

REGULAR MEETING OF THE CITY COUNCIL  
CITY OF COSTA MESA

January 20, 2004

The City Council of the City of Costa Mesa, California, met in regular session January 20, 2004, at 6:30 p.m., in the Council Chambers of City Hall, 77 Fair Drive, Costa Mesa. The meeting was called to order by the Mayor, followed by the Pledge of Allegiance to the Flag led by Mayor Pro Tem Mansoor, and opening prayer by Mayor Monahan.

ROLL CALL

Council Members Present: Mayor Gary Monahan  
Mayor Pro Tem Allan Mansoor  
Council Member Libby Cowan  
Council Member Mike Scheafer  
Council Member Chris Steel

Council Members Absent: None

Officials Present: City Manager Allan Roeder  
Acting City Attorney Tom Wood  
Public Services Director William Morris  
Development Services Director Don Lamm  
Finance Director Marc Puckett  
M.I.S. Manager Rick Kirkbride  
Recreation Manager Jana Ransom  
Associate Planner Claire Flynn  
Associate Engineer Raja Sethuraman  
CDBG/HOME Coordinator Mike Linares  
Deputy City Clerk Julie Folcik

MINUTES  
January 5, 2004

On motion by Council Member Steel, seconded by Council Member Scheafer, and carried 5-0, the minutes of the regular meeting of January 5, 2004, were approved.

ORDINANCES AND  
RESOLUTIONS

A motion was made by Council Member Cowan, seconded by Council Member Steel, and carried 5-0, to read all ordinances and resolutions by title only.

PRESENTATION  
Mayor's Award

Mayor Monahan announced that Surat Singh of Angel's Auto Spa was selected as the January 2004 recipient of the Mayor's Award for his generous support of Costa Mesa seniors and the Senior Center. Mr. Singh donated a Thanksgiving feast for 225 seniors, and on New Year's Eve provided transportation to seniors in attendance at the Senior Center's New Year's Eve celebration. The Mayor also read comments from Mr. Robert Roesch, Assistant Venue Security Manager, Atlanta Georgia, complimenting Mr. Singh's for his service while volunteering at the 1996 Summer Olympics and from former Police Chief Dave Snowden expressing his appreciation of Mr. Singh's contributions to the community.

Mr. Singh expressed his appreciation to the City Manager, Mayor and Council Members.

PRESENTATION Adopt-A-Bench Program	Mayor Monahan recognized Mr. and Mrs. Charles Buchanan who contributed to the improvement of Jordan Park by donating two park benches, through the City's Adopt-A-Bench program, in addition to their donation of three, 24-inch box, trees.
PRESENTATION Digital Cities Survey Award	The M.I.S. Manager presented the 2003 Digital Cities Award to the Mayor and City acknowledging the City's efforts in adopting and utilizing digital technologies to improve communications, enhancing the delivery of services, and in creating new ways for citizens to participate in local government.
PUBLIC COMMENT Home Ranch Project Foundations	Martin Millard, 2973 Harbor Boulevard, No. 264, Costa Mesa, reiterated his disagreement of the formation of the school foundations that were established, as part of the Home Ranch Project, without the requirement of compliance with the Brown Act. He also stated his has been unable to locate the information regarding of when and where the meetings are being held.
Tony Merrill	Janice Davidson, 1982 Arnold Avenue, Costa Mesa, updated the Council on the health of Tony Merrill, a nine-year-old boy suffering from brain cancer, and thanked the members of the community who have contributed to his family and/or had sent cards.
Code Enforcement Issues	Tamar Goldmann, 2324 College Drive, Costa Mesa, requested that the City hire a Code Enforcement Officer to work in the evenings when, she believes, most of the more grievous violations are committed and specifically to address the "perpetual problems at the Harbor Center." She also requested that a reevaluation of the parking be conducted throughout the City and for all densities.
Refakes Comments	Beth Refakes, 320 Magnolia Street, Costa Mesa, asked that staff look into a sign that is being installed at Triangle Square; she expressed concern as to its size and reported that there has been gridlock created along Newport Boulevard due to its installation process. She also advised that in the parkway across the street from her residence the trees are becoming deformed due to an over growth of the purple hop seed bushes and felt that the bushes need to be properly maintained by the property owner. Ms. Refakes complained that the parking at Metro Pointe is "dysfunctional", and asked that it be reevaluated. Mayor Pro Tem Mansoor requested that staff look into the sign installation.
CONSENT CALENDAR	On motion by Council Member Cowan, seconded by Council Member Scheafer, and carried 5-0, all Consent Calendar items were approved as recommended.
READING FOLDER	The following Reading Folder items were received and processed:
Claims	Claims received by the Deputy City Clerk: Carey Thomas Burnett; Mattison Leibe; Geri Lopker; Ralph (Raul) and Ana Mojica; and Traci Tomack.
ABC License	Request for Alcoholic Beverage Control License from P&D, Incorporated, 2346 Newport Boulevard, Suite A, for a fiduciary transfer of an existing Type 20 (off-sale beer and wine).
WARRANTS	The following warrants were approved:
Approved Warrant 1987/Payroll 326A and Payroll 401	Warrant Resolution 1987, funding Payroll 401 for \$1,970,452.06, Payroll No. 326A for negative \$4,684.06, and City operating expenses for \$863,992.84, including payroll deductions.

Approved Warrant 1988	Warrant Resolution 1988 funding City operating expenses for \$714,043.40.
CLAIMS/Dunne	The Application for Leave to Present a Late Claim from Kathleen June Dunne (allegedly assaulted by Costa Mesa Police Officers) was rejected.
Jones/Herrera	The claims from JoTana Jones and Renado Herrera (alleged false arrests) were rejected.
McRayin	The claim from Thomas Edwin McRayin (alleged false arrest/excessive force) was rejected.
ADMINISTRATIVE ACTIONS/Adopted Resolution 04-6 Adopting the City of Costa Mesa E.O.P.	Resolution 04-6 was adopted: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, ADOPTING THE CITY OF COSTA MESA EMERGENCY OPERATIONS PLAN AS REQUIRED BY THE CALIFORNIA EMERGENCY SERVICES ACT.
Approved Agreement with Alderman to Upgrade TeWinkle Park Lakes	The supplemental agreement with Alderman Engineering, 19936 Little Woods Road, Cottonwood, was approved in an amount not to exceed \$62,500.00 for design services to upgrade the TeWinkle Park Lakes, and the City Manager was authorized to sign on behalf of the City.
Approved Agreement with Accutek Traffic for Annual Traffic Volume Survey	The agreement with Accutek Traffic Data, Inc., 21114 Trigger Lane, Diamond Bar, was approved in an amount not to exceed \$45,000.00, for the City's annual traffic volume survey, and the Mayor and Deputy City Clerk were authorized to sign on behalf of the City.
ANNOUNCEMENT	There being no objections, the Mayor announced Old Business No. 2 would be heard prior to the Public Hearings.
OLD BUSINESS Fairview Park Property	The Deputy City Clerk presented from the meeting of September 2, 2003, consideration of possible sale of certain Fairview Park Property. Communications were received from John L. King, 1991 Swan Drive; and Tim Cromwell, 2029 Swan Drive; requesting a continuation of this item.  Council Member Steel commented he has been in favor of the residents of Swan Drive purchasing the property from the City, however would like an agreement in writing from the residents that they will absorb the cost of the property, as well as any other costs the City will incur long term.
MOTION/Continued to a Future Meeting	A motion was made by Mayor Pro Tem Mansoor, seconded by Council Member Steel, and carried 5-0, to continue this item to a future meeting, and asked that the Public Services Director meet with each of the residents and provide information as to their intended use of the property.
PUBLIC HEARING FY 2003-04 User Fees and Charges	The Deputy City Clerk announced the public hearing, continued from the meeting of January 5, 2004, regarding the Fiscal Year 2003-04 User Fees and Charges; and a Resolution establishing and adopting schedules of rates, fees, and charges for Fiscal Year 2003-2004 for services provided by the City of Costa Mesa. The Finance Director reviewed the Agenda Report dated January 7, 2004.

The Public Services Director reported that staff had met with two representatives from Southern California Edison, and the issues regarding their fees were resolved.

There being no objection, the Mayor announced that New Business number 1, regarding Recreation Cost Recovery Guidelines, would be heard concurrently with the continued hearing.

NEW BUSINESS  
Revised Recreation  
Program

The Deputy City Clerk presented the Revised Recreation Program Cost Recovery Guidelines. The Recreation Manager reviewed the Agenda Report dated January 8, 2004, and responded to questions from Council

Mayor Monahan expressed his appreciation of staff for their thorough reports, as well as the Parks Commission for their input on the recovery guidelines.

Judi Berry, 2064 Meadow View Lane, Costa Mesa, questioned the decrease in funds given to the Senior Center, and the Mayor and City Manager advised that it has been the City's goal to have the Senior Center as self-supporting as possible through contributions and fundraising, and that an updated report will be prepared and presented to Council before the Fiscal Year of 2004-2005. Ms. Berry also questioned the percentage collected for the self-supporting programs for 2003, which was less than expected. The Recreation Manager responded that the practice of the Recreation Division has been to set their goals based upon maximum enrollment in a given program. Ms. Berry was unclear as to why there were no fees listed for the proposed skateboard park. The Finance Director replied that there are no fees proposed for the skateboard park at this time as; that they will be subject to discussion and consideration by the consultant, and could be added in the future.

Martin Millard, 2973 Harbor Boulevard, No. 264, Costa Mesa, stated that more than half of the individuals utilizing the Job Center are residents of Newport Beach, and expressed that the residents of the City of Costa Mesa should not be supporting the Job Center, that it should either be self-supporting, partially supported by the City of Newport Beach, or that it should be closed.

Mike Berry, 2064 Meadow View Lane, Costa Mesa, expressed his confusion and disagreed that income generated by a department became the property of that particular department and felt that all funds should be funneled into the General Fund and available to the entire City. The City Manger confirmed for the Mayor Pro Tem Mansoor and explained that funds are placed into the City's General Fund, and not into a specific department's budget.

Beth Refakes, 320 Magnolia Street, Costa Mesa, asked that the services listed under "mostly supported" in the Agenda Report be changed to "heavily supported" as it was more descriptive. Ms. Refakes requested that the User Fees and Charges as well as the Recreation Programs be evaluated on a yearly basis.

Sandy Johnson, 344 Cabrillo Street, Costa Mesa, requested Council not decrease the amount provided to the Senior Center, or the Community Garden. The Mayor explained that the discussion was regarding the City's User Fees and Charges.

Sam Clark, 3077 Coolidge Avenue, Costa Mesa, expressed his

concern that the Cost Recovery Guidelines are based upon 100 percent participation in each of the programs, he felt this is unrealistic and an unreasonable possibility.

Robert Graham, 3260 Dakota Avenue, Costa Mesa, reported that an article from the Orange County Register stated the City of Richmond, is about to go bankrupt due to the multi-million dollar boost in pension payments caused by the new three percent at 55-retirement benefit, and expressed concern that Costa Mesa may be facing the same problems. The City Manager confirmed that the City Council had approved a three percent at 50-retirement benefit for Police and Fire departments, about 11 years ago, but noted a distinction in that there was a sharing in the cost between the employer and the employee that was agreed upon; not a cost that was to be a fully born by the employer.

MOTION/Adopted  
Resolution 04-7 Adopt-  
ing Schedules of  
Rates, Fees, and  
Charges

A motion was made by Council Member Cowan, seconded by Mayor Monahan, and carried 5-0 to adopt Resolution 04-7: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, ESTABLISHING AND ADOPTING SCHEDULES OF RATES, FEES, AND CHARGES, FOR FISCAL YEAR 2003-2004 FOR SERVICES PROVIDED BY THE CITY OF COSTA MESA.

Mayor Pro Tem Mansoor expressed his concerns regarding the Revised Recreation Program Cost Recovery requesting that some of the programs provided by the Recreation Division that are not being utilized. He felt that many programs could be more effectively and efficiently run by the private sector. He gave examples such as the mobile recreation program commenting that it is expensive to the city, is under utilized and perhaps should be reconsidered. He commented that he did not support the motion as "it does not go far enough" in evaluating and in the assessment of fees expressing his concern of funds falling short for the supported programs.

Council Member Cowan explained that the Cost Recovery Guidelines, are guidelines that are reflective of the "philosophy of the community" and that some programs may not fully support themselves while other programs may. She felt that a yearly review of the programs along with the fees and changes would help in the budget process.

MOTION/Approved  
Revised Recreation  
Program Cost  
Recovery Guidelines

A motion was made by Council Member Cowan, seconded by Mayor Monahan, and carried 4-1, Mayor Pro Tem Mansoor voting no, to approve the Revised Recreation Program Cost Recovery Guidelines.

There being no objection, the Mayor announced that Old Business number 1, regarding a second reading of Ordinance 04-1, would be taken out of order.

OLD BUSINESS  
Second Reading of  
Ordinance 04-1

The Deputy City Clerk presented from the meeting of January 5, 2004, second reading and adoption of Ordinance 04-1: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, AMENDING TITLE 13, ARTICLE 10, OF THE COSTA MESA MUNICIPAL CODE REGARDING FLOODPLAIN AND FLOODWAY DISTRICTS. The Development Services Director reviewed the Agenda Report dated January 6, 2004.

On motion by Council Member Scheafer, seconded by Council

MOTION/Adopted  
Ordinance 04-1  
Floodplain and  
Floodway Districts

Member Steel, and carried 5-0, Ordinance 04-1 was given second reading and adopted: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, AMENDING TITLE 13, ARTICLE 10, OF THE COSTA MESA MUNICIPAL CODE REGARDING FLOODPLAIN AND FLOODWAY DISTRICTS.

RECESS

The Mayor declared a recess at 7:40 p.m., and reconvened the meeting at 7:55 p.m.

ADJOURNMENT TO  
SPECIAL JOINT  
MEETING OF THE  
CITY COUNCIL/  
REDEVELOPMENT  
AGENCY

At 8:00 p.m., Mayor Monahan adjourned the Council meeting to a special joint meeting of the City Council and Redevelopment Agency; the Redevelopment Agency meeting was convened.

Agency Members Present: Chairman Chris Steel  
Vice Chairman Allan Mansoor  
Agency Member Gary Monahan  
Agency Member Libby Cowan  
Agency Member Mike Scheafer

Agency Members Absent: None

Officials Present: Executive Director Allan Roeder  
Acting City Attorney Tom Wood

PUBLIC HEARING  
1901 Newport Plaza  
Residences Project

The Deputy City Clerk announced that this is the time and place set for the public hearing for reconsideration of the April 14, 2003, Special Joint Meeting of the City Council and Redevelopment Agency decision regarding 1901 Newport Plaza Residences Project located at 1901 Newport Boulevard, for Dave Eadie, Rutter Development, authorized agent for property owner Kennedy/Rutter Development, for a residential condominium project in the Planned Development Commercial (PDC) Zone. Environmental Determination: Final EIR No. 1050.

Certification of Final EIR No. 1050.

Resolution of the Costa Mesa Redevelopment Agency recommending to City Council adoption of General Plan Amendment GP-02-04 [Redevelopment Agency action item].

General Plan Amendment GP-02-04 for a site-specific floor area ratio (FAR) for the commercial component, for a site-specific density for the residential component, and for the proposed 5-level parking structure.

Ordinance amending Title 13 for the 1901 Newport Plaza Residences project.

Final Master Plan approval PA-02-11, including minor modification for a two-foot encroachment of balconies/patio areas into the street setback along Bernard Street and application of the tenant open space parking reduction.

Amendment to the 1999-2004 Implementation Plan for the Downtown Redevelopment Plan and adoption of the Inclusionary Housing Plan [Redevelopment Agency action item].

The Affidavits of Publication and Mailing are on file in the City

Clerk's Office. Communications in opposition to the project were received from the following Costa Mesa residents: Donald and Mildred Nicholson, 2063 Republic Avenue; Rachel Perez-Hamilton, 266 Brentwood Street; Darnell Wyrick, President of the Mesa Verde Community, Inc., Post Office Box 4102; Diane Dorrien, 3128 Encore Court; Dorothy McKee, 3072 Country Club Drive; Ray Weems, 497 Costa Mesa Street; and Cindy Brenneman, 1856 Elba Circle. Additional communications were received from: Robin Leffler (3 letters), Costa Mesa Citizens for Responsible Growth, 3025 Samoa Place, Costa Mesa, requesting an additional alternative, and an amendment to the EIR; Ray and Kelly Sherbanee, The Turnip Rose, 1901 Newport Boulevard, Costa Mesa, requesting a study of the actual traffic, noise, parking and safety this project will present; Barry Schlesinger, Kennedy-Wilson International, 9601 Wilshire Boulevard, Suite 220, Beverly Hills, indicating their willingness to provide parking for the First United Methodist Church during non-peak periods; and Dave Eadie, Rutter Development Corporation, 18012 Cowan, Suite 200, Irvine, offering further perspective of the negotiations and the alternatives presented regarding the project.

The Development Services Director provided an overview of the 1901 Newport Boulevard Plaza Project, the Associate Planner reviewed the Agenda Report dated January 12, 2004, and responded to questions from Council, along with the Associate Engineer, who summarized the traffic analysis, the Public Services Director, the City Manager, Kathe Head, Keyser, Marston, and Redevelopment Agency Special Counsel Celeste Brady.

Agency Chairman/Council Member Steel complimented staff for the work they have contributed to this project, as well as Costa Mesa Citizens for Responsible Growth for their efforts. He asked about a request for an amendment to the EIR.

Robin Leffler, 3025 Samoa Place, Costa Mesa, offered a reply as a point of clarification, and referred to a letter she submitted referencing the EIR and asked for an amendment to change the threshold of significance to reflect the affect of the shade and shadow on the residents on Bernard Street.

Agency Vice-Chairman/Mayor Pro Tem Mansoor expressed his appreciation of the comments he has heard regarding the project. He commented that he was amazed that the City Council was considering such a project with the City's current parking and traffic problems, and pointed out that the options provided were twice the density under the General Plan. He did not agree that the City should subsidize the Inclusionary Housing Plan, as it was not part of the original proposal, and commented that if any of the alternatives were approved, the developer would have successfully negotiated a better deal than was originally presented.

In response to a question from Agency Member/Mayor Monahan regarding resident permit parking only, the Public Services Director advised that the procedure would require a minimum of 60 percent of the homeowners in the affected area to submit a signed petition to the City, that the area would be studied, and recommendations would be brought to the City Council.

Robin Leffler, Costa Mesa Citizens for Responsible Growth, 3025 Samoa Place, Costa Mesa, thanked the City Manager for the challenging effort in bringing Rutter Development Corporation and Costa Mesa Citizens for Responsible Growth together to discuss

their differences, as well as her appreciation of City staff and their consultants. She provided an overview of the letter she presented regarding problems with the EIR, and commented that there has not been a public hearing to consider the EIR with its revisions and additions. Ms. Leffler expressed she had a serious concern about the number of U-turns that will be added to 19<sup>th</sup> Street. She also stated that Costa Mesa Citizens for Responsible Growth has put forth great effort, and in good faith, to see if they could find common ground in regards to this project, and have shown a willingness to compromise in order to reach an agreement. Ms. Leffler provided an overview of these compromises, and asked Council for further improvement on the project prior to approval.

Douglas Carstens, Chatham, Brown and Associates, 3250 Ocean Park Boulevard, Suite 300, Santa Monica, representing Costa Mesa Citizens for Responsible Growth, asked that Rutter Development Corporation provide financial analysis to justify any subsidy. He stated there are still legal inadequacies of the EIR, providing the example that there was not a “reasonable range of alternatives provided.” He requested denial of the project in its entirety. Mr. Carstens responded to questions from Council.

Responding to a question from Agency Member/Mayor Monahan, the Acting City Attorney confirmed that there is a condition attached to the resolution, approving the Master Plan for this project, that the approval of the Master Plan becomes null and void unless the lawsuit, against the City and the Costa Mesa Citizens for Responsible Growth, that was filed by Rutter Development Corporation is dismissed within 105 days after the approval of the rezoning Ordinance.

Responding to a question from Agency Member/Mayor Monahan, Ms. Leffler stated that if 37 parking spaces were approved there would not be a CEQA challenge from Costa Mesa Citizens for Responsible Growth.

Dave Eadie, Rutter Development Corporation, 18012 Cowan, Suite 200, Irvine, acknowledged the work of the City Manager, and City staff that have put forth a huge effort for a consensus to be met by all parties involved. He believed that Alternative C was viable and combined the components, of the entire picture that was to be achieved, and yet economically enabled a reduced unit alternative. Mr. Eadie believed this project to be a vital component that was to be added to the downtown area of Costa Mesa and that it would generate \$600,000.00 a year that could otherwise be spent, in the project area, for improvements for such things as parks, libraries, or more affordable housing.

In response to a question from Agency Member/Mayor Monahan, Celeste Brady explained that the seven affordable units for moderate-income households would have deed restrictions including deeds of trust for 45 years. She explained that the objective in the revised Condition of Approval No. 16 was to ensure that the seven units are actually constructed. She indicated that staff suggested that the providing of the units be tied to phase four (which is the last phase), and that these units must be dispersed throughout the project. Ms. Brady stated that Certificates of Occupancy for phase four could not be issued until these seven units are accomplished.

RECESS

The Mayor declared a recess at 9:55 p.m., and reconvened the meeting at 10:15 p.m.



Katharine Bequette, 2349 College Drive, Costa Mesa, discussed transportation and circulation impact, as reported in the Agenda Report, stating that there is presently too much congestion at the intersection of 19<sup>th</sup> Street and Newport Boulevard even without the proposed project, and asked Council to give adequate consideration to the traffic congestion.

Sydney Gielow, read a letter submitted to Council from Darnell Wyrick, President of Mesa Verde Community, Inc.

Martin Millard, 2973 Harbor Boulevard, No. 264, Costa Mesa, commented that he looks at downtown Costa Mesa as a more urban location with a shopping center, restaurants, and entertainment, but that it was lacking "life"; he felt that this project would bring people to the area to provide that "life".

Bill Turpit, 1772 Kenwood Place, Costa Mesa, commented that he is in support of this project as it will "revitalize" the downtown area, as well as provide more affordable housing, which promotes home ownership.

The following Costa Mesa residents spoke in opposition of the project due to the amendment to the General Plan, high density, parking, and traffic problems: Mike and Judi Berry, 2064 Meadow View Lane; June McKinzie, 165 East 19<sup>th</sup> Street; Barbara Beck, 443 Flower Street; Louise Rusher, 2781 Waxwing Circle; Wendy Leece, 1804 Capetown Circle; Terry Shaw, 420 Bernard Street; Lori McDonald, 284 Walnut Street; Willard Chillcott, 167 Rochester Street, No. B; Wendell Maberry, 414 Bernard Street; Tamar Goldmann, 2324 College Drive; Carolyn Harvey, 674 Center Street, No. B; Sandy Johnson, 344 Cabrillo Street; Sandra Genis, 1586 Myrtlewood Street; Sharon Sutton, 891 Joann Street; Gordon Pate, 2973 Ceylon Drive; Beth Refakes, 320 Magnolia Street; Heather Somers, 313 Robinhood Lane; Dr. Paul Flanagan, 3090 Bali Circle; Pamela Frankel, 2166 Myran Drive; Dave Ruffel, no street address given; and Maureen DiDomenico, 941 Coronado Drive.

There being no further speakers, the Mayor closed the public hearing.

Motion to Deny  
Original Project Failed  
to Carry

A motion was made by Agency Vice-Chairman/Mayor Pro Tem Mansoor, seconded by Agency Chair/Council Member Steel, to approve Alternative 3, to deny the original project and all development scenarios, the project could not be constructed and the developer may submit a revised project six months following the denial.

Agency Member/Mayor Monahan confirmed with the Acting City Attorney that if the project is denied, the lawsuit could go forward and that there is the possibility that the outcome could be the original project, if Rutter Development prevails.

The motion failed to carry 3-2, Agency Member/Mayor Monahan, and Agency Members/Council Members Cowan and Scheafer voting no.

Motion for Alternative  
"C+" died for lack of  
a second

A motion was made by Agency Member/Council Member Cowan to approve Alternative "C+", which included the requirement for the full compliment of parking, and that the Redevelopment Agency assistance would be capped at \$1.36 million. The motion died for lack of a second.

Agency Member/Mayor Monahan felt that the proposed parking

was sufficient, and that the additional 37 or 40 units on the lower deck would be financially unfeasible. He commented that he did not believe that the developer would agree to the additional spaces, therefore the lawsuit could go forward and if the developer was successful, the City could be facing the original project. He further commented that he did not believe that the parking would be utilized and therefore there would be "this very expensive parking vacant down on the bottom."

MOTION/Adopted  
Resolution 04-8  
Cerifying EIR No. 1050

A motion was made by Agency Member/Mayor Monahan, seconded by Agency Member/Council Member Scheafer, and carried 3-2, Agency Chairman/Council Member Steel and Agency Vice-Chairman/Mayor Pro Tem Mansoor voting no, to adopt Resolution 04-8: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, CERTIFYING FINAL ENVIRONMENTAL IMPACT REPORT NO. 1050 FOR THE 1901 NEWPORT BOULEVARD PLAZA RESIDENCES PROJECT LOCATED AT 1901 NEWPORT BOULEVARD IN THE PLANNED DEVELOPMENT COMMERCIAL (PDC) ZONE, revised to include 5.5.B "20 Dwelling Unit/Acre Alternative" (text as found in staff memo dated January 20, 2004).

Agency Member/Council Member Cowan expressed that her belief is that this project is designed to bring "life and revitalization" to an area that "the community has struggled with for many years." She commented that the economic environment and the land values have shifted dramatically since the General Plan was approved over ten years ago, and new housing is needed in the City. Agency Member/Council Member Cowan stated that she does have concerns, with this project, in terms of the parking.

Agency Vice-Chairman/Mayor Pro Tem Mansoor commented that a less dense project could also provide "revitalization", and reiterated his concerns regarding traffic and parking.

Agency Chairman/Council Member Steel expressed his appreciation of staff, Rutter Development Corporation, and Costa Mesa Citizens for Responsible Growth for bringing a better project to this hearing.

Agency Member/Council Member Scheafer expressed his appreciation of the opportunity he had to meet with Dave Eadie, Rutter Development Corporation, as well as Costa Mesa Citizens for Responsible Growth. He advised that despite the outcome relative to the property at 1901 Newport Boulevard, there is going to be traffic problems.

MOTION/Adopted  
Redevelopment  
Agency Resolution  
RDA-01-2004 to Adopt  
GP-02-04

On motion by Agency Member/Mayor Monahan, seconded by Agency Member/Council Member Scheafer, and carried 3-2, Agency Chairman/Council Member Steel and Agency Vice-Chairman/Mayor Pro Tem Mansoor voting no, Redevelopment Agency Resolution RDA-01-2004 was adopted: A RESOLUTION OF THE COSTA MESA REDEVELOPMENT AGENCY RECOMMENDING TO CITY COUNCIL ADOPTION OF GENERAL PLAN AMENDMENT GP-02-04 TO CREATE A SITE-SPECIFIC FLOOR AREA RATIO, RESIDENTIAL DENSITY, AND PARKING STRUCTURE BUILDING HEIGHT FOR THE 1901 NEWPORT PLAZA RESIDENCES PROJECT.

MOTION/Adopted  
Resolution 04-9  
Approving GP-02-04

A motion was made by Agency Member/Mayor Monahan, seconded by Agency Member/Council Member Scheafer, and carried 3-2, Agency Chairman/Council Member Steel and Agency Vice-Chairman/Mayor Pro Tem Mansoor voting no, to adopt Resolution 04-9: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, APPROVING GENERAL PLAN AMENDMENT GP-02-04, ESTABLISHING A SITE-SPECIFIC FLOOR AREA RATIO, SITE-SPECIFIC RESIDENTIAL DENSITY, AND SITE-SPECIFIC PARKING STRUCTURE HEIGHT LIMITATION FOR THE 1901 NEWPORT PLAZA RESIDENCES PROJECT LOCATED AT 1901 NEWPORT BOULEVARD IN THE COMMERCIAL CENTER LAND USE DESIGNATION.

MOTION/Gave First  
Reading to Ordinance  
04-2 Amending Title 13  
for 1901 Newport  
Plaza Residences  
Project

On motion by Agency Member/Mayor Monahan, seconded by Agency Member/Council Member Scheafer, and carried 3-2, Agency Chairman/Council Member Steel and Agency Vice-Chairman/Mayor Pro Tem Mansoor voting no, Ordinance 04-2 was given first reading: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, AMENDING TITLE 13 OF THE COSTA MESA MUNICIPAL CODE REGARDING A SITE-SPECIFIC FLOOR AREA RATIO AND SITE-SPECIFIC RESIDENTIAL DENSITY FOR THE 1901 NEWPORT PLAZA RESIDENCES PROJECT LOCATED AT 1901 NEWPORT BOULEVARD IN THE PLANNED DEVELOPMENT COMMERCIAL (PDC) ZONE, second reading and adoption are scheduled for the meeting of February 2, 2004.

Motion Approving Final  
Master Plan PA-02-11  
Withdrawn

Agency Member/Mayor Monahan made a motion, seconded by Council Member Scheafer, to adopt Resolution 04-10 approving Final Master Plan PA-02-11, including a minor modification for a two-foot encroachment of balconies/patio areas into the street setback along Bernard Street and application of the tenant open space parking reduction; Alternative C with 145 units, 375 parking spaces, Redevelopment Agency financial assistance of \$1.36 million; with revised Condition of Approval No. 16 as written in the memo dated January 14, 2004. Agency Member/Council Member Cowan commented she would not support the motion without the 415 parking spaces. Agency Member/Mayor Monahan withdrew the motion.

MOTION/Adopted  
Resolution 04-10  
Approving Final Master  
Plan PA-02-11

On motion by Agency Member/Mayor Monahan, seconded by Agency Member/Council Member Cowan, and carried 3-2, Agency Chairman/Council Member Steel and Agency Vice-Chairman/Mayor Pro Tem Mansoor voting no, Resolution 04-10 was adopted: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, APPROVING FINAL MASTER PLAN PA-02-11, INCLUDING A MINOR MODIFICATION FOR A 2-FOOT ENCROACHMENT OF BALCONIES/PATIO AREAS INTO THE STREET SETBACK ALONG BERNARD STREET AND APPLICATION OF THE TENANT OPEN SPACE PARKING REDUCTION, FOR THE 1901 NEWPORT PLAZA RESIDENCES PROJECT LOCATED AT 1901 NEWPORT BOULEVARD IN A PLANNED DEVELOPMENT COMMERCIAL (PDC) ZONE; Alternative C with 145 units, 415 required parking spaces, Redevelopment Agency financial assistance of \$1.517 million, and revised Condition of Approval No. 16 from the memorandum dated January 14, 2004.

A motion was made by Agency Member/Mayor Monahan,

MOTION/Continued  
Adoption of the  
Inclusionary Housing  
Plan

seconded by Agency Member/Council Member Scheafer, and carried 3-2, Agency Chairman/Council Member Steel and Agency Vice-Chairman/Mayor Pro Tem Mansoor voting no, to continue the Amendment to the 1999-2004 Implementation Plan for the Downtown Redevelopment Plan and adoption of the Inclusionary Housing Plan to the Redevelopment Agency meeting of March 8, 2004.

CITY COUNCIL  
MEETING  
RECONVENED

At 12:00 a.m., Agency Member/Mayor Monahan adjourned the special joint meeting of the City Council and Redevelopment Agency to the regular meeting of the City Council, and reconvened the Council meeting.

NEW BUSINESS  
Request for Rehearing  
Regarding the CDBG  
Public Service Grant  
Policies

The Deputy City Clerk presented a request for rehearing from Council Member Cowan of the decision of the City Council at its regular meeting of January 5, 2004, regarding the Community Development Block Grant public service grant Policies and Procedures and application. Council Member Cowan reviewed her request for rehearing dated January 12, 2004, and she, the CDBG/HOME Coordinator, and the City Manager responded to questions from Council.

Bill Turpit, 1772 Kenwood Place, Costa Mesa, commented that he has been a member of the 3R Committee for nine years, and was misled by the January 5, 2004, City Council Agenda recommendation, "direct staff to modify". He also stated that the staff report was not available on the website, causing him to assume that no staff report was available and therefore it was not a topic to be discussed.

Martin Millard, 2973 Harbor Boulevard, No. 264, Costa Mesa, expressed that he is also a member of the 3R Committee, and he did not believe that having the staff report available on the website is necessary, and advised that he understood that the recommendation from the 3R Committee to City Council was to reduce these funds.

Council Member Steel expressed his belief that no matter what the recommendation was in the staff report, Council had the authority to reduce the funds as they did at the previous meeting.

Motion for Rehearing  
Failed to Carry

A motion was made by Council Member Cowan, seconded by Council Member Scheafer, to rehear the Community Development Block Grant public service grant Policies and Procedures and application, and ask the 3R Committee to make a formal recommendation to Council. The motion failed to carry 3-2, Mayor Monahan, Mayor Pro Tem Mansoor, and Council Member Steel, voting no.

ADJOURNMENT

Mayor Monahan declared the meeting adjourned at 12:13 a.m.

