

REGULAR MEETING OF THE REDEVELOPMENT AGENCY

OCTOBER 11, 2004

The Redevelopment Agency of the City of Costa Mesa, California met in a regular meeting on Monday, October 11, 2004, in Council Chambers of City Hall, 77 Fair Drive, Costa Mesa. The meeting was called to order at 6:48 p.m. by Chairperson Steel, followed by the Pledge of Allegiance to the Flag led by Agency Member Mansoor.

ROLL CALL

Agency Members Present: Chairperson Steel
Vice-Chairperson Mansoor
Agency Member Monahan
Agency Member Cowan
Agency Member Scheafer

Officials Present: General Counsel Wood
Executive Director Lamm
Planning & Redevelopment Mgr.
Robinson
Management Analyst Veturis
Agency Secretary Rosales

POSTINGS

The Redevelopment Agency meeting agenda was posted at the City Council Chambers, Headquarters Police Department, Postal Office and Mesa Verde Public Library on Thursday, October 7, 2004.

MINUTES

On a motion by Agency Member Monahan, seconded by Agency Member Scheafer and carried 5-0, the minutes of June 14, 2004 and August 16, 2004, were approved.

Special Presentation

Chairperson Steel gave the floor to Agency Member Cowan. Agency Member Cowan commended the W.R.O.C. members for the incredible amount of time, energy and creative juices they expended. She said it was important to acknowledge a job well done and added that the City of Costa Mesa and the Redevelopment Agency were very appreciative to the Committee for stepping off on the project, the different names and types of committees, and everything that had transpired during the past 18 to 24 months. Agency Member Cowan proceeded with her presentation and handed certificates of appreciation to W.R.O.C. members who were in attendance. After presenting the certificates, she also acknowledged Mike Robinson and encouraged a big round of applause for Management Analyst Hilda Veturis, adding that the W.R.O.C. Committee would not be there, had it not been for the tremendous job Hilda did.

Chairperson Steel also asked for a big round of applause for Agency Member Cowan who was the Council/Agency liaison.

OLD BUSINESS

None.

NEW BUSINESS

Westside Revitalization Oversight Committee Report & West 19th Street Project Area

Management Analyst Veturis reported that in 2001, community interest was expressed with regards to the Westside. As a result, in February 2002, the Community Redevelopment Action Committee (CRAC) was formed. However, due to the size of the Committee, a facilitation consultant had to be hired. Civic Solutions, Inc. assisted the CRAC in developing consensus on the purpose, direction and goals for the Westside. Said goals and visions were then included in the final Community Redevelopment Action Committee (CRAC) report and

presented to the Agency in August 2003. A recommendation, to transition the CRAC into the Westside Revitalization Oversight Committee (WROC), was also included in the report. The Agency approved the request for the formation of the WROC for a term of one year. The WROC met for the first time on August 28, 2003. Elected to oversee the Committee, by a 2/3rds vote, were Ralph Ronquillo, Chair; Bill Turpit, Vice-Chair and Fred Bockmiller, Secretary.

An Executive Committee, which included representatives for homeowners, rental property owners, residential tenants, industrial businesses and property owners, commercial businesses and property owners and community service organizations, was established to ensure that the various viewpoints of the Westside Stakeholder groups were represented.

In building upon the initial CRAC recommendations, 6 areas of focus were studied, in greater depth, by the WROC via subcommittees and chairs for each of the six subcommittees. The 6 areas of focus included:

- Rezoning the Westside Bluffs
- Arts and Mixed Use
- Regulations and Code Enforcement
- Revitalization Incentives
- Infrastructure Improvements
- A Study of the 19th Street Bridge

Proposals were made by each subcommittee but became only formal recommendations upon receiving a 70% super majority vote of the overall Committee. The WROC worked together to collectively create a vision and action plan for the Westside.

Management Analyst Veturis gave the floor to WROC Chairperson Ralph Ronquillo who summarized the recommendations included in the WROC Report via a PowerPoint presentation.

WROC Chairperson Ralph Ronquillo, 980 Grove Place, Costa Mesa, said the recommendations in the report spoke for themselves. WROC Chairperson Ronquillo said there were WROC members present in the audience who had first-hand knowledge on the recommendations and they would be more than happy to respond to any questions or comments from the public after his presentation. Before moving on to his presentation, WROC Chairperson Ronquillo thanked the Redevelopment Agency and City Council for the opportunity to present their report. Special thanks went to Agency Member Cowan for being the WROC's liaison through the process, as well as, Management Analyst Hilda Veturis and Planning & Redevelopment Manager Mike Robinson for their guidance, communications and coordination. Lastly, WROC Chairperson Ronquillo thanked the members of his Committee for sacrificing their personal time to participate in the yearlong process.

WROC Chairperson Ronquillo commented that the WROC Report was given a unanimous vote of approval by the Committee for submittal to the Redevelopment Agency. The individual recommendations had to be approved by 70% and the report itself, reached a unanimous consensus among the entire group.

Chairperson Steel asked Agency Members if there were any questions of the WROC Chairperson or staff. There were none. Chairperson Steel proceeded to open the session for public comment. He reminded the audience to complete a blue card if they wished to address the

Agency and to submit the card to the Agency Secretary.

Agency Member Cowan asked if WROC Chairperson Ronquillo was finished with his presentation.

WROC Chairperson Ronquillo asked if he could continue for a few more minutes. Chairperson Steel apologized and granted him the floor.

Chairperson Ronquillo provided an overview of the WROC's recommendations via a PowerPoint presentation. The recommendations included establishing a residential overlay zone on the Westside Bluffs, introducing mixed use zoning and live-work residential uses along West 19th Street, sharpening the focus on code enforcement and regulations, supplying incentives to private developers and continuing the improvement of infrastructure and streetscapes. It was important for the WROC to appeal to the private sector.

The report included the results of the voting, to see which recommendations reached the 70% majority. Results were compiled after each subcommittee made their presentation and gave proposals. The proposals were turned into recommendations once they received the 70% majority. Background information was also included to give the Agency the motive, point of view and perspective that lead to such recommendations. Alternate proposals were also included in the report because not everyone agreed all the time. Considering the diverse group of individuals, the WROC worked well together. They allowed different opinions, other options and counter proposals that were also included in the report where necessary.

Regarding the focus on 19th Street, the WROC felt there was an immediate need following discussions with community members. The WROC also saw that City Council and the Redevelopment Agency were narrowing their focus on 19th Street so the WROC followed that lead. The impact would be citywide, not just along 19th Street and it would be positive as it spread to surrounding areas. Regarding future impact, WROC Chairperson Ronquillo said the WROC Report provided a clear consensus that had been missing from earlier efforts, as well as a clear path toward the ultimate goal of the beautification and revitalization of the Westside.

WROC Chairperson Ronquillo concluded his presentation by saying that WROC members were extremely proud of the work they did. They were very interested to see how the recommendations in the report would be implemented, and were present to respond to any questions and comments regarding the WROC Report, recommendations or the process they went through.

Chairperson Steel apologized to WROC Chairperson Ronquillo for "jumping the gun" and asked if there were any questions or comments from Agency Members for Staff or WROC members. There being none, Chairperson Steel opened the session for public comment.

PUBLIC COMMENT

Mildred Nicholson, 2063 Republic Avenue, Costa Mesa, said that without the City's help, people in the Westside were remodeling their houses and they were getting a nice neighborhood. She questioned all the ideas that the Redevelopment Agency had to destroy the Westside. She did not think it was fair that the Redevelopment Agency did not let them know about tonight's meeting and what it was doing. She spoke in favor of the 19th Street Bridge to offset some of the traffic from Victoria Avenue and requested that there be no more high density.

Donald Nicholson, 2063 Republic Avenue, Costa Mesa, commended Robert Graham and the WROC Committee for their report. He spoke in favor of having a 19th Street Bridge and said he did not think there would be an increase in traffic. However, an alternative to the 19th Street Bridge would be a freeway off of Victoria Avenue. He felt that people who “bootleg” improvements should be required to go back and make corrections according to what the law was at the time that such corrections were made. The City needs to respect laws, as well as, the rights of his neighbors.

Martin Millard, 2973 Harbor Blvd., #264, Costa Mesa, asked Chairperson Steel if Mr. Robinson could display on the overhead projector, the map that was on Page 11 of the WROC report. Mr. Millard said it was important to note that there were other reports, and although the report as a whole received a unanimous yes, the recommendations did not. He pointed out the 19th Street and Placentia juncture, which is the main street location of the Westside. Retailers ordinarily perform a series one, two, or three mile rings from that juncture. They do the demographics from those rings to see if they want to locate a particular store in the location. Mr. Millard said he has done demographic reports and contrasted the 19th and Placentia juncture with a location on Von Karman in Newport Beach. He said the 2003 per capita income, in a one-mile ring around 19th and Placentia was \$18,175. Someone paying \$1,000 for rent, plus other expenses, does not have a lot of income to patronize the local merchants. Per capita income for Von Karman is \$49,952. Retailers are going to go where the money is. Mr. Millard’s problem with the WROC report was that the Westside was still ending up with entirely too much of an industrial area, 14% of Costa Mesa’s land is zoned industrial. By contrast, only 2% of Newport Beach and 8% of Huntington Beach are zoned industrial. With the exception of Santa Ana, Costa Mesa has more industrial zoning than all the cities that surround it and he did not think that was a good paragon. He recommended that the size of the residential overlay be increased to cover the purple area on the map, thereby opening up a free market economy. More money has to go into the Westside in order to improve it and retail businesses follow residential. If you increase residential with people who have income, 19th Street will fix itself. The only way to get income for demographic reports is to build homes because industrial businesses do not contribute to the demographic income reports.

Dan Gribble, 925, 931, 935 W. 18th Street, Costa Mesa, served on the WROC Committee, but was speaking as President of the W.R.A. (Westside Revitalization Association), a group of industrial property owners in the Westside. He said the W.R.A. supported the board representing their membership, as well as the recommendations of the WROC report, including the code enforcement incentives, infrastructure and live-work. In particular, however, the W.R.A. supported the recommendation regarding the rezoning of the Westside Bluffs because it directly affected their membership and it was the area where they worked and lived. The request for proposal was not a request for whether or not the area should be rezoned to residential but rather, a request on how to do it. He was glad the WROC had the foresight to revisit and analyze the area. He thought the results in the report were significant in that they represent a consensus between a varied and broad cross-section of the community and not just a point of view of one particular segment. The W.R.A. was pleased that a workable recommendation was achieved, allowing market forces to drive change without unfairly compromising the property rights of individuals. The recommendation sends the proper message that industrial and

commercial uses can and should continue in coexistence with other uses.

One thing not included in the report due to an oversight, was a survey of 343 property and business owners in the affected area and 343 residents in the surrounding area, to get an equal mix of both. The results were quite instructive, showing there was a real strong split in opinion, in which case, there was no strong consensus one way or the other. Due to an oversight, the actual questions and tabulated results were not included in the report but were available to anyone who wanted them. Lastly, he said the W.R.A. would be happy to work with the City to help implement the recommendations.

Robert Graham, Dakota Avenue, Costa Mesa, thanked the Agency for their patience, as well as, the Nicholsons for their insight as to what the 19th Street Bridge would do for the Westside. Mr. Graham reported that the main focus of the 19th Street Bridge subcommittee was to determine if a recommendation should be made to the City Council to undertake an economic and neighborhood compatibility study of the 19th Street Bridge. The subcommittee did not say they wanted a bridge, nor did they say they did not want a bridge. Some members of the subcommittee felt that the 19th Street Bridge had been studied enough and that City Council's conclusion, 14 years ago, to eliminate the bridge from the Master Plan should remain valid. Others felt that change in the last 14 years has been so drastic that a 19th Street crossing might create a positive, and therefore, a study should be undertaken. He commented that people today would not make a decision based on 14-year-old information. Yet there was opposition to looking into the 19th Street Bridge and asking if anything had changed in 14 years with regard to the original decision. The problem was there was never a report or a study. He has been speaking in favor of the 19th Street Bridge for the last 10 to 12 years and no one can submit a report showing justification as to why that decision was made. He asked Agency members to be prudent and said that as stewards of the community they need to try to have answers before eliminating or trying to eliminate the 19th Street Bridge crossing.

Mr. Graham said he had three letters he wanted to mention. One letter was from Tom Paradise of Standard Pacific Homes who mentioned potential benefits to the proposed 19th Street Bridge – “the values of retail properties along 19th Street are closely tied to the amount of traffic and the demographic buying power of the surrounding residential areas. The bridge extension would enhance potential retail values.” Another letter from Scott Newcomb, Vice-President of the Olson Company, talked about positive things that would happen if a bridge were to be approved. A final letter from Mike Shrock of Urban Arena Landscape Architecture & Planning, who was also positive about the affects that a bridge would have on the community. The three letters were from developers in the know. He included the letter from Mr. Fewell, who opposed any thought of looking at and doing a study of the 19th Street Bridge crossing, so the Agency could see how much we did not know about the issue. The community of Costa Mesa (110,000 people) deserves better; they should know what is being done regardless of the outcome. If the study came back saying Costa Mesa needed a 19th Street Bridge, the community should know and if it came back saying the 19th Street Bridge would not be beneficial, the community should know that as well. He did not understand the fear of conducting a study.

WROC Chairperson Ronquillo asked Chairperson Steel if he could make a comment. He referred to Page 35 of the WROC Report, the

recommendation under Section F “because there was no consensus report from this subcommittee (the Bridge Subcommittee), and individual proposals did not receive a 70% consensus vote from the WROC general membership, there is no recommendation to forward to the City from that subcommittee or the WROC.” WROC Chairperson Ronquillo clarified that the WROC had no official recommendation on the bridge. He informed the Agency that the letters and information from Chris Fewell began on Page 57, in Appendix C of the WROC report.

Chairperson Steel thanked WROC Chairperson Ronquillo for the clarification. He added there was no recommendation regarding the 19th Street Bridge, nor did the Agency take a position.

Chris Eric, 1825 Placentia Avenue, Westside, expressed his thoughts as to what the WROC hoped would happen. With Costa Mesa basically having three shopping areas – South Coast Plaza, Harbor Boulevard and 17th Street - the next shopping area should be 19th Street. Costa Mesa needs a City Council with the courage and vision to follow the WROC’s outline that resulted from many hours of study and discussion. Mr. Eric’s subcommittee spoke to active, young developers who managed to revitalize the central area of a coastal city that was far worse than anything Costa Mesa had. He said developers were willing and eager to take on the Westside, particularly the 19th Street corridor. His subcommittee believed that private enterprise could do the heavy lifting without the need of “Big R” (Redevelopment). Their only requirement was flexibility and willingness to leave behind the status quo. In 10 years time, he hopes to see a Westside that is no longer the “other side of the tracks”. He hopes the Westside will take its proper place as an equal, if not, the leading area of Costa Mesa.

Judi Berry, 2064 Meadow View Lane, Costa Mesa, said she participated in WROC meetings and had a question that was not related to the WROC report. Mrs. Berry asked how the Supreme Court’s decision on the Redevelopment issue pertaining to taking people’s property to redevelop, would impact the Redevelopment Agency.

General Counsel Wood explained there was a case pending before the U.S. Supreme Court that addressed the issue of a City’s Redevelopment power as it related to taking private property and turning the property over to a private developer to change the use of the property. If the U.S. Supreme Court decides that doing so is an improper use of the eminent domain powers, the decision would definitely have an impact on Costa Mesa’s Redevelopment Agency; however, the outcome of that case will not be known for another 6-9 months.

Agency Member Monahan asked General Counsel Wood which side was on the losing end.

General Counsel Wood responded it was a decision that upheld the eminent domain power of the city involved. The decision was appealed and reached the Supreme Court of the state involved.

Agency Member Monahan asked if it was not in California?

General Counsel Wood confirmed it was not a California case but if the U.S. Supreme Court addressed the issue, it could very well apply to all states in the nation.

Agency Member Monahan commented that up until then it had been the municipality that had prevailed in the litigation.

General Counsel Wood confirmed Agency Monahan's comment.

Don Elmore, 2209 Wallace Avenue, Costa Mesa pointed out Item C, Recommendations Regarding Regulations of Code Enforcement, on Page 24 of the WROC report because he has seen many violations (unsightly and regarding safety) that, if corrected, would make Costa Mesa more beautiful. He asked that the Agency strictly consider having a citizens-based code enforcement group who would work with businesses to clean up and make code enforcement follow the codes. Code Enforcement needed to get out and really push because he knew of two places that were cited more than once and still, nothing had been done. A problem with one place that was cited has been going on for 18 years.

Chairperson Steel asked if there was anyone else who wished to speak regarding the WROC item and invited speakers to approach the podium.

James Quigg, 1869 Parkview Circle, Costa Mesa, thanked the WROC Committee for doing a marvelous job in compiling the WROC report. He said their efforts deserved thanks on behalf of the people of Costa Mesa. He expressed two concerns, one with the increased density that was being proposed without appropriate traffic studies being completed and secondly, that owner occupation of residential properties and private ownership was needed. By converting existing apartment structures into condominiums, the City would obtain pride of ownership and upgrade some blighted areas.

Peter Zender, small residential developer, commented that he seconded Mr. Millard's proposal regarding widening the industrial area and opening it to potential residential overlays because the amount identified for residential property is minimal. It is important to give smaller developers the opportunity to create alternative products. Large developers like John Lange Homes have a tendency of building walls and enclosures around their products that do not relate to the community itself. His company will be presenting to the City, a couple of small projects that relate to areas that would be more affordable and open to neighborhoods. Something important to consider in the overall proposal.

Terry Shaw, 420 Bernard Street, Costa Mesa, expressed concern over the affect that the proposed 4-story planned unit development (P.U.D.), along 19th Street might have on the residential area that is south of there. He was also concerned about the overlay. Mr. Shaw agreed with Martin Millard, in that he would like to see an expansion in the residential overlay to include more of the general industrial area because it would be beneficial.

Mike Harrison, 201 Paularino Avenue, Costa Mesa, and WROC member commented regarding the rational for the proposal the WROC made on changes in land use. He stated the WROC asked why there was nothing happening in the existing residential overlay located west of Whittier. A couple of developers were asked to conduct an economic analysis to tell the WROC what product would work there and the density it would take in order to offer realistic prices to industrial property owners. As a result of the economic analysis, the basis of the recommendation was to increase the density from low to medium. Rather than taking a blanket approach to the entire area, the

WROC wanted to see what would happen if positive action started in the first logical place. That is why the WROC picked that particular approach instead of a general one.

Mr. Harrison said that regarding 19th Street, the WROC asked what it would take to create an economic situation that would allow a developer to offer a price for an existing property. The rationale behind the 4-story was that it would allow potential condominiums and mix of condominiums and commercial, revitalization with private development participation. The south side of the street did not have an overshadowing issue. However, south of that area were 2-story apartment-type buildings, and that was one of the rationales the WROC thought the 4-story, which is allowed in the City, might be appropriate. A lot of refinement needs to be done but those were some of the background reasons why said specific recommendations were made.

Eric Bever, 1046 Westward Way, Costa Mesa, wanted to clarify a misunderstanding regarding the existing overlay on the Westside of Whittier Avenue. He has been involved, the last 5 years, in trying to understand the Westside. Through that process, he has met property owners in that overlay zone area. Many of those parcels are held in long-term leases, that is why nothing is happening. He did not differ with Mr. Harrison's opinion that an R-2 zoning might help because that would enable doing more with smaller parcels. He believed there should be an R-2 medium density zone across the industrial area because it was not fair to give one person an entitlement and not give the person across the street the same entitlement. If the City gives someone an opportunity and an option with their property, everyone should be given the same option and opportunity.

Katheleen Eric, 1825 Placentia Avenue, Costa Mesa, hoped the Agency approved and went forward with the WROC report. After 4 years of consensus building, there was now a report with recommendations. It was time for the Agency to start letting people who were hanging on to the hope that maybe now they could do something with their properties, start planning a future. Or, let people know if they should abandon any hope of improvement and do like many friends and neighbors have done the past 15 years and move. She lost count of the number of friends, businesses and family who gave up on Costa Mesa, in particular the Westside, and chose to leave the area. Her family roots go deep in Costa Mesa, having lived here almost 60 years. She does not want to abandon her community if there is hope for world change and improvement. Costa Mesa should not allow high-density developers to bulldoze them and their town into something they do not want it to be. The WROC report contains a theme for a residential overlay. It is not a requirement but allows flexibility for property owners. She asked that the Agency not reduce the Westside area.

Donald Nicholson, 2063 Republic Avenue, Costa Mesa, stated that Newport Beach spaced out all services to boats along the waterfront. Boat owners now have to go up the Coast to get their boats serviced. In the Westside area, there are a number of businesses that provide service to boats. Where are these businesses going to go if they are suddenly pressured out? Costa Mesa needs to take this into consideration and fill-in, simply because Newport Beach is kicking out their boat service outfits. He stated also that in general, the WROC report was excellent and a good job was done.

Mildred Nicholson, 2063 Republic Avenue, Costa Mesa, asked if businesses made more money for a city than residential.

Agency Member Monahan responded that the City did receive sales taxes off of retail businesses and for residential they received property taxes.

Mrs. Nicholson added that in homes where there are a lot of children, the taxes go to the schools.

Agency Member Monahan said had a house full of children. Some of his children went to public schools, while others went to private schools and added that he paid a great deal of taxes.

Chairperson Steel closed the public comment session. He read the WROC report recommendations as follows:

- 1) Receive the WROC report
- 2) Direct Staff to prepare the WROC Implementation Plan
- 3) Provide direction regarding West 19th Street Project Area

Agency Member Cowan asked WROC Chairperson Ronquillo if the WROC Committee discussed at all, any role in an Implementation Plan.

WROC Chairperson Ronquillo responded the Committee had not.

Agency Member Cowan asked WROC Chairperson Ronquillo if the Agency asked Staff to develop an Implementation Plan, would the WROC be interested to reconvening for one or two meetings to review and comment on the Implementation Plan.

WROC Chairperson Ronquillo responded that without asking for a consensus vote, the Agency would get a consensus vote.

Agency Member Cowan asked a question for Staff regarding Recommendation three. In part, she felt the Agency should direct Staff to continue the exploration of the Project Area, particularly in relationship to what would help implement the recommendations from the WROC. She wanted to know, from the point of view of the WROC report, if a project area expansion would help implement the plan.

Planning & Redevelopment Manager Robinson responded that as mentioned in the report, just about all of the recommendations could be done without a Redevelopment Agency. However, because a Redevelopment Agency's primary benefit is as a financing tool, it might be able to provide some funding to help support the business improvement district.

Agency Member Cowan said it would be prudent to continue the exploration particularly in light of there being other things than "Big R" (Redevelopment). If they fund by expanding the area, she would rather leave it open than to shut it down.

Agency Member Monahan asked Mr. Robinson if the Agency were to move forward on expanding the Redevelopment area, would that be another contract in the \$100,000 to \$150,000 range?

Planning & Redevelopment Manager Robinson responded that Agency Member Monahan was right. He added that after the Agency's previous direction, Staff went back to Urban Futures and obtained a revised

scope of work. Some of it included technical scope for the WROC meeting that was not needed. There were changes that could have been made to the scope of work that would have reduced the cost. However, the initial proposal to Staff was for \$100,000 to \$130,000, depending on whether or not a project area committee was required, and it would be about a year process.

Agency Member Monahan said it was his understanding that a project area committee would be required considering the way the area was cut.

Planning & Redevelopment Manager Robinson said the proposed area included residential. A project area committee would be required if the Agency used the power of eminent domain with the possibility of acquiring residential land where there was low to moderate income housing. There was a good probability that a project area committee would be required.

Agency Member Monahan asked if it took a 4/5's vote to pursue eminent domain authority.

Planning & Redevelopment Manager confirmed Agency Member Monahan's statement.

Agency Member Monahan asked Mr. Robinson if he saw a time constraint on that direction. He also asked if it was something Staff felt had to be made tonight or could it be returned once the Agency had the chance to look at an Implementation Plan.

Planning & Redevelopment Manager Robinson responded that it was not a time-sensitive issue, except looking forward to a target date to start collecting the tax increment.

Agency Member Monahan added that to get to that point, deals would have to be cut with the school district and other agencies to protect the taxes that the Agency would hopefully have. He was bringing this up was because the Agency had a phenomenal start with the WROC report and after 4 years, it was something they needed to move forward on. Although he was the person pushing the most on 19th Street for expansion of the redevelopment, he was not ready to direct Staff to bring back a contract in the \$100,000 to \$150,000 range when that amount of money could go a long way in getting the Implementation Plan started. He said anything that would come out of a Redevelopment Plan was already in the WROC report. The only benefit he saw after looking at the tax studies and what it would take to expand the Redevelopment area, was the ability of the City to have an eminent domain authority, whether the Agency wanted to take over a property or whether they just had the threat of it. Considering that to get to that point would cost over \$100,000 and a 4/5's vote, he would be hesitant to go down that road until there is a plan ready. He felt it should be returned in 90 days or when Staff felt a decision needed to be made. His recommendation would be to not motion in favor or against, but to bring it back when there was an Implementation Plan and discuss it when it was needed.

Agency Member Cowan said she did not have an issue with that and thought it would work because her interest was to make a decision regarding the West 19th Street Project Area in relationship to the plan. She did think an Implementation Plan would have to be done first.

MOTION

Agency Member Cowan made a motion to accept Staff and WROC recommendations one and two. Once Staff developed the Implementation Plan, the WROC would reconvene for review and comments, and return to the Redevelopment Agency.

Chairperson Steel asked if there was a second. Agency Member Monahan seconded the motion.

Chairperson Steel asked Agency Member Cowan if she was including all three recommendations in her motion.

Agency Member Cowan responded no and clarified that she was recommending one and two, with the Implementation Plan to be returned to the WROC for review and comment. They could go back to recommendation three later.

Agency Member Monahan thanked everyone who worked on the WROC Report - the WROC Committee, those not on the WROC Committee but who added to it, and everyone who followed it over the last two to four years for their hard work and discussions. Although not everyone received what they wanted, everyone received something. They had a very good plan and the implementation is what would make the plan work. He hoped it would move forward.

Agency Member Mansoor asked Agency Member Cowan if the WROC Committee would reconvene for one meeting on an Ad Hoc basis or as needed.

Agency Member Cowan said the WROC would reconvene for review and comment. She did not define that it would be just one meeting, only that the Plan was there and that once completed by Staff, the WROC would review it and comment before coming back to the Redevelopment Agency.

Agency Member Mansoor also thanked everyone who was on the WROC Committee, as well as Staff for their work. He asked Mr. Robinson if the Agency moved forward, would all items in the report for implementation be subject to a future vote? He used as an example the density on 18th Street and the overlay up and down Whittier, and asked if those would come back for specific action.

Planning & Redevelopment Manager Robinson confirmed they would and added that a lot would involve zoning code amendments to create a mixed use zone and a General Plan amendment for increase in the density. The west of Whittier Avenue would be supported by environmental documents. The Agency's decision tonight would be to receive the report. Staff would tell the Agency what would be needed and the Agency would make the decision to approve the final product at that time.

Agency Member Mansoor said he too was concerned about the density on 19th Street and the recommendation of expanding the overlay zone further, east of Whittier. However, those concerns could be addressed at a future meeting or brought back to the Agency.

Agency Member Scheafer stated he too had some of the same concerns as Agency Member Mansoor. He was anxious to see them when they came back. He had questions regarding page three and said that anytime they do a project, they generally have to take a look at the

CC&R's. He wanted to know if the Agency would have a chance to look at those as they moved through with the projects.

Planning & Redevelopment Manager Robinson responded that typically Council did not see the CC&R's because they are normally required as part of a condition of approval on a condominium-type project. The CC&R's would be reviewed by the City Attorney's Office and Planning Division to ensure that provisions of the zoning standards were included. They would then go to Council as an action item.

Agency Member Scheafer said one of his concerns was if they were to set up a live-work type situation. If he was the owner of one of those units and decided to retire and move on, how could he benefit from his ownership? He did not know how that would play into what was being done with the WROC report but had a keen interest in knowing how it all worked.

Planning & Redevelopment Manager Robinson stated they were well into developing a mix use live-work type ordinance, through the Bristol Street Mix Use Committee, that could be used as a model or be applied to the WROC report. They were leaning towards requiring a Master Plan, similar to what is required for a Plan Development project. As part of the Master Plan, Staff would look at lists of permitted and complimentary uses that might be appropriate.

Agency Member Scheafer addressed another question regarding the billboard situation. He stated that typically, billboards are leased for a lengthy period of time. If they were to say no more billboards and the billboards had to come down immediately, what legal issues would they run into having to break a lease?

General Counsel Wood said the City had the authority to require existing billboards to be removed but the City would have to incur the cost to have them removed. The alternative would be to set up some type of amortization period that would allow billboards to stay for a certain number of years in order to amortize the value of the billboards.

Agency Member Sheaffer said the City could say no more new billboards, as it was common in a lot of business situations.

General Counsel Wood concurred and said it was his understanding that no new billboards had been erected because the amount of signage was normally used for the on-site businesses.

Agency Member Scheafer echoed what everyone had said and thanked everyone who worked on the WROC report. He knew the committees worked hard and it was not always easy. He thanked everyone for their input, questions and calls. He did not know who had taken the pictures that were on the cover of the WROC report but was appreciative that his favorite project in Southern California was on the cover. If Costa Mesa could get a similar project on 19th Street, it would really be nice.

WROC Chairperson Ronquillo told Agency Member Scheafer, the pictures on the cover of the WROC report were provided by Lange Homes.

Agency Member Mansoor echoed Agency Member Monahan's comments regarding the 19th Street Project Area and said that after the Agency took action on items one and two, he would be willing to put a

motion forward to not take any direction on expanding the 19th Street Project Area as this time.

Chairperson Steel asked Staff if they were clear on what the motion was and what the Agency was doing. He asked Agency Member Cowan to repeat her motion.

Agency Member Cowan stated she was recommending that the Agency receive the Westside Revitalization Oversight Committee Report and direct Staff to prepare a WROC Implementation Plan, which would then be taken to the reconvened WROC Committee for review and comment, prior to returning it to the Redevelopment Agency.

Chris Fewell, 2000 Republic Avenue, said he was not aware that the Agency was going to address both issues and said there might be other WROC members wanting to address the issues as well. He apologized and told Chairperson Steel that he did not know if he could allow public comment at this point or not.

Chairperson Steel asked General Counsel Wood for input.

General Counsel Wood told Chairperson Steel it was up to him whether he would allow public comment.

Chairperson Steel allowed Chris Fewell to make a public comment because Mr. Fewell used to be a Planning Commissioner, was a member of the WROC and he wanted to get his input.

Mr. Fewell thanked Chairperson Steel and the Agency Members.

Mr. Fewell said he felt the Redevelopment area along 19th Street was a critical element of some of the recommendations that were in the WROC report. A vote to postpone and deciding if it was something to do or not to do, did not give it enough credence as a tool that might be necessary in order to facilitate some of the things that may need to occur as the Agency moves toward the implementation of the plan along 19th Street. A lot of minds had been made up but he wanted to emphasize that the addition to the Redevelopment area along 19th Street, should be a part of the WROC report. It should be a tool that would help with the implementation and advised the Agency to not set it aside.

Agency Member Monahan said Mr. Fewell mentioned two or three times "as a tool". He asked Mr. Fewell how he saw that tool being used and added that he was not disagreeing with him in any way, shape or form.

Mr. Fewell said demographics was an important reason why the 19th Street corridor had not received any attention during one of the largest increases in commercial real estate values. The size of the parcels along 19th Street was another critical element why the corridor had not been revitalized and redeveloped. It was also one of the reasons why a bridge would not help. The help of the Redevelopment Agency to potentially encourage assemblage was a critical element to the success of the revitalization of 19th Street.

Chairperson Steel said if the Agency decided on the motion that was proposed, those suggestions could be incorporated at the time they discussed providing direction regarding West 19th Street. He asked if anyone wanted to comment.

Agency Member Cowan told Chairperson Steel there was a motion.

**Approved
Carried**

The motion previously made by Agency Member Cowan and seconded by Agency Member Monahan, to accept the WROC report and direct Staff to prepare the Implementation Plan with the WROC Committee reconvening for review and comment and returning the Implementation Plan to the Agency, carried 5-0.

MOTION

Agency Member Cowan motioned that Staff continue the exploration of a West 19th Street Project Area, particularly in relationship to what would work to further the WROC recommendations. Agency Member Scheafer seconded the motion.

Agency Member Monahan commented to Agency Member Cowan that he was not in disagreement of continuing to explore. He asked how she was foreseeing that because to move forward meant negotiating a contract involving a lot of money.

Agency Member Cowan responded she was first foreseeing the development of an Implementation Plan and then a recommendation as to what might be needing redevelopment, in order to further or implement the WROC recommendations.

Agency Member Monahan asked if this would be more of a Staff study where Staff would look at the redevelopment direction and bring it back with the Implementation Plan.

Agency Member Cowan concurred and said she was not interested in a future contract with Urban Futures and felt Staff could do this.

Agency Member Monahan said Agency Member Cowan was saying, do not “dump” it now, which he did not support, but bring it back with the Implementation Plan after looking at it and seeing how or where Redevelopment might help in that Implementation Plan.

Agency Member Cowan confirmed Agency Member Monahan’s statement.

Agency Member Mansoor stated that if that was the case, he would have to ask Agency Member Cowan to re-clarify her motion. His whole point was not to go forward with the West 19th Street Project Area at this point and Agency Member Cowan’s motion was more about when the Implementation Plan was brought forward, the Agency would then consider if they wanted to go forward with it.

Agency Member Cowan said a decision on whether or not to have a project area could be part of the Implementation Plan, but Staff would need to review the WROC recommendations. After reviewing it, Staff would bring it back with the Implementation Plan, and apprise the Agency on how it would or would not help further the recommendations.

Agency Member Mansoor said his concern for bringing it up was that everyone he had spoken with and who were knowledgeable in that area, had repeatedly said to him the phrase, “retail follows roof tops”. He did not doubt that 19th Street would be revitalized. If the overlay zone were expanded, it would be done through a more natural market process. That is why he was hesitant to go ahead with it. He was not saying it could not be done in the future, he simply thought it was premature. He asked Agency Member Cowan to re-clarified her motion.

Agency Member Cowan rephrased her motion and said that in relationship to the WROC recommendations, direct Staff to continue the exploration of the West 19th Street Project Area and return with recommendations relative to implementing the WROC report.

Chairperson Steel asked if there was any discussion.

Agency Member Monahan stated he was perfectly comfortable with Agency Member Cowan’s motion and would be supporting it. He said Mr. Fewell “hit it on the head” and thought Redevelopment could be a huge tool. The Agency had to understand that if it was going to be that tool, it would take the ability to combine parcels, condemn a piece of property and do what is called eminent domain. To do that, would take a 4/5’s vote of whoever the Council and the Redevelopment Agency are at the time. If you do not have eminent domain authority, it is useless because there is not much income that will come from that area. At the same time, it would be very costly to get that income because deals would have to be cut with every agency including the school district. And what incentive would it bring? Not a lot. When they see certain implementation ideas, one idea was a market. Another idea was larger parcels. The only way to get there is through eminent domain. If Council is willing to go there, great. If Council is not, then they will not go forward but that is going to be the main tool that will go into effect to help the Implementation Plan. Agency Member Monahan said he wanted to “put it out there” and not “sugar coat it” because that is what it would be coming down to. He added that he would support the motion.

Chairperson Steel asked if there were any other comments or questions.

Agency Member Mansoor said he would not be supporting the motion because even if there was an option to assemble the parcels, if the residential was not there to support it, he did not know if it would work. He did not think it would be there unless the overlay zone was expanded.

**Approved
Carried**

The motion made by Agency Member Cowan and seconded by Agency Member Scheafer, to direct Staff to continue the exploration of the West 19th Street Project Area and return with recommendations relative to implementing the WROC report, was carried 4-1, Agency Member Mansoor voting no.

REPORTS

Executive Director None.

Agency Attorney None.

**Warrant Resolution
CMRA-372 and
CMRA-382** On a motion by Agency Member Monahan, seconded by Agency Member Scheafer, Warrant Resolutions CMRA-327 and CMRA-328 were approved

**ORAL
COMMUNICATIONS**

Chris Fewell, 2000 Republic Avenue, said that in the mornings, Victoria Street was a freeway coming from Huntington Beach. He said the traffic lights were set up in a way that was conducive to Huntington Beach using it to get across to the freeway, but it was difficult for residents to get out on National at that light. He said 19th Street would not help that because it will just become the same situation. However, a signal on Victoria could be set up to keep some of the Huntington Beach

traffic in Huntington Beach and let Costa Mesa residents use their streets.

Agency Member Mansoor asked Mr. Fewell what time of the morning was the traffic at its worse.

Mr. Fewell responded between 7 and 8 o'clock.

WROC Chairperson Ronquillo wanted to respond to item three in regards to providing direction regarding the 19th Street Project Area. He said City Staff took the question to the WROC to get their feel for it. At that time, the WROC decided not to comment for the same reasons the Agency was setting it aside - to see what the implications of the Implementation Plan would be. The WROC also felt that a lot of studies would have to be done and there were a lot of perspectives between the Redevelopment Agency and Council that they needed to bring to decision. The WROC did not want to approve it or not approve it, without thinking about it and give the wrong impression.

Chairperson Steel thanked everyone for their participation and attending the Redevelopment meeting.

ADJOURN

There being no further business for discussion, Chairperson Steel adjourned the meeting at 8:17 p.m.