

CITY OF UKIAH  
CITY COUNCIL MINUTES  
Regular Meeting  
CIVIC CENTER COUNCIL CHAMBERS  
300 Seminary Avenue  
Ukiah, CA 95482  
January 21, 2015  
6:00 p.m.

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1. **ROLL CALL**

Ukiah City Council met at a Regular Meeting on January 21, 2015, having been legally noticed on January 15, 2015. Mayor Crane called the meeting to order at 6:00 p.m. Roll was taken with the following **Councilmembers Present:** Maureen Mulheren, Kevin Doble, Jim O. Brown, Vice Mayor Scalmanini and Mayor Crane. **Staff Present:** Jane Chambers, City Manager; David Rapport, City Attorney; and Kristine Lawler, City Clerk.

2. **PLEDGE OF ALLEGIANCE**

Tim Erikson, Public Works Director, paid tribute and Mayor Crane led a moment of silence in remembrance of Jerry Whitaker, Public Works Supervisor and employee of the City of Ukiah for 19 years.

COUNCIL ADJOURNED TO CLOSED SESSION AT 6:07 P.M.

14. **CLOSED SESSION**

a. **Conference with Legal Counsel – Anticipated Litigation**

Initiation of litigation pursuant to Government Code Section 54956.9(c) (1 case)

COUNCIL RECONVENED IN OPEN SESSION AT 6:27 P.M.

3. **PROCLAMATIONS/INTRODUCTIONS/PRESENTATIONS**

4. **PETITIONS AND COMMUNICATIONS**

5. **APPROVAL OF MINUTES**

a. **Minutes of January 7, 2015, Regular Meeting.**

**Motion/Second:** Brown/Mulheren to approve the minutes of January 7, 2015, a Regular Meeting as submitted. Motion **carried** by the following roll call votes: AYES: Mulheren, Doble, Brown, Scalmanini, and Crane. NOES: None. ABSENT: None. ABSTAIN: None.

6. **RIGHT TO APPEAL DECISION**

7. **CONSENT CALENDAR**

- a. Report of Disbursements for the Month of December 2014 – *Finance*.
- b. Adoption of Resolution (2015-02) Removing 23 Lineal Feet of On-Street Parking at 732 South State Street (Ellie's Mutt Hut) – *Public Works*.
- c. Update of Resolutions (2015-03 and 2015-04) for Aviation Fuel Prices at the Ukiah Regional Airport – *Airport*.

- d. Receive Notification of Expenditure in the Amount of \$24,192.97 to Consolidated Electrical Distributors for 20 New Street Light Standards to be Used in Conjunction with the Perkins Street Underground District No. 2 Project – *Electric Utility*.

**Motion/Second:** Mulheren/Doble to approve Consent Calendar Items 7a - d, as submitted. Motion **carried** by the following roll call votes: AYES: Mulheren, Doble, Brown, Scalmanini, and Crane. NOES: None. ABSENT: None. ABSTAIN: None.

8. **AUDIENCE COMMENTS ON NON-AGENDA ITEMS**

**Presenter:** Stephanie Hoppe.

9. **COUNCIL REPORTS**

**Presenters:** Councilmembers Doble and Brown.

10. **CITY MANAGER/CITY CLERK REPORTS**

11. **PUBLIC HEARINGS**

- a. **Consideration and Possible Adoption of a Resolution Ordering Repair of Dilapidated Palace Hotel Structure, Retention of Cota Cole, LLP, and Setting Forth the Conditions for the Initiation of Proceedings Under Health and Safety Code Section 17980.7 to Establish a Receivership for the Palace Hotel Property – *Planning and Community Development*.**

**Presenters:** Jane Chambers, City Manager; David Rapport, City Attorney; and David Willoughby, Building Official.

*PUBLIC HEARING OPENED AT 6:49 P.M.*

**Public Comment:** Craig Strattman, Janet Ostoya, Lynn Zimmerman, John McCowen (speaking as a private citizen), Judy Pruden, John Kuhry, Tom Liden, Alan Nicholson, Wendy Jackson, Phil Baldwin, Ernie Olson, and Peter Good.

**Property Representatives:** Eladia Laines, Unique Properties, Inc. President and Norman Hudson, Contractor.

**Continued Public Comment:** Ernie Olson and John McCowen.

*PUBLIC HEARING CLOSED AT 8:53 P.M.*

**Staff Comment:** Sage Sangiacomo, Assistant City Manager.

**Motion** by Councilmember Brown, Seconded by Councilmember Mulheren to: (a) adopt the Resolution authorizing the filing of a petition of an appointment of a receiver; (b) Authorize the retention of Cota Cole to provide legal services in connection with the appointment of a receiver; and (c) Authorize the petition to seek the appointment of Mark Adams as the receiver; changing the date on page 8 of the resolution from October 4, 2014 to February 21, 2015.

*Upon further consideration, the maker and the second withdrew the motion.*

**Motion** by Councilmember Brown and Seconded by Mayor Crane to (a) Continue to monitor the Compliance Schedule, (b) adopt the Resolution authorizing the public works director to monitor compliance with the schedule and file the receivership petition, if ownership fails to comply without good cause and (c) retain Cota Cole to provide necessary legal services and authorize petition to

seek appointment of Mark Adams as the receiver, with a determination taking place within 90 days of whether a petition is going to be filed.

*RECESS FOR FURTHER CLARIFICATION TO THE MOTION: 9:18 – 9:39 P.M.*

*The maker and the second agreed to the following amended motion:*

**Motion** by Councilmember Brown and Seconded by Mayor Crane to continue to monitor the compliance schedule with the following modifications:

Within a 30 day period:

- Fire sprinkler systems become operational
- Structural assessment to address any immediate hazard concerns is completed
- Roof is patched to prevent further water damage
- Structure is to be secured from any intrusions
- Windows are to be secured

Within an additional 30 days (60 days total)

- Asbestos abatement is completed

And directing staff to proceed with a petition for receivership if ownership is not in compliance by the end of the 60 days. Additionally, after the 60 days have passed, ownership is to come into compliance with the remainder of exhibit B (Compliance Schedule) of the resolution that has been previously outlined by the City Council; (b) authorize the public works director to monitor compliance with the schedule and file the receivership petition, if ownership fails to comply without good cause; and (c) retain Cota Cole to provide necessary legal services and authorize petition to seek appointment of Mark Adams as the receiver.

*Upon further discussion and consideration by Council, the maker and second agreed to the following and final amended motion:*

**Motion/Second:** Brown/Crane to:

(a) Continue to monitor the Compliance Schedule (*Exhibit B to Resolution shown as Attachment 2 in Agenda Summary Report(ASR)*), with the modification that the following items take place within 90 days (*from January 21, 2015*):

- Fire sprinkler systems become operational
- Structural assessment to address any immediate hazard concerns is completed
- Roof is patched to prevent further water damage
- Structure is to be secured from any intrusions
- Windows are to be secured
- Asbestos abatement is completed

The remainder of the compliance schedule in Exhibit B, starting with the milestone "Prepare plan for predevelopment...", as previously approved by the City Council, shall continue in effect;

(b) Adopt the Resolution (*Attachment 2 in ASR; 2015-05*) authorizing the public works director to monitor compliance with the schedule and file the receivership petition, if ownership fails to comply without good cause; and

- (c) Retain Cota Cole (*Agreement shown as Attachment 7 to ASR; COU 1415-156*) to provide necessary legal services and authorize (*receivership*) petition to seek appointment of Mark Adams as the receiver.

Motion **carried** by the following roll call votes: AYES: Mulheren, Doble, Brown, Scalmanini, and Crane. NOES: None. ABSENT: None. ABSTAIN: None.

(Clerk's Note: The City Attorney will be submitting the modified resolution to Council for final confirmation under the Consent Calendar for the February 4, 2015, meeting)

RECESS: 9:57 – 10:00 P.M.

## 12. UNFINISHED BUSINESS

- a. **Authorize the City Manager to Negotiate and Execute a Disposition Agreement with Petaluma Ecumenical Properties, a California Nonprofit Public Benefit Corporation, for a Low and Moderate Income Senior Housing Development on the Former Ukiah Redevelopment Agency's Cleveland Lane Property and an Amended Memorandum of Understanding Between the City of Ukiah and the Grace Hudson Museum Endowment Fund – Community Services.**

**Presenters:** Shannon Riley, Project and Grant Administrator and Sage Sangiacomo, Assistance City Manager.

**Petaluma Ecumenical Properties (PEP) Representative:** Mary Stompe, PEP Executive Director;

**Motion/Second:** Scalmanini/Brown to authorize the City Manager to negotiate and execute the draft Disposition Agreement (*COU 1415-157*) with Petaluma Ecumenical Properties, a California nonprofit public benefit corporations, for a low and moderate senior housing development on the former Ukiah redevelopment agency's Cleveland lane property and negotiate and execute an amended Memorandum of Understanding between the Grace Hudson Museum Endowment Fund and the City of Ukiah. Motion **carried** by the following roll call votes: AYES: Mulheren, Doble, Brown, Scalmanini, and Crane. NOES: None. ABSENT: None. ABSTAIN: None.

- b. **Approve the Purchase of 2.8 Acres with a 15,800 Sq. Ft. Building Located at 1350 Hastings Rd., Ukiah, CA for the Electric Utility Department (\$1,200,000.00); and Authorize the City Manager to Execute All Necessary Purchase Documents Contingent on Satisfactory Environmental Clearance – Electric Utility.**

**Presenter:** Sage Sangiacomo, Assistant City Manager.

**Motion/Second:** Mulheren/Brown to authorize the City Manager to execute all necessary purchase documents contingent on satisfactory environmental clearance. Motion **carried** by the following roll call votes: AYES: Mulheren, Doble, Brown, Scalmanini, and Crane. NOES: None. ABSENT: None. ABSTAIN: None.

- c. **Continuation of Consideration of Proposal for Goal Setting for FY 2015/2016 Budget Preparation – Finance Department.**

**Presenters:** Karen Scalabrini, Finance Director and Jane Chambers, City Manager.

Report was received.

## 5. PETITIONS AND COMMUNICATIONS - Continued

**Presenter:** Mayor Crane.

CITY COUNCIL ADJOURNED TO SUCCESSOR AGENCY TO THE UKIAH REDEVELOPMENT AGENCY, FOLLOWED BY CLOSED SESSION AT 10:43 P.M.

**13. NEW BUSINESS**

**14. CLOSED SESSION - Continued**

**a. Conference with Legal Counsel – Anticipated Litigation**

Initiation of litigation pursuant to Government Code Section 54956.9(c) (1 case)

**b. Conference with Legal Counsel – Existing Litigation**

(Government Code Section 54956.9(d)(1))

Name of case: *Ukiah Valley Sanitation District v. City of Ukiah*, Mendocino County Superior Court Case No. SCU-K-CVC-13-63024

**c. Conference with Legal Counsel – Existing Litigation**

(Government Code Section 54956.9(d)(1))

Name of case: *County of Mendocino v. Solid Waste Systems, Inc.*, Mendocino County Superior Court Case No. SC-UK-CVG-1159459

**d. Conference with Real Property Negotiators (\$54956.8)**

Property: APN 180-070-19

Negotiator: Jane Chambers, City Manager

Negotiating Parties: City of Ukiah and RCMC, LLC

Under Negotiation: Price & Terms

**e. Conference with Real Property Negotiators (\$54956.8)**

Property: APN 003-572-17-00 and 003-572-18-00

Negotiator: Jane Chambers, City Manager

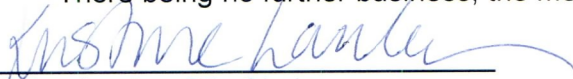
Negotiating Parties: City of Ukiah and Donna Mae Cooper

Under Negotiation: Price & Terms

No action was taken on Closed Session Items.

**15. ADJOURNMENT**

There being no further business, the meeting adjourned at 11:30 p.m.

  
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Kristine Lawler, City Clerk