

REGULAR MEETING OF THE CITY COUNCIL
CITY OF COSTA MESA

MARCH 15, 2004

The City Council of the City of Costa Mesa, California, met in regular session March 15, 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 a moment of solemn expression led by the Reverend Dennis Short, Harbor Christian Church.

ROLL CALL

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

Council Members Absent: Mayor Gary Monahan

Officials Present: City Manager Allan Roeder
Acting City Attorney Tom Wood
Development Services Director
Donald Lamm
Public Services Director William
Morris
Finance Director Marc Puckett
Senior Planner Kim Brandt
Assistant Planner Wendy Shih
Deputy City Clerk Julie Folcik

MINUTES
February 19, 2004

On motion by Mayor Pro Tem Mansoor, seconded by Council Member Steel, and carried 3-0, Mayor Monahan absent, Council Member Cowan abstaining because she was not in attendance, the minutes of the regular meeting of February 17, 2004, were approved as distributed.

ORDINANCES AND
RESOLUTIONS

A motion was made by Council Member Cowan, seconded by Council Member Scheafer, and carried 4-0, to read all ordinances and resolutions by title only.

PRESENTATION
Orange Coast College
Dance Team Procla-
mation

Mayor Pro Tem Mansoor congratulated the Orange Coast College Dance Team on being named National Champions of the United Dance Association for the seventh time in eight years. He provided certificates for Dance Team members Courtney Zoe Hischar, co-captain, Crystal Wosik, co-captain, Kaysie Fisher, Danae DiPilla, Carissa Whitson, Becki Holmes, Lindsey Tuer, Kristi Fair, Kristin Lorenz, Kristin Francy, Shea Forbes, Jessi Stones, Jessica Bryan, Jamie Tassell, Michelle Darofal, Mairena Cortes, and recognized coaches Dan Sapp and Mike Reynolds.

PUBLIC COMMENT
Millard Comments

Martin Millard, Costa Mesa, addressed gang graffiti on Fairview Road in Mesa North blaming gang members who reside in the "Fillmore Slum", and challenged Council to improve the situation. He reported his attendance at the Orange Coast College swap meet, noted that used cars are being sold, and asked if the City is receiving the correct sales tax revenue. He objected to the vendors competing with the City's fixed-location merchants. Mr. Millard indicated that a soccer game was currently underway at Paularino Park, which is not a sports field, and asked the City to

place a sign prohibiting sports in the park. Council Member Steel concurred with Mr. Millard's comments.

Police Chief Commendation	Janice Davidson, Costa Mesa, commented on the talent of the Orange Coast College Dance Team. She commended Police Chief John Hensley for his involvement in the community, and indicated her support for the new black and white police cars.
Costa Mesa Gangs/ Graffiti	John Feeney, Costa Mesa, addressed the aforementioned graffiti on the east side of the Fairview Road wall, behind the Hoag Hospital facility on Baker Street, up to Paularino Avenue and around the corner, and advised that this has been an on-going situation. He concurred with a comment previously made by Mrs. Davidson that the problems of the west side of Costa Mesa are spreading to the remainder of the City, and felt that the City has never committed to the elimination of gangs. He asked that the City not depend on the "revolving door" justice system but proposed setting a date by which time gangs will be eradicated.
Mobile Home Park Closure	Irene Shannon, Costa Mesa, a resident of El Nido, commented on the closure of the El Nido and Snug Harbor Mobile Home Parks which will be considered at the City Council meeting of April 5, 2004.
Code Enforcement	Melissa Harrison, Costa Mesa, encouraged residents to become involved with ridding the City of gangs. In reference to City Municipal Code violations, she asked the Acting City Attorney if prosecution and conviction of the violation were not necessary. He replied that a civil citation is a means to obtain code enforcement without going through the criminal justice system, and suggested that Ms. Harrison contact him the next day for further discussion regarding this matter. Ms. Harrison requested a copy of the ordinance(s) which enacted the Costa Mesa Municipal Code.
CONSENT CALENDAR	The following item was removed from the Consent Calendar: Item No. 8, Amendment to the agreement with SWCA Environmental Services, for archeological services for multi-purpose trails in Fairview Park.
MOTION/Approved Except Item No. 8	On motion by Council Member Cowan, seconded by Council Member Steel, and carried 4-0, the remaining 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: Enterprise Rent-a-Car; and Robert Gregg Blattenberger.
Alcoholic Beverage Control Licenses	Request for Alcoholic Beverage Control Licenses from: Shakey's Pizza, 2216 Newport Boulevard, for a person-to-person transfer of a Type 41 ABC License (on-sale beer and wine for a bona fide eating place). Arco, 3201 Harbor Boulevard, for a person-to-person transfer of a Type 20 ABC License (off-sale beer and wine). Yamato Express, 212 East 17 th Street, for an original Type 41 ABC License (on-sale beer and wine for a bona fide eating place).

La Cosina de Isabel, 841 West 19th Street, for a person-to-person transfer of a Type 41 ABC License (on-sale beer and wine for a bona fide eating place).

Public Utilities Commission Southern California Edison Company filed Application No. U 338-E with the Public Utilities Commission for authorization to replace San Onofre Nuclear Generation Station steam generators; to establish ratemaking for cost recovery; and to address other related steam generator replacement issues.

Follow-up Reports The following concerns received follow-up reports from staff:

Staff responded to comments from the meeting of February 17, 2004, by Igal Israel, operator of a construction business located at 2280 Newport Boulevard, who stated that he had not be granted "due process" because he was denied a public hearing prior to a criminal complaint being filed against him.

Staff replied to comments from Mari Erin Roth, 990 Oak Street, at the meeting of February 17, 2004, regarding the landscaping on Victoria Street, west of Placentia Avenue on the south side of the street.

WARRANTS The following warrants were approved:

Approved Warrant 1995/Payroll 405 and 404A Warrant Resolution 1995, funding Payroll No. 405 for \$1,902,759.19, Payroll No. 404A for negative \$1,359.65, and City operating expenses for \$1,138,345.94, including payroll deductions.

Approved Warrant 1996 Warrant Resolution 1996, funding City operating expenses for \$1,001,834.99.

ADMINISTRATIVE ACTIONS/Accepted Work for Traffic Signal at Victoria Street/Maple Street, Project No. 03-13, by Pouk & Steinle Installation of Traffic Signal at Victoria Street/Maple Street, Federal Project No. STPLH-5312 (041), City Project No. 03-13, was completed to the satisfaction of the Public Services Director on January 14, 2004, by Pouk & Steinle, Inc., Post Office Box 3039, Riverside. The work was accepted; the Deputy City Clerk was authorized to file a Notice of Completion; authorization was given to release retention monies 35 days thereafter; the Labor and Material bond was ordered exonerated 7 months thereafter; and the Performance Bond was ordered exonerated 6 months thereafter.

Accepted Street Improvements at 3565 Harbor by HCI, Inc., EP PS0-00373 Street improvements at 3565 Harbor Boulevard were completed to the satisfaction of the Public Services Director by HCI, Inc., 11201 Harrel Street, Mira Loma, in connection with Encroachment Permit No. PS0-00373. The work was accepted; and the bonds were ordered exonerated.

Awarded Sunflower Avenue Bike Trail, Project No. 04-01, to Excel Paving Bids for Sunflower Avenue Bike Trail Installation, Project No. 04-01, are on file in the City Clerk's office. The contract was awarded to Palp, Inc., doing business as Excel Paving Company, 2230 Lemon Avenue, Long Beach, for \$18,555.00 (base bid plus additive bid), and the Mayor and Deputy City Clerk were authorized to sign on behalf of the City.

Approved Amendment to Agreement with LSA for EIR for Pacific Medical Plaza, GP-02-06 An amendment was approved to the agreement with LSA Associates, 20 Executive Park, Suite 200, Irvine, to prepare an Environmental Impact Report for the Pacific Medical Plaza (1626/1640 Newport Boulevard) General Plan Amendment GP-02-06, increasing the amount by \$23,000.00, to a total amount of

\$104,500.00, and the Mayor and Deputy City Clerk were authorized to sign on behalf of the City.

Approved Leave for Ortiz

A request was approved for a ninety-day Leave of Absence without Pay for Crime Scene Specialist Martha Ortiz, Police Department.

Amendment to Agreement with SWCA Environmental for Archeological Services for Fairview Park Trails

Item 8 on the Consent Calendar was presented: Amendment to the agreement with SWCA Environmental Services, Inc., for archeological services for multi-purpose trails in Fairview Regional Park. Mayor Pro Tem Mansoor expressed frustration with the funding approval requirements imposed by the State of California Department of Transportation and the Federal Highway Administration. Council Member Steel relayed a request that the cement in the park be "tan" as it is less intrusive.

MOTION/Approved Amendment

On motion by Mayor Pro Tem Mansoor, seconded by Council Member Steel, and carried 4-0, the amendment was approved with SWCA Environmental Services, Inc., 23392 Madera, Suite L, Mission Viejo, increasing the amount by \$6,000.00 to a total amount of \$30,917.00, and extending the term of the agreement three months to July 15, 2004, and the Mayor and Deputy City Clerk were authorized to sign on behalf of the City.

PUBLIC HEARING DA-03-06, South Coast Plaza; DA-00-02, Segerstrom Town Center

The Deputy City Clerk announced that this is the time and place set for the public hearing to consider Development Agreement DA-03-06 for Paul Freeman, authorized agent for South Coast Plaza, for the annual review and amendment of the Segerstrom Town Center Development Agreement ((DA-00-02), located east of Bristol Street, south of Sunflower Avenue, west of Avenue of the Arts, and north of Anton Boulevard, excluding the Segerstrom Center for the Arts. Environmental Determination: Exempt. The Affidavits of Publishing and Mailing are on file in the City Clerk's office. No communications were received. The Senior Planner reviewed the Agenda Report dated March 10, 2004.

Paul Freeman, C. J. Segerstrom and Sons, Costa Mesa, responding to a question from Council Member Cowan regarding designating portions of the parking structure for discount parking, stated that the revenue bond financing for the parking structure does not include a provision for discount parking, a situation which they are now working with the City to remedy. He added that the newly proposed parking structure would provide improved access to the new and old concert halls, as well as South Coast Repertory Theatre, and would be more convenient for Costa Mesa residents.

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

MOTION/Gave Ordinance 04-3 First Reading

On motion by Council Member Cowan, seconded by Mayor Pro Tem Mansoor, and carried 4-0, South Coast Plaza was determined and found to be in good faith compliance with the terms and conditions of Development Agreement DA-00-02; Ordinance 04-3, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, APPROVING AN AMENDMENT TO DEVELOPMENT AGREEMENT NO. DA-00-02 FOR SEGERSTROM TOWN CENTER, was given first reading and passed to second reading; and future annual reviews of the development agreement were delegated to the Planning Commission. Second reading and adoption of Ordinance 04-3 are scheduled for the meeting of April 5, 2004.

PUBLIC HEARING
PA-02-26, Mellott/
Millian

The Deputy City Clerk announced that this is the time and place set for the public hearing to consider an extension of time for Planning Application PA-02-26 for F. Earl Mellott, authorized agent for Dr. Ken Millian, for a master plan to allow construction of a 6,000 square foot addition to the existing Newport Harbor Animal Hospital with minor conditional use permits to allow a reduction in required parking (46 spaces required; 39 proposed) and to allow compact parking spaces (a maximum of 10 percent allowed; 10 percent proposed), located at 125 Mesa Drive in a Planned Development Commercial (PDC) zone. Environmental Determination: Exempt. The Affidavits of Publishing and Mailing are on file in the City Clerk's office. No communications were received. The Assistant Planner summarized the Agenda Report.

Mike Berry, Costa Mesa, commented on the proposed reduction in the number of parking spaces, and referred to the parking problem which exists at this location.

Martin Millard, Costa Mesa, thought that the parking situation in the City is deteriorating because "we keep making changes to the rules". He suggested retaining the original required parking spaces.

Earl Mellott, Garden Grove, the architect, indicated that the project contains four compact parking spaces which is allowed by the building code, and the compact spaces are located in the back of the facility and are used mainly by employees. He added that in the front of the building, there is approximately twice the amount of parking than there was previously.

In response to a question from Council Member Steel, Dr. Ken Millian indicated that the parking spaces are not occupied for long periods of time during the day because people drop off and pick up their pets, and then leave.

Jay Humphrey, Costa Mesa, asked if the proposed building would "take away" existing "free land". Mr. Mellott responded in the affirmative, and Mr. Humphrey questioned why the City does not require subterranean parking in lieu of using the additional land. He cited The Courtyards and Triangle Square as examples of projects which are "over-parked".

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

MOTION/Adopted
Resolution 04-22

On motion by Council Member Cowan, seconded by Council Member Scheafer, and carried 4-0, Resolution 04-22 was adopted: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, APPROVING AN EXTENSION OF TIME FOR PLANNING APPLICATION PA-02-26, to expire on January 6, 2005, subject to conditions.

PUBLIC HEARING
Small-Lot Develop-
ments

The Deputy City Clerk announced that this is the time and place set for the public hearing to consider a proposed ordinance amending Title 13 of the Costa Mesa Municipal Code clarifying minimum lot size and common lot requirements in small-lot developments located in residential and planned development zoning districts. Environmental Determination: Exempt. The Affidavit of Publication is on file in the City Clerk's office. No communications were received. The Senior Planner reviewed the Agenda Report dated March 10, 2004.

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

MOTION/Gave
Ordinance 04-4 First
Reading

On motion by Council Member Cowan, seconded by Council Member Steel, and carried 4-0, Ordinance 04-4 was given first reading and passed to second reading: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, AMENDING TITLE 13 OF THE COSTA MESA MUNICIPAL CODE REGARDING MINIMUM LOT SIZE AND COMMON LOT REQUIREMENTS IN SMALL-LOT RESIDENTIAL PROJECTS LOCATED IN RESIDENTIAL AND PLANNED DEVELOPMENT ZONING DISTRICTS. Second reading and adoption are scheduled for the meeting of April 5, 2004.

PUBLIC HEARING
Whittier College Bonds

The Deputy City Clerk announced that this is the time and place set for the public hearing to consider a resolution approving the issuance and sale of the City of Whittier Variable Rate Demand Revenue and Revenue Refunding Bonds (Whittier College), Series 2004, pursuant to Section 147(f) of the Internal Revenue Code, in an aggregate principal amount not to exceed \$60,000,000.00 for the purpose of acquiring the land and facilities (including equipment and furnishings) currently leased by Whittier College for its Costa Mesa campus, 3333 Harbor Boulevard and the planning, constructing, equipping, and furnishing of new facilities at the Costa Mesa campus to provide office, classroom, and multi-purpose space to support programs of Whittier College. The Affidavit of Publication is on file in the City Clerk's office. No communications were received. The Finance Director summarized the Agenda Report dated March 2, 2004.

Carlos Banuelos, Stradling Yocca Carlson & Rauth, Attorneys at Law, Newport Beach, explained that Whittier College intends to purchase the property in Costa Mesa currently leased for its law school, and reported that the hearing is a procedural requirement to keep the City advised of the financing activity. He stressed that the City is not a party to any agreement with respect to the bonds nor will it incur any liability whatsoever.

Ernie Park, Bewley, Lassleben & Miller, LLP, Whittier, general counsel and member of the Board of Directors of Whittier College, 3333 Harbor Boulevard, Costa Mesa, advised that the hearing is a requirement of the Internal Revenue Service code, reiterated that their intention is to purchase the property in Costa Mesa, and observed that full financial responsibility for the bonds is borne by the college.

Neal Cogan, Vice President and Dean of Whittier Law School, Costa Mesa, reported that 875 day and evening students are enrolled at the school, and mentioned the school's service to the community. He reported that the school hosts five clinics, and does pro bono work for Costa Mesa residents.

Council Member Cowan commended the school for their purchase of the property, and remarked that they are an asset to the City. Council Member Scheafer expressed his concurrence.

MOTION/Adopted
Resolution 04-23

On motion by Council Member Cowan, seconded by Council Member Scheafer, and carried 4-0, Resolution 04-23 was adopted: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, APPROVING THE ISSUANCE AND SALE OF THE CITY OF WHITTIER VARIABLE RATE DEMAND REVENUE AND REVENUE REFUNDING BONDS (WHITTIER COLLEGE), SERIES 2004 IN AN AGGREGATE PRINCIPAL

AMOUNT NO TO EXCEED \$60,000,000.00 FOR THE PURPOSE OF ACQUIRING THE LAND AND FACILITIES (INCLUDING EQUIPMENT AND FURNISHINGS) CURRENTLY LEASED BY WHITTIER COLLEGE FOR ITS COSTA MESA CAMPUS AND PLANNING, CONSTRUCTING, EQUIPPING, AND FURNISHING NEW FACILITIES AT THE COSTA MESA CAMPUS TO PROVIDE OFFICE, CLASSROOM, AND MULTI-PURPOSE SPACE TO SUPPORT PROGRAMS OF WHITTIER COLLEGE, authorizing the appropriate officers of the City to jointly and severally do any and all things necessary to execute any and all documents which they deem advisable in order to carry out, give effect to, and comply with the terms and intent of the resolution, conditioned upon receipt of an Indemnification Agreement from Whittier College.

OLD BUSINESS
Fairview Park Property
Encroachments

The Deputy City Clerk presented from the meeting of January 20, 2004, consideration of possible sale of certain Fairview Park property. The Public Services Director reviewed the Agenda Report dated March 4, 2004, and responded to questions from Council.

Mayor Pro Tem Mansoor, referencing the original agreement with the County of Orange for Fairview Park, addressed the statement which indicated that the entire property was to be used for park, recreation or open space purposes in perpetuity. He thought that there are numerous "hurdles" in order to proceed which will involve many hours of staff time, questioned if there was unanimous consent on the part of the residents, and thought that Council must be decisive. Council Member Steel indicated that he is having second thoughts about this matter relative to the time, money, and potential problems involved.

The following Costa Mesa residents spoke in opposition to the sale of the property in Fairview Park: Mike Berry supported a bike path along the property, and commented that the residents in question should remove the violating walls and structures; Don Elmore felt that the residents had illegally encroached upon the public land and should be evicted, and believed that selling the land or allowing them to encroach will set a precedent; Martin Millard, emphasized that the property was intended to remain available for public use "in perpetuity", and suggested asking the property owners to remove the encroaching walls and fences; Robin Leffler, mentioned that tax and bond monies were used to purchase Fairview Park which is a gift to the public; Heather Somers, declared the possible sale as inappropriate and unethical; Jim Fidler, supported requiring the Swan Drive homeowners to remove the encroachments; Judith Gielow believed that the City was spending time and money to undo an action which had originally been funded by the citizens of Costa Mesa; Robert Graham, believed the issue is about property owners increasing the value of their homes, and showed photographs of the wildlife in the channel; Jay Humphrey encouraged Council to make an "ethical decision" without further adieu, stating that the property was never intended to be homeowner property; Judi Berry suggested a bicycle trail as a viable use for that area of Fairview Park; David Stiller reported that the agenda report did not contain any reason why the property should be sold to the encroaching homeowners, and thought that Council had the responsibility to advise the voters of the positive benefits which would be achieved; Frank Forbath reported that the property in question is in excess of four acres, and suggested that since the area is protected, it could be used for children or adult activities; Sam Clark objected to rewarding people for breaking the law, and encouraged forwarding a letter to the offending property

owners; Beth Refakes suggested allowing the residents six months to vacate the encroached upon land, and urged Council to reconsider any sale of the property; and Darnell Wyrick, thought that sending a letter to the County would be premature at this time, believed that the outcome should be determined by a vote of the people; and defined the encroachments, whether intentional or not, as unacceptable.

Jan Vandersloot, Newport Beach, disagreed with the effort to sell the land to private Swan Drive landowners, reporting that native plant restoration can occur in the strip behind the houses which would compliment the natural amenities of the park.

Allan Beek, Newport Beach, commended staff on the impartiality of the agenda report, and felt that Council is “going in the right direction”.

Ernie Feeney, Costa Mesa, asked the Deputy City Clerk how many letters of support and opposition were entered into the record. She proposed that should the City decide to forward a letter to the County, a copy of the minutes of the meetings where this subject was discussed, as well as copies of the letters received, should be included. She opposed the sale. After public comment, the Deputy City Clerk announced that 26 communications had been received, 25 in opposition to the sale, and one asking Council to review the applicability of the Park Preservation Act of 1971.

Stephanie Pacheco, Fountain Valley, opposed the sale because saving public land is vital where open space is limited; the land was originally purchased from the County with the commitment that it would be part of the parklands for the public; and Fairview Park is part of the proposed Orange Coast River Park.

James Jones, Costa Mesa, observed that many of the encroachments are “much older than when the City bought the land”. He referred to the public land in Talbert Park which is fenced off, and commented on the County’s work on the Banning-Greenville Channel.

Dave Salcido, Costa Mesa, defined “prescriptive easement”, stating that if a person uses the land for a long enough period of time, it is theirs forever. He asked if the Swan Drive residents would be allowed to encroach on the City property forever.

John Hill, Costa Mesa, thought that the property owners who had encroached had made the “best use of the land” until such time that the City determines a better use, and encouraged that a compromise be reached.

Tim Cromwell, Costa Mesa, reported that the block wall behind the home he purchased on Swan Drive was in alignment with his neighbors’ walls on either side of the home, and he was unaware until approximately four years ago when he was notified by the City that he was encroaching into Fairview Park. He volunteered to pay for an encroachment permit. Mr. Cromwell declared that he did not want the land, calling it useless.

Sandy Genis, Costa Mesa, referring to the subject property adjacent to the channel, indicated that additional width on the northerly side of the channel will be needed in order to implement more naturalized wetlands. She noted that a letter from the State of California written when the property was originally sold to the

City had reserved their right to consent to future or successive transactions. She mentioned the requirement for an environmental impact report for this transaction which would cost approximately \$100,000.00.

Council Member Steel opposed sending a letter to the County Board of Supervisors, stating that the matter was complicated with too many unanswered questions. He thought that a decision should be made in the near future. Council Member Cowan thought that the determination should be made this evening, and opposed the sale of the property to the homeowners because the land is open space and habitat. She alluded to plans that had been made for the property north of the channel that had not been included in the Fairview Park Master Plan because of a request from residents on Swan Drive. She added that a parking lot at the lower end of the park and the neighborhood park concept for the channel area had also been omitted because they were opposed by the residents.

MOTION/To Approve
Six Inch Encroachment

A motion was made by Council Member Cowan, seconded by Council Member Scheafer, to approve a maximum encroachment of six inches upon receipt of an encroachment permit from the Public Services Director; the permit shall include conditions allowing the encroachment and as long as the conditions of the permit are maintained by the applicant, the encroachment will be allowed to remain on City property; the encroachment permit shall become void upon removal or replacement of at least 40 percent of the encroachment by the property owner or his/her agent, or upon the sale of the property, at which time the entire encroachment must be relocated outside of City property; all encroachments over six inches beyond the property line established in a survey initiated by the City, dated November 2, 2000, shall be removed within 180 calendar days; and if not removed within the specified time period, the matter shall be turned over the City Attorney's office for disposition.

RECESS

The Mayor Pro Tem declared a recess at 9:15 p.m., and reconvened the meeting at 9:30 p.m.

SUBSTITUTE
MOTION/Denied
Sale of Fairview Park
Land

A substitute motion was made by Mayor Pro Tem Mansoor, seconded by Council Member Steel, and carried 4-0, that whereas City Council has determined that whereas it is not appropriate to sell or lease any portions of Fairview Park: (1) for encroachments of six inches (6") or less which existed as of the November 2, 2000, Property Line Survey, the issuance of an encroachment permit shall be approved by the Public Services Director upon application by the affected property owner; (2) for encroachment of permanent improvements (block wall, concrete slab, patio structure) over six inches (6") and up to thirty-nine inches (39") which existed as of the November 2, 2000, Property Line Survey, an encroachment permit from the City will be allowed; that staff shall negotiate an appropriate fee for the encroachment; that all the proceeds from the encroachment permits shall be placed in the Fairview Park Development Fund; and providing that if the property is sold or if the City decides to proceed with some type of development, the encroachments shall be removed within 120 days; and (3) all other encroaching improvements into Fairview Park, whether permanent or otherwise, shall be removed within 120 days of notification by the City, and the City's arborist shall determine which non-native trees, if any, will be allowed to remain.

The Deputy City Clerk presented the following items from the

OLD BUSINESS
New Revenue
Sources; and Prioritization of Programs and Service Efforts

meeting of March 1, 2004: Old Business No. 1, Consideration of potential new revenue sources; and Old Business No. 2, Consideration of Prioritization of Programs and Services Efforts. The City Manager commented that since these items are important to the entire community and merit consideration by a full City Council, he suggested that they be continued to the meeting of April 5, 2004,

Council Member Cowan supported a continuance and asked staff to provide the following information: regarding potential new revenue sources, the deadline for the increase in Transient Occupancy Tax (TOT) and the business license fee to be placed on the November, 2004 ballot; regarding the sanitation franchise fee, how can it be structured to improve issues in terms of pick-up and the following clean-up of an area, could there be a nexus to some of the items in the Costa Mesa Safe, Costa Mesa Beautiful Program, as well as some infrastructure interests such as repaving, rebuilding roads, and so forth; in relation to the Prioritization of Programs and Service Efforts; she inquired as to the actual "go-away" cost of the items on the submitted list (i.e., D.A.R.E. Program); the legal and financial consequences of not complying with mandated programs, primarily those that are not reimbursed; and information on projects which are planned but have not yet been designed. To clarify her last request, Council Member Cowan inquired if improvements have been designed for Fairview Road between Fair Drive and Wilson Street, and if funds would be taken from General Fund monies.

Judi Berry, Costa Mesa, supported an increase in business license fees towards the "upper scale", addressed the City shortfall in funds for next year and possible cutbacks; and proposed a reduction in Recreation programs which have less than 25 participants.

Dave Salcido, Costa Mesa, reported that he had received the Recreation brochure in the mail, and questioned the \$500,000.00 spent to produce and mail the brochure four times a year. The City Manager replied that the cost is partially offset by the advertising and actually costs approximately \$40,000.00. Mr. Salcido asked that the costs be reviewed. The City Manager replied to Council Member Steel by stating that the brochure is produced by the private sector, and the issue is how best to communicate availability of programs to the public.

Mike Berry, Costa Mesa, asked if there was a means by which the monies paid to the Newport-Mesa Unified School District for maintaining the schools (including landscaping, the parks, rental fees, etc.) can be "broken out". He requested that the monies paid to the District for use of facilities be reviewed.

Martin Millard, Costa Mesa, suggested that the City be more fiscally conservative, mentioning that more of 50 percent of the employers hiring workers at the Costa Mesa Job Center are from Newport Beach. He proposed closing the facility. Mr. Millard opposed increasing the business license fee, supported increasing the Transient Occupancy Tax with the monies directed to the General Fund, and thought that the City's mobile recreation van should be eliminated.

Sandy Genis, Costa Mesa, reported that the business license fee is regressive, and thought that it should be assessed as a straight percentage of gross receipts. She advised re-examination of the

increase in retiree benefits, citing personnel costs as a large part of the budget. She encouraged retaining the current level of capital maintenance.

MOTION/Continued
to April 5, 2004

On motion by Council Member Cowan, seconded by Council Member Steel, and carried 4-0, Old Business Items Nos. 2 and 3 were continued to the meeting of April 5, 2004.

NEW BUSINESS
Streetscape and
Median Development
Standards

The Deputy City Clerk presented a resolution amending the Streetscape and Median Development Standards. The Public Services Director summarized the Agenda Report dated March 4, 2004.

MOTION/Adopted
Resolution 04-24

On motion by Mayor Pro Tem Mansoor, seconded by Council Member Scheafer, and carried 4-0, Resolution 04-24 was adopted: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, AMENDING THE STREETScape AND MEDIAN DEVELOPMENT STANDARDS.

CITY MANAGER'S
REPORT
Ruthelyn Plummer

The City Manager announced that former Newport Beach City Council Member Ruthelyn Plummer, now a Costa Mesa resident, turned 79 years old. He commended her for her public service record, described her as "statesmanlike", and believed that she was an asset to both Newport Beach and Costa Mesa.

COUNCIL
COMMENTS
Orange County
League of California
Cities

Council Member Scheafer announced that at the Thursday, March 11, 2004, Orange County League of California Cities meeting, he withdrew his name from consideration for a position on the Integrated Waste Management Commission. He indicated that the incumbent, Kathy Green, Mayor of the City of Huntington Beach, had also re-applied for the position, and he felt in the best interest of both cities, he would withdraw.

Council Member Steel indicated that he was a long-time acquaintance of Ruthelyn Plummer who is a delightful, and terrific individual.

Council Member Cowan, on behalf of her partner Rebecca, their families, and her father, thanked the community for its outpouring of warmth and caring regarding the recent deaths of both hers and Rebecca's mothers. She thanked City staff and her fellow Council Members for their understanding.

ADJOURNMENT

Mayor Pro Tem Mansoor declared the meeting adjourned at 10:05 p.m.

