



CITY OF MERCED

City Council Chamber
Merced Civic Center
2nd Floor
678 W. 18th Street
Merced, CA 95340

Minutes

City Council/Public Finance and Economic Development Authority/Parking Authority/Successor Agency to the Redevelopment Agency

Monday, August 21, 2023

6:00 PM

A. CLOSED SESSION ROLL CALL

Present: 7 - Mayor Matthew Serratto, Mayor Pro Tempore Bertha Perez, Council Member Jesse Ornelas, Council Member Sarah Boyle, Council Member Ronnie DeAnda, Council Member Shane Smith, and Council Member Fue Xiong

Absent: 0

B. CLOSED SESSION

Mayor SERRATTO called the Closed Session to order at 5:02 PM.

**B.1. SUBJECT: PUBLIC EMPLOYEE APPOINTMENT/EMPLOYMENT -
Title: City Manager; AUTHORITY: Government Code 54957**

Clerk's Note: Council adjourned from Closed Session at 5:56 PM.

C. CALL TO ORDER

Mayor SERRATTO called the Regular Meeting to order at 6:01 PM.

C.1. Invocation - Lamar Henderson, Human Services Agency (All Dads Matter)

The Invocation was delivered by Lamar HENDERSON of the Human Services Agency (All Dads Matter).

C.2. Pledge of Allegiance to the Flag

Lamar HENDERSON led the Pledge of Allegiance to the Flag.

D. ROLL CALL

Present: 7 - Mayor Matthew Serratto, Mayor Pro Tempore Bertha Perez, Council Member Jesse Ornelas, Council Member Sarah Boyle, Council Member Ronnie DeAnda, Council Member Shane Smith, and Council Member Fue Xiong

Absent: 0

D.1. In accordance with Government Code 54952.3, it is hereby announced that the City Council sits either simultaneously or serially as the Parking Authority and the Public Financing and Economic Development Authority. City Council members receive a monthly stipend of \$400.00 by Charter for sitting as the City Council; and the Mayor receives an additional \$100.00 each month as a part of the adopted budget and Resolution 2020-86. The members of the Parking Authority and the Public Financing and Economic Development Authority receive no compensation.

E. REPORT OUT OF CLOSED SESSION

There was no report.

F. SPECIAL PRESENTATIONS

F.1. **SUBJECT:** Presentation from the Committee for a Safer Merced

REPORT IN BRIEF

A presentation will be given by the Committee for a Safer Merced.

Mike MURPHY of the Committee for a Safer Merced gave a slideshow presentation updating Council on the Merced Vital Services Protection Measure.

Council, Mr. MURPHY, Alison KOSTECKY, Matthew VAN HAGEN, and Raquel RIOS discussed the time frame of obtaining signatures, Council endorsement, listening to the community, and the public safety in Merced.

G. WRITTEN PETITIONS AND COMMUNICATIONS

Clerk's Note: Emails were received for the following agenda item and forwarded to Council prior to the meeting.

Oral Communications: Monica SOTELO, Shayla DASTRUP, and Samuel DASTRUP.

Agenda Item I.13.: Stephanie UY.

Agenda Item K.1.: John BECKMAN.

H. ORAL COMMUNICATIONS

Clerk's Note: The following comments were received via voicemail.

Steven DONAHUE, Merced - spoke on the procedures for public comment.

Lynn BARRERA, Merced - spoke on grant funding program for stray

animals and condition of streets in South Merced.

Mayor SERRATTO briefly stated that a representative of the Police Department will reach out to Ms. BARRERA.

Clerk's Note: The following speakers appeared in person.

Christan SANTOS, Representative of John DUARTE - spoke on the recent Art events in Merced, details of the Farm Workforce Modernization Act, wildfire health risk concerns, and the upcoming Town Hall.

Sonia SOTELO, Merced - asked Council to re-consider their vote to re-open the truck parking lot due to safety concerns of the community.

Monica SOTELO, Merced - spoke on community outreach issues, safety and health concerns regarding the truck parking lot, and requested more community outreach.

Mike GETLIN - spoke on cannabis related issues in Merced.

Mayor SERRATTO asked Mr. GETLIN to hold his comments until Agenda Item I.13.

Arturo MARTINEZ, Merced - spoke on the Feeding Hungry Minds event hosted by Sun-Maid.

Narayan SINGH, Merced - spoke on the homeless and drug issues on the Beachwood/Franklin area towards Merced.

I. CONSENT CALENDAR

Agenda Items I.9. Approval of Street Closure Request #23-14 by Central Valley Pride to Host the Annual Merced LGBTQ Alliance Pride Event, Located on W. Main Street Between M and K Streets (Including Bob Hart Square); and Canal Street Between W. Main Street and W. 18th Street, and Arbor Lane, on Saturday, September 9, 2023, from 9:00 a.m. to 7:00 p.m., I.12. Second Reading and Final Adoption of an Ordinance Amending Section 10.28.230 No Parking Zones, and I.13. Continued Second Reading and Final Adoption of an Ordinance to Amend Merced Municipal Code Section 20.44.170, "Regulation of Commercial Cannabis Activities - Commercial Cannabis Business Permit Required" of the Merced Municipal Code to Allow City Council Consideration of Alternative Sites for Retail Cannabis Business Applications under Appeal, and Include a Local

Ownership Element for Cannabis Retail Permits Issued after November 3, 2021; were pulled for separate consideration.

Approval of the Consent Agenda

A motion was made to approve the Consent Agenda. The motion carried by the following vote:

Aye: 7 - Mayor Serratto, Mayor Pro Tempore Perez, Council Member Ornelas, Council Member Boyle, Council Member DeAnda, Council Member Smith, and Council Member Xiong

No: 0

Absent: 0

I.1. SUBJECT: Reading by Title of All Ordinances and Resolutions

REPORT IN BRIEF

Ordinances and Resolutions which appear on the public agenda shall be determined to have been read by title and a summary title may be read with further reading waived.

RECOMMENDATION

City Council - Adopt a motion waiving the reading of Ordinances and Resolutions, pursuant to Section 412 of the Merced City Charter.

This Consent Item was approved.

I.2. SUBJECT: Information Only - Site Plan Review Minutes of May 25, 2023

RECOMMENDATION

For information only.

This Consent Item was approved.

I.3. SUBJECT: Information Only - Planning Commission Minutes of June 21, 2023, and July 5, 2023

RECOMMENDATION

For information only.

This Consent Item was approved.

I.4. SUBJECT: Information Only - Building and Housing Board of

Appeal Minutes of January 5, 2023, February 2, 2023, May 4, 2023, and July 6, 2023

RECOMMENDATION

For information only.

This Consent Item was approved.

I.5.

SUBJECT: Approval to Waive the Competitive Bidding Requirements and Authorizing the Purchase of One Paving Compactor for \$63,319.48 and One Skip Loader for \$127,372.71 for the Streets Department Through a Cooperative Purchasing Agreement with Sourcewell via Holt of California

REPORT IN BRIEF

Considers approving to waive the competitive bidding requirements pursuant to Merced Municipal Code Section 3.04.210 to purchase two currently budgeted and Council approved fleet equipment through the government procurement program Sourcewell.

RECOMMENDATION

City Council - Adopt a motion:

A. Waiving the City's competitive bidding requirement as permitted by Merced Municipal Code section 3.04.210 due to utilizing a cooperative purchase agreement through Sourcewell, a government procurement program; and,

B. Approving the purchase of one new Caterpillar CB2.7 GC Paving Compactor in the amount of \$63,319.48 from Holt of California through Sourcewell contract #020223-CAT; and,

C. Approving the purchase of one new Caterpillar 415IL Skip Loader in the amount of \$127,372.71, from Holt of California through Sourcewell contract #020223-CAT; and,

D. Authorizing the City Manager or Deputy City Manager to execute the necessary documents, the Finance Officer to make the necessary budget adjustments, the City Buyer to issue the Purchase Order(s), and approval of change orders not to exceed 10% of the total purchase price.

This Consent Item was approved.

I.6.

SUBJECT: Adoption of a Resolution Authorizing the City Manager to Submit a Grant Application to the California Natural Resources Agency, Youth Community Access Grant to Fund the Purchase of Two Energy Efficient Vehicles to Transport Youth in Outdoor Recreation Programs

REPORT IN BRIEF

Considers adopting a Resolution authorizing submittal of a grant application to the California Natural Resources Agency, Youth Community Access Grant. Grant funds will be used to purchase two Toyota Highlander Hybrid vehicles that will be used to transport program participants in the My City Mentoring and other outdoor recreational programs offered through Parks & Community Services. No matching funds are required.

RECOMMENDATION

City Council - Adopt a motion:

A. Adopting **Resolution 2023-71**, a Resolution of the City Council of the City of Merced, California, approving the application for grant funds for the Youth Community Access Grant Program; and,

B. Authorizing the City Manager or the Deputy City Manager to execute the necessary documents.

This Consent Item was approved.

I.7.

SUBJECT: Approval to Waive the Competitive Bidding Requirements and Approve Professional Services Agreement with Merced Area Sports Officials, Inc., for Officiating and Scorekeeping Services for Fiscal Year 2023-24 in the Amount not to Exceed \$43,231

REPORT IN BRIEF

Considers approving to waive the City's competitive bidding requirements pursuant to Merced Municipal Code Section 3.04.210 and approving an annual Professional Service Agreement with Merced Area Sports Officials not to exceed \$43,231 for officiating and scorekeeping services for adult and youth sports programs, including

youth basketball and flag football and adult fall and summer softball and basketball.

RECOMMENDATION

City Council - Adopt a motion:

A. Waiving the City's competitive bidding requirement as permitted by the Merced Municipal Code Section 3.04.210 for Annual Services and Supplies Contract; and,

B. Approving a Professional Services agreement with Merced Area Sports Officials not to exceed \$43,231; and,

C. Authorizing the City Manager or the Deputy City Manager to execute the necessary documents.

This Consent Item was approved.

I.8.

SUBJECT: Request to Change the Planning Commission Meeting Time From 7:00 PM to 6:00 PM

REPORT IN BRIEF

Considers approving a change in the meeting time for Planning Commission meetings from 7:00 p.m. to 6:00 p.m.

RECOMMENDATION

City Council - Adopt a motion adopting **Resolution 2023-67**, A Resolution of the City Council of the City of Merced, California, changing the regularly meeting time for Planning Commission meetings.

This Consent Item was approved.

I.10.

SUBJECT: Adoption of a Revised Resolution Approving the Fiscal Year 2023/2024 Project List for the Road Repair Accountability Act (SB 1), Local Streets and Roads Funding

REPORT IN BRIEF

Considers adopting to approve the list of projects proposed to be funded with Road Maintenance and Rehabilitation Account (RMRA) funds pursuant to SB1 for FY 2023/2024.

RECOMMENDATION

City Council - Adopt a motion adopting **Resolution 2023-70**, a Resolution of the City Council of the City of Merced, California, adopting a list of projects for Fiscal Year 2023-2024 funded by SB 1: The Road Repair and Accountability Act of 2017.

This Consent Item was approved.

I.11.

SUBJECT: Selection of the R Street from Northwood Drive to Olive Avenue (CP220050), and Yosemite Avenue from Mansionette Drive to Parsons Avenue (CP200009) Reconstruction Projects as the Eligible Roadway Projects, Directing Staff to Complete the Regional Surface Transportation Program (RSTP), Adoption of a Resolution Authorizing the City Manager to File the RSTP Exchange Fund Claim in the Amount of \$1,278,748 for Fiscal Year 2022-2023, and Authorizing the Finance Officer to Make any Necessary Budget Adjustments

REPORT IN BRIEF

Selects R Street from Northwood Drive to Olive Avenue, and Yosemite Avenue from Mansionette Drive to Parsons Avenue Reconstruction Projects as the Eligible Roadway Projects, direct staff to complete the Regional Surface Transportation Program (RSTP) Claim Form in the total amount of \$1,248,748, and adopting a resolution authorizing the submittal of a Claim Form and said resolution to Merced County Association of Governments (MCAG) in order to receive the City of Merced's RSTP apportionment in the amount of \$1,248,748 for Fiscal Year 2022-2023, and authoring the Finance Officer to make any necessary budget adjustments.

RECOMMENDATION

City Council - Adopt a motion:

- A. Selecting R Street from Northwood Drive to Olive Avenue, and Yosemite Avenue from Mansionette Drive to Parsons Avenue Reconstruction Projects as the Eligible Roadway Projects; and,
- B. Directing Staff to complete the 2022-2023 RSTP Claim Form by listing the selected projects and corresponding project costs; and,
- C. Adopting **Resolution 2023-72**, a Resolution of the City Council of

the City of Merced, California, authorizing the City Manager to file the Regional Surface Transportation Program (RSTP) Exchange Funds claim for fiscal year 2022-2023; and,

D. Authorizing the Finance Officer to make necessary budget adjustments for Fiscal Years 2022-2023 and 2023-2024.

This Consent Item was approved.

I.9.

SUBJECT: Approval of Street Closure Request #23-14 by Central Valley Pride to Host the Annual Merced LGBTQ Alliance Pride Event, Located on W. Main Street Between M and K Streets (Including Bob Hart Square); and Canal Street Between W. Main Street and W. 18th Street, and Arbor Lane, on Saturday, September 9, 2023, from 9:00 a.m. to 7:00 p.m.

REPORT IN BRIEF

Considers approving a request by Central Valley Pride for the closure and use of City streets and Bob Hart Square on Saturday, September 9, 2023, for the Annual Merced LGBTQ Alliance Pride event. The request seeks approval to close W. Main Street, between M and K Streets, including Bob Hart Square, and Canal Street between W. Main Street and W. 18th Street, and Arbor Lane, on Saturday, September 9, 2023, from 9:00 a.m. to 7:00 p.m.

RECOMMENDATION

City Council - Adopt a motion approving the street closure of W. Main Street between M and K Streets, including the use of Bob Hart Square, and Canal Street between W. Main Street and W. 18th Street, and Arbor Lane, on Saturday, September 9, 2023, from 9:00 a.m. to 7:00 p.m., subject to the details and conditions outlined in the administrative staff report.

Mayor SERRATTO pulled this item at the request of resident Jennifer MCQUEEN.

Jennifer MCQUEEN, Merced - spoke on the history of the Pridefest event and encouraged community members to attend the upcoming Pridefest event.

Clerk's Note: There was no Council discussion.

A motion was made by Council Member Xiong, seconded by Mayor Pro

Tempore Perez, that this agenda item be approved. The motion carried by the following vote:

Aye: 7 - Mayor Serratto, Mayor Pro Tempore Perez, Council Member Ornelas, Council Member Boyle, Council Member DeAnda, Council Member Smith, and Council Member Xiong

No: 0

Absent: 0

I.12.

SUBJECT: Second Reading and Final Adoption of an Ordinance Amending Section 10.28.230 No Parking Zones

REPORT IN BRIEF

Second reading and final adoption of an Ordinance amending section 10.28.230 approving the addition of no parking zones on the north side of Buena Vista Drive both east and west of San Lorenzo Way.

RECOMMENDATION

City Council - Adopt a motion adopting **Ordinance 2551**, an Ordinance of the City Council of the City of Merced, California, amending section 10.28.230 "No Parking Zones;" of the Merced Municipal Code.

Mayor SERRATTO pulled this item at the request of Council Member ORNELAS and resident Jason BEACH.

Jason BEACH, Merced - spoke on limited parking spaces at the largest park in Merced and asked Council to reconsider the "No Parking Zone" Ordinance.

Council, Interim City Engineer Mike WEGLEY, and City Manager Stephanie DIETZ discussed the details of the request from Traffic Committee, the weekend parking habits, placing speed bumps in the area, balancing motor safety and park access, future consideration of adding additional parking spaces off the street, the length of curb space, public safety issues, and a possible parking plan for Fahrens Park.

A motion was made by Council Member Boyle, seconded by Council Member Smith, that this agenda item be approved. The motion carried by the following vote:

Aye: 5 - Mayor Serratto, Council Member Ornelas, Council Member Boyle, Council Member DeAnda, and Council Member Smith

No: 2 - Mayor Pro Tempore Perez, and Council Member Xiong

Absent: 0

I.13.

SUBJECT: Continued Second Reading and Final Adoption of an Ordinance to Amend Merced Municipal Code Section 20.44.170, "Regulation of Commercial Cannabis Activities - Commercial Cannabis Business Permit Required" of the Merced Municipal Code to Allow City Council Consideration of Alternative Sites for Retail Cannabis Business Applications under Appeal, and Include a Local Ownership Element for Cannabis Retail Permits Issued after November 3, 2021

REPORT IN BRIEF

Continued second reading and final adoption of an Ordinance to amend Merced Municipal Code Section 20.44.170, "Regulation of Commercial Cannabis Activities - Commercial Cannabis Business Permit Required" of the Merced Municipal Code to Allow City Council Consideration of Alternative Sites for Retail Cannabis Business Applications under Appeal and Include a Local Ownership Element for Cannabis Retail Permits Issued after November 3, 2021.

RECOMMENDATION

City Council - Adopt a motion adopting **Ordinance 2550**, an Ordinance of the City Council of the City of Merced, California, amending section 20.44.170 "Regulation of Commercial Cannabis Activities - Commercial Cannabis Business Permit Required," of the Merced Municipal Code to allow City Council consideration of alternative sites for retail cannabis business applications under appeal, and include a local ownership element for cannabis retail permits issued after November 3, 2021.

Mayor SERRATTO pulled this item at the request of the public.

Clerk's Note: The following comments were received via voicemail.

Sonny BOSWANY, Merced - urged Council to vote no on Agenda Item I.13. and spoke in support of expanding the amount of commercial cannabis business licenses in Merced.

Matthew GONZALEZ, Merced - spoke in support of Stiiizy opening in Merced.

Raj POTTABATHNI, Merced - spoke in support of expanding the amount of commercial cannabis business licenses in Merced.

Patrick OROSCO, Merced - voiced support for expanding to six or seven commercial cannabis business licenses in Merced.

Clerk's Note: The following speakers appeared in person.

Allison CALISTROYAZZE, Merced - spoke in support of unionized businesses, opening Stiiizy, and expanding the amount of commercial cannabis retailers in Merced.

Pakamon SOPAJAREE, Merced - spoke in support of Stiiizy opening to create more jobs in Merced and expanding the amount of cannabis retail licenses from five to seven.

Sasha PERDOMO, Merced - asked Council to increase the amount of cannabis retail licenses from five to seven, spoke in support of Stiiizy opening in Merced, and all the opportunities Stiiizy provides to the employees and community.

Juan ZAVALA-SANDOVAL, Merced - spoke on the importance of Council listening to Merced residents, statistics of Stiiizy, spoke in support of Stiiizy opening in Merced, and expanding the number of cannabis retail licenses from five to seven.

Stephanie UY, Vice President of Public Affairs with Stiiizy- spoke on the allegations of illegal Stiiizy products in Merced, details of all Stiiizy products that get distributed in California, details of all employment benefits Stiiizy provides, and asked Council to expand the number of cannabis retail licenses from five to seven.

Sebastian VAUGHN, Merced - spoke on the benefits Stiiizy could bring to Merced and urged Council to expand the amount of cannabis retailer licenses to seven.

Ricky CRIGHTON, General Manager at Authentic 209, Owned by Stiiizy - spoke on the safety, compliance, compassion, and commitment measures Stiiizy provides to community and urged Council to expand the amount of cannabis retail licenses from five to seven.

Alicia GARCIA, Employee at Authentic 209, Owned by Stiiizy - spoke in

support of increasing the amount of licenses and the details of Stiiizy giving back to its community.

Alana BEENE, Employee at Authentic 209, Owned by Stiiizy - spoke on details of working with Stiiizy and strongly suggested Council to expand licenses from five to seven.

Pedro RAMIREZ - spoke in support of union jobs, Stiiizy bringing labor jobs and quality products, and urged Council to expand the amount of cannabis retail licenses.

Jacqueline RODRIGUEZ - expressed support for cannabis community, Stiiizy opening in Merced, and the support Stiiizy has provided during her employment.

Brianna FEE, Assistant Manager at Authentic 209, Owned by Stiiizy - spoke on details of the illicit operations, union jobs at Stiiizy, and expressed her support for Stiiizy opening in Merced.

Lissett DELACRUZ, Merced - spoke in support of Stiiizy opening in Merced, increasing retail licenses from five to seven, and the support she receives from Stiiizy.

Eric HENKEL, Representative of the United Food and Commercial Workers International Union - spoke in support of union jobs, opening Stiiizy in Merced, and urged Council to increase the retail licenses from five to seven.

Frank SANCHEZ, Director of Media Outreach with Stiiizy - spoke on allegations of illegal products found in Merced, the low prices of Stiiizy products, expressed support for Stiiizy partnering with the City of Merced, and to expand the amount of retail licenses to seven.

Sejin LEE, Merced - spoke in support of bringing unionized jobs to the city and to increase cannabis retailers to seven to include Stiiizy.

Leo NIEHORSTER-COOK, Merced - spoke in favor of increasing cannabis dispensaries in Merced and explained details of unionized jobs.

Will KELLY, Merced - spoke on the amount of job opportunities that would increase by expanding cannabis retailers in Merced, the allegations made against Stiiizy, an Ordinance Council adopted regarding labor laws,

expressed his support for re-opening the Public Hearing, and increasing the cannabis retailers from five to seven.

David FRAUSTO, Merced - voiced support for Stiiizy opening in Merced, urged Council to increase cannabis licenses from five to seven, and spoke on details of the employment Stiiizy offers.

Mike GETLIN - spoke on the employee benefits held at his store location in Merced and recent events that happened between Stiiizy and his employees.

Nathan AVELAR, Merced - spoke in support of Stiiizy opening in Merced to bring revenue.

Carlo ACEVEDO, Merced - spoke in support of bringing unionized work to Merced.

Ron ROBERT - spoke on the employee benefits and community donations Blue Fire offers, the allegations made against Stiiizy, and the decrease of revenue from the cannabis industry.

Mike WARDA - spoke in opposition of increasing the licenses in Merced, the negative impact of revenue from the cannabis industry, and the illicit market.

Zachary DRIVON - spoke on the community events the existing cannabis operators have held in the past, the illicit market, prices of products from different cannabis retailers, and opposed the increase of cannabis retail licenses.

Dan MENDOZA, Merced - spoke in favor of Stiiizy opening in Merced and details of Stiiizy's business practices.

Fernando AGUILAR, Merced - expressed his concerns of the next potential cannabis retail business being next to Rockin Jump and asked Council to check the locations.

Ethan PEREZ, Merced - spoke in favor of having more cannabis retail competition in Merced.

Navora PEREZ, Merced - spoke in support of increasing the amount of business licenses and the benefits the expansion would give to the City.

Tasha PARRA, Manager with Bluefire, Merced - spoke on the employee and community benefits Bluefire offers and the tax revenue from the cannabis industry.

Dwight LARKS, Merced - spoke on the proposed location being next to a Rockin' Jump and advocated for children that consume medicated cannabis.

Council discussed the amount of cannabis business licenses in Merced and the revenue from the cannabis industry.

A motion was made by Mayor Pro Tempore Perez, seconded by Council Member Boyle, that this agenda item be approved. The motion carried by the following vote:

Aye: 4 - Mayor Serratto, Mayor Pro Tempore Perez, Council Member Boyle, and Council Member DeAnda

No: 3 - Council Member Ornelas, Council Member Smith, and Council Member Xiong

Absent: 0

J. PUBLIC HEARINGS

J.1. **SUBJECT:** Public Hearing - Vacation #23-01 and #23-02 - Initiated by Rhino Holdings, LLC, to Vacate a Portion of Right-of-Way on the South Side of Main Street Between R Street and T Street and Reserving an Easement for Public Improvements

REPORT IN BRIEF

Considers adopting a Resolution to order the vacation of a portion of right-of-way on the south side of Main Street between R Street and T Street and reserving an easement for public improvements.

RECOMMENDATION

City Council - Adopt a motion adopting **Resolution 2023-68**, a Resolution of the City Council of the City of Merced, California, Ordering the Vacation of a Portion of Right-of-Way on the South Side of Main Street Between R Street and T Street and Reserving an Easement for Public Improvements (Vacation #23-01 and #23-02).

Senior Planner Julie NELSON gave a slideshow presentation on Vacation #23-01 and #23-02 and requested to open the Public Hearing and continue this matter to the September 5, 2023 Council meeting.

Mayor SERRATTO opened the Public Hearing at 8:10 PM and subsequently closed the Public Hearing at 8:10 PM due to lack of public comments.

Council discussed the outdoor maintenance of the vacated area.

A motion was made by Council Member Boyle, seconded by Mayor Pro Tempore Perez, that this agenda item be continued to the September 5, 2023 Council meeting. The motion carried by the following vote:

Aye: 7 - Mayor Serratto, Mayor Pro Tempore Perez, Council Member Ornelas, Council Member Boyle, Council Member DeAnda, Council Member Smith, and Council Member Xiong

No: 0

Absent: 0

J.2.

SUBJECT: Public Hearing - General Plan Amendment #23-02 and Site Utilization Plan Revision #3 to Planned Development (P-D) #12, Initiated by Merced Security Storage, LLC, on Behalf of REM L and Group, LLC, Property Owner, for Approximately 6 Acres of Land at 1965 W. Olive Avenue, Generally Located on the North Side of Olive Avenue, Approximately 725 feet East of Highway 59; the General Plan Amendment Changes the General Plan Land Use Designation from Commercial Office (CO) to Business Park (BP); Site Utilization Plan Revision #3 Changes the Land Use Designation for Planned Development (P-D) #12 from "Commercial Office" to "Self-Storage." This Request Would Allow the Development a Self-Storage Facility (Approximately 440 Storage Units) with Long-Term Boat and Recreational Vehicle Parking Spaces (Approximately 171 Parking Spaces) with a Live/Work Unit for an Onsite Manager for the Self-Storage Facility

REPORT IN BRIEF

Request for City Council to consider changing the General Plan land use designation from Commercial Office (CO) to Business Park (BP), and Site Utilization Plan Revision #3 to Planned Development (P-D) #12 to change the land use designation from "Commercial Office" to "Self-Storage", including an Environmental Review and Legislative Action Agreement for approximately 6 acres of land at 1965 W. Olive Avenue, generally located on the north side of Olive Avenue, approximately 725 feet east of Highway 59.

RECOMMENDATION

City Council - Adopt a motion:

A. Adopting **Resolution 2023-69**, A Resolution of the City Council of the City of Merced, California, approving Environmental Review #23-08 (Mitigated Negative Declaration) for General Plan Amendment #23-02 and Site Utilization #3 to Planned Development (P-D) #12 for approximately 6 acres of land generally located on the north side of Olive Avenue, approximately 725 feet east of Highway 59, and approving General Plan Amendment #23-02 for the same property changing the General Plan designation from Commercial Office (CO) to Business Park (BP); and,

B. Introducing **Ordinance 2552**, An Ordinance of the City Council of the City of Merced, California, approving Site Utilization Plan Revision #3 to Planned Development (P-D) #12 changing the land use designation from "Commercial Office" to "Self-Storage" for an approximately 6-acre parcel generally located on the north side of Olive Avenue, approximately 725 feet east of Highway 59; and,

C. Approving the Legislative Action Agreement and authorizing the City Manager or Deputy City Manager to execute the necessary documents.

Clerk's Note: Council took a recess at 8:11 PM and returned at 8:24 PM

Associate Planner Francisco MENDOZA gave a slideshow presentation on the General Plan Amendment #23-02 and Site Utilization Plan Revision #3.

Mayor SERRATTO opened the Public Hearing at 8:36 PM and subsequently closed the Public Hearing at 8:36 PM due to lack of public comments.

Clerk's Note: There was no Council discussion.

A motion was made by Council Member Smith, seconded by Council Member Ornelas, that this agenda item be approved. The motion carried by the following vote:

Aye: 7 - Mayor Serratto, Mayor Pro Tempore Perez, Council Member Ornelas, Council Member Boyle, Council Member DeAnda, Council Member Smith, and Council Member Xiong

No: 0

Absent: 0

K. REPORTS

K.1. SUBJECT: Regional Housing Needs Allocation Unit Production Plan, In-Lieu Fee Analysis Report

REPORT IN BRIEF

Presentation of a report on the Draft Regional Housing Needs Allocation (RHNA) Unit Production Plan, In-Lieu Fee Analysis Report.

RECOMMENDATION

Provide policy direction to confirm percentage of affordable units and set fees for determining In-Lieu Fee calculation for affordable housing.

Management Analyst Leah BROWN, Director with RSG Suzie KIM, Senior Associate with RSG Brandon FENDER, and Director of Development Services Scott MCBRIDE gave a slideshow presentation on the In-Lieu fee analysis overview.

Council, Mr. FENDER, Ms. KIM, and Mr. MCBRIDE discussed Merced's Regional Housing Needs Allocation (RHNA) requirements, income levels, interest rates for developers, average rates for different fees, details of the maximum feasibility percentage, details of the fee analysis, cost of production, the outreach to the City of Patterson, impact fees, details of the agreements attached to the policy, and policy details.

Clerk's Note: The following comment was received via voicemail.

Madeline HARRIS, Leadership Council, Merced - encouraged Council to revisit the Resolution to include fewer exceptions of affordable housing, spoke on threshold of infeasibility, and asked how the City will enforce the in-lieu fee.

Clerk's Note: The following speakers appeared in person.

Isaac SERRATTOS, Leadership Council, Merced - spoke on the concerns of developers taking advantage of the in-lieu fees, the infeasibility plan, transparency of the fees and developers, and asked how the City will cite in-lieu fees.

Robert DYLIBA, Merced - gave a slideshow presentation to Council

regarding a proposal for the In-Lieu fee.

Ernie OCHOA, Merced - spoke on the housing market, the housing supply issue in California, and explained the issues of increasing the fees to developers due to lack of housing in Merced.

Council, Mr. MCBRIDE, Mrs. DIETZ, Interim City Attorney Brian DOYLE discussed the price of building a home, the current cycle of housing, details of the maximum infeasibility fee, the responsibility of the current City's RHNA requirement, details of current policy, the Housing Development Fund that the In-Lieu fee gets allocated, more direction on split-bill fee process, the housing market and geological areas impacting the set fee, the current housing crisis, adjusting the In-Lieu fee percentage, and clarity of Council direction.

A motion was made by Council Member Xiong, seconded by Council Member Ornelas, to set the In-Lieu fee at 10% requirement, incorporating an annual CPI adjustment, and incorporate enforcement to revoke building permits. The motion carried by the following vote:

Aye: 4 - Mayor Pro Tempore Perez, Council Member Ornelas, Council Member DeAnda, and Council Member Xiong

No: 3 - Mayor Serratto, Council Member Boyle, and Council Member Smith

Absent: 0

Council and Mrs. DIETZ discussed the details of the motion that was made by Council Member XIONG and direction of the policy.

A motion was made by Council Member Boyle, seconded by Council Member Smith, to bring the overall policy back for further discussion. The motion carried by the following vote:

Aye: 6 - Mayor Serratto, Mayor Pro Tempore Perez, Council Member Ornelas, Council Member Boyle, Council Member DeAnda, and Council Member Smith

No: 1 - Council Member Xiong

Absent: 0

L. BUSINESS

L.1. **SUBJECT: Mayor Serratto's Request to Discuss the State of the City Event**

REPORT IN BRIEF

Mayor Serratto's Request to discuss the State of the City event.

RECOMMENDATION

Provide staff direction on potential reinstatement of the State of the City event.

Mayor SERRATTO requested for this item to be tabled.

A motion was made by Mayor Pro Tempore Perez, seconded by Council Member Boyle, that this agenda item be tabled. The motion carried by the following vote:

Aye: 6 - Mayor Serratto, Mayor Pro Tempore Perez, Council Member Boyle, Council Member DeAnda, Council Member Smith, and Council Member Xiong

No: 1 - Council Member Ornelas

Absent: 0

L.2.

SUBJECT: Annual Appointments to the Bicycle and Pedestrian Advisory Commission (District 3) and (1 Ex-Officio)

REPORT IN BRIEF

Accept nominations to fill vacancies on the Bicycle and Pedestrian Advisory Commission.

RECOMMENDATION

City Council - Adopt a motion accepting nominations and appointing individuals to serve as members of the Bicycle and Pedestrian Advisory Commission (District 3) and (1 Ex-Officio).

Council discussed the vacancy and applications for the Bicycle and Pedestrian Advisory Commission.

A motion was made by Mayor Pro Tempore Perez, seconded by Council Member Ornelas, to appoint William McClellan to the District 3 seat on the Bicycle and Pedestrian Advisory Commission for a full-term ending on July 1, 2027. The motion carried by the following vote:

Aye: 7 - Mayor Serratto, Mayor Pro Tempore Perez, Council Member Ornelas, Council Member Boyle, Council Member DeAnda, Council Member Smith, and Council Member Xiong

No: 0

Absent: 0

A motion was made by Council Member Boyle, seconded by Council Member Smith, to appoint Daniel Murphy to the Ex-Officio seat on the Bicycle and Pedestrian Advisory Commission for a full-term ending on July 1, 2026. The motion carried by the following vote:

Aye: 7 - Mayor Serratto, Mayor Pro Tempore Perez, Council Member Ornelas, Council Member Boyle, Council Member DeAnda, Council Member Smith, and Council Member Xiong

No: 0

Absent: 0

L.3.

SUBJECT: Annual Appointments to the Recreation and Parks Commission (District 3)

REPORT IN BRIEF

Accept nominations to fill seats on the Recreation and Parks Commission.

RECOMMENDATION

City Council - Adopt a motion accepting nominations and appointing an individual to serve as a member of the Recreation and Parks Commission (District 3).

Council discussed the vacancy and applications for the Recreation and Parks Commission.

A motion was made by Mayor Pro Tempore Perez, seconded by Council Member Ornelas, to appoint Sabrina Abong to the District 3 seat on the Recreation and Parks Commission for a full-term ending on July 1, 2026. The motion carried by the following vote:

Aye: 6 - Mayor Serratto, Mayor Pro Tempore Perez, Council Member Ornelas, Council Member Boyle, Council Member DeAnda, and Council Member Xiong

No: 1 - Council Member Smith

Absent: 0

L.4.

SUBJECT: Appointments to the Personnel Board to Appoint One Employee Nominated Individual and One Board Nominated Individual

REPORT IN BRIEF

Consider appointing one employee nominated individual and one Board nominated individual to the Personnel Board.

RECOMMENDATION

City Council - Adopt a motion:

A. Appointing Jessica Fernandez to serve as the employee nominated member of the Personnel Board with a term expiring on July 1, 2027, respectively; and,

B. Appointing Sydni Crane to serve as the board nominated member of Personnel Board to a term expiring on July 1, 2025.

Council briefly discussed the employee and board nominations for the vacant seats.

A motion was made by Mayor Pro Tempore Perez, seconded by Council Member Smith, to appoint Jessica Fernandez to a full-term ending in July 1, 2027 and appoint Sydni Crane to a partial-term ending in July 1, 2025. The motion carried by the following vote:

Aye: 7 - Mayor Serratto, Mayor Pro Tempore Perez, Council Member Ornelas, Council Member Boyle, Council Member DeAnda, Council Member Smith, and Council Member Xiong

No: 0

Absent: 0

L.5.

SUBJECT: Discussion on Attendance and Designation of Voting Delegate and Alternates for the 2023 League of California Cities Annual Conference - Annual Business Meeting, September 20 - September 22, 2023, Sacramento, CA

REPORT IN BRIEF

To expedite the conduct of business at this important policy-making meeting, each City Council is asked to designate a voting representative and two alternates who will be present at the meeting.

RECOMMENDATION

City Council - Adopt a motion designating one voting delegate and two alternate voting delegates to the League of California Cities Annual Conference General Business Meeting, scheduled for Wednesday, September 20, 2023 in Sacramento, CA.

Council briefly discussed the League of California Cities Annual Conference and the need to assign a voting delegate.

A motion was made by Mayor Pro Tempore Perez, seconded by Council Member Ornelas, to appoint Mayor Serratto as the voting delegate with Mayor Pro Tempore Perez, and Council Member Boyle as alternatives. The motion carried

by the following vote:

Aye: 7 - Mayor Serratto, Mayor Pro Tempore Perez, Council Member Ornelas, Council Member Boyle, Council Member DeAnda, Council Member Smith, and Council Member Xiong

No: 0

Absent: 0

L.6. SUBJECT: Request to Add Item to Future Agenda

REPORT IN BRIEF

Provides members of the City Council to request that an item be placed on a future City Council agenda for initial consideration by the City Council.

Council Member ORNELAS requested to re-visit the Commercial Truck Parking lot on the September 5, 2023 Council meeting.

A motion was made by Council Member Ornelas, seconded by Mayor Pro Tempore Perez, to reconsider the Commercial Truck Parking lot on the September 5, 2023 Council meeting. The motion failed by the following vote:

Aye: 6 - Mayor Pro Tempore Perez, Council Member Ornelas, Council Member Boyle, Council Member DeAnda, Council Member Smith, and Council Member Xiong

No: 1 - Mayor Serratto

Absent: 0

Council Member XIONG requested to consider adding a new parking lot to Fahrens Park.

City Manager Stephanie DIETZ stated City staff will work on options to add a parking lot to Fahrens Park.

L.7. SUBJECT: City Council Comments

REPORT IN BRIEF

Provides an opportunity for the Mayor and/or Council Member(s) to make a brief announcement on any activity(ies) she/he has attended on behalf of the City and to make a brief announcement on future community events and/or activities. The Brown Act does not allow discussion or action by the legislative body under this section.

Council Member BOYLE reported on attending the press conference for

the Merced County Fairgrounds and Merced Mural Art unveiling.

Council Member Fue XIONG reported on attending the Movies at the Park event, thanked the Recreation staff and Youth Council for assisting, and spoke at a panel for the California Democratic Executive Board.

M. ADJOURNMENT

Clerk's Note: The Regular Meeting was adjourned at 10:25 PM.

A motion was made by Mayor Pro Tempore Perez, seconded by Council Member Boyle, that the Regular Meeting be adjourned. The motion carried by the following vote:

Aye: 7 - Mayor Serratto, Mayor Pro Tempore Perez, Council Member Ornelas, Council Member Boyle, Council Member DeAnda, Council Member Smith, and Council Member Xiong

No: 0

Absent: 0