



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

Tuesday, January 21, 2020

6:00 PM

A. CLOSED SESSION ROLL CALL

Clerk's Note: Mayor MURPHY attended Closed Session via teleconference from the Benjamin Franklin Room at the St. Regis Hotel located at 923 16th and K Streets, N.W., Washington, District of Columbia.

Clerk's Note: Council Member MARTINEZ arrived to Closed Session at 5:22 PM.

Present: 6 - Council Member Anthony Martinez, Mayor Mike Murphy, Council Member Kevin Blake, Mayor Pro Tempore Matthew Serratto, Council Member Delray Shelton, and Council Member Fernando Echevarria

Absent: 1 - Council Member Jill McLeod

B. CLOSED SESSION

Mayor Pro Tempore SERRATTO called the Closed Session to order at 5:03 PM.

- B.1.** **SUBJECT:** CONFERENCE WITH LABOR NEGOTIATORS -- Agency Designated Representative: City Manager Steve Carrigan; Employee Organization: American Federation of State, County, and Municipal Employees (AFSCME) Council 57; Local 2703; International Association of Fire Fighters, Local 1479; Merced Association of City Employees (MACE). AUTHORITY: Government Code Section 54957.6
- B.2.** **SUBJECT:** CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION; Englert, et. al. v. City of Merced; Case No. 1:18-CV-01239-LJO-EPG; AUTHORITY: Government Code Section 54956.9(d)(1)
- B.3.** **SUBJECT:** CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION; McKinnon, et. al. v. City of Merced; Case No. 1:18-CV-01124-LJO-SAB; AUTHORITY: Government Code Section 54956.9(d)(1)
- B.4.** **SUBJECT:** CONFERENCE WITH REAL PROPERTY NEGOTIATORS -

Property: 3033 G Street, Merced, CA APN 007-350-009; Agency
Negotiator: Frank Quintero, Director, Economic Development;
Negotiating Parties: Doug Collins Representing Merced City School
Districts and City of Merced and; Under Negotiation: Price and Terms
of Payment

Clerk's Note: Council adjourned from Closed Session at 5:52 PM.

C. CALL TO ORDER

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

C.1. Invocation - Monika Grasley, Lifeline Community Development Corp.

The invocation was delivered by Monika GRASLEY from Lifeline Community Development Corp.

C.2. Pledge of Allegiance to the Flag

City Attorney Phaedra NORTON led the Pledge of Allegiance to the Flag.

D. ROLL CALL

Present: 5 - Council Member Anthony Martinez, Council Member Kevin Blake, Mayor Pro Tempore Matthew Serratto, Council Member Delray Shelton, and Council Member Fernando Echevarria

Absent: 2 - Mayor Mike Murphy, and Council Member Jill McLeod

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 \$20.00 by Charter for sitting as the City Council; and the Mayor receives an additional \$50.00 each month as a part of the adopted budget and Resolution 1975-37. 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. CEREMONIAL MATTERS

F.1. Recognition of Community Donations to O'Keeffe's/Safti First

Mayor Pro Tempore SERRATTO presented a Certificate of Recognition to O'Keeffe's/Safti First for their investment in the city and contributions to the community.

G. SPECIAL PRESENTATIONS

G.1. Regional Homeless Plan Update - John Ceccoli, Merced County Management Analyst

Merced County Management Analyst John CECCOLI gave a slide show presentation updating Council on the Regional Homeless Plan.

Council and Mr. CECCOLI discussed prioritizing Merced homeless citizens, law enforcement role regarding the navigation center, de-escalation techniques, and affordable housing. They also discussed the number of homeless youth.

H. WRITTEN PETITIONS AND COMMUNICATIONS

There were none.

I. ORAL COMMUNICATIONS

Jill CUNNINGHAM, Friends of Merced College, Merced - spoke on an upcoming campaign kick-off in support of Measure J for Merced College.

Monica VILLA, Merced - spoke on the homeless count and on-going issues with a resident at Stephen Leonard Park.

J. CONSENT CALENDAR

Clerk's Note: No items were pulled from the Consent Calendar.

Approval of the Consent Agenda

A motion was made by Council Member Blake, seconded by Council Member Martinez, to approve the Consent Agenda. The motion carried by the following vote:

Aye: 5 - Council Member Martinez, Council Member Blake, Mayor Pro Tempore Serratto, Council Member Shelton, and Council Member Echevarria

No: 0

Absent: 2 - Mayor Murphy, and Council Member McLeod

J.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.

J.2.

SUBJECT: Approval of City Council/Public Financing and Economic Development/Parking Authority Meeting Minutes of December 16, 2019

REPORT IN BRIEF

Official adoption of previously held meeting minutes.

RECOMMENDATION

City Council/Public Financing and Economic Development/Parking Authority - Adopt a motion approving the meeting minutes of December 16, 2019.

This Consent Item was approved.

J.3.

SUBJECT: Authorization to Waive the Competitive Bidding Process and Approval of Professional Services Agreement with SCI Consulting to Assist with the Inspection of Permitted Commercial Cannabis Businesses in a not-to-Exceed Amount of \$150,000

REPORT IN BRIEF

Considers waiving the competitive bidding process and approving a professional services agreement with SCI Consulting to assist with the inspection of permitted Commercial Cannabis Businesses in a not-to-exceed amount of \$150,000.

RECOMMENDATION

City Council - Adopt a motion waiving the competitive bidding process and approving the Professional Services Agreement with SCI Consulting in the amount of \$150,000 for assistance in inspection of permitted Commercial Cannabis Businesses and authorizing the City Manager or the Assistant City Manager to execute the documents.

This Consent Item was approved.

J.4.

SUBJECT: Approval of a Temporary Encroachment Permit #19-01 to Permit Merced College to Install Merced College Banners on Various Light Poles Within the City for Three (3) Years with Authorization to Extend for an Additional Two (2) Years Upon

Written Request by the Applicant and Approval of the City Manager

REPORT IN BRIEF

Considers approving a temporary encroachment permit to allow Merced College to install banners on various light poles within the City.

RECOMMENDATION

City Council - Adopt a motion approving a temporary encroachment permit with Creative Products Unlimited, dba: Sign Guys, on behalf of Merced College, to allow the placement of banners on City light poles in various locations and authorizing the City Manager or the Assistant City Manager to execute the necessary documents.

This Consent Item was approved.

J.5.

SUBJECT: Approval of Allocation of an Additional Portion of the 2019/20 Community Development Block Grant (CDBG) Program to Fund a Sub-Recipient Agreement with Merced Gateway Investors II, LP (\$250,000) for the Primary Purpose of Assisting with the Cost of Necessary On- and Off-Site City Water and Sewer Main Repairs and ADA Sidewalk Improvements Related to the Gateway Terrace II Apartments, Approval of the Deed Restriction Covenant and Grant Agreement, and Cooperative Agreement

REPORT IN BRIEF

Considers approving a sub-grantee agreement with the Developer for the use of CDBG funds and an amended and restated interdepartmental cooperative agreement that authorizes the City's Engineering Department to administer same funds and oversee the design and construction of the project.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving agreements for the project identified as "Gateway Terrace II Apartments - Change Order" ("Project") in the 2019 Department of Housing and Urban Development (HUD) Annual Plan with Community Development Block Grant (CDBG) funds for the 2019/20 Fiscal Year (Account 018-1301-552-29.00-Proj 117050), per previous City Council recommendation, for:

1. An agreement with Merced Gateway Investors II, LP, for use of CDBG funds towards Project in the amount of \$250,000;

and,

2. Amended and restated interdepartmental cooperative agreement with the Engineering Department for project in the amount of \$250,000 towards overseeing the design and construction of the project; and,

B. Authorizing the City Manager or the Assistant City Manager to execute, and if necessary, make minor modifications to the agreements described above and attached to this report, and all associated documents; and,

C. Authorizing the Finance Officer to make any necessary budget adjustments.

This Consent Item was approved.

J.6.

SUBJECT: Authorization to Apply for and Receive Grant Funding Through the California State Department of Housing and Community Development's (HCD) CalHome Program and Authorization for the City Manager or Assistant City Manager to Execute Any and All Necessary Documents to Participate in the Program

REPORT IN BRIEF

Authorizes Housing Division Staff to apply for grant funding in association with a CalHome Program Notice of Funding Availability issued by the California State Department of Housing and Community Development, and authorizes the receipt of grant funds.

RECOMMENDATION

City Council - Adopt a motion:

A. Adopting **Resolution 2020-02**, a Resolution of the City Council of the City of Merced, California, hereby authorizes the submittal of an application to the California State Department of Housing and Community Development for funding under the CalHome Program; the execution of a standard agreement if selected for such funding and any amendments thereto; and any related documents necessary to participate in the Program; and,

B. Authorizing the City Manager or the Assistant City Manager to execute the standard agreement and other necessary documents associated with the grant application and award process.

This Consent Item was approved.

J.7.

SUBJECT: Consideration of a Ground Lease Between the City of Merced and Vegetable Flight Resources, LLC for Development of a Private Hangar on Approximately 10,000 Square Feet of Land on the Merced Regional Airport with Rent Starting at \$3,100.00 per Year for a Term of Thirty (30) Years, with an Option Term of Fifteen (15) Years

REPORT IN BRIEF

Considers a lease agreement (30-year term with 15-year option) with Vegetable Flight Resources, LLC for use of approximately 10,000 square feet located on the Merced Regional Airport for development of a private aircraft hangar.

RECOMMENDATION

City Council - Adopt a motion approving a lease agreement between Vegetable Flight Resources, LLC and the City of Merced and authorizing the City Manager or the Assistant City Manager to execute all necessary documents.

This Consent Item was approved.

K. PUBLIC HEARINGS

K.1.

SUBJECT: Public Hearing to Consider Adoption of a Mitigated Negative Declaration for General Plan Amendment #19-03, Site Utilization Plan Revision #3 to Planned Development #72, Changing the Land Use Designation from Commercial Office (CO) and High to Medium Density Residential (HMD) to Neighborhood Commercial (CN) for Approximately 21.5 Acres Located at the Northeast Corner of Yosemite Avenue and G Street; Introduction of an Ordinance Approving Site Utilization Plan Revision #3 to Planned Development #72, Including a Hotel, Medical Office Buildings, Multi-Family Residential Housing, Fast Food Uses, and a Mixed-use Development; and Approval of a Legislative Action Agreement for the Project

REPORT IN BRIEF

Request for City Council approval to change the General Plan and Site Utilization Plan designations for two parcels of approximately 21.5 acres located at the northeast corner of Yosemite Avenue and G Street to allow a mixed-use development, including the adoption of a Mitigated Negative Declaration.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving **Resolution 2020-03**, A Resolution of the City Council of the City of Merced, California, approving a Mitigated Negative Declaration for General Plan Amendment #19-03 and Site Utilization Plan Revision #3 to Planned Development #72 for two parcels containing approximately 21.5 acres located at the northeast corner of Yosemite Avenue and G Street; and approving General Plan Amendment #19-03 for the same two parcels changing the General Plan Designation from Commercial Office (CO) and High to Medium Density Residential (HMD) to Neighborhood Commercial (CN); and,

B. Introducing **Ordinance 2512**, an Ordinance of the City Council of the City of Merced, California, approving Site Utilization Plan Revision #3 to Planned Development #72 changing the land use designation from "Commercial Office" (CO) and "High-Medium Residential" (HMD) to "Neighborhood Commercial" (CN) for 2 parcels of approximately 21.5 acres of land generally located on the northeast corner of Yosemite Avenue and G Street; and,

C. Approving the Legislative Action Agreement and Authorizing the City Manager or the Assistant City Manager to execute the necessary documents.

Principal Planner Michael HREN gave a slide show presentation on the Yosemite Crossing Mixed Use Center.

Council Member MARTINEZ and Mr. HREN discussed the multi-family development, development phasing, and the traffic plan.

Mayor Pro Tempore SERRATTO opened the Public Hearing at 7:26 PM.

Land Development Services Representative Dirk POESCHEL spoke on the proposed project.

Council Member SHELTON and Mr. POESCHEL discussed the project timeline.

Mayor Pro Tempore SERRATTO closed the Public Hearing at 7:30 PM.

A motion was made by Council Member Blake, seconded by Council Member Shelton, to approve option 2 of Resolution 2020-03 and introducing Ordinance 2512. The motion carried by the following vote:

Aye: 5 - Council Member Martinez, Council Member Blake, Mayor Pro Tempore Serratto, Council Member Shelton, and Council Member Echevarria

No: 0

Absent: 2 - Mayor Murphy, and Council Member McLeod

K.2.

SUBJECT: Public Hearing for the Potential Introduction of Ordinance Adding the "Tax Transparency Commission" to the Merced Municipal Code to Consolidate all Current and Future Tax Oversight Committees Into One Oversight Commission and Discussion and Direction on a Transition Plan for the Existing Oversight Committees

REPORT IN BRIEF

Considers adoption of an ordinance to consolidate all current and future tax measure oversight commissions into a single commission.

RECOMMENDATION

City Council - Adopt a motion introducing **Ordinance 2510**, an ordinance of the City Council of the City of Merced, California, adding chapter 2.56, "Tax Transparency Commission," to the Merced Municipal Code.

Assistant City Clerk John TRESSIDER gave a brief presentation on the proposed Tax Transparency Commission and transitioning the Citizens' Oversight Committee - Measure C to the Tax Transparency Commission.

Council, Mr. TRESSIDER, and Assistant City Manager Stephanie DIETZ discussed transitioning the Measure C members to the Tax Transparency Commission and the Charter Review Committee's recommendation.

Mayor Pro Tempore SERRATTO opened the Public Hearing at 7:42 PM.

Glen DAVIS, Measure C Committee Member, Merced - spoke in support of the transition.

Mayor Pro Tempore SERRATTO closed the Public Hearing at 7:47 PM.

Council discussed transitioning Measure C Committee Members to the proposed Tax Transparency Commission and selecting liaisons to districts.

A motion was made by Council Member Blake, seconded by Council Member Echevarria, to introduce Ordinance 2510. The motion carried by the following vote:

Aye: 5 - Council Member Martinez, Council Member Blake, Mayor Pro Tempore Serratto, Council Member Shelton, and Council Member Echevarria

No: 0

Absent: 2 - Mayor Murphy, and Council Member McLeod

L. BUSINESS

L.1. 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.

No items were added.

L.2. 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 MARTINEZ reported on attending the CP-42 Community meeting, the Golden Valley Health Center Grand Opening, the Martin Luther King Jr. Celebration event, and meeting with the owner of Bitwise.

Council Member ECHEVARRIA spoke on an upcoming event. He also reported on attending the CP-42 Community meeting.

Council Member BLAKE reported on attending the Laura Fountain Community meeting.

Council Member SHELTON reported on attending the Martin Luther King Jr. Celebration event.

Mayor Pro Tempore SERRATTO reported on attending the CP-42 Community meeting, the Laura Fountain Community meeting, the Golden Valley Health Center grand opening, meeting with members from the Public Health Department regarding vaping, the Fire Department Promotion ceremony, meeting with the owner of Bitwise, and the Martin Luther King Jr. celebration.

M. ADJOURNMENT

Clerk's Note: The Regular Meeting adjourned at 8:00 PM.

A motion was made by Council Member Blake, seconded by Council Member Martinez, to adjourn the Regular Meeting. The motion carried by the following vote:

Aye: 5 - Council Member Martinez, Council Member Blake, Mayor Pro Tempore Serratto, Council Member Shelton, and Council Member Echevarria

No: 0

Absent: 2 - Mayor Murphy, and Council Member McLeod