

AGENDA

REGULAR MEETING

**CITY COUNCIL
CITY OF YUBA CITY**

**AUGUST 1, 2006
7:00 P.M.
COUNCIL CHAMBERS**

**ERIC HELLBERG
Mayor**

**JOHN MILLER
Vice-Mayor**

**KAREN
CARTOSCELLI
Councilwoman**

**DAVE DOOLITTLE
Councilman**



**RORY RAMIREZ
Councilman**

**STEVEN JEPSEN
City Manager**

**TIMOTHY HAYES
City Attorney**

**Council Chambers Wheelchair Accessible
1201 Civic Center Blvd., Yuba City, CA**

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City Hall TDD: 530-822-4732

MINUTES
REGULAR MEETING
CITY COUNCIL – CITY OF YUBA CITY
AUGUST 1, 2006 – 7:00 P.M.

- CALL TO ORDER

The City Council of the City of Yuba City was called to order by Mayor Hellberg at 7:00 p.m.

- ROLL CALL

Present: Councilmembers Cartoscelli, Doolittle, Miller, Ramirez, and Mayor Hellberg
Absent: None

- INVOCATION

Police Chief Richard Doscher gave the invocation.

- PLEDGE OF ALLEGIANCE TO THE FLAG

Councilman Ramirez led the Pledge of Allegiance to the Flag.

1. PRESENTATIONS/PROCLAMATIONS

A. Senior Commission

Senior Commissioner June Bone gave the monthly report.

2. PUBLIC HEARINGS

A. Sale of Town Center Property (continued from July 5, 2006)

Deputy City Manager Laura Duncan said this item is for Council's consideration of a disposition and development agreement with Main Street Ventures. Law requires the City Council to authorize sale of City property acquired with tax increment funds with the Redevelopment Agency. The 1.13-acre property is on the northwest corner of Plumas Blvd. and Franklin and the proposed project for the site is a 17,000 square foot building. The property is governed by the Central City Specific Plan. The sales price is \$5.79 per square foot for a total cost of \$285,000. Value was determined through an appraisal. Councilman Miller asked for a description of the plan project. Ms. Duncan responded it is a two-story medical office building. Prospective tenants have already approached Main Street Ventures. Mayor Hellberg asked about the timeframe for the project to begin. Ms. Duncan said construction will start within 30 days of issuance of a building permit and construction completed within 15 months. The developer expects to commence immediately.

Mayor Hellberg opened the public hearing. Hearing no comment, the public hearing was closed.

Councilwoman Cartoscelli moved to adopt Resolution No. 06-076 to authorize the sale of 1.13 acres located at the northwest corner of Plumas Boulevard and Franklin Avenue by the Redevelopment Agency of the City of Yuba City to Main Street Ventures—Project II, LLC and make findings in connection therewith. Councilman Doolittle seconded the motion that passed with the following vote:

AYES: Councilmembers Cartoscelli, Doolittle, Miller, Ramirez, and Mayor Hellberg
NOES: None
ABSENT: None

3. PUBLIC COMMUNICATION ON ITEMS NOT ON THE AGENDA

A. Written Requests

Councilwoman Cartoscelli said Councilmembers have received an invitation to a Beale Joint Land Use Study public hearing on August 9th and she would be happy to attend on behalf of the Council. Councilman Miller noted that he and Councilman Ramirez are on the technical advisory committee for that study and would meet prior to the public hearing. City Attorney Timothy Hayes led a discussion of the Brown Act but concluded that since it is a public forum there would be no violation if more than two Councilmembers attended. Councilman Ramirez stated he would not attend the public hearing to ensure compliance.

Councilwoman Cartoscelli remarked that Councilmembers received a memo from City Clerk Steve Johnson stating the format for Council meetings will change beginning August 15, 2006. Council Meetings and Redevelopment Meetings will be combined.

B. Appearance of Interested Citizens

None.

4. BID OPENINGS

A. Gauche Park Aquatics Center

Development Services Engineer Tom Heck gave a detailed analysis of the Gauche Park bid process. With the engineering modifications for cost savings, the bid amount is approximately \$14 million with a \$1.85 million contingency.

In April 2005, LPA presented their Master Plan to the public. Council directed a two-phase approach in May 2005. In preparation for an anticipated large response to the bid, a prequalification process was used and four companies submitted their documentation. Only one submitted the required documentation. While concerned that there was only one bid, staff felt going forward was prudent.

The accuracy and sufficiency of the bid has been reviewed. It was accurate and in compliance with the proposal requirements. LPA reviewed their estimate against the bid and they made some recommended changes. With the recommended changes to be presented tonight, the bid will be within 8%, or \$1.5 million over the estimate. He reviewed the proposed changes or deletions of work on box culvert drains, pool deck area base, bemo fall protection, concrete work, wood chips, stainless steel and precast geese, pre-cast plinth and photovoltaic panels. These items will reduce the bid cost by \$807,910, leaving a total project cost of \$18,580,403.

There was a discussion on the removal of the bemo fall protection. After review, it was concluded it was not needed. Councilwoman Cartoscelli asked if items removed from the original bid could be added at a later date. Mr. Boshart of LPA said some could. Councilman Miller asked if the geese could be added later. LPA Project Manager Karen Folsom said it would be difficult since some are imbedded in the concrete. Councilman Ramirez asked if we could save money by having city staff do the inspections. Mr. Heck responded that the City only has two construction inspectors. With ongoing projects, they are fully engaged. This cost is for additional supporting staff. It includes testing for foundation, compaction, concrete, etc. Councilman Miller asked for a breakdown of the financing plan. Assistant City Manager Steve Kroeger said the financing will include a certificate of participation for \$11 million, land sale proceeds of \$3.7 million, state park grants of \$700,000 and parks impact fees of \$3.1 million. Further negotiation of the bid award is needed. Councilman Doolittle asked that staff speak to the county about state park grant funds they received since county residents will also use the facilities.

All Councilmembers agreed to accept the nine cost reduction items presented. Parks & Recreation Director Skip King said this facility has been researched since 1991 and staff is excited. Councilman Miller said this will be a first class project and a crown jewel for the City. Councilwoman Cartoscelli said this is an opportunity for this Council to leave a legacy. Mayor Hellberg asked that the bid process be reevaluated but believes it is a great project. City Manager Steven Jepsen agreed with Council's assessment of the project and complimented staff on the facility. He also indicated that cost savings will be monitored closely.

Mayor Hellberg asked if anyone from the public would like to comment. Don Covey of 669 Plumas Street spoke in favor of the project.

While he supports the project, Councilman Ramirez expressed concerns over the cost increases, which he calculates at 38%. He feels the prequalification process is ineffective. Mayor Hellberg concurred with Councilman Ramirez. Councilman Doolittle also felt that the bidding process was faulty and needs to be reviewed. Councilmembers Cartoscelli and Miller agreed that prequalification seemed like a good idea and Council endorsed it, but it did not work out well.

Councilwoman Cartoscelli moved to 1) Award the base bid and Add/Alt 1 and Add/Alt 2 to Hilbers Inc. for the Gauche Park Aquatics Center in the amount of \$15,163,313, authorizing contingency of \$1,850,000, and authorize the City Manager to execute a contract with Hilbers Inc. for the construction of said project; 2) Authorize the modification of the project by approving the value engineering recommendations as identified in the staff report through change orders thereby reducing the cost of the project in the amount of \$807,910; 3) Authorize the City Manager to approve and execute any required contracts for indirect costs as identified in the staff report but not including land purchase not to exceed \$1,775,000; and 4) Authorize staff to negotiate further changes to the plans to reduce the cost of construction and ongoing maintenance

in accordance with the project financing plan. Any additional modifications to the approved plan are to be returned to Council for approval. Authorize the Assistant City Manager for Administrative Services to make any required budget adjustments in accordance with the Project Financing Plan. Councilman Miller seconded the motion that passed with the following vote:

AYES: Councilmembers Cartoscelli, Doolittle, Miller, Ramirez, and Mayor Hellberg
NOES: None
ABSENT: None

5. CONSENT CALENDAR

Councilwoman Cartoscelli asked that Item C be removed for further discussion. Councilman Ramirez asked that Item A be removed since he needs to abstain. Councilwoman Cartoscelli moved to adopt the balance of the calendar as presented. Councilman Miller seconded the motion that passed with a unanimous vote.

B. Monthly Investment Report (June 2006)

Noted and filed the Monthly Investment Report.

D. Kumar Medical Park

Adopted Resolution No. 06-078 approving the execution of an Improvement Agreement with Lucyna Kumar providing for public improvements for Kumar Medical Park. [located on the southwest corner of Live Oak Boulevard and Miller Street]

Councilman Ramirez said he must abstain from Item A. Councilwoman Cartoscelli moved to adopt Item A of the consent calendar. Councilman Doolittle seconded the motion that passed with a unanimous vote, less Councilman Ramirez.

A. Minutes of Yuba City Council Meeting

Approved the regular meeting minutes of July 18, 2006.

Councilwoman Cartoscelli said the City agreed to take over the landscape maintenance for the Marketplace project and ultimately will turn it over to the property owners. Since problems were encountered with the Home Depot project, she asked if there is any mechanism to force the landscape maintenance by the property owner. Senior Engineer Diana Langley responded that it is in the CC&R's that property owners are to take on the responsibility. Councilwoman Cartoscelli said the CC&R's have not resulted in Home Depot's compliance with landscape maintenance. City Attorney Timothy Hayes said they could be given notice to complete the work. If they don't, staff can do the work and charge them an additional fee. Also, a letter of credit or bond could be required. Councilwoman Cartoscelli asked staff to add language to keep the property owners in compliance. Councilmembers concurred with the request.

Councilwoman Cartoscelli moved to adopt Item C of the Consent Calendar. Councilman Doolittle seconded the motion that passed with a unanimous vote.

C. Landscape Maintenance Agreement with the State of California for the Sutter Buttes Marketplace Project

Adopted Resolution No. 06-077 authorizing the execution of an agreement for maintenance of landscaped area with the State of California for the north side of State Route 20 between Tharp Road and Stabler Lane in association with the Sutter Buttes Marketplace project.

6. REPORTS AND MISCELLANEOUS

A. Garden Highway Fence Replacement

Senior Engineer Diana Langley said the subject property pays into a lighting and landscape district, which includes maintenance of the masonry block walls. Staff proposes replacement of the wood fence with a masonry block wall. Councilwoman Cartoscelli asked if the block wall will be paid for by the lighting and landscape maintenance district. Ms. Langley responded yes.

Councilwoman Cartoscelli moved to adopt Resolution No. 06-079 approving the plans and specifications for the Garden Highway Fence Replacement Project and authorizing advertisement for bids on the project. [fence located on the west side of Garden Highway north of Teesdale Road]. Councilman Miller seconded the motion that passed with a unanimous vote.

B. Sunsweet Boulevard Improvements Project Construction Cost Increase

Development Services Engineer Tom Heck said this project is on Highway 99 where Kohl's, Chili's and Hampton Inn are located. The City built Sunsweet Blvd. from

Walton to Highway 99 and also Annette Way. Access to Highway 99 will occur soon. Construction cost overruns are due to unforeseen conditions, field changes and other cost escalations. Staff recommends approval.

Councilman Ramirez asked how the City became responsible for the work in the contract. Deputy City Manager Laura Duncan said a participation agreement was executed with Capitol Avenue Development. Initially the decision was made that Capitol would manage the construction of the road. Later, staff determined that it would be better that the City control the construction of the road. Payment of the improvements was to come from a loan from the Infrastructure Bank of the State of California, establishment of a community facilities district, impact fees for the signal, and redevelopment funds for the connection to Highway 99. Property owners will pay the bulk of the costs through the community facilities district.

Councilman Ramirez asked for a description of the scope of work. Mr. Heck responded that it included construction of the road, curbs, gutters, sidewalks, markings, signage, streetlights, storm drains and other under grounding, and the Highway 99/Sunsweet intersection. Councilman Ramirez remarked that this is not the first change order. He asked what the original amount was. Mr. Heck said the contract was for \$4.5 million with a 5% contingency of \$225,000. The change order was on the design work of the road. Councilman Ramirez stated part of the change order included some re-engineering work on the discovery of gas mains. He asked why this project requires such a high contingency. Mr. Heck responded that it is due to a large amount of under grounding competing with utilities, having two design agents designing the project, and multiple developers working on their sites all at once. Councilman Ramirez stated he has serious concerns when we pay a company to design a project and they overlook primary gas lines that have been there for years and it necessitates a road redesign, PG&E safety issues resulting in delayed construction and increased costs. Councilman Ramirez stated he feels we should pursue our legal rights with California Engineers.

Councilmembers Cartoscelli and Miller and Mayor Hellberg concurred with Councilman Ramirez's observations and concerns. Councilman Miller asked for the status of the encroachment permit from CalTrans. Mr. Heck responded it is expected this Thursday. Mayor Hellberg stated he would like to see a full review of the project.

Councilwoman Cartoscelli moved to approve a change order and related construction management costs on the Sunsweet Boulevard Improvements project for an amount not to exceed \$1.2M and authorize the Assistant City Manager for Administrative Services to make related budget adjustments. Councilman Doolittle seconded the motion that passed with a unanimous vote.

7. BUSINESS FROM THE COUNCIL

A. Reportable Activities

Councilwoman Cartoscelli reported email correspondence with Darrell Bolognesi of Braddock & Logan and with Larry Wasem of Roxy Partners. She also requested that tonight's meeting be adjourned in memory of Live Oak Vice Mayor Charles Eggert and asked that a letter be sent to the Live Oak City Council and the family of Charles Eggert. Councilmembers agreed.

Councilman Miller reported on activities at the League of California Cities (LOCC) Mayors and Councilmembers Forum held last week. He found the conference very informative.

Councilman Ramirez stated he also attended the LOCC conference. He said it gives you ideas and different perspectives.

Councilman Doolittle also attended the LOCC conference and reported on his activities as a member of the LOCC nominating committee.

Mayor Hellberg had nothing to report.

8. ADJOURNMENT

At 8:55 p.m. adjourned the regular City Council meeting to the Redevelopment Agency. Reconvened to the Regular City Council meeting from the Redevelopment Agency at 9:01 p.m.

9. CLOSED SESSION

Adjourned to Closed Session at 9:01 p.m. to confer with legal counsel regarding existing litigation pursuant to Subdivision (a) of Section 54956.9 of the Government Code, Sandra Preston v. the City of Yuba City, Case No. CV CS 03-2417.

Conferred with legal counsel regarding existing litigation pursuant to Subdivision (a) of Section 54956.9 of the Government Code, Zen and Fawwaz Shabbar, v. the City of Yuba City, Case No. CV CS 04-2089.

Conferred with labor negotiators Steven Jepsen and Steve Johnson regarding negotiations with YCEA pursuant to Section 54957.6 of the Government Code.

10. ADJOURNMENT

The regular meeting of the City Council adjourned in memory of Live Oak Vice Mayor Charles Eggert at 10:22 p.m.

ERIC N. HELLBERG
MAYOR

ATTEST:

STEVE JOHNSON
CITY CLERK