

Woodland City Council Minutes
Council Chambers
300 First Street
Woodland, California

December 9, 2003

JOINT WOODLAND CITY COUNCIL /
REDEVELOPMENT AGENCY BOARD /
PUBLIC FACILITIES CORPORATION /
PUBLIC FINANCING AUTHORITY

SPECIAL MEETING / STUDY SESSION

6:00 P.M.

CALL TO ORDER

Vice Mayor Rexroad called the joint special meeting of the City Council, Redevelopment Agency, Public Facilities Corporation and Public Financing Authority to order at 6:00 p.m.

PLEDGE OF ALLEGIANCE

Vice Mayor Rexroad invited the members of the Council and public to join in the Pledge of Allegiance to the Flag of the United States of America led by Council Member Dote.

ROLL CALL

COUNCIL MEMBERS PRESENT: Dote, Monroe, Peart (left the meeting at 6:05 and returned at 10:55 p.m.), Rexroad, Flory

COUNCIL MEMBER ABSENT: None

STAFF MEMBERS PRESENT: Rick Kirkwood, Phil Marler, Ann Siprelle, Sue Vannucci, Gary Wegener, Joan Drayton, Margaret Vicars, Tricia Stevens, Paul Hanson, Dan Bellini, Bruce Pollard, Jennifer Dzakowic, Dan Gentry, Wendy Ross



OTHERS PRESENT: Contract Traffic Engineer Grandy, Contract Planner Tschudin

PUBLIC COMMENT (NOT AGENDIZED)

During Special Meetings the only discussion allowed is to be those topics so listed on the Agenda. However, City Attorney Siprelle indicated the Council could allow such Public Comment should they so desire. Council concurred to allow as a member of the public wished to speak.

Dudley Holman asked the City Representative to the Yolo-Solano Air Quality Management District Board, Mayor Flory, not approve the proposed 34% increase to the salary of the General Manager.

COUNCIL/STAFF STATEMENTS AND REQUESTS (NOT AGENDIZED)

Vice Mayor Rexroad requested the current City Municipal Code section indicating that speakers coming before Council state their name and place of residence be placed on a future Agenda for discussion. Council concurred.

PUBLIC HEARING-WOODLAND GATEWAY/AUTO CENTER

ENVIRONMENTAL IMPACT REPORT; FINDINGS OF FACT AND OVERRIDING CONSIDERATION; MITIGATION PLAN; CONSISTENCY WITH GENERAL PLAN AND ZONING; ORDINANCE TO AMEND ZONING REGIONAL SHOPPING CENTER USES IN C-H AND EOZ ZONE; ORDINANCE TO APPROVE DEVELOPMENT AGREEMENT WITH WOODLAND INVESTMENT COMPANY LLC; MASTER CONDITIONAL USE PERMIT; TENTATIVE PARCEL MAP; CONCEPTUAL DESIGN AND SITE PLANS; CONTINUE SECOND READING OF ORDINANCES AND PROJECT APPROVAL

Council Member Peart said there was an advertisement in the local newspaper that may tie his property to this project and until he receives further advice from Counsel, he does not feel comfortable hearing this project and secluded himself from the proceedings. Council Member Peart left the Council Chambers.

City Manager Kirkwood said the project began primarily as an Auto Mall with associated retail. Council had received the proposal from the developer,



Paul Petrovich that there were a few auto dealers that would want to move to the site. An independent study was undertaken to determine the effects and found the project would have an economic effect on the area. This movement of the dealership(s) would be a catalyst for the Downtown to change dramatically. Council had directed staff to make some changes to the plan that would help the City and local dealers.

Director Stevens outlined the documents and the related actions before the Council for consideration as indicated above. The stop light will be placed Southbound on the ramp for the interchange and associated pocket and would be timed. Contract Engineer Grandy said there is an existing signal now in the Northbound direction. The new one would create the same type of condition going South and the light will be 25 feet tall with high visibility. The question regarding the request by the developer to have the road into the facility as private was answered as the transition from public to private will be at the Southern end of the project. There will be an irrevocable offer of dedication and the City could call it in for City road use. It may need to be reconstructed to meet City standards. The property would require a massive project study. Any consideration of a movie theater project would require construction of theaters in the Downtown first. The advance funding would be available to completely construct the proposed on-ramp up front. The first several payments are on the design and engineering costs with the balance based upon costs at that time.

Tim Youmans of EPS said the Downtown will not be significantly impacted with the retail component of this development. Most of the shops in the Downtown are specialty shops. The County Fair Mall would be affected. The Mall has had flat sales over the past several years. There may be difficulty attracting other retail to the vacant areas in the Downtown. The theater and retail on the Hoblitt-Haynes site would bring in property tax and sales tax and would be a catalyst to other development in the Downtown. The impact on the Downtown could be about a 10% to 20% loss until the stores changed. The cinema-plex concept is more effective when associated parking is part of the project. The success of the cinema has a positive effect on the surrounding businesses as well.

George Phillips, representing Mr. Petrovich, said an agreement had been reached with Hoblitt-Haynes to move to this proposed Auto Mall site. The intent of the Ford and Chevrolet dealerships is clear they do not intend to move at this time. Woodland Motors is interested but have not yet committed. About two years ago this came forward as a mixed use. The auto dealers moving would free up areas in the Downtown for development. The Council modified the General Plan to address those issues and to allow the center to have about 20



acres of auto and 35 of retail. They have a commitment to the Downtown with backfill in those two sites to be vacated.

The proposed Development Agreement allows a grocery store at the site. The City has several layers of protection regarding the types of buildings to be constructed on the site. The Entry Overlay Zone also provides additional requirements, with the Planning Commission and Council also approving. Council has ultimate control over the project. Five acres of the project must be dedicated to the on-ramp. The parking associated with the proposed theater would be utilized during the day hours by the courts and businesses in the Downtown.

Planning Commissioner Steve Barzo said the vision of the Commission was not to have any more strip malls in the Downtown. He does not feel the project is people-friendly. It is an uncovered retail area with inadequate entrances. The architecture is "cookie-cutter". Commissioner Kevin Bryan has concerns about the visual presentation of the project and had hoped for a design that would be more revolutionary. The auto mall would be better received if it was a more central element at that site. Commissioner Pat Murray said they have tried to pick up the silhouette of the buildings in the Downtown. This location will capture others from out of the City. There will be new homes in the area and the project would bring a place for people to shop and jobs. As the Natomas area builds up, it will become more difficult to drive to Sacramento. Commissioner Darlene Crites said she was a retailer in the Downtown and at the County Fair Mall. She feels that this project is good for the City. In order to generate the revenue to revitalize the Downtown, the City needs this type of project. The retail component is important for the success and the concept of just an auto mall is not appealing. The City needs additional retail space and needs to keep shoppers local.

At 7:43, Vice Mayor Rexroad opened the Public Hearing.

Cath Posehn feels this project is not an Auto Mall. There are many vacancies in the Downtown and infill should be considered first. The two year proposed hold on space for local dealership movement should be extended. A multi-plex with \$1 million to the Downtown is inadequate for what we need.

Sandra Briggs said this is now major retail with one confirmed auto dealership. The Downtown should be maintained. The shift of 40% to 60% is of concern. The proposed retail must be 4,000 square feet and that means inviting



big box stores, which is not good for the City. There needs to be adequate discussion in the community with more Public Hearings.

Chris Dreith said is concerned about the success of existing businesses, including the current auto dealerships. The theater proposal is not well received but the City needs the redevelopment. A 40% to 60% shift of funds will affect the weaker centers in the City. It will be expensive to redevelop these centers as well. There is a lot of blight. The Council should be responsible to the existing businesses and citizens and not to the new ones.

Mark Engstrom supports the auto mall component but not the retail. He is involved in the Southeast area. The Spring Lake Specific Plan will help with the viability of the retail in the Southeast area. The developer said he will withdraw if the grocery component is not allowed. They had done a report when they began the Southeast grocery project and the analysis will forthcoming in 60 days. Ten acres of auto sales generate 35 acres of retail sales. Grocery sales are non-taxable.

Greg Stille has concern about the backfill. The City does not need more blight. His company, Nugget Market, has used empty centers in other Cities to refurbish and open their new stores. He does not want the two year window to shut out other local dealers.

Darren Whittle is a leasing specialist and Woodland does not attract new tenants when they need more space or to upgrade. This creates other vacancies. This project will displace tenants throughout the City. He supports the auto mall but not the retail. In response to a statement by Council Member Dote indicating the City has been attracting new retail, such as Home Depot, Staples, etc., Mr. Whittle said these are large retail and we need to stop leakage.

Richard Warg said the Downtown is a place that has begun to develop a social life. The bookstore is not a just a business, but a gathering place. He does not need another place to shop.

Barry Ashcraft said there have been many centers that have closed or have had prolonged periods of vacancy. We do not want to see this type of thing at the entrance to the Downtown.

Ken Reiff said he supports the auto mall but not the retail portion. The other commercial space in the City should not be impacted. Thirty to sixty percent of the sales in the retail are from existing businesses in the Downtown



and this will cause closure. A 29% vacancy rate is existing at this time. This plan will cause the City to redo the General Plan.

Gene Stille said the City needs the auto mall very much. Nugget Market has been in the City for 77 years. The City must support the current businesses. They have been contributing to this City monetarily for many projects. They employ 465 people, 288 of which live in Woodland. They pay them well and provide good benefits. If another market goes in there will be no additional revenue for the City. The City is chasing sales tax and not doing what is right for the City. Big boxes should go next to the existing Mall to help them. This center will devastate the Downtown.

David Wilkinson said he is opposed to the project as it stands because of the retailer sales shift. This is not just a Downtown issue. The City does not need more big box retailers. The proposed cinema presents concerns about the existing State Theater. He has concern about the CEQA and feels it is very weak. The traffic on the auto mall alone cannot be the same as that to the retail. He would like to see a Request for Proposal on the auto mall alone.

Dudley Holman said he was part of the General Plan Referendum process. The City cannot modify the General Plan and changes must be voted upon by the citizens. City Attorney Siprelle said the General Plan does not require that any subsequent changes be voted upon, but they can be challenged.

Rick Haynes of Hoblitt-Haynes said the sales tax does stay in the City. When they bought the building they upgraded as the City had requested. They have always had the idea to move their location but did not know how to proceed. The retail is the only way this project can work. They sell more vehicles when they hold sales at WalMart because of the visibility. It is not the Council's job to protect their business, it is their own responsibility. Those citizens who purchase vehicles at other than local dealerships, pay taxes to other Cities and must take them there for service, which is also a loss of dollars locally.

Leslie Marcus said this project is far from an auto mall. The City should find someone who wants to develop an auto mall. This project is not good enough for this community.

Ray Ressler said in the Agreement there is an option for the developer to define the Agreement 90 days after approval. No theater is to be placed on the property until one is developed in the Downtown. He encouraged waiting on this project for 75 days. We need to protect Nugget Market because of the long term involvement in the Downtown.



Gary Sandy said this is not a Downtown issue, but one for the entire City. This is not an auto mall but a retail mall. We do not need another bargain basement retailer. This document needs to be thoroughly scrutinized. This project has been the fastest one to move forward in this City. The numbers tell the story. This property is a gold mine for the City. We do not have to share the taxes on this property with the County. The auto mall was downsized even though it is a primary source of sales tax. The economic base of the City should not be sacrificed.

Amy Wilson is new to the City and was attracted here because of the local personality. It does not appear that the homework has been done on this project. The Council must make the decision that is best for the City. There can be a win/win on the project. She asked that Council consider what is the best solution.

Council recessed from 8:50 to 9:00 p.m.

Dave Hoblitt said the two year hold for existing dealer consideration of relocation does not mean the land will go elsewhere, but that other dealers outside of the City would have the option to locate here. Without the retail they will not be able to relocate Hoblitt-Haynes to the site. They need help to build the infrastructure. This is designed to be a regional shopping center and people from other areas will be coming here. These people will be shopping at other big box stores and in the Downtown as well. This project will revitalize the economic base of the entire City.

Mr. Youmans said the vacancy rate is understated as the information came from brokers who are marketing retail space. There was no grocery store in the analysis, simply apparel and home improvement.

Mr. Phillips said they want the public to understand all of the issues in relation to the project. Their perspective is that this center will enhance the City. They do not want to have a project that will be detrimental to the social and cultural base of the City. The developer made a financial commitment to the Downtown and wants to invest there for years to come. The project is to enhance the business climate for the auto dealers and keep the local business here. Hoblitt-Haynes has said if this does not proceed, they will need to determine whether they can be successful in this City. The retail at this site will be less in size than Home Depot and WalMart combined.



Brenda Turner does not feel this project is beneficial to the local businesses. There have been many people in opposition and few who support.

At 9:20, Vice Mayor Rexroad closed the Public Hearing.

Council Member Monroe said he supports the auto mall because the project will help Hoblitt-Haynes. The theater would be a good addition but the economic impact is very distressing. The County Fair Mall is collapsing and the Downtown will be impacted by the project. The success of the current businesses is of prime importance. The project is being rushed and should be thoroughly studied. The Development Agreement needs to be provided to the citizens to study further.

Council Member Dote said she has received much input and support for the auto mall portion of the project. She feels there needs to be further input received and would like to hold on this project. A panel should be formed to study further.

Mayor Flory said Hoblitt-Haynes and other dealers need to find larger venues to meet their needs without large scale development. The City should help Hoblitt-Haynes find another site within the City. Future commercial in the City should be scaled down. This project is not good for the City at this time and will greatly impact other local businesses. There will be a significant increase in traffic and there is too much vacant retail at present. The project is inconsistent with the values of the small town atmosphere.

Vice Mayor Rexroad said the Council needs to put something in writing exactly what they would allow on that site. The Specific Plan calls for a theater in the Downtown and it would be a draw for the area. We had a chance to bring this to the Downtown and will lose the necessary parking without the project. We all benefit from a competitive Downtown. It has been suggested to return with the project in 90 days. People want to study and come back with questions and suggestions. A policy document could be adopted that would set what the Council would like to see.

Council Member Dote would like the costs of the infrastructure identified. The cost without the on ramp is needed. There must be public involvement and a public policy.



City Manager Kirkwood asked if Council would consider keeping the project open for 90 days, forming a Blue Ribbon Committee, or withdraw the application. Mr. Petrovich said that a 90 day hold would allow him to try to find a solution. He needs to know what the Council wants. He thought when the General Plan was approved, that information was outlined.

Council Member Dote moved and Vice Mayor Rexroad seconded that Council bring this proposal back in 90 days to a Study Session for reconsideration, Council to prepare a series of questions to have Staff and the Applicant address at the time and at the next Council meeting, bring forward appointments to a citizens committee to work through the entire process.

Mayor Flory offered a substitute motion that Council keep the zoning designation at 5 acres at highway commercial and 50 acres auto mall/auto related businesses. Council Member Monroe seconded. City Attorney Siprelle interjected the Amendment to the General Plan made by Council changed the land use designation only and as this is not on the Agenda, the motion cannot be made to change the zoning designation back at this time. Vice Mayor Rexroad ruled this motion out of order due to the above.

Mayor Flory offered another substitute motion in that items A-H on the Agenda will not be acted upon so the designation of items under consideration for amendment could be considered at a later date. As per Council Member Dote's motion the entire package would return. City Attorney Siprelle said that tonight the Council could either deny the applications for all of the changes which would generate new applications to the Planning Commission, could continue the project to a later date, could refer back to the Planning Commission or could approve it. Mayor Flory said that his substitute motion would be to deny items A through H. This substitute motion was seconded by Council Member Monroe. City Attorney Siprelle said that since this motion had been made and seconded, there should be a vote on the substitute motion. Vice Mayor Rexroad asked for clarification on the ramification of this motion. Director Stevens said if denied, someone would have to re-apply for another project. The General Plan policy adopted a year ago would remain in place, which would allow the site to be developed with a mix of retail and auto mall uses. A new application could be made for a new Development Agreement and Conditional Use Permit. Mr. Petrovich could reapply as is but would have to go through the hearing process. Much of the same information would be used but the EIR would have to be updated. Council Member Dote said the applicant has been through the process and has complied with the requests of the City. Having the applicant start over is an undue burden. The substitute motion lost on a tie vote.



On return to Council Member Dote's original motion, a 90 day review, formation of a Blue Ribbon Commission and Council submission of questions to Staff to be reviewed by the Planning Commission, lost on a tie vote.

City Attorney Siprelle said if there is no action on an item, it is deemed denied. Vice Mayor Rexroad asked without a decision, why this would be deemed as denied. City Attorney Siprelle said because there is a pending application for approval of a project before the Council, no action is deemed denial. She requested a break to review the law.

Council recessed from 10:05 to 10:16.

City Attorney Siprelle said the City Code and Robert's Rules of Order state a tie vote equals a lost motion. There is the Permit Streamlining Act which states if there is no action on an application after a certain amount of time, it is deemed approved. The application is pending, if there is no action on it, the understanding is that it is deemed denied as per her understanding. If further research is requested, she would request a continuance. Director Stevens said if the project is deemed denied, a reapplication could not be made for a year unless there is a concurrence of the Planning Commission or the City Council. Council Member Dote said if this is denied, it takes one year to reapply and would it be for the same project or a similar project and is there some criteria about how similar the project could be to this one. Director Stevens said the connection is the one year provision applies to re-zoning. As the zoning is not changing, but the proposed amendment has the same procedure as rezoning, the one year would apply. If another project came forward that did not have a zoning amendment attached but a Conditional Use Permit under the existing zoning, the one year would not apply. A project with any kind of regional use on it, regardless of the acreage, needs the amendment to the zoning to allow regional retail.

City Manager Kirkwood said Council could move the item to the Planning Commission to have them continue to review and make recommendation to the Council. Council Member Monroe would like to return to the acreage as was a year ago.

Vice Mayor Rexroad moved that the item return to the Planning Commission. Council Member Dote seconded the motion. Mayor Flory said by denying any applicant can go the Planning Commission with a revision to the acreage. He feels that an applicant needs to come forward with a proposal.



Director Stevens said under the current zoning, the site could be a 55 acre auto mall. Motion withdrawn.

Council Member Dote said if Council does not list out exactly what is desired with this project, the same issues could come forward with this or any other applicant. Vice Mayor Rexroad said they will wait for an answer from the City Attorney on the status of this application.

At 10:30, it was moved by Mayor Flory, seconded by Vice Mayor Rexroad and carried by the Members present to extend the meeting until 11:00.

REPORTS OF THE CITY MANAGER

ANNUAL AUDITS

Finance Director Drayton said the Single Audit Act and OMB Circular 133 requirements have been completed. The Basic Financial Statements indicate no conditions, material weaknesses or Questioned Costs in the internal controls of the City or in the Major Programs. There were some findings of non-compliance in the Compliance Requirements. The City did receive an unqualified clean opinion on all audits. There were six comments, none of which were substantive. With the Governmental Accounting Standards Board (GASB) 34, there were changes in the fiscal reporting requirements. Director Drayton outlined the Government-Wide Financial Reports, Major Governmental Funds, General Fund, Special Revenue Funds, Major Proprietary Funds, Fiduciary Funds, and the Non-Major Funds. Director Emeritus Vicars said there had been a change in the revenue due to a drop in sales tax following the September 11th attacks. That drop has now moved back to the pre 9/11 days.

At 10:55, Council Member Peart returned to the meeting.

Director Emeritus Vicars said the City is at \$114 million in our debt limit. This cannot be used for a joint venture. The City has extremely low debt.



At 11:00, on a motion by Council Mayor Flory, seconded by Council Member Dote and carried, Council extended the meeting until 11:10. Council Member Monroe voted to the negative.

On a motion by Council Member Monroe, seconded by Council Member Dote and unanimously carried, acting as the Council and governing bodies of the Public Facilities Corporation, Public Financing Authority and Redevelopment Agency reviewed and accepted the Single Audit Report for the Fiscal Year ended June 30, 2003 and the respective audited financial reports for those entities for the Fiscal Year ended June 30, 2003.

CONSENT

CERTIFICATE OF APPRECIATION FOR MARGARET VICARS

On a motion by Council Member Peart, seconded by Council Member Dote and unanimously carried, Council approved a Certificate of Appreciation for retiring Finance Director and City Treasurer, Margaret Vicars to recognize her years of service to the City of Woodland. Such Certificate to be presented at the scheduled retirement dinner on December 13, 2003.

ADJOURNMENT

Vice Mayor Rexroad adjourned the Joint Special Meeting at 11:01 p.m.

Respectfully submitted,

Sue Vannucci, CMC, City Clerk