

**Minutes**  
**City Council/Public Financing Authority Regular Meeting**  
**City of Huntington Beach**

**Monday, June 2, 2014**  
**4:00 PM – Study Session**  
**6:00 PM – Regular Meeting**  
**Council Chambers Civic Center,**  
**2000 Main Street**  
**Huntington Beach, California 92648**

A video recording of the 6:00 PM portion of this meeting is on file in the Office of the City Clerk and is archived at

[www.surfcity-hb.org/government/agengas/](http://www.surfcity-hb.org/government/agengas/)

Based on the limited amount of time needed to cover items in Study Session and Closed Session, the meeting will be called to order at 4:30 PM instead of 4:00 PM.

**4:30 PM - ROOM B-8**

**CALL TO ORDER – 4:33 PM**

**ROLL CALL**

Present: Katapodis, Hardy, Shaw, Harper (arrived at 4:35 PM), Boardman, Sullivan (arrived at 5:02 PM) and Carchio

**CPAB ROLL CALL:**

Present: Andres, Bertler (Chair), Campbell and Lim

Absent: Baley, Barkley, Correia, Kanode, Ruiz and Swenk – *No Quorum*

**ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS** (Received After Agenda Distribution)

Pursuant to the Brown "Open Meetings" Act, City Clerk Joan Flynn announced supplemental communications that were received by her office following distribution of the Council agenda packet:

PowerPoint communication submitted by Administration dated June 2, 2014 and entitled *Joint Study Session, City Council Community Development Block Grant*

**PUBLIC COMMENTS PERTAINING TO STUDY SESSION / CLOSED SESSION ITEMS** (3 Minute Time Limit) – None.

**STUDY SESSION**

- 1. Board members of the Citizen Participation Advisory Board (CPAB) and City Staff reviewed recommendations for the 2014/2015 Action Plan for the Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) with City Council.**

City Manager Fred Wilson called on Simone Slifman, Business Development Project Manager, to give a PowerPoint presentation, entitled "Joint Study Session – City Council Community Development Block Grant." Titled slides included HUD Allocation, CDBG Allocation Process, CPAB Recommendations: Public Services 15% Maximum of Allocation, Public Improvements, 2014/15 Allocation: HOME and Next Steps. Following the presentation, Mr. Bertler, Chair of the Citizens Participation Advisory Board (CPAB), gave a brief synopsis of the Board's criteria used for determining recommended funding. He then thanked the Board Members and the City Staff for their joint work to assess and recommend distribution of funds.

During the presentation Ms. Slifman noted that this year's HUD allocation of CDBG funds of \$963,901 was a 3.3% decrease from the last fiscal year distribution. This amounted to \$32,778 less to work with. She also noted that the HOME Program funding for this fiscal year was \$410,677 which was an increase of 3.9%, amounting to an additional \$15,226 to distribute. She highlighted the two Public Hearings which were conducted, and the process for review and presentations of applications for funding.

Mayor Pro Tem Shaw thanked the CPAB members for their efforts stating he respected their work. Councilmember Boardman also thanked the Board.

Councilmember Carchio asked about the drop in Project Self Sufficiency (PSS) funding. He asked if their amount was reduced from what they requested due to their own fund raising efforts. Kellee Fritzal, Deputy Director of Business Development indicated that the CPAB recommended funding was more than PSS received last year, but also noted PSS's financial need is greater than last year. City Manager Fred Wilson discussed that possible General Fund assistance may be needed in the future to meet the increased program needs. Councilmember Carchio suggested that it might be appropriate for the City to engage in some marketing efforts towards PSS's fundraising events in order to enhance participation.

Councilmember Carchio also asked about the Public Works Department's request for funding for the Huntington Beach Police Department building's limited ADA improvements of \$396,000 to which only \$74,720 was recommended by CPAB for funding. Discussion ensued with Ms. Fritzal regarding ways to assist in funding. She mentioned a potential fund balance which may present itself in the future to help offset the unmet needs. City Manager Wilson again indicated the Council may need to look toward the General Fund in the future to help out with this project. Council Member Carchio then thanked the Board Members for their service.

Mayor Pro Tem Joe Shaw asked about the previously proposed Community Foundation and where it stands. City Attorney Jennifer McGrath indicated the formation of the Foundation was a suggestion by a previous Mayor (Hansen) and that the formalization of the Foundation was never completed. She indicated that while a pledge was made to the Foundation, no funds have been received, so there are none which are available for distribution.

#### **RECESS TO CLOSED SESSION – 4:55 PM**

Mayor Harper announced: Pursuant to Government Code Section 54956.8, the City Council takes this opportunity to publicly introduce and identify designated negotiator Ken Domer, Assistant City Manager concerning price and terms for the purchase of real property in the form of a street easement and a temporary construction easement from Pacific Mobile Home

Park located at 80 Huntington Street in Huntington Beach. The easements for street purposes and temporary construction are more particularly described as an area of approximately 75,602 square feet along Atlanta Avenue between Delaware and Huntington Street. The property owner of the Park is 80 Huntington I, LLC and 80 Huntington II, LLC, and the principal of Huntington I and II is John Saunders, 4040 MacArthur Blvd., Suite 300, Newport Beach, CA. In addition, Mr. Domer will negotiate price and terms for the purchase of personal property in the form of three mobile homes on land within the area of the street easement: Space 101, located at 80 Huntington Street, and owned by 80 Huntington I, LLC and Huntington II, LLC, whose principal is John Saunders at 4040 MacArthur, Suite 300, Newport; Space 302, located at 80 Huntington Street, and owned by Rod and Cindra Stolk; and, Space 401, located at 80 Huntington Street, and owned by James and Sue Rock.

Also, pursuant to Government Code Section 54957.6, designated labor negotiator Fred Wilson, City Manager regarding the following: FMA, MEA, MSMA, PMA and/or POA.

### **CLOSED SESSION**

2. Pursuant to Government Code Section 54956.8, the City Council recessed to Closed Session regarding the widening of Atlanta Avenue between Delaware and Huntington Streets. The Council gave instructions to the City's Negotiator, Ken Domer, Assistant City Manager concerning price and terms for the purchase of real property in the form of a street easement and a temporary construction easement from Pacific Mobile Home Park located at 80 Huntington Street in Huntington Beach. The easements for street purposes and temporary construction are more particularly described as an area of approximately 75,602 square feet along Atlanta Avenue between Delaware and Huntington Street. The property owner of the Park is 80 Huntington I, LLC and 80 Huntington II, LLC, and the principal of Huntington I and II is John Saunders, 4040 MacArthur Blvd., Suite 300, Newport Beach, CA.

In addition, the Council gave instructions to Mr. Domer concerning price and terms for the purchase of personal property in the form of three mobile homes located on land within the area of the street easement. The location of these homes and their owners are:

- Space 101, located at 80 Huntington Street, and owned by 80 Huntington I, LLC and Huntington II, LLC, whose principal is John Saunders at 4040 MacArthur, Suite 300, Newport Beach.
  - Space 302, located at 80 Huntington Street, and owned by Rod and Cindra Stolk.
  - Space 401, located at 80 Huntington Street, and owned by James and Sue Rock.
3. Pursuant to Government Code § 54957.6, the City Council recessed to Closed Session to meet with its designated labor negotiators and Fred Wilson, City Manager regarding the following: FMA, MEA, MSMA, PMA and/or POA.

**6:00 PM – COUNCIL CHAMBERS**

**RECONVENE CITY COUNCIL/PUBLIC FINANCING AUTHORITY MEETING – 6:03 PM**

**CLOSED SESSION REPORT BY CITY ATTORNEY - None**

**ROLL CALL**

Present: Katapodis, Hardy, Shaw, Harper, Boardman, Sullivan, Carchio  
Absent: None

**PLEDGE OF ALLEGIANCE** – The Pledge of Allegiance was led by Councilmember Joe Carchio.

**INVOCATION** - Led by Rev. Susannah Bair of Huntington Beach Church of Religious Science and member of the Greater Huntington Beach Interfaith Council.

In permitting a nonsectarian invocation, the City does not intend to proselytize or advance any faith or belief. Neither the City nor the City Council endorses any particular religious belief or form of invocation.

**AWARDS AND PRESENTATIONS**

**Mayor Harper Announced Gay and Lesbian Pride Month.**

Mayor Harper announced June as Gay and Lesbian Pride Month and presented a brief history of its establishment.

**Mayor Harper proclaimed National Beach Safety and Rip Current Awareness Week (June 1 to 8) and presented Proclamations to Marine Safety Division Chief Mike Baumgartner.**

Mayor Harper called on Marine Safety Division Chief Mike Baumgartner and presented him with Proclamations in recognition of National Beach Safety and Rip Current Awareness Week, June 1, 2014 through June 8, 2014.

Marine Safety Division Chief Mike Baumgartner thanked the Mayor for the opportunity to help educate residents and visitors and commented on the dangers of rip currents. He addressed the number of rescues related to rip currents and explained how rip currents act. He encouraged the public to visit [www.usla.org](http://www.usla.org) to obtain additional information.

**Mayor Harper called on City Clerk Joan Flynn to introduce City employees who presented a check to the Huntington Beach Relay for Life in the amount of \$3,244 from the Employees' 7th Annual Chili Cook-Off.**

Mayor Harper called on City Clerk Joan Flynn who introduced City employees, Chair Kirsty Wapner with Public Works, Karen Reed with the Police Department, Chris Leonhard with the City Attorney's office, Dennis Thompson with Community Services and Glenn Fedonick with Public Works who presented a check to Huntington Beach Relay for Life representatives, Chair Donna Krizo, Dale Lendrum, Logistics Chair, Lorena Ortega, Entertainment Chair, Stephanie Deagle, Team Captain Chair and Sheila Shane, Media/Advertising in the amount of \$3,244 from the Employees' 7th Annual Chili Cook-Off. She provided a brief PowerPoint presentation of the event.

It was noted that the Huntington Beach Relay for Life event will take place June 7th through 8th in Central Park.

**Mayor Harper called on Community Services Director Janeen Laudenback to present Youth Character Award Honorees.**

Mayor Harper called on Community Services Director Janeen Laudenback who introduced Dr. Phyllis Lembke, Children's Needs Task Force, who along with Keith Krallman and Ian Collins presented Youth Character Award Honorees.

#### **ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS (Received After Agenda Distribution)**

Pursuant to the Brown "Open Meetings" Act, City Clerk Joan L. Flynn announced supplemental communications that were received by her office following distribution of the Council agenda packet:

#### **COUNCILMEMBER ITEMS**

Communications received regarding Item No. 12 (Repeal of HBMC Chapter 7.14 - Prohibition Against Performances of Wild or Exotic Animals) from Donald Covington, dated June 1, 2014, in favor of the matter and another from Feld Entertainment, dated June 2, 2014, entitled, "Proposed Repeal of HBMC Chapter 7.14, Prohibition Against Performances of Wild or Exotic Animals", supporting the repeal.

#### **PUBLIC COMMENTS (3 Minute Time Limit)**

Keith Segal, owner of Rogue Elephant Apparel, a mobile retail establishment, reported challenges in meeting the City's Municipal Code requirements and wanting to expand and grow the business. He hoped that they will be able to work with the City in order to do so. (00:31:17)

Mayor Harper asked them to submit a card to facilitate staff follow-up.

Dale Lendrum, Logistics Chair for the Huntington Beach Relay for Life, thanked City staff, the City and others for their efforts in support of the event. Additionally, he commented on the efforts of students from Golden West College and the Coast Community College District in cleaning up the Wetlands and in saving the Ridge. (00:32:53)

Kathy May, Kathy May's Restaurant, reported she has customers who have requested beer and wine service at her restaurant and asked for help with the process. (00:34:42)

Sohail Tehrani listed his relationship with the Coast Community College District and commented on the importance of the Bolsa Chica Wetlands. He added that the wetlands provide an environment for service opportunities as well as education. (00:36:24)

Quentin Cronk, Golden West College, commented on the importance of the Bolsa Chica Wetlands and spoke against potential development in the area. He added that the area provides for a "living laboratory" experience for students. (00:38:12)

Tanner Kelly, Coast Community College District, thanked the City for the opportunity to speak and commented on opportunities for partnerships to effect positive change in the community. He spoke on the importance of the Bolsa Chica Wetlands to students and as part of the City's history and culture. He presented Council with a Resolution, adopted by students, in support of maintaining the wetlands and in opposition to future development. The Resolution further called for the Huntington Beach City Council to do everything in its power to acquire the Ridge property, including identifying funding. He asked attending students to stand and show their support and introduced guests in attendance to express support. He added that the Resolution will be presented to the Coastal Commission and thanked the City for its consideration. (00:39:27)

April Diaz, server at Kathy May's Restaurant, spoke in support of allowing wine and beer service at the venue. (00:42:36)

Tim Geddes commented on the beginning of campaign smear pieces and referenced one by Assembly Candidate Keith Curry. He noted that business experience does not guarantee ethical behavior or wise decision-making and commented on his preference for a community-oriented candidate that will do things for constituents. He stated that Mr. Curry has the "wrong stuff" to serve the interests of the Assembly District and hoped that Huntington Beach voters are attuned to the ethics of those who depend on hit pieces and negative ads to advance their cause. (00:42:53)

Sandra Acklam, homeowner at Pacific Mobile Home Park, complained about space rent increases and reported that park owners are building two-story modular homes in the park which has affected her view and interferes with breezes. She added that flags promoting leases produce constant noise and expressed concerns regarding the future. (00:45:49)

In response to Council Member Sullivan's inquiry, Ms. Acklam commented on the amount of space rental increases being demanded.

Bryan Schauer, homeowner at Pacific Mobile Home Park, commented on space rent increases being implemented by park owners. He added that the majority of homeowners are senior and disabled people on fixed incomes. He reported that their concerns have gone unanswered and that office management hours have dropped to two (2) hours per day. He added that the tactics have caused undue stress and an environment of intimidation. (00:49:19)

Robert Johnson commented on affordable housing in the City and the lack of information regarding the Affordable Housing Program. He stated his opinion that the City should have taken more interest in the program than it did. (00:53:09)

Randy Wells, Pacific Mobile Home Park Association, stated that homeowners are being forced out of their homes and commented on a rent credit offered by management. He reported that they lied about having to repay the credit adding that a provision was built into the contract that upon sale of a home, the credit would have to be repaid. He noted that the new park owners are thugs, raising rents to the point that people who cannot afford them, must walk away from their homes. He added that many victims are scared that they will be targeted and therefore, have not come forward to report what is occurring. (00:56:06)

Philip Johnson, Pacific Mobile Home Park homeowner, complained about exorbitant space rent increases and noted that many homeowners are seniors and not in a position to pay the increased rents. (00:59:47)

Leslie Helmick, Pacific Mobile Home Park homeowner, reported she decided to sell her home when she received the second rent increase, adding that it has increased \$400 since the property was purchased by John Saunders. She reported she has not been able to sell her home because of the high space rents being charged. She stated that substandard conditions in the park cannot justify the rent increases adding that the plan is to charge up to \$2,000 per month for rent. She expressed concerns that her family is stuck and asked for Council's help on this matter. (01:01:27)

Chris Waring commented on family law and expressed concerns regarding the City's endorsement of the gay pride concept. (01:04:51)

Maria Laurienzo, Pacific Mobile Home Park homeowner, spoke on behalf of her neighbor, Billy Kennedy, with concerns regarding increased space rents in the park. She reported that Ms. Kennedy is worried about her future and the future of other seniors in the park as well as young families and the maintaining of property values. (01:06:52)

In response to an inquiry from Councilmember Carchio, Ms. Laurienzo addressed the start of the rent increases and reported that park management has not responded to their concerns.

Tom Livengood commented on Item No. 11 (Alcohol Sales in Central Park) and spoke in support of the

recommended action. He reported that Kathy May's Restaurant is small and has no bar and that the sale of beer and wine would be through table service and completely controlled. He added that the operation closes at 9:00 p.m. and commented on other alcohol-serving establishments in the City. (01:07:24)

Michelle Ryan, spoke on behalf of her mother, Debbie Laughlin, a homeowner at Pacific Mobile Home Park. She expressed concerns with increased space rents and noted that it is her priority to keep her home and asked that Council consider rent control for mobile home parks. (01:13:57)

Lolly Fegley spoke in support of allowing Kathy May's Restaurant to serve beer and wine. (01:14:15)

### **COUNCIL COMMITTEE - APPOINTMENTS - LIAISON REPORTS AND ALL AB 1234 DISCLOSURE REPORTING**

Councilmember Sullivan reported that he and Councilmember Carchio are unable to see the agenda on their iPads.

City Clerk Flynn distributed hard copies of the agenda and packet materials.

### **CITY MANAGER'S REPORT**

City Manager Fred Wilson reported that the next Study Session will be a presentation on the Downtown Task Force recommendations and announced the 100-year Pier Commemoration Celebration on June 22, 2014 at 11:00 a.m.

### **CONSENT CALENDAR**

Councilmember Sullivan pulled Items No. 7, 8 and 9 for separate discussion and consideration.

#### **1. Approved a Recreation Facility Joint Use Agreement between the City of Huntington Beach and the Westminster School District for Joint Use of School Recreation Facilities.**

A motion was made by Councilmember Carchio, second by Councilmember Boardman to approve and authorize the Mayor and City Clerk to execute "Joint Use Agreement between the City of Huntington Beach and Westminster School District" for Joint Use of School Recreation Facilities.

The motion carried with the following vote:

AYES: Katapodis, Hardy, Shaw, Harper, Boardman, Sullivan, Carchio  
NOES: None

#### **2. Approved Joint Use Agreement between the City of Huntington Beach and the Huntington Beach City School District for Joint Use of School Recreation Facilities.**

A motion was made by Councilmember Carchio, second by Councilmember Boardman to approve and authorize the Mayor and City Clerk to execute "Recreation Facility Use Agreement between the City of Huntington Beach and Huntington Beach City School District for Joint Use of School Recreation Facilities."

The motion carried with the following vote:

AYES: Katapodis, Hardy, Shaw, Harper, Boardman, Sullivan, Carchio  
NOES: None

#### **3. Approved the West Orange County Water Board proposed budget for Fiscal Year 2014/15, including the City of Huntington Beach share amount of \$113,164.**

A motion was made by Councilmember Carchio, second by Councilmember Boardman to approve the WOCWB proposed budget for Fiscal Year 2014/15 to include the City of Huntington Beach share amount of \$113,164.

The motion carried with the following vote:

AYES: Katapodis, Hardy, Shaw, Harper, Boardman, Sullivan, Carchio  
NOES: None

**4. Accepted donation from the Friends of the Huntington Beach Library and approved appropriation of \$77,000 for print books and other materials.**

A motion was made by Councilmember Carchio, second by Councilmember Boardman to accept and approve budget appropriation for \$77,000 donation received from the Friends of the Huntington Beach Library for print books and other materials; and, authorize the Finance Department to allocate \$60,000 of the donated funds to the Library donation account, Adult Donations Books, business unit 10350102.64455 and allocate \$17,000 of the donated funds to the Library donation account, Donations Library, business unit 10350101.63050.

The motion carried with the following vote:

AYES: Katapodis, Hardy, Shaw, Harper, Boardman, Sullivan, Carchio  
NOES: None

**5. Approved the annual budget for The Strand Parking Structure pursuant to the Operating Agreement with CIM/Huntington, LLC.**

A motion was made by Councilmember Carchio, second by Councilmember Boardman to approve The Strand Parking Budget for July 2014-September 2014, establishing estimated revenues and expenditures related to The Strand Parking Structure.

The motion carried with the following vote:

AYES: Katapodis, Hardy, Shaw, Harper, Boardman, Sullivan, Carchio  
NOES: None

**6. Approved the appropriation, expenditure and Automated Citations Project Letter of Commitment with the Integrated Law and Justice Agency for Orange County (ILJAO), to provide an electronic citation processing system.**

A motion was made by Councilmember Carchio, second by Councilmember Boardman to authorize the Chief of Police to execute the automated citations project letter of commitment with the Integrated Law and Justice Agency for Orange County (ILJAO), to provide an electronic citation processing system; and, approve the appropriation and expenditure of an amount not to exceed \$312,695 from the Supplemental Law Enforcement Services Account (SLESF).

The motion carried with the following vote:

AYES: Katapodis, Hardy, Shaw, Harper, Boardman, Sullivan, Carchio  
NOES: None

**7. Agreement between the City of Huntington Beach and ABC Holding Company, Inc., licensee for KABC-TV, for broadcasting services for the 2014 July 4th Parade.**

Councilmember Sullivan referenced KABC's responsibilities and rights and expressed concerns regarding \$1,500 paid by the Parade Committee to have a script written for the parade and opined that the City or KABC should reimburse the Parade Committee for same and commented on the work involved in planning the parade. Additionally, he indicated that security for KABC cameras and equipment should be the responsibility of KABC.

Mayor Harper asked for a presentation of the item. He asked if KABC's taping precludes the Public Cable Television Authority (PCTA) from showing the parade on the City's Municipal channel (HBTV 3).

Diane Medina, Vice President of Community Relations for KABC-TV, reported that the station has a strong commitment to its market in terms of public and community service. She listed productions of other parades in the area and noted that the City's 4th of July Parade is remarkable. The station's intent is to offer the parade to a broader audience. She clarified that the station is not asking for a script, but rather a list of parade entries which is provided by Pageantry Productions and that the station writes its own script. She reiterated that the intent is to bring the parade to a broader audience and addressed the station's coverage. She reported there is no intention to reduce coverage of the parade but instead have made a commitment to cover two (2) hours, live. Additionally, she confirmed that the station will be responsible for security of their cameras and equipment. In response to Mayor Harper's inquiry, Ms. Medina reported that the station would be open to allowing the City to rebroadcast on its Municipal Channel HBTV 3 but noted they use certain systems to produce the taping and that their licenses with those systems limit that station to only being able to use that program on their air. Rebroadcasting may require additional fees and the station is exploring that possibility but cannot commit at this time.

Mayor Harper noted that if the KABC-TV broadcast is not available, there would still be the PCTA's broadcast available for HBTV 3.

In response to Councilmember Sullivan's inquiry regarding access to the City's list of sponsors, Ms. Medina reported that the station will be looking for broadcast sponsors to buy commercial time during the parade as well as to promote the parade in advance. She added that the station hopes for a long relationship with the City.

In response to Councilmember Hardy's inquiry, Ms. Medina stated that the station could explore the possibility of streaming the parade on its website.

Councilmember Carchio commented on prior efforts to have KABC-TV cover the parade and commented positively on the partnership. He stated that the coverage will feature the City's parade in a very professional manner, will showcase the City and bring more revenue into the City. He commended staff for the work and effort on this item.

Mayor Pro Tem Shaw commented positively on the venture.

Councilmember Katapodis thanked Ms. Medina and staff for bringing this forward.

A motion was made by Mayor Pro Tem Shaw, second by Councilmember Boardman to approve the agreement between the City of Huntington Beach and ABC Holding Company, Inc. for Broadcasting Services for the 2014 July 4th Parade and authorize the Mayor and City Clerk to execute any and all documents necessary to complete this transaction.

The motion carried with the following vote:

AYES: Katapodis, Hardy, Shaw, Harper, Boardman, Sullivan, Carchio  
NOES: None

**8. Adopted Ordinance No. 4024 amending Chapter 2.28 of the Huntington Beach Municipal Code (HBMC) relating to City Council Compensation  
Approved for re-introduction May 5, 2014  
Adoption continued May 19, 2014 to June 2, 2014 meeting**

Councilmember Sullivan pointed out that the subject ordinance affects future Councilmembers and not current Councilmembers. He noted that the current compensation for the newest Members does not even cover the wear-and-tear of personal vehicles when attending various meetings and events. He added that he is willing to serve but does not expect to have to pay from his own pocket for doing so.

In response to Mayor Harper's inquiry regarding whether Council can increase or decrease current Councilmember compensation, City Attorney Jennifer McGrath reported that, out of an abundance of caution, it is preferred that Councilmembers who do not have benefits not participate in a vote to give themselves benefits.

A motion was made by Councilmember Carchio, second by Mayor Pro Tem Shaw to adopt Ordinance No. 4024, "An Ordinance of the City of Huntington Beach Amending Chapter 2.28 of the Huntington Beach Municipal Code Relating to the City Council Compensation."

The motion carried with the following vote:

AYES: Katapodis, Hardy, Shaw, Sullivan, Carchio  
NOES: Harper, Boardman

**9. Adopted Ordinance No. 4026 repealing Chapter 9.22 of the Huntington Beach Municipal Code (HBMC) relating to prohibition of Sex Offenders entering City Parks  
Approved for introduction May 19, 2014**

City Attorney McGrath reported that this matter is being repealed because of a recent California Supreme Court decision to not take up the Appellant Court decision wherein the Appellant Court found that this matter is preempted by State law. She added that the City is involved in litigation and has an opportunity to resolve it without any further expense.

Councilmember Sullivan noted that City Attorney McGrath is correct but stated that the ordinance seemed reasonable in efforts to protect young people. He commented on the lasting effects on victims' lives and on the recidivism rate among sex offenders. He stated that he is being forced to vote on this because of the ACLU and referenced a letter threatening a lawsuit if the City does not repeal the ordinance.

Councilmember Carchio commented on the ordinance and on Jessica's Law. He stated he brought the item forward, originally, as he believed it is his job, as a policy-maker, to protect the citizens and children of the City. He stated he will vote against repeal as he does not believe that the State of California has a right to do this.

A motion was made by Councilmember Katapodis, second by Councilmember Boardman to adopt Ordinance No. 4026, "An Ordinance of the City of Huntington Beach Repealing Chapter 9.22 of the Huntington Beach Municipal Code Relating to Sex Offender Prohibition from City Parks."

The motion carried with the following vote:

AYES: Katapodis, Hardy, Harper, Boardman  
NOES: Sullivan, Carchio  
ABSENT: Shaw (Out of the Chambers)

## PUBLIC HEARING

### 10. **Approved for introduction Ordinance No. 4027 approving an Amendment to Development Agreement No. 11-001 with Sares-Regis Group (Developer) and Freeway Industrial Park (Property Owner) for the Boardwalk Mixed Use Project**

Project Planner Jennifer Villasenor provided a PowerPoint presentation addressing a description of the project, location, initial approval and current status. She noted that the first turn of anticipated occupancy will occur in late summer of this year. She addressed the reasons for the proposed Development Agreement, Council's previous actions on the matter, analysis and recommendations.

In response to Councilmember Boardman's inquiry, Project Planner Villasenor reported that the definitions for very-low-income, low-income and moderate-income are not changing but rather the California Code of Regulations will be cited which specify the same definitions and provides increased specificity.

Mayor Harper opened the Public Hearing.

City Clerk Flynn noted no requests were submitted to comment on this matter and there were no supplemental communications received.

Mayor Harper closed the Public Hearing.

*Councilmember Sullivan indicated he will oppose this item as this represents the worst of the Beach/Edinger plan. He added that the citizens of the City did not know what was going on with the plan and are furious.*

In response to an inquiry from Mayor Harper, Planning and Building Director Scott Hess reported there is a process in the Development Agreement that spells out the type of changes that are proposed and if it is not approved, it may prompt the applicant to litigate as the City would be in default.

City Attorney McGrath reported that if the City were to default, the case would result in damages as the developer would not be able to complete the project as originally entitled.

A motion was made by Councilmember Boardman, second by Mayor Pro Tem Shaw to approve for introduction Ordinance No. 4027, "An Ordinance of the City of Huntington Beach Adopting the First Amendment to the Development Agreement-By and Between the City of Huntington Beach and Freeway Industrial Park (Property Owner) and Sares-Regis Group (Developer)" (Development Agreement No. 11-001).

The motion carried with the following vote:

AYES: Katapodis, Hardy, Shaw, Harper, Boardman, Carchio  
NOES: Sullivan

## COUNCILMEMBER ITEMS

### 11. **Failed to allow Alcohol Sales in Central Park at Kathy Mays Restaurant - Submitted by Mayor Harper and Mayor Pro Tem Shaw**

Mayor Harper introduced the item and addressed the request by Kathy May's Restaurant. He proposed that staff research and begin the process to allow alcohol sales at Kathy May's Restaurant with specific considerations.

Mayor Pro Tem Shaw noted there are many issues that would need to be considered and commented

positively on the operation of the restaurant.

Councilmember Carchio commented positively on the restaurant but noted that when the property became available, there were many restaurants interested in the location but did not take it because there was no alcohol service allowed. He commented on other liquor licenses that have been denied and stated that if the City gives a liquor license to this restaurateur, it should give it to other concessionaires as well.

Mayor Harper agreed and stated he would be in support of a closer RFP process with reduced terms in order to allow for increased competition of the concession. He noted that constraints are different for private property and public property and addressed distinctions of the locations as well as control.

Mayor Pro Tem Shaw stated that Kathy May's location is different and noted that City Council has made it known that the City does not want any more liquor licenses downtown. He added that the conditions could be very limited, that the restaurant will not be a bar and that the existing "family" atmosphere will be maintained.

Councilmember Katapodis stated he enjoys Kathy May's food but agreed with the points raised by Councilmember Carchio. Additionally, he expressed concerns with setting precedence and believed that allowing alcohol service will increase the City's liability. He noted that he will not support the item.

In response to Mayor Harper's inquiry, City Attorney McGrath addressed the current, permanent alcohol-serving locations on the beach. She added that in her tenure, there have been no liability concerns in relation to those alcohol-serving locations.

In response to Councilmember Hardy's inquiry, City Attorney McGrath reported that the liquor license can be restricted to beer and wine only. She added that she is not aware of any ways to restrict the alcohol license to the operator of the business rather than to the location; it can be sold and transacted just like any other asset.

Planning and Building Director Hess reported that the CUP runs with the land but because the City is the landowner, it can control pertinent issues with the lease agreement.

Discussion followed regarding closure of the park and the need for Kathy May's to close by 9:00 PM.

Councilmember Hardy expressed concerns with transferring the alcohol license to subsequent businesses but stated that because of the closing time and the limitation to beer and wine only, she will support the item.

In reply to Councilmember Boardman's inquiry regarding the amount of staff work needed to make the necessary changes to allow the operator to serve alcohol, City Manager Fred Wilson addressed the documents needing changes.

Planning and Building Director Hess stated that staff would need to research the scope of the work necessary adding that it may or may not require a Code Amendment.

Councilmember Boardman stated that if alcohol service is allowed at Kathy May's, the owner of the Park Bench Café would be similarly interested in serving alcohol at his restaurant as well. She expressed concerns with fairness and stated she is opposed to changing the conditions of a lease two (2) years into a ten (10) year lease. She added that the current operator knew what she was bidding on and felt that if alcohol was allowed during the initial RFP process, more businesses would have responded and the City may have been able to negotiate a higher percentage of sales.

Mayor Harper indicated that the applicant would need to go through a Conditional Use Permit and would be liable for the associated fees.

Councilmember Sullivan commented on challenges faced by Kathy May but expressed concerns relative to the consequences of making exceptions. He commented on Kathy May's request regarding the Sports Center and stated that he will need to vote against this item.

Councilmember Carchio reported that all alcohol licenses are approved by the ABC and not by the City. He commented on other restrictions.

Mayor Harper invited Kathy May to the podium to respond to questions.

Kathy May reported that every weekend, people drink alcohol in the picnic shelter area behind Kathy May's Restaurant while having big parties. She added that they walk freely while drinking since there is no control. She added that alcohol service in her restaurant would be controlled. She commented on ABC requirements relative to other businesses in the City selling alcohol and on transferring an alcohol license. She added that Kathy May's is a full-service restaurant and that anyone wanting to get a license would need to meet their requirements. She reported that people bring their own alcohol at the Sports Complex.

Councilmember Katapodis asked whether alcohol at the shelter is legal and Police Chief Handy stated that it is not and that he has made a note of it for follow-up.

Ms. May reported that she has had customers tell her that when they book the shelter, they are asked by City employees whether they will be serving alcohol and if they will, they need to pay an extra fee.

Community Services Director Laudenback reported that alcohol is not permitted at any of the City's picnic shelter facilities and that staff does not ask people if they are serving alcohol when they rent shelters.

Ms. May was instructed to call the Police when she observes people drinking alcohol in the park. Mayor Harper thanked Ms. May for her comments. He acknowledged the professionalism with which she has approached this matter. He reported he has not received any inquiries or interest from other operators in the park.

A motion was made by Mayor Harper, second by Mayor Pro Tem Shaw to direct staff to research the legal and policy issues involved in allowing beer and wine sales at Kathy May's in the Park and direct staff to prepare any appropriate code modifications for future City Council consideration.

The motion failed with the following vote:

AYES: Hardy, Shaw, Harper  
NOES: Katapodis, Boardman, Sullivan, Carchio

**12. Failed - Repeal of HBMC Chapter 7.14 - Prohibition Against Performances of Wild or Exotic Animals - Submitted by Mayor Harper**

Mayor Harper introduced the item and commented on his intention to repeal obsolete ordinances from the Municipal Code. He provided a brief history of the ordinance including unintended consequences. He presented photos of events in local cities using exotic animals and noted that prior open spaces used for exhibiting them do not exist anymore and that there is no longer room for a traditional, large circus. He addressed the definition of "wild or exotic" in the ordinance and stated that it prohibits some of the traditions of people from other cultures.

Councilmember Boardman stated she was on the Council when it passed the existing ordinance and does not consider it unnecessary or obsolete. She believed that Council acted correctly in 2002 and stated she will not support the motion.

Councilmember Sullivan spoke positively on the circus and stated he will support the motion. He added

that children enjoy the circus and that it provides an educational opportunity. He referenced communication received from Ringling Brothers Circus where they explain the way they treat their animals.

Mayor Harper referenced a recent article in the "Orange County Register" regarding obsolete laws and felt this is one of them.

A motion was made by Mayor Harper, second by Councilmember Carchio to direct the City Attorney to draft and submit an Ordinance to repeal section 7.14 of the Municipal Code for introduction at the next City Council meeting of June 16, 2014.

The motion failed with the following vote:

AYES: Harper, Sullivan, Carchio  
NOES: Katapodis, Hardy, Shaw, Boardman

**13. Approved - New placement of "In God We Trust" Plaque to Center of City Council Dais - Submitted by Councilmember Sullivan**

Councilmember Sullivan introduced the item and addressed the Country's motto and believed it should be prominently displayed in the City Council Chambers.

Mayor Harper commented on recent changes made in the Council Chambers.

Councilmember Carchio commented positively on the recommendation.

Councilmember Hardy explained her previous vote on the issue and spoke in favor of moving the plaque as suggested.

A motion was made by Councilmember Sullivan, second by Councilmember Carchio to recommend that the "In God We Trust" plaque be placed in the center of the dais, above the Mayor's position, indicating that Huntington Beach honors and accepts our nation's founding principal exactly as it is done at our most hallowed government levels.

The motion carried with the following vote:

AYES: Katapodis, Hardy, Shaw, Harper, Boardman, Sullivan, Carchio  
NOES: None

**COUNCILMEMBER COMMENTS (Not Agendized)**

Councilmember Katapodis stated he has been on vacation for the last two (2) weeks and was unable to attend events and functions.

Councilmember Hardy reminded the public to vote on June 3, 2014.

Mayor Pro Tem Shaw noted that some Members of Council are wearing a "Vote for Vets" pin noting that it is in support of Proposition 41 and urged the public to vote for it. He reported attending the 2014 Police Department Awards and Recognition Ceremony and the Huntington Beach Wetlands Conservancy Grand Opening/Open House for the newly completed Visitors Interpretive Center.

Councilmember Boardman reported attending the 2014 Police Department Awards and Recognition Ceremony and welcomed new Officers, congratulated those promoted and recognized those selected by their peers for their outstanding service. Additionally, she attended the Huntington Beach Wetlands Conservancy Grand Opening/Open House for the newly completed Visitors Interpretive Center and reminded residents that the Coastal Commission will meet in Huntington Beach next week in Council

Chambers and will be discussing the Ridge project in Bolsa Chica on Thursday, June 12, 2014, at 9:00 AM. She added that the plan would be to change the land-use designation from Open Space Park to Residential to allow twenty-two (22) more houses to be built on the Bolsa Chica Mesa. Coastal Commission staff has recognized the importance of the cultural assets and biological resources in the area and are recommending denial on a variety of points.

Councilmember Sullivan reported attending the Health and Nutrition Committee of the Senior Citizens Advisory Council, Eric Charlonne's retirement party and the Legal Affairs Committee meeting of the Chamber of Commerce. He commented negatively on an advertising effort by Charmin.

Councilmember Carchio reported he did not have an opportunity to attend events as he has been ill. He encouraged residents to vote on June 3, 2014.

Mayor Harper complimented Councilmember Boardman for pointing out upcoming Coastal Commission meetings. He reported participating in the 2014 Police Department Awards and Recognition Ceremony, the Solar Celebration Ribbon Cutting and Annual Open House at the Hebrew Academy, the Chamber of Commerce Ribbon Cutting for the Beach City Brewery, the "soft opening" of Ritter's Steam Kettle Cooking, the 29th Annual HB Concours d'Elegance Rod and Custom Show and the Boy Scout Eagle Court of Honor for Daniel Jeffrey Stephens. He encouraged residents to vote tomorrow, June 3, 2014, and stated that residents can visit [www.ocvote.com](http://www.ocvote.com) for additional information.

Mayor Harper commented on the anniversary of D-Day and acknowledged those who fought on D-Day, June 6, 1944.

#### ADJOURNMENT

There being no further business to come before Council, Mayor Harper adjourned the meeting at 9:12 PM.

The next regularly scheduled meeting of the Huntington Beach City Council/Public Financing Authority is Monday, June 16, 2014, at 4:00 PM in Room B-8, Civic Center, 2000 Main Street, Huntington Beach, California.



City Clerk and ex-officio Clerk of the City Council of the City of Huntington Beach and Secretary of the Public Financing Authority of the City of Huntington Beach, California

ATTEST:



City Clerk-Secretary



Mayor-Chair