ASSEMBLY STANDING COMMITTEE
COMMITTEE OF THE WHOLE

January 6, 2020, 6:00 PM.
Assembly Chambers - Municipal Building

MINUTES

I. ROLL CALL

Deputy Mayor Maria Gladziszewski called the meeting to order at 6:02 p.m. in the Assembly Chambers.

Assemblymembers Present: Mayor Weldon, Maria Gladziszewski, Loren Jones, Rob Edwardson, Wade Bryson, Carole Triem, Alicia Hughes-Skandijs and Greg Smith (telephonic)

Assemblymembers Absent: Michelle Bonnet Hale

Staff present: City Manager Rorie Watt, Deputy City Manager Mila Cosgrove, Deputy City Attorney Teresa Bowen, Deputy Municipal Clerk Diane Cathcart, Chief Housing Officer Scott Ciambor, Finance Director Jeff Rogers, Public Works & Facilities Interim Director Robert Barr, Port Director Carl Uchytil

II. APPROVAL OF AGENDA

Hearing no objection, the agenda was approved as presented.

III. APPROVAL OF MINUTES

Hearing no objection, the minutes of the October 28, 2019 Assembly Committee of the Whole meeting were approved.

A. October 28, 2019 Committee of the Whole Minutes

IV. AGENDA TOPICS

A. Lego Robotics

The Lego Robotics presentation was postponed to a future date due to a scheduling issue.

B. Senior Housing RFP Results

Chief Housing Officer Scott Ciambor gave an overview of the process to-date. He noted the significant role CBJ needed to take to make assisted living happen within the community. Last year a multiple step process was put forth for discussion through the Committee of the Whole which involved purchase of Vintage Park property by CBJ in August 2019. They also discussed a 12 year tax abatement system for new assisted living units; that ordinance was adopted in July. With those two things in place the Assembly instructed staff to work through a sealed competitive bid process to find developers who were interested in using those resources to build an assisted living facility within Vintage Park. CBJ had an active bid process open from September to November 2019 and during that time we received 2 proposals. After review and scoring the committee recommended entering into discussions with Torrey Pines Development; that was brought before the Committee of the Whole in December and the Assembly directed staff to move into negotiations with Torrey Pines. Based on those negotiations within this COW packet are the following materials: memo outlining the terms of agreement with Torrey Pines, Q and A of potential items that members may be interested in, property sale payment schedule, full Torrey Pines Development proposal, draft land disposal ordinance as well as a draft appropriation ordinance.

Mr. Watt recapped how the process evolved from the first discussions several years back with a non-profit group and developers coming directly to the Assembly which proved unsatisfying to the Assembly, to the final decision of CBJ purchasing land in order to maintain control of the process which has brought us to this point. Prior to putting the solicitation out there was a discussion around grant incentive which created a "fork in the road" decision; one fork was to state the amount of grant support the Assembly is willing to provide and the other fork was to cast a net and see what proposals came in and pick a proposal. The "fork" chosen was the casting of a net for a proposal chosen by letting the proposer put the number on the table which is $2 million. Mr. Watt took a deeper dive into outlining the proposal, a tax abatement, if $2 million is the right number and assumptions or "what if's" that go into a project of this type.

Mr. Watt wrapped up his discussion by noting the goal is to keep the process moving forward. From an Assembly process standpoint, a draft land sale ordinance and draft grant appropriating ordinance will need to go before the Assembly at some point along with cash flow considerations as the Assembly gives direction on management to the municipal treasury.

Mr. Jones asked how much is foregone in property tax abatement. Mr. Watt said the total project cost is estimated at $32 million, the ordinance would only apply to improvements and not the land cost and authorized 8 mills per year for 12 years, nets out to about $240,000 in property tax per year for 12 years or roughly $2.5 million. Mr. Jones then asked about the $400,000 of the $2 million grant being taken out of the housing fund vs. the full $2 million out of the general fund. Mr. Watt said it was listed as an option but really it's up to the Assembly of where to pull funds from. Chair Gladziszewski said this is a discussion for the Finance Committee. Mr. Jones asked about the number of Medicare beds available and Mr. Watt noted the developer would set a minimum not a maximum with regards to Medicare bed availability.

Ms. Triem asked about the payment schedule on the land and who has the liability on the land if it's a 20 year schedule. Mr. Watt said this is the debt fee and it would be the developers land and they hold the responsibility. Ms. Bowen equated it to a mortgage. Mr. Ciambor noted the developer is fully aware of their responsibly with regards to any land issues that arise.

Mr. Edwardson asked for staff to explain why this proposal is reasonable. Mr. Ciambor noted it's outlined in the first half of the memo, the community is going to get 80 units and potentially 88 beds, build senior housing needs and the senior economy. It will provide a huge economic boost to the economy and satisfy long term goals of the community. Mr. Watt added while it's uncomfortable to think of spending $2 million it's a larger investment in our community and a way to serve our seniors.

Mayor Weldon asked if Torrey Pines would be interested in a partial loan on the $2 million vs. a grant. Mr. Watt said there is a lot of project risk and might undercut the strength of the project. The committee went into a deeper discussion of whether a grant vs. a loan or partial loan was the better option and what would work best for both CBJ and the developer and keep the project moving forward.

MOTION: By Mayor Weldon to recommend Ordinance 2020-05 Committee of the Whole version 3 to the next Assembly meeting for introduction and Ordinance 2019-06(Q) to the next Finance Committee meeting and asked for unanimous consent. ***Hearing no objections, motion passed.***

C. Assembly Goals 2020

MOTION: by Mayor Weldon to remove any goal from the list that received 2 or less votes and approve the remaining goals and asked for unanimous consent. ***Hearing no objections, motion passed.***

D. Assembly Role in Waterfront Leasing Process

Docks and Harbors Board and staff have done really well but Mayor Weldon felt it's time for the Assembly to take over review of uplands and tideland leases in the corridor of the Rock Dump to the Bridge. The Assembly would not be looking at operation of the docks but at the various leases with the thought being; does the full Assembly need to see a lease, does Lands Committee need to review a lease or is this a lease that Docks and Harbors can review.

Mr. Edwardson requested definitions of uplands, tidelands, submerged lands, etc. Chair Gladziszewski said that would be included as part of any larger discussion. Assemblymembers discussed and agreed they were in favor of moving this item forward for deeper conversation around leases and questions that may arise along with any ordinances that would need to be introduced and potential code changes.

Mr. Watt said Assemblymembers may wish to consider the threshold question; do we negotiate with the original proposer, not at all or broader competition. One lease that may come before the body soon is on the Franklin Dock with a floating berth possibility. Mr. Watt asked the committee how and when they wish to discuss this item further.

Chair Gladziszewski requested this come to a future Committee of the Whole meeting.

V. ADJOURNMENT

There being no further business to come before the committee, the meeting was ajourned at 7:32 p.m.