

**LARKSPUR CITY COUNCIL
REGULAR MEETING
MINUTES
APRIL 18, 2007**

CITY COUNCIL: PRESENT: Mayor Ron Arlas, Larry Chu, Kathy Hartzell,
Dan Hillmer, Joan Lundstrom

STAFF: PRESENT: City Manager Jean Bonander, City Attorney
Sky Woodruff, Planning Director Nancy
Kaufman, Planning Consultant Diane
Henderson, Senior Planner Neal Toft,
Planning Assistant Deric Licko, City Planner
Kristen Teiche

ROLL CALL

ADJOURN MEETING TO CLOSED SESSION

The City Council and the City Manager adjourned to closed session at 6:30 p.m.
to discuss the following items:

CONFERENCE WITH REAL PROPERTY NEGOTIATOR- Pursuant to
Government Code Section 54956.8

Property: 200 Acacia Avenue, Larkspur, and A.P. #20-254-08,10

Negotiating Parties: Darrel Leclair, Property Owner, A.P. #021-175-29

Jean A. Bonander, City of Larkspur Negotiating Agent

Discussion: Terms, Price or Both

CONFERENCE WITH REAL PROPERTY NEGOTIATOR- Pursuant to
Government Code Section 54956.8

Property: Twin Cities Police Facility, 250 Doherty Drive

Negotiating Parties: Twin Cities Police Authority, A.P. #022-120-12

Discussion: Terms, Price or Both

CONFERENCE WITH LABOR NEGOTIATOR- Pursuant to Government Code
Section 54957.6

Agency Negotiator: Craig Jory, Jory HR; City Manager

Employee Organizations: Miscellaneous Employees Organization

City of Larkspur Management Team

**ADJOURN CLOSED SESSION INTO OPEN SESSION AND NOTE ANY
REPORTABLE ACTIONS TAKEN**

Mayor Arlas stated that no reportable action had been taken during Closed Session.

ROLL CALL

Mayor Arlas called the meeting to order at 7:30 p.m.

PLEDGE OF ALLEGIANCE

APPROVAL OF CONSENT CALENDAR

The City Clerk certifies that this Agenda has been posted in accordance with the requirements of the Government Code

Approval of Warrants

Adopt Resolution No. 07/07, Supporting the Ross Valley Flood Protection and Watershed Program and the Proposed Drainage System Fee for the Ross Valley Flood Zone Nine

M/s, Lundstrom-Hillmer and approved 5-0 to approve the Consent Calendar with the removal of item #3, Adoption of Resolution No. 07/07. This item shall become Business Item #2.

CITY MANAGER'S ORAL REPORT

The City Manager asked the Council to add the following item to the agenda: Adjournment in memory of Mr. Jack Lessin, a long-time resident of Larkspur and mentor and friend to many residents.

M/s, Hartzell-Lundstrom and approved 5-0 to add the following item to the agenda: Adjournment in memory of Mr. Jack Lessin. The need to add this item arose subsequent to the posting of the agenda.

The City Manager reported on the actions taken by LAFCO at their April 12th meeting. Staff has requested that LAFCO consider removing Kentfield from Larkspur's Sphere of Influence. LAFCO staff had recommended that San Quentin be taken out of Larkspur's Sphere of Influence because it did not appear that any major changes would occur at the prison and the Sphere of Influence issue is required to be re-evaluated every five years. The LAFCO Board of Directors did not agree and felt that Larkspur should continue to have a Sphere of Influence consideration over San Quentin. Staff has taken a number of phone calls regarding the Ross Valley Flood Protection and Watershed Program Drainage System Fee. Staff has been referring people to the Website and mailing and faxing copies of the "frequently asked questions".

Staff has been assuring people that a vote on the tax would be taken after the protest period. The MCCMC meeting would be held on April 25th in Mill Valley. The next regularly scheduled Larkspur City Council meeting would be held on May 2nd.

COUNCILMEMBER REPORTS AND COMMENTS

Councilmember Lundstrom stated she, along with Mayor Arlas and the City Manager, met this morning with the representatives of SMART. SMART has been meeting with different agencies for the last four months to get feedback on the upcoming ballot measure. They gave Larkspur five questions and asked for a response. The ad hoc committee had already put together a recommendation that they would be submitting to the SMART Board later today. She told them that Larkspur was anxious to have a dialogue with SMART and the public. It became evident during the meeting that Larkspur has not been kept apprised of the issues directly concerning Larkspur, including the fact that the proposed Larkspur station was in a different location and configuration. At the meeting, Mayor Arlas pointed out the philosophical differences between “trains vs. busses”, the parking impacts, eminent domain issues, etc. The Chair of the Ad Hoc Committee stated they want to follow up and set a tentative meeting for June or July. Mayor Arlas asked the committee why they took so long to confer with the City of Larkspur and they did not seem to have an answer. He was concerned that the SMART staff was not keeping Larkspur informed and was not knowledgeable about the area surrounding the proposed station. He asked the Chair if the train was intended to reduce traffic congestion, reduce greenhouse gases, etc. The Chair responded that the sole goal was to provide an alternative form of transportation and the number of riders was irrelevant. He emphasized to the committee that Larkspur would like to continue the dialogue. Councilmember Hillmer thanked Mayor Arlas, Councilmember Lundstrom, and the City Manager in their efforts and representation of Larkspur.

Councilmember Hillmer stated he attended a conference put on by the County Department of Health and Human Services regarding community health and the national trends in diabetes, obesity, etc. They discussed how planning and community patterns play a role in community health, i.e. lack of walking environments, strip malls, etc.

Councilmember Lundstrom stated she attended the County Board of Supervisors meeting and they discussed the \$25 million Non-Motorized Transportation Pilot Program. There was a lot of public testimony on behalf of the cities. The Technical Advisory Committee recommended multi-modal paths, a “Share the Path” Program, and deferral of funds for the Alto Tunnel study. The Board of Supervisors approved \$250,000, instead of \$850,000, for the Alto Tunnel study and added more money for intersection improvements. Larkspur was granted \$750,000 for the Doherty Drive pathway.

Councilmember Hartzell stated she attended the MCCMC Legislative Advisory Committee meeting and reported on the following League of California Cities issues: 1) possible ERAF reduction; 2) local inclusionary ordinance; 3) SB 286 and SB 303 regarding transportation bonds and local government housing. She attended the recent CMSA monthly meeting and reported that things are moving along well relative to the relocation of the Sanitary District to the CMSA site. Discussions are underway to regionalize sanitary districts. She reported last night's Centennial meeting was well attended. She thanked the Marin Independent Journal and the Twin Cities Times for the great publicity.

PUBLIC COMMENT

There were none.

PUBLIC HEARINGS

1. INTRODUCE AND WAIVE FIRST READING OF ORDINANCE NO 955 AMENDING ORDINANCE NO 912, REGULATING SPECIFIC USES IN THE PRECISE DEVELOPMENT PLAN FOR THE LARKSPUR LANDING SHOPPING CENTER, TO ELIMINATE OR REVISE SECTION V, WHICH REQUIRES THAT NO LESS THAN 3,300 SQUARE FEET OF FLOOR AREA IN BUILDINGS 3, 4, OR F BE DEDICATED TO NEIGHBORHOOD-SERVING GROCERY STORE. THE ORDINANCE ALSO INCLUDED AMENDMENTS TO SECTION 1.A. OF ORDINANCE NO 912 RESTRICTING THE SITE TO A MAXIMUM AVERAGE DAILY (ADT) RATE OF 55 TRIPS PER 1,000 SQUARE FEET OF COMMERCIAL SPACE

The Senior Planner presented the staff report.

Councilmember Chu stated the analysis by EPS was an executive summary and he asked if the consultants ever gave staff a sense of what would be feasible. The Senior Planner stated they were not commissioned to do a marketing analysis but rather a very preliminary analysis based on population of the surrounding area, the level of competition, etc. They did not factor in lease rates. The question remains whether or not this is a feasible use at a reduced rate.

Councilmember Hillmer stated he would be interested in hearing what kind of residential intensity would be needed to make a grocery store work. The Senior Planner stated the study indicated they would need about double the amount of population in the Larkspur peninsula area (a total of about 5,000).

Councilmember Chu reiterated his previous question and asked why the Twin Cities Market and Paradise Market were viable. The Planning Director stated some of that has to do with liquor sales and there is a restriction due to the wine shop in the center. Councilmember Hillmer asked if that was a condition imposed by the City. The Planning Director stated "no".

Mayor Arlas opened the meeting to public comments.

Ms. Erika Elliott, regional leasing broker for the Larkspur Landing Shopping Center, stated a grocery store would be excluded from liquor sales restrictions. Paradise Market supports the Tiburon peninsula and the population is much larger than the population of the Larkspur Landing peninsula. The tenant is asking for 2,800 square feet and a site that can be seen from Sir Francis Drake Boulevard. They have subsidized the rent for a long period of time and will basically be in the grocery business. They have marketed this site for approximately three years and have finally found a tenant who is anxious to move forward. They are currently in lease negotiations.

Councilmember Hartzell had questions about the signage. Ms. Elliott noted what was shown was an architectural rendering for location purposes. Councilmember Hartzell had questions about the uses on the backside of the building. Ms. Elliott stated there would be adequate separation.

Councilmember Hartzell asked if their application would go to the Planning Commission for Design Review. The Planning Director stated they would not be required to apply for anything other than a Business License and possibly a Sign Variance. Staff has not heard from the potential market owner/tenant.

Councilmember Hillmer asked if the Council could obtain a letter of interest from the prospective tenant expressing the level of detail discussed by Ms. Elliott. Ms. Elliott stated "yes".

Mr. Michael Hooper, representing Campus Properties, stated he supported the request for a reduction in the required square footage.

Mr. Robert Davidson, Lincoln Village Circle, stated he has seen many failed attempts to locate a successful grocery store in this location along with many other failed businesses in the center. He was opposed to any grocery store in that location because it would fail. He would like to see "destination tenants" and offices in the center.

Mr. Jim Moore, Larkspur Courts, stated it was disconcerting to see all the vacant buildings at the center. They need a grocery store in the center and the reduction from 3,300 to 2,800 square feet was not significant. He supported the request.

Mayor Arlas closed the meeting to public comments.

Councilmember Chu asked if there was a way to keep the square footage at 3,300 but granting a variance or exception to allow the reduction in square footage to 2,800 square feet in case the negotiations with the prospective tenant falls through. The Planning Director stated this would be very difficult to do for a single user. Staff is concerned because this condition has been very difficult to administer and enforce. Staff would like to keep it as simple as possible. Councilmember Chu stated there were serious negotiations in the works and he could support the request.

Councilmember Hartzell agreed and could support the request.

Councilmember Lundstrom stated the owners have done their due diligence and she could support the request. A convenience store would reduce the amount of traffic. She was in favor of the staff recommendation that the peak hour traffic generation be used as the average daily (ADT) rate of trips.

Councilmember Hillmer and Mayor Arlas agreed with the comments.

M/s, Hillmer-Lundstrom and approved 5-0 to introduce and waive the first reading of Ordinance No. 955.

2. INTRODUCE AND WAIVE FIRST READING OF ORDINANCE NO. 954 AMENDING ORDINANCE NO. 948 AND APPROVING THE PRECISE DEVELOPMENT PLAN AND DESIGN REVIEW FOR THE HOTEL COMPONENT OF THE 2000 LARKSPUR LANDING CIRCLE MIXED-USE DEVELOPMENT PROJECT (PREC/DR 06-47). AMENDMENT OF THE PRELIMINARY DEVELOPMENT PLAN INCLUDES EXCEPTIONS TO THE ZONING ORDINANCE. A MITIGATED NEGATIVE DECLARATION WAS PREPARED FOR THE PROJECT AND ADOPTED BY THE LARKSPUR CITY COUNCIL ON AUGUST 17, 2005

The Planning Consultant presented the staff report.

Mayor Arlas had questions about the shared parking arrangement on the 1.5 acre Sanitary District site. The Planning Consultant stated there were 12 spaces on the lower and 14 spaces on the upper portion of the site. Mayor Arlas was concerned that running the lease with the land would restrict the options for future development on the Sanitary District site. The Planning Consultant agreed that this arrangement would influence any future use of the site but the Planning Commission did not feel this would be a problem.

Mayor Arlas asked why they would be allowed more rooms since that was not what was originally approved. The Planning Consultant stated the original environmental work looked at 100 rooms and that is what was evaluated in terms of traffic and impacts.

The FAR remains at 1.0, the square footage of the building is below what is allowed, and they have lowered the height of the building. Staff felt there would be no additional impacts associated with the 100 rooms and there would be a benefit in that the City would receive additional Transit Occupancy Tax (TOT) Revenue. Mayor Arlas asked why the City would increase the applicant's ability to function economically and in the process significantly impact the other parcel. The Planning Director stated the code allows for shared parking and any other office use could accommodate this arrangement given the daytime/nighttime differences. Mayor Arlas asked if this arrangement would become a covenant and run with the land. The Planning Director stated "yes".

Councilmember Hillmer stated the developers have come up with a reasonable approach given the mixed-use nature of the site and the benefits to the City.

Councilmember Hartzell stated the Sanitary District parcel was an odd shape and, from a marketing standpoint, it would be preferable if the shared parking were closer to the hotel. The Planning Consultant stated this was a difficult site with a tremendous grade separation. Shared parking is a smart planning principle.

Councilmember Chu noted this was an extended stay hotel and he asked if a different type of hotel would require a change in the parking requirement. The Planning Consultant stated "no" and noted this was looked at in the environmental stage.

Mayor Arlas opened the meeting to public comments.

Mr. Jim Hansen, Executive Vice President of Larkspur Hospitality, stated they were excited about the project and would like to move forward. He stated they reviewed the staff report and could accept all the conditions of approval. He discussed the following issues that were brought up at the Planning Commission hearing: 1) the entry has been improved with more landscaping and a better environment around the pool; 2) the rendering shows a lot of architectural relief; 3) they have used the available site in the best possible way while maintaining setbacks; 4) the building has been lowered to 51' and they removed the tower element; 6) the basic siting, footprint, square footage, and scale has not changed; 7) there is a unique approach to the signage. He discussed the parking and stated they are confident that the amount is adequate.

Councilmember Hartzell asked if they would be using solar power. Mr. Hansen stated they would be using solar for the pool and spa operation.

Mr. Carl Hogle, CEO of Larkspur Hospitality, thanked staff for their time and efforts over the last seven years. They received some very good feedback from the Planning Commission that improved the project. The parking variance they are requesting is lower than the previous request.

They believe parking would be a non-issue. He stated the one purpose of the PD District was to promote the Larkspur community and economy and this project accomplished these goals. They estimate that the TOT revenue generated from the additional 20 rooms would be about \$350,000 over a five-year period.

Ms. Louise Matthews, San Anselmo, had questions about the parking available for employees, delivery vehicles, and cabs. She was concerned that the City of Larkspur was encumbering the publicly own property of the Sanitary District. She was concerned that the City was doing planning based on the ability to generate revenue. She did not want to see a 100-room hotel. The Planning Consultant discussed employee and delivery vehicle parking.

Ms. Barbara Salzman, Larkspur resident, questioned the addition of 20 rooms. She stated it was very difficult to find parking and asked if the environmental review addressed these issues. The Planning Consultant stated the environmental review looked at 100 rooms and it was found that the associated traffic would not have a significant impact. A Mitigated Negative Declaration was granted.

Ms. Molly Blauvelt, representing the Children's Cooperative Cottage, stated they appreciate the reduction in the height of the building and the elimination of the tower. She noted they would be in the "shadow" of the project and they were concerned that the project would be out of scale with the surrounding buildings. They would like to work with the developers on the landscaping to help soften the building. They are concerned about the backside of the hotel and she asked about dumpsters, delivery vehicles, etc. The Planning Director stated the service facilities were on the east side and not the west side of the building.

Mr. Jim Moore, Larkspur Courts, was concerned about the impact to the neighborhood. He stated another institution should not complicate the Sanitary District's problems. He stated the project was too dense and out of scale with the neighborhood. He was concerned about the addition of 20 rooms and reminded the Council that TOT revenue would not be generated from empty rooms.

Mr. Michael Hooper, Campus Properties, stated the shared parking would restrict the Sanitary District to a compatible use as to the east end of the property only. It should not impact the City's choice of use since it has to come back to the City Council. The Sanitary District signed off on this application and specifically the shared parking.

Mayor Arlas closed the meeting to public comments.

Councilmember Chu stated the Sanitary District was not coerced into this agreement.

The Planning Commission commented on the project and the applicants have made attempts to reduce the massing. They have reduced the height and eliminated the tower. He supported the changes to the entryway but commented that the pool seems to “stick out”. He would like to see some additional landscaping for privacy purposes. He could support the signage and the parking. He would like to see the applicants attempt to obtain LEED Certification.

Councilmember Hartzell agreed with Councilmember Chu. She would like to see a landscape professional work with the Children’s Cooperative Cottage on the landscaping elements.

Councilmember Lundstrom liked the suggestion made by Councilmember Hartzell. She stated there was a misconception that the City is trying to find parking for a private development. The project is the same square footage and footprint and meets all the City codes. Shared parking was a good solution and environmentally sound.

Councilmember Hillmer agreed with the other comments. He noted there would be a shadow cast on the Children’s Cottage for a very short timeframe.

Mayor Arlas thanked the applicants for the excellent presentation and he looked forward to a class operation. He liked the design and suggested they look into the installation of solar power. It would be in the best interests of the applicants and the community.

M/s, Lundstrom-Chu and approved 5-0 to introduce and waive the first reading of Ordinance No. 954.

3. CONTINUED FROM APRIL 4, 2007 PUBLIC HEARING- INTRODUCE AND WAIVE READING OF ORDINANCE NO. 953, AN ORDINANCE OF THE CITY OF LARKSPUR AMENDING VARIOUS SECTIONS OF CHAPTER 18 OF THE LARKSPUR MUNICIPAL CODE TO RESOLVE INCONSISTENCIES IN THE CODE, PROVIDE REFINEMENT OF AND CLARIFICATION ON CURRENT POLICIES AND PROCEDURES, AND ADDRESS RECENTLY ENACTED STATE PLANNING AND DEVELOPMENT LAW REQUIREMENTS

The Assistant Planner presented the staff report.

Councilmember Chu referred to political signs and asked staff if the ordinance regulates political messages similar to the recent issue in the Town of San Anselmo. The Planning Director stated the ordinance does not specifically address this issue. This is a freedom of speech issue but they would need to meet the sign regulations for a residential district. Mayor Arlas stated the City could regulate the size but not the content.

Mayor Arlas opened the meeting to public comments.

Mr. Barbara Salzman, Larkspur resident, referred to page 14, #41, "Preservation of Permeable Surfaces", and asked why the reference to "natural state" was removed. The Assistant Planner stated this section was amended to reference "permeable surfaces" because the definition of "natural state" included gravel, driveways, turf areas etc. Staff is not suggesting that natural areas should not be protected and those safeguards exist in the Slope Use Permit and Design Review Ordinances. Ms. Salzman was opposed to the elimination of the reference to "natural state".

Ms. Louise Matthews, San Anselmo, asked about the allowable size of an election sign. The Assistant Planner stated it could not exceed 12 square feet.

Ms. Nancy O'Connell, San Anselmo, was concerned about synthetic turf and she asked how that would be characterized. She noted they were not permeable and the run-off goes into the storm drains. The Assistant Planner stated it currently does not meet the definition of a "permeable" surface.

Mayor Arlas closed the meeting to public comments.

Councilmember Lundstrom stated she supported the amendments to the ordinance. She would like to review construction hours sometime in the near future. She thanked staff and the Planning Commission for their good work.

Councilmember Hillmer stated he wanted to make sure that the ordinance was clear in particular the reference to "permeable" surfaces. He stated if the goal was "pavement reduction" then that is what it should say.

Councilmember Lundstrom agreed that the issue was clarity.

M/s, Hartzell-Hillmer and approved 5-0 to introduce and waive the first reading of Ordinance No. 953.

BUSINESS ITEMS

1. DISCUSSION OF THE CENTENNIAL CELEBRATION

The City Manager presented the staff report.

Councilmember Lundstrom asked for Council feedback regarding the issue of placing the names of sponsors on the bottom of the banners. She noted the banners would be up for one year. Councilmember Hartzell stated there would be a budget associated with the event and they plan to use professional management. There would be a fee associated with some of the events to recoup some of the costs.

She stated many communities have banners with a discrete placement of the sponsors. Last night's meeting was very successful and the enthusiastic crowd came up with some wonderful ideas. The committee elected a Chair for the Rose Bowl Dance, the Birthday Party, and for the 4th of July Parade Float.

Councilmember Lundstrom stated the banners would be placed on a public light post for one year and this public policy issue needs to be clarified. Councilmember Hartzell states she would like this issue decided right away so she could continue her fundraising efforts.

Councilmember Hillmer asked if there would be a way to recognize sponsors in a particular location at City Hall instead of all over town. He would like to keep the Larkspur identity as pure as possible.

The City Manager noted the City takes a very conservative stance regarding the banner placed over the street by the Lark Creek Inn. This space is for local use only.

Councilmember Chu stated he did not want this to be an advertising opportunity for anyone who would like to get his or her name exposed for a year in Larkspur. It would be appropriate for businesses in Larkspur to participate and he would support some type of subtle recognition, such as a small logo at the bottom of the banner.

Councilmember Hillmer stated the placement suggested so far would be the most prominent location for a pedestrian as they are walking down the street.

Mayor Arlas asked Councilmember Hartzell to submit a few sketches to the Council.

Councilmember Lundstrom stated she would rather have fewer banners that were not of a commercial nature. Councilmember Hillmer agreed.

Councilmember Hartzell stated she would speak to a graphic designer and submit some examples to the Council. She asked Councilmember Hillmer to assist in the fundraising efforts.

2. ADOPT RESOLUTION NO. 07/07, SUPPORTING THE ROSS VALLEY FLOOD PROTECTION DRAINAGE SYSTEM FEE FOR THE ROSS VALLEY FLOOD ZONE NINE

The City Manager presented the staff report.

Councilmember Lundstrom stated she would like to add something similar to the following between the fifth and sixth "Whereas": "WHEREAS, of critical importance to Larkspur, major dredging the lower reach of Corte Madera Creek, which is heavily silted which has decreased the capacity for heavy runoff and increased the potential for flooding residences, offices and access to Marin General Hospital, cannot occur until this Drainage System Fee is approved, ". She stated this is the only way they would be able to dredge the creek.

Mayor Arlas opened the meeting to public comments.

Ms. Barbara Salzman, Larkspur, stated she was not opposed to the fee but was very upset. The problem was the concrete channel that was incorrectly built by the Army Corp of Engineers. She had questions about how the fee would be calculated. Councilmember Lundstrom stated she should call Mr. Jack Curley. The City Manager stated she would get the telephone number for Salzman.

Ms. Nancy O'Connell, San Anselmo, stated Mr. Curley made a presentation to Fairfax, San Anselmo, and Ross but not Larkspur. Councilmember Lundstrom stated he would be making a presentation soon. Ms. O'Connell stated this measure is by passing the 2/3rds requirement for a tax. She stated citizens are uninformed and the method for running the election was not fair. She was very opposed to this tax.

Ms. Louise Matthews, San Anselmo, stated Larkspur should use the money they get from the Flood Control District to dredge the creek. This is a very serious issue and was a big-ticket item. She referred to the fifth "Whereas" in the resolution and opposed the reference to "non-structural elements". She suggested the Council make the resolution more clear.

Councilmember Lundstrom stated the fees assessed from the Zone 9 Flood Control District generate only \$140,000 per year and are used for maintenance, landscaping, pathways, etc. There is no money for dredging.

M/s, Hartzell-Hillmer and approved 5-0 to adopt Resolution No. 07/07 with the amendment suggested by Councilmember Lundstrom and clarification on "non-structural elements".

ADJOURN MEETING

The Mayor adjourned the meeting at 10:45 p.m. in memory of Mr. Jack Lessin.

Respectfully submitted,

Toni DeFrancis
Recording Secretary