriction on left turn in morning and evening hours; traffic signal to be added in the future at Santiago and Civic Center, however other mitigation issues will be addressed sooner with fees that will be collected to off-set costs; Santiago Lofts residents brought forward concerns that the City will address; thanked residents of Santiago Lofts for bringing forth some other issues and some parking will be re-implemented.

Interim Planning and Building Executive Director Haluza, additions to improve the project will include synchronization of lights, addition of crosswalks and drop offs at Wooden Floor; parking is more than adequate; street sweeping schedule to be reviewed; several other projects underway that will provide market rate projects; City Council has directed staff to use future affordable housing funds for acquisition and rehab rather than new construction. Also, noted that continuance of matter may jeopardize project funding; developer applying for tax credit; input from the community important.

Councilmember Martinez noted that logistical mitigation measures have been addressed.

Councilmember Sarmiento opined that critical mass of people comes before retail; street car project will allow opportunities to expand amenities; advocate of dignified housing; suggested retail be expanded if possible; as the area is developed, would like staff to take into consideration additional mitigation efforts such as: parking, lighting, crosswalks.

Councilmember Amezcua thanked all for addressing the City Council; based on merits will be supporting project.

Councilmember Reyna noted that developer has proven track record.

Councilmember Benavides said that concerns addressed by developer or staff; recommended architectural elements that will enhance project; color palette to complement other developments in the area; Housing opportunity ordinance includes provision of 15% versus 100% affordable component (market rate housing); funding sought by developer is what is driving the type of project.

Mayor Pulido reflected on City projects that have come to fruition because of vision and dream; encouraged

MOTION:

1. Deny Appeal No. 2014-01.
2. Adopt a resolution.

RESOLUTION NO. 2014-036 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA ANA DENYING APPEAL NO. 2014-01 AND AFFIRMING APPROVAL OF SITE PLAN REVIEW NO. 2014-01 AS CONDITIONED AND TENTATIVE PARCEL MAP NO. 2014-01 AS CONDITIONED FOR THE PROPERTY LOCATED AT 923 NORTH SANTIAGO STREET

MOTION: Reyna

SECOND: Benavides

VOTE: AYES:

Amezcua, Benavides, Pulido, Martinez, Reyna, Sarmiento (6)

NOES:

None (0)

ABSTAIN:

None (0)

ABSENT:

Tinajero (1)

**COUNCILMEMBER MARTINEZ MOTION TO CONTINUE BALANCE OF AGENDA
ITEMS TO THE NEXT REGULARLY SCHEDULED CITY COUNCIL MEETING.
MOTION CARRIED UNANIMOUSLY.**

ADJOURNED - 11:47 P.M. - The next meeting of the City Council is scheduled for Tuesday, July 1, 2014 at 5:00 for the Closed Session Meeting immediately followed by the Regular Open Business Meeting at 5:45 p.m. in the Council Chamber, 22 Civic Center Plaza, Santa Ana, California.

Adjourn in Memory of
Rita M. Corpin



Maria D. Huizar,
Clerk of the Council

FUTURE AGENDA ITEMS

- Street Car Project Locally Preferred Alignment
- Harbor Blvd. Mixed-Use Plan
- Solar Permit Fee Waiver
- Dangerous and Abandoned Buildings
- Proactive Rental Enforcement Program Renewal