



MINUTES

Meeting of the San Marcos City Council

TUESDAY, OCTOBER 14, 2014

City Council Chambers

1 Civic Center Drive, San Marcos, CA 92069

Regular City Council Meeting

Regular San Marcos Public Financing Authority Meeting

Special City of San Marcos as Successor Agency to the San Marcos Redevelopment Agency Meeting

Special City of San Marcos as Successor Housing Agency to the San Marcos Redevelopment Agency Meeting

Special Fire Protection District Meeting

CALL TO ORDER: Mayor Desmond called the City Council Meeting to order at 6:01 p.m.

ROLL CALL:

PRESENT:	COUNCILMEMBERS:	JABARA, JENKINS, JONES, ORLANDO, DESMOND
ABSENT:	COUNCILMEMBERS:	NONE

ALSO PRESENT: City Manager Griffin, City Attorney Peak, City Engineer/Public Works Director Edwards, Planning Director Backoff, Fire Chief VanWey, Finance Director Rocha, City Clerk Scollick, and Deputy City Clerk Cogle.

PLEDGE OF ALLEGIANCE: Given by Councilmember Jabara.

INVOCATION: Given by Pastor Karla Halvorson, San Marcos Lutheran Church.

PRESENTATIONS

- A. Red Ribbon Month Recognition: The City Council introduced Letty Robles of San Marcos Prevention Coalition who commended San Marcos schools for participating in Red Ribbon Month. The City Council presented certificates of recognition to the following schools: Richland Elementary, Paloma Elementary, San Marcos Elementary, Knobb Hill Elementary, San Marcos High, Mission Hills High, and Twin Oaks High.
- B. Business Survey Presentation: Community & Economic Development Program Manager Magee introduced Dr. Timothy McLarney, Ph.D. of True North Research who provided a presentation on survey results of local businesses.
- C. May Fires After Action Report: Fire Chief VanWey provided a May 2014 Cocos Fire After Action Report.



- D. San Marcos Veterans Day Ceremony: Greg and Heidi Rassatt and Dr. Linda Dudek announced plans for the upcoming San Marcos Veterans Day ceremony scheduled to be held on November 11, 2014 at Bougher Park.

The City Council recessed at 7:39 p.m. and reconvened at 7:44 p.m.

CONSENT CALENDAR

MOVED BY VICE MAYOR JONES, SECONDED BY COUNCILMEMBER JABARA, TO APPROVE THE CONSENT CALENDAR, AS RECOMMENDED BY STAFF.

AYES: COUNCILMEMBERS: JABARA, JENKINS, JONES, ORLANDO, DESMOND
NOES: COUNCILMEMBERS: NONE
ABSENT: COUNCILMEMBERS: NONE

- 1) **WAIVER OF TEXT.** This item is to waive the reading of the text of all Ordinances and Resolutions introduced or adopted at this meeting. Ordinances and Resolutions shall be introduced or adopted by title.
- 2) **APPROVAL OF MINUTES.** Regular City Council/Regular San Marcos Public Financing Authority/Special City of San Marcos as Successor Agency to the San Marcos Redevelopment Agency/Special City of San Marcos as Successor Housing Agency to the San Marcos Redevelopment Agency/Regular Fire Protection District Meetings, 9/23/2014 and Joint Special City Council and Vallecitos Water District Board Meeting, 9/22/2014.
- 3) **APPROVAL OF WARRANTS.** Approved City Council, Successor Agency, and Fire Protection District warrants.
- 4) **DECLARE VACANCIES ON VARIOUS BOARDS, COMMITTEES AND COMMISSIONS.** Approved, declaring upcoming vacancies, authorize advertising to accept applications by 5:30 p.m., Thursday, November 20, 2014 and conduct interviews at the City Council meeting of Tuesday, December 9, 2014, of the desired appointments to the referenced Board, Committee and Commission vacancies.
- 5) **ORDINANCE NO. 2014-1400 – LOMA SAN MARCOS (P13-0060: GPA 13-007/SP 13-005) CONDITIONALLY APPROVING A SPECIFIC PLAN AMENDMENT CHANGING THE NAME OF “SAN MARCOS STUDIOS SPECIFIC PLAN” TO “LOMA SAN MARCOS SPECIFIC PLAN”.** Approved, adopting Ordinance No. 2014-1400.
- 6) **RESOLUTION NO. 2014-7989 – APPROVAL OF A RESOLUTION AUTHORIZING APPLICATION FOR THE SANDAG SENIOR MINI-GRANT PROGRAM.** Approved and directed the City Manager or his designee to execute necessary agreements to receive funding under the San Diego Association of Governments (SANDAG) Senior Mini-Grant Program.



- 7) **LEGISLATIVE REPORT.** Note and filed legislative items.
- 8) **RESOLUTION NO. 2014-7990 – RENEWAL AND REDESIGNATION OF THE NORTH SAN DIEGO COUNTY RECYCLING MARKET DEVELOPMENT ZONE.** Approved a Negative Declaration Addendum and the renewal and redesignation of the North San Diego County Recycling Market Development Zone.
- 9) **RESOLUTION NO. 2014-7991 – EXPENDITURE OF FUNDS PURSUANT TO COMPENSATION AND REIMBURSEMENT POLICY-EVENT TICKET APPROVAL-PALOMAR COLLEGE FOUNDATION 23RD ANNUAL GALA.** Approved expenditure of funds for attendance at a public purpose event for Mayor Desmond.

ORAL COMMUNICATIONS

There were no requests to speak from the public.

NEW BUSINESS

- 10) **FOURTH QUARTER FISCAL YEAR 2013-14 FINANCIAL STATUS REPORT.** Note and File fiscal year 2013-14 fourth quarter financial status report.

FINANCE DIRECTOR ROCHA provided staff report dated 10/14/14. There was no action taken by the City Council.

- 11) **CREEKSIDE MARKETPLACE AND DMV FINANCING OPTIONS FOR BUILDING PURCHASE, TENANT IMPROVEMENTS, AND RELATED CAPITAL COSTS.**

FINANCE DIRECTOR ROCHA provided staff report dated 10/14/14. Staff recommended the City Council: 1. consider and direct the use of excess unassigned general fund reserves for the acquisition of the former Lowe's building; 2. consider and direct financing options/use of excess unassigned general fund reserves for funding the necessary tenant improvements and other related capital costs associated with preparing the building for leasing to WinCo Foods, LLC and Hobby Lobby Stores Inc.; and, 3. consider and direct financing options/use of one-time opportunity general fund reserves for related capital costs associated with the construction of the new DMV building.

CITY COUNCIL discussion included: 1) clarification of the tenant improvements on the building; 2) reserves would be repaid with lease payments; 3) the one-time expenditure from the reserves is approximately \$9.7 million; 3) partnership relationship and responsibilities related to building and operating the properties; 4) interest rate options to the partnership loan; 5) the partnership agreement is a 60%/40% split and the city will be paying 60% of the costs as well as receiving 60% of the revenues; 6) the City's savings include loan fees and higher interest costs if the reserve funds are utilized; 7) accelerated



repayment options can be reviewed and considered; and 8) concern relating to the City's partner benefiting from a discounted interest rate versus paying the market rate.

CITY ATTORNEY PEAK clarified that the proposal for the DMV building construction is for a public purpose and not a gift of public funds. The partnership has been in existence for quite some time and the City has reaped the benefits of the partnership over the same time period. It is a partnership and dividing it artificially at this point is something that would be contrary to past practice and would probably require an amendment to the partnership agreement.

MOVED BY MAYOR DESMOND, SECONDED BY VICE MAYOR JONES, TO DIRECT STAFF TO PROCEED WITH THE USE OF THE EXCESS UNASSIGNED GENERAL FUND RESERVES FOR THE ACQUISITION OF THE FORMER LOWE'S BUILDING AND FOR TENANT IMPROVEMENTS ASSOCIATED WITH THE HOBBY LOBBY AND WINCO FOODS LEASES AND TO PROVIDE A MORE DETAILED ANALYSIS RELATING TO FINANCING OPTIONS ASSOCIATED WITH THE CONSTRUCTION OF THE DMV BUILDING.

AYES: COUNCILMEMBERS: JABARA, JENKINS, JONES, ORLANDO, DESMOND
NOES: COUNCILMEMBERS: NONE
ABSENT: COUNCILMEMBERS: NONE

ORDINANCES

12. **ORDINANCE NO. 2014-1401 – CONSIDERATION OF AN ORDINANCE AMENDING SECTION 1.08.010 OF THE SAN MARCOS MUNICIPAL CODE TO MODIFY THE RULES OF CONSTRUCTION.**

CITY ATTORNEY PEAK provided staff report dated 10/14/14. Staff recommended the City Council introduce an ordinance to amend Section 1.08.010 of the San Marcos Municipal Code (SMMC) to clarify when terms are to be construed as mandatory and when they are intended to be permissive. In addition, City Attorney Peak recommended the word "or" after "interpretation" on line three of section 1.08.010 be added.

MOVED BY MAYOR DESMOND, SECONDED BY VICE MAYOR JONES, TO INTRODUCE ORDINANCE NO. 2014-1401, ADDING THE WORD "OR".

AYES: COUNCILMEMBERS: JABARA, JENKINS, JONES, ORLANDO, DESMOND
NOES: COUNCILMEMBERS: NONE
ABSENT: COUNCILMEMBERS: NONE

13. **ORDINANCE NO. 2014-1402 – CONSIDERATION OF AN ORDINANCE AMENDING SECTION 2.16.070 OF THE SAN MARCOS MUNICIPAL CODE TO PROVIDE CONSISTENCY IN THE EXEMPTION OF MONEY OR PROPERTY THAT CANDIDATES MAY CONTRIBUTE, LOAN TO OR**



EXPEND ON BEHALF OF THEIR OWN CAMPAIGNS FROM CAMPAIGN AND VOTING CONTROLS.

CITY ATTORNEY PEAK provided staff report dated 10/14/14. Staff recommended the City Council Introduce an ordinance to amend Section 2.16.070 of the San Marcos Municipal Code (SMMC) to provide consistency in the exemption of money or property that candidates may contribute, loan to or expend on behalf of their own campaigns from the campaign and voting controls of SMMC Chapter 2.16.070.

MOVED BY VICE MAYOR JONES, SECONDED BY COUNCILMEMBER JENKINS, TO INTRODUCED ORDINANCE NO. 2014-1402, AS RECOMMENDED BY STAFF.

AYES: COUNCILMEMBERS: JABARA, JENKINS, JONES, DESMOND
NOES: COUNCILMEMBERS: NONE
ABSENT: COUNCILMEMBERS: NONE
ABSTENTION: COUNCILMEMBERS: ORLANDO

ORAL COMMUNICATIONS

There were no requests to speak from the public.

REPORTS (Including AB 1234 Reporting Requirements)

- 14) **REDEVELOPMENT AGENCY DISSOLUTION REPORT** - CITY MANAGER. Report provided with no action taken. The City Council requested this report be removed from future agendas as the Department of Finance approved the City's long range property management plan without modification.
- 15) **REGIONAL ECONOMIC REPORT** - MAYOR DESMOND. Report provided with no action taken.
- 16) **SAN DIEGO ASSOCIATION OF GOVERNMENTS REPORT** - COUNCILMEMBER ORLANDO. No report provided.
- 17) **NORTH COUNTY TRANSIT DISTRICT REPORT** - VICE MAYOR JONES. No report provided.
- 18) **LEAGUE OF CALIFORNIA CITIES REPORT** - COUNCILMEMBER JABARA. Report provided with no action taken.
- 19) **NORTH COUNTY DISPATCH JOINT POWERS AUTHORITY REPORT** - COUNCILMEMBER JENKINS. No report provided.

COUNCIL COMMENTARY

Mayor Desmond reported he and Councilmember Orlando toured Baked In The Sun, a San Marcos bakery located on Bingham Drive.

Councilmember Jenkins reported she attended the grand opening of the Palomar College humanities building and the Fire Station open house.



Regular City Council/Regular Public Financing Authority/Special City of San Marcos As Successor Agency to the San Marcos Redevelopment Agency/Special City of San Marcos As Successor Housing Agency to the San Marcos Redevelopment Agency/Special Fire Protection District Meetings

Tuesday, October 14, 2014 | Page 6 of 6

ADJOURNMENT

Mayor Desmond adjourned the meeting at 9:00 p.m.

JAMES M. DESMOND, MAYOR
CITY OF SAN MARCOS

ATTEST:

PHILLIP SCOLICK, CITY CLERK
CITY OF SAN MARCOS