

**LODI CITY COUNCIL
REGULAR CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, MAY 21, 2014**

- C-1 Call to Order / Roll Call - N/A
- C-2 Announcement of Closed Session - N/A
- C-3 Adjourn to Closed Session - N/A
- C-4 Return to Open Session / Disclosure of Action - N/A
- A. Call to Order / Roll Call

The Regular City Council meeting of May 21, 2014, was called to order by Mayor Katzakian at 7:00 p.m.

Present: Council Member Johnson, Council Member Mounce, Council Member Nakanishi, and Mayor Katzakian

Absent: Mayor Pro Tempore Hansen

Also Present: Interim City Manager Schwabauer, Interim City Attorney Magdich, and Assistant City Clerk Robison

NOTE: Council Member Mounce participated via teleconference.

B. Presentations

B-1 Presentation of Certificate of Recognition to the Heritage School Earth Keepers (CLK)

Mayor Katzakian presented Certificate of Recognition to Kathy Grant and the students of the Heritage School Earth Keepers for its efforts in keeping the school campus and neighboring streets clean of trash.

C. Consent Calendar (Reading; Comments by the Public; Council Action)

Council Member Johnson made a motion, second by Council Member Nakanishi, to approve the following items hereinafter set forth, **except those otherwise noted**, in accordance with the report and recommendation of the City Manager.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Johnson, Council Member Mounce, Council Member Nakanishi, and Mayor Katzakian

Noes: None

Absent: Mayor Pro Tempore Hansen

C-1 Receive Register of Claims in the Amount of \$3,950,743.94 (FIN)

Claims were approved in the amount of \$3,950,743.94.

C-2 Approve Minutes (CLK)

The minutes of May 6, 2014 (Shirtsleeve Session), May 7, 2014 (Regular Meeting), and May 13,

2014 (Shirtsleeve Session) were approved as written.

C-3 Approve Plans and Specifications and Authorize Advertisement for Bids for Lodi Lake Park - Youth Area Pathway Improvements (PW)

Approved the plans and specifications and authorized advertisement for bids for Lodi Lake Park - Youth Area Pathway Improvements.

C-4 Approve Plans and Specifications and Authorize Advertisement for Bids for Lodi Transit Station Modification Project (PW)

Council Member Johnson made a motion, second by Council Member Nakanishi, to approve the plans and specifications and authorize advertisement for bids for Lodi Transit Station Modification Project.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Mounce, Council Member Nakanishi, and Mayor Katzakian

Noes: Council Member Johnson

Absent: Mayor Pro Tempore Hansen

C-5 Adopt Resolution Authorizing the City Manager to Approve the Sole Source Purchase of a Computed Radiography (X-Ray) Reader for the Lodi Police Department and Appropriating Funds (\$20,478) (PD)

Adopted Resolution No. 2014-78 authorizing the City Manager to approve the sole source purchase of computed radiography (x-ray) reader for the Lodi Police Department and appropriating funds in the amount of \$20,478.

C-6 Accept Memorial Bench and Plaque Project in Memory of Jennifer Katzakian (PRCS)

Accepted the memorial bench and plaque project in memory of Jennifer Katzakian.

C-7 Accept Improvements Under Contract for Alley Improvement Project - Phase 4 (PW)

Accepted the improvements under contract for Alley Improvement Project - Phase 4.

C-8 Accept Improvements Under Contract for Lodi West Wall Replacement, 2560 Paradise Drive (PW)

Accepted the improvements under contract for Lodi West Wall Replacement, 2560 Paradise Drive.

C-9 Adopt Resolution Approving the Master Lease Agreement with the Lodi Grape Festival and National Wine Show Association for Use of Various Festival Ground Facilities (\$21,000) (PRCS)

Adopted Resolution No. 2014-79 approving the master lease agreement with the Lodi Grape Festival and National Wine Show Association for use of various Festival ground facilities in the amount of \$21,000.

C-10 Adopt Resolution Ratifying the San Joaquin Council of Governments' Annual Financial Plan for Fiscal Year 2014/15 (PW)

Adopted Resolution No. 2014-80 ratifying the San Joaquin Council of Governments' Annual Financial Plan for Fiscal Year 2014/15.

C-11 Adopt Resolution Finding Existence of a Drought Emergency (PW)

This item was pulled from the Consent Calendar by Council Member Nakanishi.

In response to Council Member Nakanishi, Deputy Public Works Director Charlie Swimley explained that the purpose of this declaration is to acknowledge the statewide water emergency, which gives the Public Works Director the authority to increase water conservation measures if the condition worsens. A Stage 1 water shortage contingency means normal operations at this time.

Council Member Nakanishi made a motion, second by Council Member Johnson, to adopt Resolution No. 2014-82 finding the existence of a drought emergency.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Johnson, Council Member Mounce, Council Member Nakanishi, and Mayor Katzakian

Noes: None

Absent: Mayor Pro Tempore Hansen

C-12 Receive Draft Allocation Methodology for the 2014-2023 Regional Housing Needs Allocation for San Joaquin County (CD)

Received the draft allocation methodology for the 2014-2023 Regional Housing Needs Allocation for San Joaquin County.

C-13 Authorize the Mayor, on Behalf of the City Council, to Send Letter of Opposition for AB 2188 - Solar Energy Permits (Muratsuchi) (CLK)

Authorized the Mayor, on behalf of the City Council, to send letter of opposition for AB 2188 - Solar Energy Permits (Muratsuchi).

C-14 Adopt Resolution Declaring Intention to Annex Territory to Community Facilities District No. 2007-1 (Public Services) and to Levy a Special Tax Therein and Setting Public Hearing for July 16, 2014 (PW)

Adopted Resolution No. 2014-81 declaring intention to annex territory to Community Facilities District No. 2007-1 (Public Services) and to levy a special tax therein and setting public hearing for July 16, 2014.

D. Comments by the Public on Non-Agenda Items

THE TIME ALLOWED PER NON-AGENDA ITEM FOR COMMENTS MADE BY THE PUBLIC IS LIMITED TO FIVE MINUTES.

Public comment may only be made on matters within the Lodi City Council's jurisdiction (Government Code Section 54954.3, Lodi City Council Protocol Manual Section 6.3I). The Council cannot take action or deliberate on items that are not on this agenda unless there is an emergency and the need to take action on that emergency arose after this agenda was posted (Government Code Section 54954.2(b)(2)). All other items may only be referred for review to staff or placement on a future Council agenda.

Pastor Mark Price with St. Paul Lutheran Church requested Council endorse the implementation

of Laura's Law in San Joaquin County to further raise awareness of mental health issues and how it affects individuals, families, and friends, as well as the impact on police departments, hospitals, and care givers.

E. Comments by the City Council Members on Non-Agenda Items

Council Member Nakanishi paid tribute to Ross Farrow who passed away recently and read the following statement from the Lodi News-Sentinel for the record: "In a business noted for its transience, Mr. Farrow was a stalwart, serving as a reporter for the Lodi News-Sentinel from October 1997 until last December. He died Friday night at a hospital in Sacramento due to complications of pneumonia."

Council Member Mounce thanked Mayor Katzakian, her fellow Council Members, and staff for their assistance in allowing her to participate in the Council meeting via telephone.

F. Comments by the City Manager on Non-Agenda Items

Interim City Manager Schwabauer wished his son, Jacob, a happy eleventh birthday.

Council Member Johnson wished Mayor Katzakian good luck with his son's wedding this weekend.

G. Public Hearings

G-1 Public Hearing to Consider Adopting Resolution Approving the Planning Commission's Recommendation to Authorize 145 Low-Density Residential, 55 Medium-Density Residential, and 88 High-Density Residential Growth Management Allocations for Van Ruiten Ranch Subdivision (CD)

Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Katzakian called for the public hearing to consider adopting resolution approving the Planning Commission's recommendation to authorize 145 low-density residential, 55 medium-density residential, and 88 high-density residential Growth Management Allocations for Van Ruiten Ranch Subdivision.

Senior Planner Craig Hoffman provided a PowerPoint presentation regarding the Planning Commission's recommendation to authorize 145 low-density residential, 55 medium-density residential, and 88 high-density residential Growth Management Allocations for the Van Ruiten Ranch Subdivision. Specific topics of discussion included the request from Van Ruiten Ranch, subdivision map, Growth Management Allocation history, Growth Management Allocations for 2014, Growth Management Allocations for Van Ruiten Ranch, environmental review, and staff recommendation.

In response to Council Member Johnson, Mr. Hoffman stated the area on the north end of the complex consists of existing winery buildings that will eventually be demolished.

In reference to the letter from Kenneth and Carolyn Beck, Mr. Hoffman stated he met with them previously regarding their concerns about access to their property. At the time, they were unwilling to give up access on Lower Sacramento Road and take a temporary access. He stated he would follow up with them to discuss the issue further.

In response to Council Member Nakanishi, Mr. Hoffman explained the Growth Management Allocation figures in Tables B and C of the PowerPoint, stating that it takes into account the allocations made for the Rose Gate project, the 2% allocations for 2014, and the request of

Van Ruiten Ranch Subdivision, which leaves 5,055 allocations remaining for 2014. Mr. Hoffman added that staff is monitoring how allocations are being distributed and will continue to watch as the Rose Gate and Van Ruiten Ranch subdivisions progress. In further response, Mr. Hoffman and Mr. Schwabauer stated that, despite the 2% growth allocation restriction, Lodi is consistent with many communities in relation to growth; however, it is still much lower than cities such as Tracy, Stockton, and Elk Grove partially due to the fact that Lodi does not have an abundance of empty lots. The City is beginning to see an increase in residential building permits, and Mr. Hoffman stated staff plans to return to Council with a report on development trends and what it means for years 2015-2016.

Council Member Johnson added that Lodi has always been well controlled with growth and it will most likely never see expansion like some cities have, citing Lathrop's sizable River Islands project.

Council Member Mounce expressed her concern that the 2% growth restriction is compounded each year, with over 5,000 allocations at present time, and if there were a spike in development, Lodi could grow exponentially. Mr. Schwabauer stated that the City can expire allocations, which staff did about a year ago.

In response to Council Member Mounce, Mr. Hoffman assured Council he would work with Mr. and Mrs. Beck and the Van Ruiten Family to discuss the Beck's concerns regarding access and he felt confident that the issue could be resolved through the final draft and improvement plan process. Council Member Mounce requested that Council be kept apprised on the progress.

Mayor Katzakian opened the public hearing for public comment.

Dennis Bennett, project developer, expressed support for the project and recommended Council approval. He confirmed that the winery buildings, which sit on top of the property line, are set to be demolished at some point during the project and he has been in contact with the adjacent property owner.

In response to Council Member Nakanishi, Mr. Bennett stated the first phase is anticipated to be completed in fall of this year; however, it will be dependent upon the completion of the improvement plan, the bidding process, and issues relating to sewer and storm lines.

In response to Council Member Johnson, Mr. Schwabauer stated that as it stands now the ponding basin will only have a trail feature around it. Mr. Johnson stated he would be in favor of any opportunity to make the basin more user friendly.

Jeffrey Kirst expressed support for the project, stating this would be a step in the right direction toward a recovery in the building industry.

There being no further public comments, Mayor Katzakian closed the public hearing

Council Member Mounce stated she would support the project, but she expressed concerns about the unknown as to whether or not the City will receive property taxes on annexations and that Council has not taken action to date to lower impact fees for the purpose of encouraging development. Prior to any more subdivision applications, she would like to see these issues resolved.

Council Member Johnson made a motion, second by Mayor Katzakian, to adopt Resolution No. 2014-83 approving the Planning Commission's recommendation to authorize 145 low-density residential, 55 medium-density residential, and 88 high-density residential Growth Management Allocations for Van Ruiten Ranch Subdivision.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Johnson, Council Member Mounce, Council Member Nakanishi, and Mayor Katzakian

Noes: None

Absent: Mayor Pro Tempore Hansen

H. Communications

H-1 Re-Post for Vacancies on the Lodi Improvement Committee (CLK)

Council Member Johnson made a motion, second by Mayor Katzakian, to direct the City Clerk to re-post for the following vacancies:

Lodi Improvement Committee

One Vacancy, term to expire March 1, 2014

One Vacancy, term to expire March 1, 2015

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Johnson, Council Member Mounce, Council Member Nakanishi, and Mayor Katzakian

Noes: None

Absent: Mayor Pro Tempore Hansen

H-2 Monthly Protocol Account Report (CLK)

Council Member Johnson made a motion, second by Mayor Katzakian, to approve the cumulative Monthly Protocol Account Report through April 30, 2014.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Johnson, Council Member Mounce, Council Member Nakanishi, and Mayor Katzakian

Noes: None

Absent: Mayor Pro Tempore Hansen

I. Regular Calendar

I-1 Authorize City Manager to Execute Addendum to Memorandum of Understanding Between Visit Lodi! Conference and Visitors Bureau and the City of Lodi (CM)

Interim City Manager Schwabauer provided a report regarding the proposed Memorandum of Understanding with Visit Lodi!, stating the terms and conditions are the same for a three-year period, it continues the 19% sharing of the Transient Occupancy Tax (TOT), and the only additional requirement is that Visit Lodi! make a good faith effort to implement a 1.5% increase in the Business Improvement District assessments.

Melissa Phillips Stroud, Visit Lodi! board member, encouraged Council to renew the contract with Visit Lodi! and listed the many benefits to the City this partnership promotes.

Beth Kim, owner of the Holiday Inn and Visit Lodi! chairperson, expressed support for the contract renewal, stating that Visit Lodi! acts as concierge on behalf of the City by encouraging visitors to

enjoy local restaurants and businesses and that hotels contribute 6% of revenue in TOT and in return they should receive City support to further invest in Lodi tourism.

Yogi Patel, owner of Motel 6, expressed support for renewing the contract with Visit Lodi! and stated this partnership helps local businesses as well as the City.

Nancy Beckman, CEO of Visit Lodi!, thanked Council for its support over the years and stated this partnership with the City has been a great benefit to local businesses, wineries, and attractions. Tourism is an economic driver for the community, and by renewing this contract, the City would continue to receive a return on its investment. She requested Council approve the contract renewal.

Council Member Mounce stated she could not support the contract renewal because of her concern that Visit Lodi! is depending too much on City contribution, especially with the financial challenges Lodi and many others are currently facing. When this was initially discussed, she had asked that, rather than increase the TOT, the contribution each year flatten and decrease by a small portion so that Visit Lodi! could diversify its revenue generation as many organizations across the state are doing by selling advertising and receiving membership dues. It is not prudent to rely on only one revenue source.

Council Member Nakanishi agreed that Visit Lodi! needs to wean itself off of the City contribution and stated that, although he originally wanted a shorter timeframe in which it did that, he would support the recommendation for a three-year period.

Council Member Nakanishi made a motion, second by Mayor Katzakian, to authorize the City Manager to execute an addendum to the Memorandum of Understanding between Visit Lodi! Conference and Visitors Bureau and the City of Lodi.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Johnson, Council Member Nakanishi, and Mayor Katzakian

Noes: Council Member Mounce

Absent: Mayor Pro Tempore Hansen

I-2 Direct Staff Regarding Provision of Industrial Wastewater Treatment Service to Michael/David Winery, LLC (PW)

Interim City Manager Schwabauer provided a presentation regarding the request of Michael/David Winery regarding industrial wastewater treatment service. Previous agreements were made with Michael/David Winery, Van Ruiten Family Winery, and Jessie's Grove to truck industrial waste to the White Slough Water Pollution Control Facility (WSWPCF) with the condition that the wineries open downtown tasting rooms. Subsequently, Van Ruiten Winery installed a lateral to the City's industrial treatment line to WSWPCF because the line runs through its property. Michael/David Winery does not have that alignment and continues to truck its waste, which is becoming more cumbersome with its growth in business; therefore, the winery is requesting permission to construct a collection system similar to Van Ruiten's. The project would be located in the County right of way and requires County approval, however San Joaquin County does not allow private parties to install sewer systems in its roadways. The County indicated it would support the project if the City filed the application. Staff is looking for Council support of this concept, and if it does, staff will negotiate and return to Council with an agreement in which Michael/David funds the cost of construction with the City constructing the facilities. Further clarification with the County will be necessary on who would handle the Environmental Impact Report.

In response to Council Member Nakanishi, Mr. Schwabauer stated the downside of granting this request is the risk that others may make similar requests that the City may not want to grant. Providing wastewater treatment to Michael/David Winery supports the City's General Plan goal of maintaining and supporting agriculture and wineries surrounding Lodi. The alternative is for Michael/David to comply with the Regional Water Quality Control Board's requirements of monitoring nitrates, which would be very expensive.

In response to Council Member Johnson, Mr. Schwabauer stated that the original condition for a downtown tasting room would remain in place with the new agreement and Michael/David has plans to increase its tasting room options by obtaining a license that would allow beer sales, as well as other winemakers' products, in order to draw larger crowds. The County is concerned about opening its right of way to the public because it might encourage additional requests in the future.

David Phillips, representing Michael/David Winery, acknowledged previous City Manager Blair King for his vision and encouraged Council support for this concept.

Mr. Schwabauer reminded the public that the City provides this wastewater service to those outside the City limits and they pay 150% of the rate to receive this benefit from the City.

John Slaughterback expressed concern that this request is incomplete and ambiguous and stated the City should not be involved in someone else's transmission line as the City could be left responsible for substandard construction. He believed by opening this possibility to one winery many more will make similar requests.

Mr. Schwabauer stated that staff has made it clear to Michael/David that this project would require a bond, industrial waste (versus septic waste) costs the City much less to treat, the request is only conceptual at this time, and staff will return to Council with a draft agreement addressing all concerns assuming Council is amenable to opening up the treatment plant to the winery.

Council provided direction to pursue the concept and return with a draft agreement for Council consideration.

J. Ordinances - None

K. Adjournment

There being no further business to come before the City Council, the meeting was adjourned at 8:16 p.m., in memory of Jennifer Lorraine Katzakian, who passed away on April 14, 2014, and Ross Farrow, reporter with the Lodi News Sentinel, who passed away on May 16, 2014.

ATTEST:

Jennifer M. Robison
Assistant City Clerk