
**CITY OF DANA POINT, CALIFORNIA
CITY COUNCIL REGULAR MEETING MINUTES
FEBRUARY 25, 2015**

CALL TO ORDER

The Special Meeting/Joint Session Meeting of the City Council of the City of Dana Point, California, was called to order by Mayor Olvera at 6:32 p.m. in the City Council Chambers, 33282 Golden Lantern, Dana Point.

ROLL CALL OF CITY COUNCIL MEMBERS:

Present: Mayor Carlos N. Olvera
Mayor Pro Tem John A. Tomlinson
Council Member Joseph L. Muller
Council Member J. Scott Schoeffel
Council Member Richard A. Viczorek

Absent: None

STAFF PRESENT

Douglas C. Chotkevys, City Manager; Patrick Munoz, City Attorney; Kathy Ward, City Clerk; Mike Rose, Director of Disaster Preparedness; Lt. Russ Chilton; Ursula Luna-Reynosa, Director of Community Development; Brad Fowler, Director of Public Works and Engineering; Mark Sutton, Building Official; John Tilton, City Architect; Saima Qureshy, Senior Planner, Kurth Nelson, Senior Planner, Evan Langan, Associate Planner; Jackie Littler, Executive Secretary; DyAnne Weamire, Administrative Secretary; and Bobbi Ogan, Deputy City Clerk.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Council Member Viczorek.

INVOCATION

The Invocation was provided by Associate Pastor Jens Christy of Capo Beach Church.

CONSENT CALENDAR

IT WAS MOVED BY COUNCIL MEMBER J. SCOTT SCHOEFFEL, SECONDED BY MAYOR PRO TEM JOHN A. TOMLINSON, TO ACCEPT THE RECOMMENDATIONS FOR ALL ITEMS ON THE CONSENT CALENDAR.

**CITY OF DANA POINT, CALIFORNIA
CITY COUNCIL REGULAR MEETING MINUTES
FEBRUARY 25, 2015**

The motion carried by the following vote:

AYES: Council Member Joseph L. Muller, Council Member J. Scott Schoeffel, Council Member Richard A. Viczorek, and Mayor Pro Tem John A. Tomlinson, Mayor Carlos N. Olvera

NOES: None

1. WAIVE THE READING OF ORDINANCES AND APPROVE READING BY TITLE ONLY

APPROVED THE READING BY TITLE ONLY OF ALL ORDINANCES ON THE CONSENT CALENDAR AND THAT FURTHER READING OF SUCH ORDINANCES BE WAIVED.

2. REGULAR MEETING MINUTES, FEBRUARY 3, 2015

APPROVED THE MINUTES.

3. PLANNING COMMISSION MEETING MINUTES, JANUARY 26, 2015

RECEIVED AND FILED.

4. PLANNING COMMISSION ACTIONS, MEETING OF FEBRUARY 9, 2015

RECEIVED AND FILED.

5. MEETING CALENDAR / COMMUNITY SPECIAL EVENTS CALENDAR

RECEIVED AND FILED.

6. APPROVE AN AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CALIFORNIA COASTAL COMMISSION AND THE CITY OF DANA POINT REGARDING THE EXPENDITURE OF FUNDS FOR THE MITIGATION OF PARKING, TRAFFIC AND BEACH ACCESS IMPACTS

APPROVED A CONTRACT AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING WITH THE CALIFORNIA COASTAL COMMISSION REGARDING THE EXPENDITURE OF FUNDS FOR THE MITIGATION OF PARKING, TRAFFIC AND BEACH ACCESS IMPACTS, AND AUTHORIZED THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE THE AMENDMENT.

PUBLIC HEARINGS

There were no Public Hearing items.

**CITY OF DANA POINT, CALIFORNIA
CITY COUNCIL REGULAR MEETING MINUTES
FEBRUARY 25, 2015**

UNFINISHED BUSINESS

There were no Unfinished Business items.

JOINT MEETING WITH THE PLANNING COMMISSION

ROLL CALL OF THE PLANNING COMMISSION MEMBERS:

Present: Chairwoman Liz Claus
Vice-Chairwoman April O'Connor
Commissioner Norman Denton III
Commissioner Gary Newkirk
Commissioner Susan Whittaker

Absent: None

PUBLIC COMMENTS

There were no Public Comments.

NEW BUSINESS

7. ANNUAL HOUSING ELEMENT PROGRESS REPORT

City Manager Chotkevys provided an introduction on the item and Director of Community Development Director Luna-Reynosa provided a staff report.

City Manager Chotkevys thanked Christy Teague for her work with helping the City get an adopted and certified Housing Element.

Chairwoman Claus felt that the City does a remarkable job with the Housing Element. She stated that she likes some of the new items that have been added and complimented staff.

Council Member Muller asked if staff knew how much the Majestic project would be paying for their in lieu fees.

Director Luna-Reynosa replied that they will have to pay a fee per unit and that she thought it would be around \$5,000 per unit, but that she was not certain.

Council Member Muller asked if that would apply to the City's low income or very low income counts.

Director Luna-Reynosa replied that it would apply to all of the units. She added that none of the units would be restricted and that instead they would pay an in lieu fee that the City would collect and retain for use for affordable housing at some other location.

**CITY OF DANA POINT, CALIFORNIA
CITY COUNCIL REGULAR MEETING MINUTES
FEBRUARY 25, 2015**

City Manager Chotkevys stated that the City has not had a development of this scale where we could assemble a lot of affordable housing money so any affordable housing would have had to been funded by General Funds up to this point. He felt that this will allow the staff and City Council the ability to do some creative things.

Mayor Olvera asked what happens if the City does not make the goals.

Director Luna-Reynosa replied that there were no penalties and staff does its best efforts to achieve the goals.

City Manager Chotkevys added that the struggle is that Dana Point is a built out community and the potential for development is rare.

Mayor Olvera asked why the City was being requested to have 137 units above moderate income.

City Manager Chotkevys replied that it doesn't pencil for people to come in and invest because of the price of land. He added that the City must make a good faith effort towards compliance.

Director Luna-Reynosa added that SCAG looks at the demographics of the community and what the need is.

Mayor Olvera asked if the program titles were required and whether or not there were goals for the programs.

Director Luna-Reynosa replied that the titles were not required and that the goal was how the City was going to provide for affordable housing opportunities to the community.

8. A JOINT STUDY SESSION TO CONSIDER POTENTIAL AMENDMENTS TO THE TOWN CENTER PLAN TO ADDRESS PARKING REGULATIONS AND OTHER POTENTIAL AMENDMENTS TO THE DEVELOPMENT STANDARDS OF THE PLAN

Chairwoman Claus and Vice-Chairwoman O'Connor recused themselves from the meeting due to a potential conflict of interest. They left the Chamber at 6:52 p.m.

City Manager Chotkevys provided an introduction of the item.

Director Luna-Reynosa provided background on the adoption of the Town Center Plan and introduced Patrick Siegman of Nelson/Nygaard.

Patrick Siegman provided a PowerPoint presentation detailing their recommendations for amending the Parking Plan. Which included the following:

**CITY OF DANA POINT, CALIFORNIA
CITY COUNCIL REGULAR MEETING MINUTES
FEBRUARY 25, 2015**

1. Lease existing private lots and make them available to the public as shared parking;
2. Coordinated way finding program (signs/kiosks);
3. Adopt appropriate requirements; 2 spaces per 1,000 square feet if made available to the public as shared parking, existing citywide rates apply if parking is kept private; establish in lieu parking fee of \$40,000 per space;
4. On-going monitoring and evaluation; ensure that sufficient parking remains available. If occupancy exceeds 90%, take action to reduce demand or increase supply; and
5. Residential parking benefit district; nonresidents pay regular parking fees, existing residents get free parking permits.

Commissioner Whittaker asked what percentage of occupancy do people perceive that a parking lot is congested or that they will have trouble finding a space.

Patrick Siegman replied for off-street parking lots about 90 percent and for shorter term parking 85 percent.

Commissioner Whittaker asked when it gets to 90 percent is when you recommend that the City should do something.

Patrick Siegman replied yes, definitely take action at 90 percent. He stated that anything the City adopts is likely to become required by the Coastal Commission and could not be changed. He did not want to make anything too stringent because the Coastal Commission will probably make things even more so.

Commissioner Whittaker asked about the residential recommendation; if the City sets it at one space per 1,000 square feet would we be discouraging larger units.

Patrick Siegman replied no, that it was designed to fit what the market would want. He stated that the Plan was scaled so as the unit size increased, the parking requirement would as well.

Commissioner Newkirk felt that the concept of when the occupancy exceeds 90 percent, the City would take action was a reactive stance. He stated that everyone wants to see a build out of the Town Center and there may not be anything the City could do with the parking when that happens. He added that he would like to see a projection based on a scaled out build out. He felt that Dana Point was not a park once town and that people will not want to walk down the hill from the Lantern Village because they would have to walk back up.

City Manager Chotkevys replied that a build out in 10 years was very aggressive, and that he did not expect build out for 20-30 years.

Director Luna-Reynosa stated that there could be a park once strategy in a mixed-use area and you could have a park once that works for a commercial district such as a mall. She asked everyone to think the Town Center in that context.

**CITY OF DANA POINT, CALIFORNIA
CITY COUNCIL REGULAR MEETING MINUTES
FEBRUARY 25, 2015**

Commissioner Newkirk stated that the figure of \$35 per space per month space for rental plus maintenance would be \$420 per year per space. He asked if the City was looking at maybe \$500 with maintenance.

Patrick Siegman replied that was reasonable. He stated that it would depend on the first agreements that could be negotiated here and also look at San Clemente's costs.

Commissioner Newkirk asked how much parking does the City need to buy up front to make it economically viable.

Patrick Siegman replied that one strategy that will be helpful and it does not have to cost the City anything is if someone comes in for a change of use, the City can require that they provide shared parking.

Mayor Olvera opened the Public Comments.

Betty Hill, Capistrano Beach, felt that the City needs to keep in mind the overall goal of adequate parking, shops and restaurants. She felt that the zoning changes were risky and that too many giveaways could limit parking availability. She stated that leased parking terms would not encourage restaurants; they need guaranteed parking for their customers and employees. She felt that the City needed a long term parking plan, an economic development plan and an assessment so residents would not have to continue contributing money to support Town Center.

Buck Hill, Capistrano Beach, felt that customers will make up their mind based on convenience. He stated that a five year lease was meaningless because the City need to be able to offer years of success. He added that the City would not be able to attract anchor tenants without long-term leases.

Roxanna Watrous, Dana Point, read ten questions into the record regarding the Town Center. She asked for a response to her questions at the next Council meeting.

Steven LaMotte, Director of Government Affairs Building Industry Association OC Chapter, stated that they supported the City staff's recommendations for the parking amendments for the Dana Point Town Center. He felt that these types of changes were a positive step to help incentivize businesses to locate to Dana Point.

Robert Theel, Dana Point, felt that the existing parking standards were very conservative and that he fully endorses what has been proposed tonight. He stated that since incorporation there has only been one new building built in 25 years and that was the basic reason why the parking standards need to be changed.

**CITY OF DANA POINT, CALIFORNIA
CITY COUNCIL REGULAR MEETING MINUTES
FEBRUARY 25, 2015**

Pat Patterson, Newport Beach, felt that everything the City was doing is good and that it will just take time.

George Ray, Capistrano Beach, stated that he represents the owner of the Union Bank building. He added that they support the change of zoning and felt that development of adequate parking for retail is important.

Mayor Olvera closed Public Comments.

Commissioner Whittaker stated that she was supportive of going to two parking spaces per 1,000 square feet; she felt that it was justified and recommended that the City do that. She added that the City needs to amend the parking requirements. She felt that way finding signs were a great idea, but for parking that is open to the public that it should be the same sign; and be consistent throughout. She stated that she was not sure about the residential parking recommendation of one space per 1,000 square feet. She added that the City needed a lower percentage than 90 percent for monitoring before people perceive there is a parking problem. She felt that even though she lives on Selva she should be able to park for free, as should all residents of Dana Point.

City Manager Chotkevys mentioned the IlluminOcean event and stated that people were going to walk if it is worth it.

Commissioner Denton stated that there hasn't been any growth and felt that without changing the standards the City will not be able to attract any new businesses. He added that timing was important and felt that waiting until we are 90 percent built out was too late. He suggested a stair step approach.

Council Member Schoeffel agreed that as a resident of the town that the standards needed to be amended. He felt that parking planning was a dynamic process that was dependent on the development. He asked when we could expect the Majestic project to begin.

Director Luna-Reynosa replied that staff did not know at this point. She stated that Majestic was looking for a residential partner and once a partner was selected then they would need to negotiate an agreement. She added that it was not anticipated that the project would begin construction until 2016.

Council Member Schoeffel stated that with the amended parking plan, he would like to see a timeline of anticipated developments with the type of development so it could be matched with the parking development and type of parking development.

Director Luna-Reynosa clarified that on the residential parking requirement of one space per 1,000 square feet that would be a minimum and if someone wanted to

**CITY OF DANA POINT, CALIFORNIA
CITY COUNCIL REGULAR MEETING MINUTES
FEBRUARY 25, 2015**

build more parking they would be able to. She stated that on the monitoring it was 90 percent occupancy not build out and it would be done on an annual basis. She added that there will be a way finding program and felt that private parking lots should have larger signs also.

Council Member Viczorek asked if the recommendations were meant as a package answer to our parking problem.

Patrick Siegman replied that there were meant as a package. He stated that they were not the only five ways to do things, but felt that they were the best fit.

Council Member Viczorek asked how he saw the City accomplishing the first goal of continuous store fronts and utilizing existing parking.

Patrick Siegman replied that if the City lets the developers pay fees, the City could use that money for a lease or a purchase of an existing lot.

Council Member Viczorek asked if leasing parking lots was a permanent solution or a temporary one.

Patrick Siegman replied that the solution would work as long as a property owner does not want to develop. He stated that if they do, then he would recommend that the City require them to build new parking.

Council Member Viczorek asked about the length of leases and whether he had any recommendations.

Patrick Siegman replied that there should be a lease program, and then as new projects come in, they would be required to building parking on site and make the parking available to the public, or they pay in lieu fees which the City would use to purchase land for parking.

Council Member Viczorek asked if the spillover parking needed to be addressed now.

Patrick Siegman replied that it could be separated out, but most communities that do this poll the residents on each block to see if there is support.

Council Member Viczorek asked if there was a certain distance that the Coastal Commission would require for parking for the overlooks.

Patrick Siegman replied that he felt that if the City shared their goal of access that the Coastal Commission would work with us but if they think we are trying to shut people out they would not.

Council Member Muller stated that if the City Council adopts all five phases of this plan, it will allow the City to change as the community changes. He felt that the City needed to watch what was going on yearly to stay ahead.

**CITY OF DANA POINT, CALIFORNIA
CITY COUNCIL REGULAR MEETING MINUTES
FEBRUARY 25, 2015**

Mayor Pro Tem Tomlinson asked for a probability analysis for parking.

Patrick Siegman replied that he could provide that by building scenarios and varying the quantities.

City Manager Chotkevys stated that he was concerned about predicting development. He felt that a sensitivity analysis that could be amended as development occurs would be more helpful.

Patrick Siegman replied that he could pull that together.

Mayor Olvera asked how many mixed use parking study plans had Nelson/Nygaard submitted to the Coastal Commission that have been approved.

Patrick Siegman replied about seven plans.

Mayor Olvera stated that during the hearing for the Majestic property; a lot of the public comments talked about parking and the Town Center Plan. He asked if this would satisfy the requirement now in the Town Center Plan and address those comments.

Director Luna-Reynosa replied yes, this would satisfy the requirement in the Town Center Plan in the implementation section.

Mayor Olvera stated that a 1969 study of this business district was to include cul de sacs on the side streets. He asked why that was not allowed today.

Director Luna-Reynosa replied that she did not know.

Mayor Olvera stated that the Coastal Commission wanted to ensure that there was access to that street from the highway. He asked for details about the approved parking lot pilot program in Capistrano Beach.

Assistant City Manager Killebrew replied that the initial lease was for five years with cancellation clauses after the five years; and in return the City will pave and maintain the lot and it would then be available for public use including a farmers market except on Thursday afternoons and Sundays.

Director Luna-Reynosa stated that the experience in San Clemente has been that the property owners did not want to encumber a long time lease tying up their property but there has not been a problem.

Mayor Olvera stated that if this is going to be an LCPA; he asked if the plan could be adjusted as necessary we go along.

Director Luna-Reynosa replied that there are aspects of the parking management that do require an LCPA and that if the parking standard is not working well, the City could change it. She added that the document could be amended in the future as well.

Mayor Olvera asked what the next steps were before the plan goes to the Coastal Commission.

**CITY OF DANA POINT, CALIFORNIA
CITY COUNCIL REGULAR MEETING MINUTES
FEBRUARY 25, 2015**

Director Luna-Reynosa replied that there would be a public hearing before the Planning Commission, then the City Council, and then if it were approved it would be submitted to the Coastal Commission.

Mayor Olvera stated that he does not favor paid parking.

Director Luna-Reynosa replied that Santa Clara was not part of the Town Center boundary and would require a separate action. She stated that paid parking in the coastal area requires a Coastal Development Permit and that the Coastal Commission would not want it to be too expensive. She added that staff would need to amend a different section of the Code.

Mayor Olvera stated that he was overall supportive of this project and felt that the timing seems to be perfect.

City Manager Chotkevys stated that there were some clean up issues that needed to be reviewed and would be brought back at a noticed public hearing.

Director Luna-Reynosa and City Architect Tilton provided a summary of some of the clean-up issues that were going to be proposed for the Plan including changing the name of the Plan to the Lantern District Plan, the way building heights are measured, design of ground floor building frontage to allow for larger ceilings, a mezzanine incentive, and prohibit roof decks counting as common space as well as text changes regarding streetscape design.

Council Member Schoeffel asked what would be on the mezzanine level.

Director Luna-Reynosa replied residential.

Mayor Olvera asked that once the upper level setback is reduced can you impose architectural standards to enhance it.

City Architect Tilton replied that there was not a simple solution and staff would have to look at the whole picture of the building.

Commissioner Whittaker asked why we don't just increase the setback.

City Architect Tilton replied that was another option, but staff is finding that it is very difficult to make these projects financially feasible.

Commissioner Denton asked what would happen if two of four buildings would set back, but the others remained.

City Architect Tilton replied that any extra sidewalk is a good thing but felt that the staggered effect would work.

Commissioner Newkirk felt that there needs to be some safeguards where a developer could only go back so far to gain so much.

**CITY OF DANA POINT, CALIFORNIA
CITY COUNCIL REGULAR MEETING MINUTES
FEBRUARY 25, 2015**

City Architect Tilton replied that the City does have a built in standard that for every 80 feet, the building has to step back 10 feet.

Mayor Olvera encouraged staff to hold another special meeting between the Planning Commission and the City Council to continue this discussion before the public hearings commence on a draft.

PUBLIC COMMENTS

There were no additional Public Comments received.

ADJOURNMENT

There being no further business before the City Council at this session, Mayor Olvera adjourned the meeting at 9:51 p.m. in memory of retired Orange County Sheriff Department Sergeant and former United States Marine, Matthew Johnson. He announced that the next Regular Meeting of the City Council will be held on March 3, 2015, at 5:00 p.m. in the City Council Chamber located at 33282 Golden Lantern, Suite 210, Dana Point, California.



KATHY M. WARD
CITY CLERK

APPROVED AT THE MEETING OF APRIL 7, 2015