

**CITY COUNCIL COMMITTEE ON
DEVELOPMENT AND TRANSPORTATION
Meeting Minutes
April 2, 2015**

CALL TO ORDER

The meeting was called to order at 5:04 p.m. in Room 1600 of the City Hall Ross Annex.

ATTENDANCE

The following Committee Members were present: Vincent Sarmiento, Michele Martinez,
David Benavides

Staff present were: David Cavazos, City Manager; Kelly Reenders, Executive Director/Community Development Agency; Fred Mousavipour, Executive Director/Public Works Agency; Vince Fregoso, Interim Executive Director/Planning & Building Agency; Robert Cortez, Special Asst. to the City Manager; William Galvez, City Engineer; Nabil Saba, Water Resources Manager; Jorge Garcia, Senior Management Assistant; Alma Flores, Senior Management Assistant; Matt Foulkes, Senior Management Analyst; Verny Carvajal, Acting Planning Manager; Captain James Schnabel, P.D.; and Rosa Barela, PBA Executive Secretary.

PUBLIC COMMENTS – None

AGENDA ITEMS

1. APPROVAL OF MINUTES – February 26, 2015 Special Meeting

Motion by Vice Chair Martinez and seconded by Chairman Sarmiento to approve the minutes and approved unanimously by a vote of 2:0 (Benavides abstained).

Chairman Sarmiento recused himself from discussion and departed at 5:06 p.m. Vice Chair Martinez then chaired meeting.

2. STREETCAR PROJECT UPDATE {Strategic Plan Nos. 6,1G; 3,2C}

David Cavazos provided a brief update on the Streetcar Project noting the Federal Transit Administration issued a Finding of No Significant Impact (FONSI) and are good to move forward, noted staff is working with the Orange County Transit Authority (OCTA) on a Memorandum of Understanding, noted OCTA hired HCR as program manager to put together design documents to move forward with the selection of a firm and stated the project will receive federal funding.

Mr. Cavazos noted OCTA will be the lead agency which was approved by their Board of Directors to handle project development, engineering, construction, operations and maintenance; and the next step is focusing on the process to select design firms which may take a year and a half to design, two to three years for construction with the completion in 2019/2020.

Vice Chair Martinez noted if eligible to apply for Title 7 funding and any other light rail funding available through OCTA and the state's Cap & Trade; noted to work with lobbyists, adding the city needs to do whatever it can to help move project along and trying to reduce greenhouse gas emission.

Mr. Cavazos noted staff will provide a memo for the Council at the next meeting on the plans for financing.

3. UPDATE ON YMCA EXCLUSIVE NEGOTIATING AGREEMENT {Strategic Plan No. 3, 5A}

David Cavazos noted there is no update on Item 3.

Chairman Sarmiento returned at 5:14 p.m.

4. THIRD & BROADWAY UPDATE – DEVELOPER SELECTION PANEL RESULTS AND NEXT STEPS {Strategic Plan No. 3, 5A}

Kelly Reenders provided an update on the Third & Broadway development project noting in response to the Request for Qualifications (RFQ), six firms had interest and four firms interviewed on February 6. She introduced the highest rated firm OliverMcMillan and invited Dan Nishikawa, Senior Managing Director, and Zach Adams, Senior Project Manager, to provide an overview of their firm and answer any questions.

Dan Nishikawa provided background information on their firm headquartered in San Diego, noted they have two lines of business one being large mixed-use projects and the other urban residential infill, and briefly discussed projects they are working on and those completed. He noted they have received more than 40 design awards, has financial partners and has also done adaptive reuse projects; noted one process for projects is to conduct a Charrette and bring all the stakeholders, city officials, community members, land owners, designers and architects together.

Zach Adams discussed the project concept for 3rd & Broadway noting a podium project similar to EV project in downtown San Diego and SALT project in Tempe, Arizona which fits in with the urban street with retail on the ground level and residential above.

Mr. Cavazos noted the city expects at least two levels of below grade public parking and anything built below grade will be for the project with no parking requirement; and noted the project can go as high as the Ronald Reagan Federal Courthouse. He noted that OliverMcMillan was rated the highest based on their experience, track record, and urban focus, and requested the committee's input to enter into an exclusive negotiation agreement to continue discussions.

Committee member Benavides noted this parcel is one of the last significant parcels the city owns and is located in the core center of activity, the revitalization of the city and wants to see some type of legacy signature project there, noted the downtown is increasing as a destination and anticipate more so on the hospitality and looking at a hotel component in the area.

Mr. Nishikawa noted they have previously done hotel projects and after conducting studies and speaking to hotel partners, they did not feel it is ready for a hotel at this point; noted they reviewed all options and see a demand for good institutional grade apartments; noted a hotel would be a great amenity for the city in the future; and noted project financing is important and are proposing something they believe could be financed.

Vice Chair Martinez noted they would like something signature and iconic, noted initial conversations of wanting to look at a boutique hotel with 100-150 rooms which would be a community benefit, noted the city is the County seat with the jurors and legal services that come adding downtown business owners have commented they would like to see a hotel.

Chairman Sarmiento commented the committee is happy to talk about doing something exciting in the downtown and discuss additional pedestrian and fixed guideway traffic; provided background information on the RFQ; noted they were looking at a project that had multi-uses to it and multi-levels with one being a hotel; asked that Mr. Cavazos continue discussions with OliverMcMillan and city's consultant Larry Kosmont to see if something can be adjusted.

5. COMMUNITY ENGAGEMENT PLAN UPDATE {Strategic Plan No. 5, 3A}

Vince Fregoso provided brief update on the Community Engagement Plan noting it is a tool to help expand information and create opportunities for stakeholders to be involved in the public decision making process for projects. Proposals were received last year and assembled external and internal raters to review with interviews in February, met with the top two firms in March, and based on interviews staff recommends Katherine Padilla & Associates (KPA) as the firm to prepare the Engagement Plan adding they have a wide variety of experience in community engagement and has worked with various municipalities including the LA Transit Authority, CalTrans, USC and as well as cities of LA, Pasadena, Glendale & South Gate. Mr. Fregoso noted they have also worked on Santa Ana's Complete Streets Plan on the outreach component and are looking to bring the contract to Council in May and complete the document by the fall of this year.

Vice Chair Martinez advised staff to get the scope of work prior to verify what they will be doing, noting community engagement goes beyond development and how we communicate & engage and use technology; and requested to review the work plan.

6. DISCUSSION ON THE EXTENSION OF THE METRO EAST MIXED USE OVERLAY ZONE {Strategic Plan No. 5, 1A; 5, 1H; 3, 2A; 3, 2B}

Vince Fregoso noted there has been some discussions on parcels on East First Street and the options of rezoning the corridor. He provided background information on the Metro East Mixed Use Overlay Zone that was approved in 2007 which includes East First Street with the boundaries of First Street on the south to 6th Street to the north, the I-5 Freeway to the west and Tustin Avenue to the east; noted an overlay zone means the current zoning stays in place and current uses continue to operate and if someone proposes a residential project they can activate this

overlay zone which requires the demolition of buildings on the site and construction of a new building. He discussed two projects in the zone, the Lyon Project at "Nineteen 01" at the old Racquetball World site and the other north of the Xerox building, The Madison; noted the three different districts which include the Active Urban District, Village Center District and Neighborhood Transitional District. He noted inquiries of development which include the Elks and Zoo and the vacant Saddleback Lodge parcel and the possibility of residential at the location; noted our Housing Element considers these areas viable for residential and can accommodate by establishing an overlay zone. He commented the need to get a consultant on board to prepare a study to determine if standards are still applicable and the need for an environmental impact report, noting with the various outreach meetings and public hearings the process would take approximately 12-18 months.

Chairman Sarmiento recommended looking at extending the Metro East Overlay Zone to incorporate the First Street Corridor from the I-5 Freeway to Grand Avenue which will address many issues with respect to problems with spot zoning and having to create special districts; noted to use whatever tool to accelerate the process; and for those who have applications submitted to consider a competitive bidding process for affordable housing developments with an RFQ or RFP, and to include housing for veterans.

Vice Chair Martinez inquired how this would play into the big picture in our land use and zoning as General Plan is updated and noted as we move forward the need to be careful how we plan our future, land use and zoning will dictate that and to look at fiscal and infrastructure impacts as we move forward; noted the need to have a balance of residential and commercial owners; and noted the importance of having the discussions with developers on making sure their projects will be bike, pedestrian and dog friendly.

Mr. Fregoso noted anything done with the zoning needs to be consistent with the General Plan, adding the overlay zone is consistent with the General Plan which is a District Center high intensity area that was designated years ago, noted the overlay zone and the density fits in perfectly with the project; the fiscal and infrastructure impacts part of a document will be prepared in conjunction with the EIR which will capture all types of impacts such as traffic, parking, circulation, public safety, and public services.

Committee member Benavides agreed moving along with the overlay zone and suggested to consider extending the overlay zone towards the downtown to Broadway; also noted Fourth Street has older residential homes that can be grazed and reused and also Fourth Street west of Grand Avenue has underutilized parcels.

7. DROUGHT UPDATE {Strategic Plan No. 5, 6F}

George Garcia, Republic Homes Neighborhood Association representative, noted the city should remove all the grass from all the medians in order to conserve water and suggested the city create a free seed program so residents can grow their own food and use water to their best benefit and noted the city is also losing water in the jails.

Nabil Saba provided an update on the water drought and conservation which included the Governor's Executive Order to achieve statewide 25% reduction, the emergency regulations, water supply conditions and Santa Ana's conservation efforts. Discussed the reduced usage of residential customer use by 14-16% in December & January, the 25% reduction mandated by the State, the prohibition of irrigation of potable water on ornamental turf on public streets, noted the city has a two-tier water rate structure with penalties for exceeding the target reduction, and reviewed the emergency regulations timeline. Noted the need to add to the ordinance to prohibit irrigation during and 48 hours after measurable rainfall, discussed the fines for non-compliance, the water supply allocation with the Orange County Water District (OCWD) and Metropolitan Water District (MWD), noted the population trend low per capita water use and various water conservation efforts which includes new ways to report water wasting and joined other water agencies on outreach and rebate programs. Staff recommends that the city remain at Water Shortage Level 1 which was declared earlier last year with penalties, coordinate with regional water entities on implementation of the Executive Order and continue with outreach and update the Water Conservation Ordinance.

Committee member Benavides left the meeting at 6:39 p.m. and did not return.

Chairman Sarmiento noted we as city should be grateful to residents that we conserve at a much higher rate than our counterparts, we have own ground water wells and imported water we rely on, and the OCWD recycling system GWRS (Groundwater Replenishment System) we benefit from and noted the discussion on a desalination plant in Huntington Beach.

Mr. Saba noted staff will be evaluating medians with assistance from MWD on converting medians to low drought tolerant landscaping.

Vice Chair Martinez noted the need to include a water element into the general plan which will be vital as we move forward. Noted concern of irrigation use by the SAUSD and Santa Ana College and suggest to partner with them on steps to help reduce water consumption and use recycled water for irrigation; and noted the need to do more outreach on the Channel 3 in all three languages.

Chairman Sarmiento noted the opportunity for education on recycling and conserving water with the SA Zoo trying to partner with OCWD, Discovery Science Center and Friends of the Santa Ana Zoo to rehabilitate Amazon's Edge.

8. DISCUSSION ON THE PROPOSED CAPITAL IMPROVEMENT PROGRAM/ TRANSPORTATION COMPONENT {Strategic Plan Nos. 3,2C; 3,4A; 5, 6B; 6, 1B; 6, 1C}

William Galvez provided an update on the Transportation Component of the Capital Improvement Program focusing on the street and traffic improvements. Reviewed the \$16.7 million budgeted in street improvements which include planning, streetscape improvements; curb, gutter & sidewalk improvements; alley

rehabilitation; neighborhood street rehabilitation; local street rehabilitation; arterial street rehabilitation; arterial street rehabilitation; street/bridge improvements and widening; and \$11.6 million for traffic improvements including planning, traffic improvements and traffic safety/mobility improvements. He noted staff has identified a long list of unfunded projects which include infrastructure improvements, park projects as a result of master planning for parks, storm drains and sewer improvements with anticipated cost and will start pursuing funding for these projects. Staff will be providing council with a Capital Improvement Project Tracking summary of existing projects with status of projects.

Vice Chair Martinez requested a list of the unfunded projects for active transportation adding the need to apply for as many grants as possible including the CalTrans ATP (Active Transportation Program) which is going the second round of funding, and TIGER (Transportation Investment Generating Economic Recovery).

COMMITTEE MEMBER COMMENTS - None

FUTURE AGENDA ITEMS – None

ADJOURNED – 7:14 P.M.



Rosa Barela
Recording Secretary
Planning & Building Agency

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