



**CITY OF PACIFICA
CITY COUNCIL MINUTES**

**Council Chambers
2212 Beach Blvd
Pacifica, CA 94044**

Mayor Sue Digre
Mayor Pro Tem Mike O'Neill
Councilmember Karen Ervin
Councilmember Mary Ann Nihart
Councilmember John Keener

September 12, 2016 (MONDAY)
www.cityofpacifica.org

Mayor Sue Digre called the meeting to order on September 12, 2016 at 7:00 PM

6:00 PM CLOSED SESSION

PURSUANT TO GOVERNMENT CODE SECTION 54956.8 Conference with Real Property Negotiators. Property: 2212 Beach Blvd., Pacifica, CA Agency Negotiators: Lorie Tinfow, City Manager; Michelle Marchetta Kenyon, City Attorney; Anne Stedler, Economic Development Manager. Negotiating Parties: City of Pacifica; Friend Development Group, LLC; StonePark Capital; The Peebles Corporation; and A.F. Canta. Under Negotiations: Instruction Concerning Price and Terms of Payment for Sale of Property.

7:00 PM OPEN SESSION

Call to Order

Attendee Name	Title	Status	Arrived
Sue Digre	Mayor	Present	
Mike O'Neill	Mayor Pro Tem	Present	
Karen Ervin	Councilmember	Present	
Mary Ann Nihart	Councilmember	Present	
John Keener	Councilmember	Present	

Staff Present: Lorie Tinfow, City Manager; Michelle Kenyon, City Attorney, Van Ocampo, Public Works Director; Tina Wehrmeister, Planning Director; Dan Steidle, Police Chief; Rich Johnson, Deputy Fire Chief; Anne Stedler, Economic Development Manager; Mike Perez, Parks, Beaches & Recreation Director; Lorenzo Hines, Assistant City Manager; Ed Vandehey, MIS Manager; Joe Spanheimer, Police Captain; Kathy O'Connell, City Clerk.

Mayor Digre asked for a moment of silence for the victims of 9/11 following the salute to the flag by Mayor pro Tem O'Neill.

Salute to the Flag led by Mayor Pro Tem O'Neill

Closed Session Report

City Attorney Michelle Kenyon state there was no reportable action.

SPECIAL PRESENTATIONS

Proclamation - International Peace Day

Mayor Digre read a proclamation for an International Peace Day.

Delia McGrath, member of Pacifica Peace People since 2003, stated that it was a pleasure and honor to receive this proclamation from the city. She introduced Carolyn Jaramillo who will give their response.

Carolyn Jaramillo stated that she was speaking on behalf of the Pacifica Peace People. She stated that they thanked the City for issuing the proclamation declaring September 21 International Peace Day. She thanked City Manager Tinfow for reaching out to them to cooperate on a peace project, including taking the time to meet and plan it. She felt that, by issuing the proclamation, they have taken a public step in peace building, affirming their effort to create a culture of peace and organize community to expand the day of peace to a week for peace, encouraging various groups to create activities and lessons to focus on the need and desire for peace. She invited everyone to continue the effort by participating in the events, mentioning the Peace Vigil on International Peace Day will be at 7:00 on Linda Mar Beach. She encouraged the public to join them. She mentions the positive responses received while organizing the event, which furthered efforts to ensure that no one is hungry or homeless and rights respected. She felt that they can make that a reality by working together, mentioning the words used by farmworkers, see, say, it can be done. We have the power. She then invited the public to several other events.

Mayor Digre asked if they have examples of their art work.

Ms. McGrath stated that they do, putting posters in various places, including piece doves made by the children at the Art Center.

Mayor Digre asked if they want residents to participate.

Ms. Jaramillo stated that she had issued that invitation, starting with the poetry reading at Florey's on the 17th in addition to the candlelight vigil on the 21st, International Peace Day.

Mayor Digre invited the group up to accept the proclamation and have a picture taken.

Ms. Jaramillo stated that they do an ad in the Tribune for International Peace Day, stating that they have 500 signers so far this year, and she asked that people go to pacificapeacepeople.net to download a copy of the ad and let them know they would like to sign it.

Proclamations - 2016 Olympians Danny Barrett and Ryan Patterson

Mayor Digre stated that they will make sure that Horace gets it in the paper. She then read the proclamation for Ryan Patterson. She then invited him to make a statement.

Ryan Patterson stated that he didn't have the background of gymnastics history, but he stated that it was a crazy sport and you have to be ready for anything, competing in all six events. He commented that, while as a kid you say you would like to go to the Olympics, you don't think about it actually happening. He stated that in 2009 or 2010, his coach told him he had the "road" for him to follow to go to the Olympics, hopefully by 2016. He stated that he let his

coach do all the planning and he focused on his gymnastics, mentioning the aspects of the road he followed.

Mayor Digre said that it was great that he kept up his studies.

Mr. Patterson stated that his mother would not let him give up studies.

Mayor Digre stated that she has to congratulate parents and families, as well as friends who supported him. She stated that he must get up early and eat breakfast to start.

Mr. Patterson stated that the previous year he focused on gymnastics, explaining the basic schedule, which included 5-6 hours in the gym.

Mayor Digre stated that the Historical Society, which does Footprints about the history of Pacifica, will hopefully interview them.

They then took pictures while presenting the proclamations.

Mayor Digre read a proclamation for two Olympians, beginning with Danny Barrett. Mayor Digre asked him if he wanted to comment on whether he dreamed of this day.

Danny Barrett stated that he didn't dream of being an Olympian in rugby but he thought anyone watching would think about being the next great Olympian, and he kind of stumbled on rugby. He thought the timing was perfect. He thanked family for having his back, adding that it took a lot of hard work, but he was happy he stuck to it.

Mayor Digre commented about whether everyone knows what rugby is. She thought, she would know if she was in England.

Mr. Barrett stated that rugby was American football backwards, and the origin of American football, which came from a soccer game in the 1800s. He gave a brief description of what the game involved, adding that it was not well known but would become more known after the Olympics.

Mayor Digre stated that they will read Ryan Patterson's proclamation and then they will take both of their pictures at the same time. She then asked Danny Barrett if he plans to continue with rugby.

Mr. Barrett responded affirmatively, stating that he will be driving down to Chulavista where there is one of the four Olympic training centers. He will be there the next week and they will have their first tournament in Dubai, then to So. Africa to play in Johannesburg, with ten stops around the world. He stated that U.S. rugby will be in Las Vegas in February.

Fog Fest Presentation

Larry Passmore, President of FogFest, thanked Pacifica, staff, police, school district for their support, and stated that the Jefferson Union High School District will be joining them this year. He briefly gave a summary of the past year's events and participants. He then mentioned that Danny Barrett will be the honorary Grand Marshall for this year's event, but Ryan Patterson will

be out of town and will not be able to be present, adding that if he comes back at the last minute let them know. He then presented Council with this year's poster.

CONSENT CALENDAR

Council Nihart referred to Item 5, and thanked everyone who worked on one of the better ordinances. She stated that, so often this is written for an illicit business than for the therapeutic massage that is vital to so many people. She felt this was so much better than what was out there, and the state association was looking at it as a model.

Mayor Digre added that it was protecting small businesses which was important.

Mayor pro Tem O'Neill thanked staff, mentioning that he has gone through 8 school remodels and it was nice that when a change order comes through they are keeping a running total. He stated that the City Manager will keep that with every report that comes in because inevitably there are change orders. He complicated staff for their help so Council can keep track of the money being spent.

Councilmember Ervin commented that there was so much work done on the consent agenda. She stated that the local hazard mitigation plan update was a phenomenal piece of work. She commended Captain Spanheimer and anyone else involved in the work, such as the stem grant with which Director Perez was involved, and she appreciated all the work they put into it.

Mayor Digre thought those were excellent points. She added that people should look at it as it was very important and well done.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Mike O'Neill, Mayor Pro Tem
SECONDER:	Karen Ervin, Councilmember
AYES:	Digre, O'Neill, Ervin, Nihart, Keener

1. Approval of Disbursements for 08/03/16 through 08/31/16
PROPOSED ACTION: Move to approve attached list of disbursements for 08/03/16 through 08/31/16.
2. Approval of Minutes
PROPOSED ACTION: Move to approve the minutes of the special City Council meeting held on August 8, 2016.
3. Proclamation Confirming Existence of Local Emergency of the Pacifica Coastline from Westline Drive to the End of Beach Boulevard.
PROPOSED ACTION: Accept current photos as of August 17, 2016 (Attachment 2) and move to continue proclamation confirming the existence of local emergency.
4. Adoption of an Ordinance to Amend Chapter 4, Title 9, Permitted and Conditional Uses in the C-1, Neighborhood Commercial District of the Pacifica Municipal Code (Second Reading)

PROPOSED ACTION: Move to adopt "An Ordinance to Amend Chapter 4, Title 9, Permitted and Conditional Uses in the C-1, Neighborhood Commercial District of the Pacifica Municipal Code.

5. Adoption of an Ordinance of the City Council of the City of Pacifica Repealing Existing Chapter 19 and Enacting New Chapter 19 (Massage Businesses) to Title 5, Public Welfare, Morals, and Conduct, of the Pacifica Municipal Code, Relating to the Regulation of Massage Business (Second Reading)
PROPOSED ACTION: Move to adopt the ordinance entitled "Ordinance of the City Council of the City of Pacifica Repealing Existing Chapter 19 and Enacting New Chapter 19 (Massage Businesses) to Title 5, Public Welfare, Morals, and Conduct, of the Pacifica Municipal Code, Relating to the Regulation of Massage Business"

6. Resolution of the City Council of the City of Pacifica Authorizing Staff to Execute a Contract with the County of San Mateo Human Services Agency to Provide Out-Of-School STEM Hands-On Learning for Elementary/Middle School Youth (Award of Funding in the Amount of \$27,720).
PROPOSED ACTION: Move to approve a "Resolution of the City Council of the City of Pacifica authorizing staff to execute a contract with the County of San Mateo Human Services Agency to provide Out-of-School STEM Hands-on Learning for Elementary/Middle School Youth."

7. Amendment No. 1 to the Consultant Services Agreement Between the City of Pacifica and Terraphase Engineering in the Amount of \$24,500 for Additional Environmental Impact Evaluation Necessary to Complete the Environmental Phase of the Waste Water Equalization Basin Project.
PROPOSED ACTION: Approve Amendment No. 1 to the Consultant Services Agreement Between the City of Pacifica and Terraphase Engineering in the amount of \$24,500 to perform additional environmental impact evaluation to complete the environmental phase of the Waste Water Equalization Basin Project; and authorize the City Manager to execute contract amendments not to exceed \$40,000.

8. Memorandum of Understanding with Pacifica Battalion Chiefs Teamsters, Local 856
PROPOSED ACTION: Move approval of the Memorandum of Understanding as presented.

9. Local Hazard Mitigation Plan Update
PROPOSED ACTION: Adopt Resolution accepting all of Volume 1 and the City of Pacifica's portion of Volume 2 of the San Mateo County Hazard Mitigation Plan Update.

ORAL COMMUNICATIONS

Keri Gaillouy, San Francisco, stated that she has currently resided in the Richmond District of San Francisco and works at the UCSF Medical Center for ten years. She was a representative of the working poor, stating that she would never be able to own a house with the salary she makes. She discovered tiny houses which allows her to have a roof over her head and take it wherever she went, and allowing the possibility of staying in the Bay Area. She stated that

living simply with a lighter footprint and afford to live independently carries the additional issue of where to find the land to do it. She stated that you can watch TV on building tiny houses but they never tell them where they are going to put it. She stated that is the question, and she was in touch with the mayor. She found a piece of land that she thought would be perfect, but found out it recently sold. She didn't know if it would be available for a tiny house. She emailed the Planning Department about the city considering alternative housing by supporting pocket neighborhoods made up of independently owned tiny houses on rented land from the city, which might consist of existing buildings that they could use as a community. She also emailed a link for living tiny legally where it has been put into action by City Councils and Planning in Fresno, Ojai and Rockridge, Florida. She hoped to start a dialogue that they could continue talking about as she thought Pacifica was uniquely located, mentioning that the city already had a trailer park and RV park but added that tiny houses were different animals, and people who want to live in them were a different group of people educated in a way of living more lightly. She felt we have the opportunity to plan for our future.

David Ludwig, Pacifica, stated he is an architect, and has been living in a tiny house for ten years. He was present to further the idea that tiny house community would be appropriate for Pacifica. He brought some design work he did in creating a prototype community in Sebastopol. He stated that it was 3 ½ acres with 20 tiny houses. It was the same density as a regular city block and not a trailer park. They focus on gardening and outdoor space. He stated that it was perfect for aging in place. He pointed out the differences between tiny houses and trailer parks. He stated that the difficulty was profit, and when you put profit into the construction, design and management, you make it no longer affordable. He stated that a tiny house community was self-designed and self-managed and was an affordable community with different character, look and focus. He encouraged Pacifica to look at tiny house regulations and rules, mentioning that they are a hybrid between recreational vehicles and small housing units. They were looking for a place for tiny houses to exist between the different codes.

Amy Caplan, Pacifica, stated that she lives on Manor since 1999. She stated that her house is paid off. She worked her whole life and wants to retire but cannot afford the property tax and maintenance on a house facing the canyon and affected by all the wind, rain and elements, mentioning some of the maintenance problems. She stated that she won't be able to afford to stay in Pacifica as an aging person and she supported the Council having a dialogue on tiny homes. She stated she was a CERT member which gave her a reason to stay. She stated that she knows a lot of people who want to downsize now but are being forced out by the fact that, once they retire, they won't be able to afford the maintenance and property tax on their homes. She thought teachers and first responders were struggling to live in expensive communities. She thought Pacifica could be a trailblazer for sustainable affordable housing.

Anita Rees, Pacifica Resource Center, stated that they had their relaunch celebration and it was great. She thanked the city staff for helping them navigate the system to make it happen, mentioning that they raised \$35,000 toward future services. She thanked those who attended donated and sponsors. She hoped they will be able to start using the new facilities in the near future. She thanked supporters for help with the back to school program, and were gearing up for their holiday programs. She stated that they were looking for volunteers to supply services for tax season.

Dan Stegink, Pacifica, stated that he was addressing city negligence and potential liability. He thanked Councilmember Keener for noticing the medical massage in home and the US team. He referred to potential liability on Crespi between Ladera and Roberts Street. He stated that school kids go there at night since June 2015. He stated that both the lights have been burned

out for the school crossing signs, mentioning the specific failures. He felt this would be a tragedy.

Kathy McGuire, Pacifica, stated she was from the Pacifica Historical Society and was inviting Council and all Pacificans for placing the statue of Pacifica in the Coastside Museum. She stated that the original statue was 80 feet high, first seen at the Golden Gate Exposition in 1939-40. She stated that the original statue has disappeared but they have one of two remaining statues. She stated that the celebration is September 23, 6-8 p.m., and everyone was invited, adding that they will be showing a collection of memorabilia from the Golden Gate Exposition.

John Bogdonov, Pacifica, stated that he has exciting news. He referred to statements that all politics is local, and he stated that was true for sea level change. He referred to a document on climate change in 2013, reading from the document on sea level change. He stated that he was referring to this in regard to a drop in sea level rise in the west coast America. He thought this was great news and made these points to discourage decision making based on speculations of calamity for Pacifica in terms of the various neighborhoods without a firm grasp of the facts or predictability of events 100 years out or more. He thought such conclusions could be dangerously result driven and not suitable variables in determining the right course of action for West Sharp Park.

Therese Dyer, Pacifica, stated that she was upset about public records and wrote a letter to the editor regarding the 501C for the Library Foundation and, under the Fair Political Practice, she was entitled to an answer and she was assuming that there was no answer. She mentioned that she was a secretary for a non-profit organization and she knows they have to apply to the state. She asked for an answer. She stated that the people voted on the library and it was a valid vote. She asked how they dared to get a group at the meeting and put the squeeze to Mr. Keener so it would go on the ballot. She asked if she voted for Hillary and the next day decided to vote for Trump. She stated that they cannot afford a new library. She stated that she got the property tax for that space, and she stated that they only pay \$17 for mosquito abatement. She did not think the place for the library should be on this location. She suggested they look for an alternative. She then stated that the City Attorney made a mistake on the vote. She felt that, if she was incompetent and didn't think they need four votes, they need to rescue her. She stated that there are 25 lawyers in San Mateo County that we can contact, adding that we pay for those 25 lawyers and asked why we don't use their legal advice. She added that we would then not be in the problems we are at this time. She referred to liabilities, and agreed we had liabilities, but she was not going to mention the Councilmember's name. She felt the liability was in City Hall, adding that, if they can afford spending money on the library, why can't they put an elevator in City Hall. She was told they were full of termites and she felt that was a liability.

Bridget Duffy, Pacifica, stated she was present on the same issue of renters' rights. She stated that her mother will be 90 in October, on social security, has been in her apartment for 25 years and got a \$500 rent increase four months ago and \$300 rent increase about three weeks ago. She stated that at 90 years old, they were talking about her life and will not survive a move. She stated that she walked in to the meeting between a banker and a lawyer and she knows they get sitdowns with people being paid with tax monies. She stated that they pay the salaries of all of them, and bankers and lawyers sit down with them and listen to them. She stated that she now has a personal story of a tragedy in the making. She quoted from Martin Luther King, "laws cannot change a man's heart, but laws can restrain the heartless." She stated that the Council swore an oath to uphold the constitution and defend the citizens against all attackers, both domestic and foreign. She stated our community is being threatened, and we

are being hammered. She stated that they need their help since nothing else will help them. She begged them to have a heart, adding that people are being disrupted by pure unrestrained greed, called profiteering, which is a person who extorts exorbitant profits by selling scarce or rationed items, such as housing, which is profiteering. She concluded that we need help.

Mike Bell, Pacifica, stated that managed retreat was an ingenious phrase which sounds orderly and peaceful. He felt if that was being proposed for an uninhabited coastal road, it would be a reasonable solution, requiring merely removing the old road and any toxic material, build a new road further inland and compensate the owner for lost property. He stated that, in Pacifica, managed retreat was more akin to the phrase of corporate downsizing which masks the utter devastation to families and communities when large employers fire thousands of workers. He stated that there are people in Pacifica who refuse to differentiate between a lonely stretch of coastal road and Beach Boulevard which cuts through the heavily populated district of West Sharp Park. He felt this neighborhood contains many important things, mentioning specifics such as 7,000 people, 650 homes, 88 small businesses, etc. He stated that he has heard people say that the potential harm to West Sharp Park for managed retreat has been grossly overstated, and they have called managed retreat “save the beach.” He then referred to inundation maps which show the Pacific Ocean going up to Highway 1 which are being used by Bob Batalio and John Keener to frighten the community into accepting managed retreat as the only option to deal with impending sea level rise. He stated that Council candidate Dierdre Martin is calling it “save the beach” and Sue Digre is mum on the subject. He felt that, regardless of what they call it, it all has the same goal, which was to prevent any future maintenance of the urban berms along the golf course and prevent construction of a legitimate sea wall on Beach Boulevard which could protect life and property from all of this devastation.

Councilmember Nihart stated that they have always had a policy of keeping campaign issues out of this, and she asked if that was still something they can do.

City Attorney Kenyon stated that, with public comment, that was within the jurisdiction of discretion that the public commenter is allowed.

Councilmember Nihart stated that they have had that courtesy in the past.

Kelly Bogdonov, Pacifica, thanked Council for scheduling the September 27 meeting to discuss sea level rise and coast erosion. She encouraged each of them to let the public know whether they advocate seeking federal and state grants to build a new sea wall north of the pier to replace the substandard retaining wall and their viewpoint on managed retreat as it relates to Beach Boulevard and the entirety of West Sharp Park including more than 600 homes and 600 rental units. She felt that managed retreat supporters seem to be ignoring that, among the Bay Area jurisdictions preparing for sea level rise, not one is advocating managed retreat for areas with large established and functioning residential and commercial developments. Instead, cities and counties are wisely planning to upgrade coastal and shoreline infrastructure and protect public and private assets that are vulnerable. She stated that there were efforts underway to protect San Francisco International Airport, Highway 101, Treasure Island, etc. She mentioned that managed retreat supporters were ignoring the perspectives of wisely respected elected officials, such as Jackie Speier, Kevin Mullin and Don Horsley, who are encouraging Pacifica to develop a plan to protect and improve our coastal infrastructure and were willing to fight for federal and state grants to build a proper sea wall north of the pier. She stated that Pacifica needs Council’s leadership and support. She urges them to begin formulating a coastal plan to steer Pacifica from the dangerous managed retreat ideology that seeks to dismantle and demolish West Sharp Park and destroy Pacifica.

Tom Richardson, Pacifica, stated that he has spoken before on sea level rise and the retaining wall that needs to be replaced. He referred to an article in the San Francisco Chronicle about sea level rise and where the water will go in San Francisco. He stated that San Francisco was accepting the fact that sea level rise is a reality and they are making plans to do something about it. He stated that, in some of the areas that will be under water in 100 years, they were planning to build houses in those locations and protect the area from sea level. He stated that we have infrastructure we cannot afford to lose. He asked that Council plan for it also and not let Sharp Park go into the ocean. He added that, if they didn't see it in the Chronicle, it was a good read.

Mary McCall, Pacifica, stated that she has not lived in Pacifica very long, but had voluminous notes on closing the two present libraries. She stated that, without the Sanchez Library, she would be sitting in her room alone doing nothing, having nothing including a TV, but books are her entertainment, mentioning she was a teacher. She stated that she could not get across town to another library, being hesitant to take the bus, stating she only rode buses when taking students on field trips. She stated that she needs the Sanchez Library and would be upset if it closes down.

Anna Boothe, Pacifica, stated that she was happy to announce that they have one united citizen's group to oppose the library tax. She stated that a bond is an agreement with the bank, and a tax is the money you get from the citizens to pay for it. She stated that they call themselves "Citizens United to Defeat the Library Tax" and will meet at the Social Hall in Casa Pacifica across from the Sanchez Library, mentioning everything they plan to do, adding that they will be going to court if necessary to stop the illegal and unfair procedure. She mentioned that many are against the library tax.

Ernest Straugser, Pacifica, stated that he was there to talk about the new library. He stated that putting every tax payer in debt for 30 years for a library that less than 10% of the population will use was a clear case that our city leaders do not have a clue about logic. He felt our whole city needs cleaning up but our Councilmembers think we need a library instead of fixing our streets. He stated that he visited the two libraries and what he saw was sad, mentioning that neither one looked like they have been painted for years, windows needed cleaning, and carpets were stained, and were in a state of neglect. He mentioned that the city manager stated it cost \$1 million a year for each library to operate them. He thought that statement was no where close to the truth because, if that much money was spent, why were they in such bad shape. He thought the libraries were purposely run down to make it look like a new one was needed. He stated that whenever developer tries to build, they are put through studies, etc., but he has never seen a report on how many people use the libraries on a daily or annual basis. He stated that the bond measure has been in the works for years and the leaders got their ducks in a row when they hired the city manager, not hired for her strong managing skills but she got a new library built in the last two towns in which she worked. He mentioned that she did get 1/4 of Linda Mar Boulevard paved and a handicapped ramp installed. He referred that the street is 2 miles long and only 1/2 a mile was paved, asking if it was because we ran out of money. He stated that Pacifica needs additional revenue, and he felt the leaders were not doing what was best for the majority of our population, asking how much revenue a new library will generate. His response was nothing.

Victor Spano, Pacifica, stated that he sees a lot of working people from the hospitality industry present, and he asked if they would consider advancing the Beach Boulevard item to the first of consideration.

COUNCIL COMMUNICATIONS

Councilmember Nihart stated that the Transportation Authority met and they moved forward with additional funding, but she didn't think it appears that they will replace the stip funding. She mentioned that these were the transportation dollars that pave rounds. She stated that there are specific pots, such as streets and roads which has been limited in terms of what the state was willing to share out of tax dollars and Measure A funds are very limited. She stated that, in both cases, it looked like a bleak year. She mentioned that she sits on ABAG and stated that, in terms of One Bay Area planning and following some of the concerns she heard at this meeting was a serious problems with a lot of tentacles. She mentioned that they can't address specific issues brought up in oral communications in detail, but she did say that displacement and the issues around affordable housing are huge issues that have been growing each and every year, in One Bay Area planning, they were focused on issues around displacement. The One Bay Area grants and funding will now have a requirement of displacement being an element of scoring to receive those grants. She stated that displacement was left to the counties to implement, and she stated that it was an amazing discussion to witness when the full board talked about it in ABAG because not one city had displacement policies in place that were addressing what they were talking about. She thought it was clear that this was something we have to address at some point, sooner, rather than later. She then stated that what they believe to be the final meeting for the water committee of CCAG will be on the 29th, and they will come back with sea level rise, flooding issues, etc., with a decision on an organized group to look at those. She stated that they were leaning toward a body representing all 20 cities. She was concerned that they have a consistent policy as a Council on how they approach study sessions. She stated that she wanted to attend the rent control study session but they had it for Councilmembers and they had to wait for all Councilmembers for sea level rise. She stated that she wanted to be sure they address it in a fair way with a consistent approach. She hates to take anything from mayor discretion and she noticed and was concerned.

Councilmember Ervin attended the legislative committee from San Mateo County. She stated there were interesting issues coming up, such as cap and trade. She stated that businesses were doing well with the regulations behind cap and trade and we are getting less money and there aren't as many businesses and they are doing a good job reducing green house gas emissions and the city is receiving less funds and preventing the city from having money for transportation issues. She preferred that they do reduce green house emissions, but that was an area where they are running into shortfalls from expected budgets and was a conundrum that they have to address in the future. She was a member of the bike and pedestrian advisory committee and they discussed was rubrics that go behind determining a project that would be granted funds. She stated that now you have to be within ½ or 1 mile from PDA, a priority development area, and Pacifica does not have a PDA in Pacifica, so it makes it more difficult for Pacifica to get funding for all sorts of project and is an issue the city has to address, in getting a PDA in Pacifica to house people and be accessible to buses, etc. She thanked Anita Rees for the beautiful event. She acknowledged that she was doing a phenomenal job growing their area to serve Pacifica.

Mayor Digre didn't think any Pacifican was happy with the airport news. She stated that she asked the San Francisco Roundtable to take on two roles, rather than one, that is, work with the FAA regarding their initiatives which will take two years to get any kind of solution and no guarantee they will be happy with that. She asked the SFO legislators if they would consider a dual role to become an advocacy group and they did agree. She stated that they didn't have a subcommittee scheduled as yet, but she was pressing for it and she hoped it would happen relatively soon as the main idea was to not have our issues linger for two years.

STAFF COMMUNICATIONS

City Manager Tinfow stated that she had two items she wanted to share with Council and the community. She stated that five weeks ago they started a new community outreach effort called Connect with Pacifica, which is an email message to people who signed up to receive updates from the city highlighting city news, dates and press releases, typically sent out on Thursdays. She stated that anyone interested can contact her office, 650-738-7409, and ask to be added. She then offered more information on the sea level rise study session scheduled for September 27. She stated that she hasn't selected a place as she is trying to gauge the numbers but the Chambers might not work if they get a larger more interactive group and they need a larger space. They will communicate the location through Connect with Pacifica.

Councilmember Nihart stated that the strategic plan for transportation has been released for public comment for San Mateo County and the first public outreach meeting was also scheduled for the 27th. She stated that she asked to have it changed but she did not know if she had any further information on that.

City Manager Tinfow stated that she has not had any information on that.

PUBLIC HEARINGS

None.

CONSIDERATION

- 10.** Annual Report to City Council from the Economic Development Committee (EDC)
PROPOSED ACTION: Receive and Accept the Annual Report from the Economic Development Committee, and provide direction on its activities.

Mayor Digre stated that one Councilmember cannot participate in Item 12, and they will go as quickly as they can.

Peter Menard, Economic Development Committee, apologized if there was any formatting that was not right. He introduced the members, then presented the report.

Kevin Cuba, Economic Development Committee, continued the report.

Brent Shed, Economic Development Committee, continued the report.

Mr. Menard concluded the report.

Mayor Digre opened public comments.

Dan Stegink, stated that he had attended several meetings and he was disappointed that he had not heard anything about bringing good jobs to Pacifica, referring to their support of 7-Eleven which paid cashiers only \$9.10/hour, adding that the state minimum wage went up to \$10/hour and they do pay that. He stated that he would like them to spend time on bringing good jobs to Pacifica.

Mayor Digre closed public comments.

Mayor pro Tem O'Neill thanked the committee for all the good work they do and for their brief report.

Councilmember Ervin stated that she was serving as a liaison on the committee, along with Mayor Digre. She felt it was a phenomenal group with time and effort and she felt they have brought the city forward. She appreciated all the work they have done to enhance Pacifica and make it better than it already was. She appreciated their effort, as well as staff, as they work together to brainstorm on potential solutions. She also appreciated the meeting hosts.

Councilmember Nihart echoed those comments, adding that this has come a long way since the inception. She thanked them and staff for all the work they are doing.

Mayor Digre was also pleased and she liked the new trend of going out into the community and fixed the agenda so the public can participate in the discussion. She mentioned that there may seem to be some things lacking but she felt a majority have taken a lot of vision and discussion. She encouraged the public to come.

11. Resolution Authorizing Refunding of 2008 Certificates of Participation
PROPOSED ACTION: Adopt the resolution entitled "A Resolution of the City Council of the City of Pacifica Authorizing to Refund Outstanding 2008 Refunding Certificates of Participation, and Approving Related Documents and Official Actions."

City Manager Tinfow stated that the recommended action only describes one of the resolutions, so she asked that, at the conclusion of the oral report, they help Council include both resolutions. She stated that they were both attached to the report but the wording on the recommended action may not be quite complete.

Asst. City Manager Hines first introduced Scott Nagelson, Chick Adams and Peter Wong and then presented the staff report.

Councilmember Keener congratulated them for identifying this opportunity and going after the savings. He hoped Council will give them a chance to get them. He wanted to go through the actual indebtedness.

Asst. City Manager Hines asked him what document to which he was referring.

Councilmember Keener stated that he didn't have it before him and they would just have to listen. He then referred to the city leasing the police station and the Fairmont Park West to the financing authority for nothing and the financing authority turns over certain rights to a trust fund of the bank, i.e., the ability to lease the properties back to the city and the lease payments are payments on the bonds. He asked if that was what they were doing.

Schiff Hardin, bond counsel firm, stated that was what was essentially happening, which was the way cities borrowed money on a long term basis and what Pacifica has previously done. They were continuing the financing structure that has been in place since the beginning and he was essentially correct.

Councilmember Keener referred to the AA- rating which was great. He referred to mention that a downward revision of this may have an adverse effect on marketing, and he asked if the rating

was locked in for the duration of the sale of the bonds.

Asst. City Manager Hines stated that the rating was locked in for the sale of the bonds until the city gets re-rated by S&P or they decide to rate them voluntarily.

Councilmember Keener assumed it would be in about a year or so.

Asst. City Manager Hines stated that it could but depends on future financial transactions.

Mr. Adams stated that any changes in the rating will not affect the interest rate after the bonds are sold.

Councilmember Keener thought they would all be sold in late September.

Asst. City Manager Hines responded affirmatively.

Councilmember Keener referred to savings of \$3.3 million in debt service and he thought that was the principal and interest of the old bonds minus the principal and interest of the new bonds. He asked about the underwriting fees, etc.

Scott Nagelson, US Bank, stated that all the fees or cost of issuance, whether legal, underwriting, etc., were included in the par value of the refunding bonds, and the savings reference by the Asst. City Manager are net of those fees.

Mayor pro Tem O'Neill stated that, in the old bonds, they had a provision that they could call them at the premium of 102, and he asked if they were going to keep the same provision in the new bonds.

Mr. Nagelson stated that it was a fairly old provision and the modern marketplace will allow them to have a par call with no prepayment penalties in ten years. It will be a much simpler call provision going forward.

Mayor pro Tem O'Neill stated that par is usually 100. He stated that he said they don't allow them to have a call at par but he asked about a par plus a premium, adding that this was a par plus a premium.

Mr. Nagelson stated that the 2008 bonds were done allowing them to call the bonds after ten years at 102 declining to par in 12 years. Going forward, he stated that the 2016 call provision will just be a ten-year par call and no 2% premium.

Mayor pro Tem O'Neill understood, asking confirmation that they are non-callable for ten years.

Mr. Nagelson stated that was pretty much an industry standard.

Mayor pro Tem O'Neill stated that one thing that got people's knickers in a twist was the pledge of up to 20% of our gas tax revenue to pay the old ones. He asked confirmation that the provision was no longer there for this.

Mr. Nagelson agreed that the gas tax pledge has been removed. It was a feature of some of the earlier financing but they have not carried it forward into the new financing, stating that it does not significantly add to the credit and the decision was made to drop it.

Mayor pro Tem O'Neill concluded that it now becomes a regular budget item.

Mr. Nagelson responded affirmatively.

Mayor pro Tem O'Neill assumed that they have to appropriate every year.

Councilmember Nihart liked the way he laid it out, but she wanted to talk about the credit rating change, stating that it actually relates to the gas tax to some degree. She stated that, when we were not as good a shape creditwise, they were leveraging more things to get the bond rate. She asked if that was true.

Mr. Hardin stated that, back in 2012, S&P downgraded the city to an A- and the city was coming out of the recession, and budget deficits like other cities. He stated that in the opinion of S&P, the city has made tremendous strides with balancing the budget and building up the reserves. He stated that, overall, the city's credit has improved substantially.

Asst. City Manager Hines added that, during this presentation, they were able to inform S&P of some of the projects they had and were looking at as a city and they found that encouraging that the city was making use of their competitive advantage.

Councilmember Nihart stated that was what she wanted to do and she wanted to make sure that the public understood the changes that occurred to improve the credit rating. She asked if he wanted to take anything else that S&P took into account in doing so, adding that it was the highest rating she has seen since she was on Council and was really happy.

Asst. City Manager Hines was glad she was happy. He added that it was a matter of letting them know financially that the revenues are exceeding expenses, and the General Fund balance is growing. He stated that they have a number of development projects in the works and in the decision making pipeline. He stated that they thought they were little old Pacifica when they sat down but, by the time they got up, they let them know we were a city on the rise.

Councilmember Nihart asked if the fact that there was clarity in the city's finances throughout had something to do with it.

Asst. City Manager Hines responded that it definitely did.

Councilmember Nihart wanted to make sure that came out. She stated that it was easily understandable to almost anyone at this point in time, whereas before, it was weird gobblygoop. She thought that helped.

Councilmember Ervin thought most of her questions have been asked and she just wanted to commend them on the work in getting their credit rating advanced which had a great deal to do with the finance department and the city manager. She stated that she was on the Financing City Services task force from 2008 to 2012 and they were little old Pacifica back then, and she felt the level to which they have grown was hard to express. She felt it meant a lot to all of Pacifica and it was bringing the city forward in a way that was good for everyone. She thanked them for all the work in getting the city to where it was now.

Asst. City Manager Hines would like to, not only thank Council and City Manager Tinfow, but also thank the three gentlemen as when he walked into the office he felt like he was a member

of the Beatles, part of a strong group, and it felt good to do that.

Mayor Digre thanked “the Beatles.”

Mayor pro Tem O’Neill stated that he met with the City Manager in the afternoon and he mentioned that they were front loading the interest savings, and he thought that was the correct term.

Asst. City Manager Hines responded affirmatively.

Mayor pro Tem O’Neill asked him to explain the benefits the city will be getting from that.

Asst. City Manager Hines stated that right now the bonds are due to mature in 2037 and they have the option of realizing the savings between 2017 and 2037, somewhere between \$100,000 and \$150,000 a year, depending on market fluctuations. He stated that they chose to capture the savings up front in the first seven years, if anything to provide a buffer for economic uncertainties, as he thought the end of the decade was coming and, typically at the end of the decade, there is some sort of restructuring, reset, and something will happen in the market. The issue they had before, back in 2006 through 2008 was that they weren’t ready and as a result they suffered. He was trying to make sure they are ready and we can get through any storm that comes, economic or mother nature.

Mayor pro Tem O’Neill commended the fact that they were having a long term plan instead of a drunken sailor going from binge to binge and he commended him for the sobriety of having a long term plan.

Asst. City Manager Hines thanked him.

City Attorney Kenyon stated that the process was that the City Council was taking one action to adopt the first resolution and they will adjourning and opening up the meeting of the Financing Authority and they will be adopting the resolution to be adopted by the Financing Authority Board; reiterating adopting the first motion and the second to adopt the second and then the mayor will adjourn the City Council meeting, open up the Financing Authority meeting and get another motion for that resolution.

Councilmember Nihart moved to accept the resolution of the City of Pacifica, authorizing the delivery and sale of refunding certificates of participation in the maximum principal amount of \$17,500,000 to refinance the 2008 certificates of participation and approve related documents and actions; seconded by Mayor pro Tem O’Neill.

Mayor Digre adjourns the City Council meeting to open the Pacifica Financing Authority.

Mayor Digre reconvened the City Council meeting and called a short break.

Councilmember Nihart stated that she will be leaving because the last item falls within 500 feet of her property and cannot be in the room.

Mayor Digre reconvened the meeting.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Mary Ann Nihart, Councilmember
SECONDER:	Mike O'Neill, Mayor Pro Tem
AYES:	Digre, O'Neill, Ervin, Nihart, Keener

12. Developer Selection and Authorization to Prepare and Agreement to Negotiate Exclusively for Development at 2212 Beach Boulevard
PROPOSED ACTION: Move to approve the selection of recommended development team, James H. Friend of Friend Development Group LLC, based on the proposed hotel and restaurant concept submitted for 2212 Beach Blvd.; and authorize the City Manager to prepare an Agreement to Negotiate Exclusively (ANE) with the selected developer for subsequent City Council review and approval, and take all necessary steps to do so.

Economic Dev. Mgr. Stedler presented the staff report.

Sondra Storm, stated that Mark would present the next portion of the report.

Mark Keller, continued the staff report.

Economic Manager Stedler continued the staff report.

Tim Kelly, Keyser Marston Associates, continued the staff report.

Dilip Trivedi, Moffat & Nichol, continued the staff report.

Economic Dev. Mgr. Stedler then completed the staff report.

Mayor pro Tem O'Neill asked if he heard correctly that the Friends group would be the builder, owner and operator of the hotel.

Economic Dev. Mgr. Stedler stated that the Friend would be responsible for all those phases.

Mayor pro Tem O'Neill concluded they would be the long term person managing the hotel.

Economic Dev. Mgr. Stedler stated that they would be the long term person responsible for the management, adding that they expect that they will seek a management partner that would handle day to day operations. She stated that was what they represented but would still be the responsible party in terms of owning and managing the property.

Mayor pro Tem O'Neill asked if there was an estimate as to how much a room would be each night.

Economic Dev. Mgr. Stedler stated there was not at this time, or she is not aware of the estimate at this time because there are years before they are at the point of renting a room.

Mayor pro Tem O'Neill stated that they came up with an estimate of \$900,000 in TOT tax so he thought they have to have some basis to arrive at that number.

Economic Dev. Mgr. Stedler stated she would have Tim Kelly respond to that question.

Mr. Kelly stated that it will be approximately \$200/night.

Mayor pro Tem O'Neill asked roughly how many hotels are in the tier of this hotel.

Mr. Kelly explained that there are national brands and independent hotels that are nationally categorized by the company within one of these tiers but some locations go either direction because of quality and amenities. He stated that everything discussed were between upscale and upper upscale, with some having elements that tip into the luxury area. He stated by comparison, the existing hotels in Pacifica tap out in the upper midscale generally. He pointed out that there are three categories, economy, midscale, upper midscale and they top out with Holiday Express, Best Western Plus, Pacifica Beach Hotel, with a little bit of upscale. He stated that there were expecting any submitters to do a hybrid upscale or upper upscale type of property.

Mayor pro Tem O'Neill asked how many are there at that level in the north Peninsula.

Mr. Kelly stated it depends on definition of north Peninsula.

Mayor pro Tem O'Neill stated he referred to San Mateo County.

Mr. Kelly stated that there were none in Pacifica but, if you stop at the ridge and go south to Half Moon Bay, depending on how you define it, there are a couple of small ones, mentioning the Ritz Carlton in the luxury category. He stated that for the upper upscale or more upscale, there weren't many, and he felt they would be pioneering this side of the ridge.

Mayor pro Tem O'Neill asked about over the hill.

Mr. Kelly stated that there are many but many are older. He stated that the bigger single market in San Mateo County is those by the San Francisco Airport.

Mayor pro Tem O'Neill asked the average occupancy rate for Pacifica.

Mr. Kelly stated that they can't disclose proprietary information, but it was very solid that the operators in Pacifica are looking forward to more hotels which he stated was an unusual thing. He thought it was 70% and up. He stated that typically, Sunday nights drop in occupancy and with something north of 70% means that certain days of the week are sold out.

Mayor pro Tem O'Neill asked if he was saying it was around 70% Monday through Thursday and weekends in the 90s.

Mr. Kelly stated that certain times a year it will drop below 70% Mondays through Thursdays. He thought it was part of the opportunity, stating that all of the hotel discussed for this site can attract a lot of business meetings, getaways, with people staying at hotels with the opportunity to expand Monday through Friday. He stated that it would raise the boat for itself and other properties.

Mayor pro Tem O'Neill asked if he has any experience on how long it takes the Coastal Commission to give approvals for hotels.

Mr. Kelly stated that it varies widely, knowing friends who have dealt with it on the coast, and the key element was how much the prospective development aligns with their stated interest,

and they felt in this case it does, and the complexity of the development was also related. He stated that, the more moving parts, the less likely it will happen fast.

Mayor pro Tem O'Neill assumed this was a relatively smooth transaction.

Mr. Kelly stated that, from what they have read and understood, he agreed it would be excellent that way. He stated that it was a limiting factor since they don't have unlimited stories in terms of vertical use and not that big in terms of footprint. He stated that it helps as it limits the possibilities.

Mayor pro Tem O'Neill asked if it was going to have one or two restaurants.

Mr. Kelly stated that he didn't want to speak to the final thing as it was a preliminary design, but he thought it was one restaurant and a café.

Economic Dev. Mgr. Stedler stated that, at this point in time, that was accurate at the concept level.

Mayor Digre stated that it was 10:30 and they needed to talk about how late they will run, adding that they have quite a few cards.

Councilmember Ervin suggested 1:00 or 2:00, stating they had 40 cards times 3.

City Manager Tinfow stated that 40 cards times 3 was 120 minutes which was two hours of public comment and time for deliberation.

Councilmember Ervin moved that they don't go any later than 2:00 a.m.; seconded by Mayor pro Tem O'Neill.

Mayor pro Tem O'Neill clarified for the audience that they have a standing rule that, if they are still in session at 11:00 p.m., they have to vote whether they want to continue business and finish. They will be voting that they will not stay past 2:00 this morning.

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City Manager Tinfow suggested that they shorten it to 2 minutes, but following reaction from the crowd, she took back her suggestion.

Mayor Digre opened public comments. She asked that the audience not clap but raise arms or smile instead.

Chris Henry, A. F. Canta Team, stated that they have been involved in putting together a proposal. He stated that it was one of the most unusual processes he has ever seen. He stated that they were being sold a bill of goods. He stated that, based on the documents presented, the proposal put before today outlines a Hilton Garden Inn and as someone who specializes and runs a country in creating destination hotels and resorts around the world, he can't think of anything less unique than a Hilton Garden Inn. He then shared information, stating that he had a call with several people in the room. He stated that the city outlined their updated agenda, adding that not all amendments to the RFQ were published and one was that they were not concerned about creating jobs, choosing a service that limits the number of jobs created. They don't care about increasing wages as they created jobs are low paying jobs in a

select service economy hotel. He stated that their proposal had a housing element, but they don't care about affordable housing and were told that was not important in this community. They also included houses for sale which would raise property values and they don't care about that either. He suggested they take a step back and have the public review which was supposed to be carried out. He stated that it will outline all of the deficits of the proposal selected today, and what they took away from the public on which to comment. He stated that this was the future of the city. He stated that they weren't saying their proposal was the best, although they believe it is, but the residents need to have a voice in what happens. He stated that it was a very unique opportunity as there aren't many beach communities that have a beach front site that has an increase in value to generate a unique destination. He stated that they have a prototype or model in their proposal with schematics, etc. He stated their ADR is \$280/night and occupancy is 78%. They are activating Beach Blvd. And Palmetto Avenue.

Eileen Canta stated that A. F. Canta proposed a destination boutique hotel in accordance with an RFP that will lead the redevelopment of the downtown community and their project will cater to business clientele during the week and vacationers and locals on weekends. Their rendering of a California ambiance transforms the site to an elegant but relaxed atmosphere. She stated that, in today's market boutique hotels have an extremely appealing vibe for today's traveler looking for a personal and authentic experience. She stated that their vision is the only one that encompasses a high end boutique hotel with a casual and engaging restaurant serving both guests and locals along Palmetto Blvd. On the other end of the hotel with sweeping views of the Pacific Ocean with an elegant steakhouse and a beach bar. She stated that other amenities include spa, retail spaces, fitness center and outdoor recreational activities. She stated that the project also calls for affordable and market rate housing. They assembled a team with a track record for developing iconic California coastal projects, such as Ritz Carlton in Half Moon Bay, Ritz Carlton in Laguna Nigale, etc. She stated that A. F. Canta will be involved in the community by giving to charitable causes which enhance the quality of life in Pacifica such as local community events, etc. They have also addressed the need for prevailing during construction and living wage for hotel employees. They are excited to be the newest member of the Chamber of Commerce and play a role in FogFest if permitted. She stated that this is close to her heart as she has been engaged with the city for over five years. She stated that they look forward to welcoming them to the Linda Mar Hotel to rejuvenate mind, body and soul, and she stated that their project will put Pacifica on the map, but a select service will not.

Lief Paulson, Pacifica, stated that he was asking them to vote no on the proposed hotel project on Beach Blvd., as it comes without any guarantees that the developer would respect hotel workers' right to organize. He mentioned his family's history in living in an expensive area where they looked to training in union jobs to remain in the Bay Area. He hoped that they see how important health care and good wages are to everyday people. He stated that the kind of jobs this deal creates does not guarantee this pathway, mentioning that the developer has refused to sign an agreement to be neutral and respect the workers' right to form a union. He stated that the community doesn't need bad low wage jobs. He asked that they say no to this project and look for a developer that will represent working people that can bring what they told to bring as well as pride and dignity and they know they have a voice on the job.

Victor Spano, Pacifica, commended staff for doing this RFP, RFQ, as it has been discussed for a long time. He mentioned that his first experience with Beach Blvd. Was in 1993 when John Hill and Mike Crabtree did a charette at the library on possible uses at the site. He thought it was great that, historically, there was public input as to what the neighbors and city want to see at the site. He mentioned that they conducted the RFP, RFQ, and released all the designs with no community outreach to see what the community would like to see. There was an RFP RFQ

with a mix use site with residential higher end hotel. He thought the Friend group seemed qualified, but he wasn't sure they meet what was in the RFP RFQ that the neighborhood and city residents bought into, as well as the Council. He advocated that the decision to award the ERN be continued until the community has an opportunity to view all the designs and see what was the best fit.

Peter Menard, Pacifica, understood that years ago the City Council set three goals for developed the property that Mgr. Stedler referred to in her presentation. He stated not one goal involved trying to remedy a serious problem in our economy, wage levels. He felt government was the best and sometimes the only way to provide a just and humane economy and make real change in the system. He wished living wage was a goal for developing the property and discussions could have begun with that expectation. He wanted to bring up the cost of inaction and continued vacant property. He stated that there were no prohibitions against organizing. He thought to organize and move the movement forward would not stop by going with a developer with no guarantees, but he felt if they continue to have vacant property, we are a city that doesn't have the resources to fighting larger battles. He stated that we have professional staff to strengthen the city to take stronger stances proactively from onset rather than reactively with a bait and switch. He was an active union member as a public school teacher and they helped him provide health care for his kids, etc., but he was also familiar with winning a lot of small battles and losing the war. He was wholeheartedly behind the cause, he did not think Pacifica was the enemy. He didn't this property would further the cause, but continue to strap the city with more expenses and deprive us of revenue that could strengthen us to play a more progressive role in the Bay Area. He asked, regardless of the decision, that they keep it moving forward so the city can become stronger.

Brent Shedd, Pacifica, stated that any successful investor will tell you that timing is everything. He stated that this space is not a park, a place to hike, but essentially a brown field. He stated that it is a blighted area sitting there for 16 years not generating any kind of revenue for this city. He stated that they have a chance to develop it and generate revenue for a city that needs the revenue. He stated that Karen mentioned that Pacifica was finally getting some steam behind it and moving forward. He felt this was a lot of steam that can move Pacifica forward and he feels like we are looking a gift horse in the mouth if we don't move forward on this and he encouraged the Council to vote yes for progress and get it done, rather than lose the opportunity and it sits there for another 16 years.

Carolyn Jaramillo, Pacifica, stated that she has lived on Manor for 29 years. She owns the house free and clear with no bank mortgages, and she was that fortunate because she had a union job for 25 years. She asked that they go forward, put Pacifica on the map and known for the way it treats its workers and people who need to rent and need housing, as well as on the map for justice. She asked that they not do business with anyone that was not going to respect workers' rights and the right to form a union.

Gloria Stofan, Pacifica, stated she has lived in Pacifica since 1966 and was now retired, but she was a union member and her husband who worked for the fire department was a rep for the union. She felt it was important to have a way to communicate, if not a union rep, at least a place where you can work with your employer to get some satisfaction if things are not going well on the job. She stated that what she heard sounds wonderful, and she was pleased that there was some type of information that the audience got. She thought they were only looking at part of a plan which didn't seem to include staffing needs being addressed. She felt that was important in a community that cares. She stated that they have been working on affordable housing for a long time. She stated that they need developers who will pay a fair, living wage to

their employees and also be willing to allow their employees the right to organize without fear of retaliation or harassment and the developer needs to be willing to sign a neutrality agreement that would protect employees rights to organize into a union. She stated that non-union jobs are poverty jobs, unaffordable health care, no pension, etc. She urged the Council to work with the developer for a fair living wage and that the developer be willing to sign a neutrality agreement.

Shanti Davidson, Pacifica, stated he was advocating on behalf of Local #2 for a neutrality agreement between whatever developer they choose for the site as housekeeping deserves an honest day's pay. He stated that Pacifica has a traffic problem, and was an increasing problem because the working class can't afford to live here. If you aren't paying union wages, they won't be able to afford to live here and will increase the traffic problem we see every day. He then mentioned paying a prevailing wage for whoever constructs the project. He stated that, with any large scale project, the developers flies in the workforce from other states where the cost of living is drastically lower and work for a percentage of what the local workforce can afford. He asked that they insist on prevailing wage and hiring locals. He asked they do the simple and smart thing to keep our money local, adding that we have a workforce in the Bay Area and we need to keep it that way. He asked that they address the issues of AirBnB. He stated that we must ask the hotelier to be union and pay prevailing wage and only fair that they ask AirBnB and other sites to pay the transient occupancy tax. He stated that, while he didn't know if it was accurate, figures are being kicked around that it was about \$400,000 a year that we are losing to AirBnB. He stated that, if you add the short term rentals that operate out of Pacifica, the city is looking at a figure of upwards of \$500,000 that the city is losing. He stated that, if AirBnB was not going to pay union wages, the very least they can do is pay their taxes. He stated that none of the existing hotels or those being built can afford to have these people undercutting by not paying their taxes.

Ellen Hage, Pacifica, stated that she was present to urge Council to vote no on selecting any of the proposed hotel developments that do not agree to remain neutral and respect workers' rights to form a union. She stated that she used to be a member of the teamster's union which provided health care, retirement benefits and a living wage that allowed her to afford to live in the community. She stated that hotel workers deserve no less.

Clare Jackson, Pacifica, stated that she is a Pacifican for ten years and an educator involved in the education issues in Pacifica. She stated that before she was involved in education, she worked with non-union hotel and restaurant workers. She stated that the developers talked about this being a vision in line with our community and she has a problem with that because the strength of Pacifica's community was its union educators, fire fighters, police officers, health care workers, etc., and were the police who can afford to live in our city. She felt that building a non-union hotel that does not agree to a card check neutrality agreement goes against the vision of the community, as we need to have job where they can actually afford to live here. She stated that not agreeing to a card check neutrality agreement will allow them to intimidate workers to the point that they can't have a union. She urged Council to vote no and stay in line with the vision of the community and support jobs where people can stand up for their rights and have good wages, etc.

Valerie Lapin, Pacifica, stated that she has lived on Manor Drive for the past 18 years. She was concerned about what was happening in our community. She stated that Pacifica was once a place where working families could live but now they see longterm residents being displaced from their homes, without affordable healthcare and living in fear about how they are going to survive in their retirement. She stated that now people want to come and build a hotel on property that belongs to us but refuse to provide any assurance that they will respect the

workers if they choose to exercise their right to form a union to have living wage jobs with affordable health care and retirement with dignity. She asked if we were going to sell of the land knowing that they will be accelerating the race to the bottom. She was disappointed and surprised that they would consider such a proposal. She stated that the presentation didn't even address the nature of the jobs. She felt we had an opportunity to create a development with good jobs for local residents. She asked that they demand much more. She urged that they vote against any hotel proposal that does not include a card check neutrality agreement.

Gladys Madriz, Pacifica, stated she is a Pacifican on Perry Avenue for about 15 years. She was very concerned about the building of the hotel. She understood that a new hotel will bring revenue for our city which is good, but she asked what kind of jobs it will bring. She stated that we don't need more low income jobs. She stated that living in Pacifica is not cheap and we need to create jobs for our people that are dignifying and are good paying jobs with benefits. She knows that it can be guaranteed with the help of a union. She stated that they need to be assured that the builders will respect the Pacifica hotel workers, and she asked that they say no this hotel project developer.

Mike Lagomarsino, Pacifica, stated that he is with teamsters, Local 856, and a 13-year Pacifica resident. He urged a no vote on this project. He stated that he represents 1,100 hotel workers in San Francisco and San Mateo County. He stated that they enjoy respect on the job with good contracts through collective bargaining, and get a living wage with benefits paid by the employer which includes retirement medical and pensions. He stated that he heard a lot of glossy terms from the proponents of the proposal, but there was no mention of workers and what they deserve to have and what Pacificans want and demand that they get to approve this project and therefore urges a no vote.

Kyle Baptista, San Bruno, stated that he was asking for a no on the hotel project at Beach Blvd. Because it is without any guarantees that the developers would respect the hotel workers' rights to organize. He stated that his mother is a union member who works at the Olympic Club with a lot of benefits, which helps them live in San Bruno and he didn't know how they would survive without them. He stated that he goes to Sacred Heart Cathedral and he felt privileged to go there, with the support of his mother. He stated that the developer has refused to sign an agreement to be neutral and respect workers' rights to form a union. He felt they didn't need any low wage jobs and he asked that they say no and look for a developer who will respect workers' rights to form a union.

Michael Delos Santos, Pacifica, stated that he works for Best Western Lighthouse Hotel and he urged the Council to vote no. He was proud to be an employee of the hotel because he is a member of a union and he feels protected. He has retirement benefits, including medical care. He stated that management has the right to kick you out but with a union, they feel protected and safe. If management kicks you out, you won't feel protected, and he asked them to vote no.

Monica Olsen, Pacifica, stated that she is a member of Faith in Action in the Bay Area and she will be speaking about the dignity of one's labor. She stated that inequality was undermining our country to a frightening degree, giving rise to the occupy movement, ruptured democracy in our present election system and the concept of common good is being overridden. She stated that we cannot subsidize corporations on the backs of working people. She stated that we cannot get ahead with glorious projects if we do not have honor for the labor unions.

Sallie Madriz, Pacifica, stated she commuted with her parents from their home in Oakland to San Francisco when her mom worked as a housekeeper at a hotel and to Pacifica where he

dad worked as a manager of the Shell gas station at Rockaway Beach. She stated that they had to commute back and forth until they could afford to move to Pacifica in 2001. She has lived here ever since. When she heard about the plan to build a hotel and they are only offering low wages and no union, she was stunned. She asked how Pacifica could force their residents to accept low wages or commute away from their homes. She felt, if it was not enough to support a basic standard of living for families, it is not enough. She appreciated the time her parents sacrificed commuting as they had no choice, but we have a choice now. She cares about all her friends, neighbors, classmates, and she felt they deserve good job opportunities in their city instead of having to commute far and struggling to make a living. She felt Pacificans deserved decent wages with medical benefits and pension plans, and a union to speak for them when they can't or don't know how. She felt we need to protect ourselves from the greed that runs this country. She urged that they say no to bad jobs, no to these developers and look for a developer who will respect workers' rights to form a union.

Bridget Duffy, Pacifica, stated that she can't add to what she has heard, as they have said amazing things. She loves the name, Friends. She stated that it was outrageous that the people wait to be heard, being forced to hear endless, boring presentations that do not need to be made and people leave because they are too tired to stay. She concluded that this was not listening to the people. She stated that they pay taxes and taxes pay their salaries and the government was intended to support the people which seems to have been lost somehow. She stated that a government that does not hear the voice of the people and will not respond to the voice of the people was last century's idea of a government and we need a new century idea of a government. She stated that the time is coming that the people are going to say that they are not listened to. She stated that they vote and eventually things will change, one way or another. She stated that they can do it the easy way or the hard way.

Chito Cuellar, Pacifica, stated that he represents the hotel and restaurant workers of union local 2. He asked members of the union to stand up. He then stated that there are 100 residents in Pacifica who rely on jobs in the hospitality industry. The industry can provide good jobs and that allow them to send kids to college and stay in this very expensive area, and to give back to the communities. He added that there are bad jobs also, and can be low wage jobs, cannot afford medical benefits, no pensions and what makes the jobs good and bad was the ability to negotiate with the employer, adding that one employee against the employer is harder with not much bargaining power. He stated that the developer they are considering has made it very clear that he does not want union jobs and has refused to sign an agreement committing to respect the workers' choice and let them decide whether they want a union or not. He stated that the choice they had was not whether or not to build a hotel but the choice was to decide whether the developer they choose will respect workers' rights, and there are other developers who do respect workers' rights, and he concluded that this is not the one they should pick, and he encouraged them to vote no.

Jim Heldberg, Pacifica, stated that he has a different perspective which is that he has the Segway dealership in town and has conducted over 15,000 people on the coastside on Segways and has sold hundreds of Segways in Silicon Valley and people give him a different perspective. He thought deciding who to hire for the hotel that might get built 3-4 years from now is a question that should be addressed 3-4 years from now but not tonight. He stated that, as he gives Segway tours to people from all over the world along Beach Blvd. And they look at the building and, as they talk about the pier and the sewer plant, and they are astounded, questioning that it is ocean front property and the city can't figure out what to do with it. He felt the decision needs to be moved ahead quickly. He didn't know how the decision was made to pick one developer or another but he suggested that they get going and do it now.

Dan Stegink, Pacifica, stated that the hotel workers are living large, and get whatever they want. He stated that hospitality workers are about the lowest paid benefitted union. He stated that every single staff member in the room has a union contract significantly better than any of the hospitality workers. He stated that the idea that they are going to have to deal with the labor issue was sprung on them at the last minute was false. He stated that at every single meeting on Beach Blvd., he stated that the time to affirm if it was a union hotel was now, because, if they put it off, they are essentially saying it is not going to be a union hotel. He stated that he would like to see Pacifica have some jobs that weren't minimum wage. He stated that this property was an \$11 million asset. He stated that the Starwood Aloft project offered sales proceeds of \$7 million, a transit occupancy tax of \$1.25 million per year. He stated that \$325,000 more per year for the city than the project they are putting forth. He guessed that it was solely due to a higher quality room and higher average room rate. He stated that there are more options than saying no and yes, and he would like to see the City Council make a determination that they want it to be a union hotel as part of what they pass at this time. He stated that they can pass it and make a stipulation in the contract that it has to be a union hotel and represent hospitality workers.

Marvin Madriz, Pacifica, stated that he represented himself as a low paid worker in Pacifica for 21 years in a gas station business in Pacifica as low pay. He knows how it feels to be a low paid rate employee and he demands that Council make a decision. He stated that the people who are going to build this is fine and he approves that Pacifica needs to go up. He sees the changes and is glad that Pacifica will be on the map when they google it and they don't see the minivan. He felt it was nice to building more for progress for our city, but he didn't think it has to be at the cost of the employees who will be working on the project. He struggled for 21 years and the only thing that kept him going was his wife's job which was a union job. He stated that five years ago, he changed and worked in San Francisco for a union job and he can feel the difference. He asked them to choose the developer who will respect the rights for the people of Pacifica and think about the progress but not at the cost of the people of Pacifica, the workers as they will build up the city. He stated that, if they don't have a job that gives them dignity, they have to leave the city. He asked that they choose wisely, for the people of Pacifica and for union jobs.

Tygerjaz Bigstyck, Pacifica, stated that he has a union job but it does not pay him enough money to live here and is subsidized by his family to live here but he was looking at leaving Pacifica in about a year if he can't find a better paying job or a living situation with someone else. He stated that finding a small studio space to live alone seemed incomprehensible to him. He stated that he did have benefits and can take care of his teeth or health, as he looks for his next step outside of Pacifica where he has worked for the last ten years and volunteering and contributing to a place where he loves living. He again stated that the union job does not pay him enough to live here. He stated that, while spending 40 hours serving the city, he won't be able to see it because his good union job isn't paying him enough and it would be nice if other people sharing a similar situation would be able to be paid enough so, if they are going to be serving this community, they would be able to share in its prosperity.

Mayor Digre closed public comments.

Mayor pro Tem O'Neill stated that he has talked to the unions and this was one of the toughest decision to make as the city does need the money and it was an empty hole sitting there for 14 years and an eyesore. He felt this was an opportunity to provide the city with some revenue as well as fill a hole. He stated that the history of Pacifica started when the United Airlines was the

maintenance hub and a lot of union workers who were able to buy houses and provide a living for their children. He asked if the brown field issue was taken care of in this site.

Mayor pro Tem O'Neill stated that, if the Council votes yes, they are basically saying that they are going to open up exclusive negotiations with this developer but are not selling the property, making no commitment other than to negotiate, and he felt that, to put it in terms that might be real simple, the city has been dating six developers, and now they are going to engage and get a union contract and are going to get a pre-nup before they marry them and sell the property. He stated that they will discuss something formally in order to make an agreement. He hates to let a bird in the hand disappear and he would support a yes for the developer with a provision that the city negotiators look at a card check agreement for the operations of the hotel.

Councilmember Keener thanked everyone for staying so late, stating that all of them have to go to work. He stated that this will be 120 room hotel, a Hilton Garden Inn. He stated that the consultants say it will generate 20 jobs. He stated that housekeepers are among the lowest paid people anywhere. He stated that, at \$10/hour, 2000 hours per year, that is \$20,000 a year per job or \$400,000 a year for 20 jobs. He stated that, if you want to include benefits for someone making minimum wage, that is probably about \$550,000 per year for 20 jobs. He stated that, if they bump that up \$5 to \$15/hour, which he thinks is slightly above the union rates at Best Western, and would be \$600,000 a year for 20 jobs and about \$800,000 a year including benefits. They are assuming that the hospitality workers are in a union. He stated that \$250,000 a year is the difference between the \$15/hour and \$10/hour for 20 jobs, so \$250,000 a year will pay 20 housekeepers another \$5/hour. He stated that the estimated TOT from this hotel is about \$900,000 which was what the consultants say, 12% of room revenue, and another \$5/hour for housekeepers, it will cost the operator about 3.5% of the room revenue.

Councilmember Ervin stated that she agreed with Mayor pro Tem O'Neill. She stated that they want to win and they have the \$900,000 and they have an enhanced quality of life for citizens who play and work here and people come to spend money. She felt it could enhance an area and she wants it to be great for its workers as well. She stated that she grew up in a union family. She respects what they are saying and she knows how hard it is to live in the Bay Area. She stated that her concern was that she didn't know the reality of getting someone that will accept it. She asked how many hotels in San Mateo County that have union workers. She felt San Francisco was a different place. She wanted to get an idea of how unique or normal the situation would be.

City Manager Tinfow stated that the area represented by the convention and visitors bureau, there are a total of 171 hotels and, of that, 11 have some level of union organized service workers, and that is a small number.

Councilmember Ervin asked how many Pacifica hotels have union workers.

City Manager Tinfow stated that it is one.

Councilmember Ervin asked if that was done during the time they built the hotel.

City Manager Tinfow stated that it was her understanding that it was not, but she deferred to Mgr. Stedler as she had the conversation about that.

Economic Dev. Mgr. Stedler stated that the hotel became unionized at a point in time in its history and it was unionized by one particular owner who owned the property at that point in

time. She understood that the transition took place after the hotel had been built and was in operation.

Councilmember Ervin stated that they had six and then they had four from which they were selecting. She asked if there was any message about incorporating this check card neutrality in the stipulations.

Economic Dev. Mgr. Stedler stated that the concern the developers have at this point in time, generally, is that they are facing a great deal of risk to open and entitle this property at this point in time.

Councilmember Ervin asked the reason.

Economic Dev. Mgr. Stedler stated that it was because the property as it exists now requires entitlements at both the local level and at the Coastal Commission level. She stated that the process is long, marked by uncertainty of timing and expensive. She stated, as they said, one of the remarkable conditions of undertaking development on this site is being willing to prepay the cost of all of that work before you have even a guarantee that you have approvals or that you will have the land sold to you by the city. She stated that it is a great deal of risk for a developer to undertake.

Councilmember Ervin referred to questions about not even discussing staffing. She asked why they didn't address staffing in their presentation.

Economic Dev. Mgr. Stedler stated that she cannot address staffing at this point in time. She understood that a select service hotel, such as the one they are recommending of 120 rooms, would be approximately 20 employees. She stated that was the best information that she has and they know that would be a range of different job classifications, including the housekeepers mentioned as well as others.

Councilmember Ervin referred to having four choices, stating that two had residential housing and two did not.

Economic Dev. Mgr. Stedler responded affirmatively.

Councilmember Dev. Mgr. Stedler concluded that the primary reason for no selecting housing as part of the criteria was that the Coastal Commission did not advocate for housing.

Economic Dev. Mgr. Stedler responded affirmatively.

Councilmember Ervin thought there was another issue with Moffat & Nichol where they were concerned about having residential there, more so than hotels, as it was different.

Economic Dev. Mgr. Stedler stated that there was a relationship between hazard and land use that was important where they know that commercial properties addressed coastal hazard risks differently than a homeowner might be able to address that risk. They talked about that in one of their earlier meetings. She stated that the other issue they discussed was the alignment of the hotel with the city goals of anchoring Palmetto, supporting the hotel industry within the city of Pacifica and lastly generating transient occupancy tax. She stated that all of those can be accomplished with a hotel as opposed to a residential development.

Councilmember Ervin thought it was interesting that all four of them had a relatively equal number of rooms, but the residential aspect was another 50 or 60 residential units, and it was hard to imagine where they would all go.

Economic Dev. Mgr. Stedler stated that it creates more density on the site and the point they made today has to do with permitting and the complexity of the process of delivering a multi-use project. The point they wanted to communicate earlier was that every aspect of a property may become more difficult in terms of planning for it, marketing for it, securing the financing for both of the uses at the same time. She stated that the reason that was important to them was that the goal was to deliver the hotel. She stated that, if they complicated so the approval process or the building and development process was more complex and longer, they defer that ultimate goal. She stated that there was one other point she thinks it is important to make which was that the RFQ that they released in October 2015 at the Council's request was an RFQ that stated that they were looking for an ocean front hotel and inside the document they talked about the fact that the city's intent was to select a hotel developer and was not to solicit for housing at that point. She stated that they indicated in the RFP and discussed with the developers that they were proposing. She stated that their record has been clear in that regard.

Commissioner Ervin concluded that they requested a proposal with no housing.

Economic Dev. Mgr. Stedler stated that their intent was to select a hotel developer with a transformative vision and excellent qualifications who can deliver a destination hotel.

Councilmember Keener stated that the project was very appealing and he thought they have done a good job in winnowing the various applicants down and bringing it to Council, but he would like to see the lowest paid workers among us paid a little bit more.

Mayor pro Tem O'Neill stated that they were deciding at this time whether they are going to move forward in negotiations. He asked if she was saying that they are open to saying yes to the developer with the provision that there is some sort of organized card check for the workers. He said that in the beginning. A no vote would be that they stop and state they are not interested in working with the developer at all, and that would get them back to October of 2015 and start the process again. He stated that, if what he suggests passes, it would be that they move forward with this developer with the provision that there is some negotiation for workers and higher wages. He asked if Councilmember Keener was supportive of that or did he want to say no to the developer.

Councilmember Keener stated that he did not want to say no to the developer, but he did not think that what he wants is attainable by this body. He thinks that it is attainable by the union negotiating with the developer, not the Council.

Councilmember Ervin agreed with Mayor pro Tem O'Neill that, during negotiations, they work on negotiating for the fair wages.

City Manager Tinfow stated, if it was something the developer was not willing to consider, she was not sure what the path forward was. She wasn't asking for them to give her that direction at this time, as they will have the conversation with him, but she was not sure, if that was the case, she wasn't sure where that will leave them.

Mayor Digre told the audience that it was late and she stated that they were talking about dignity and she asked that they keep this as dignified as possible. She stated that they won't always

agree but she asked that they be as dignified as possible.

Mayor pro Tem O'Neill thought this was like the rubber hitting the road. They were doing the exclusive negotiating agreement. He thought they have gone this path with this developer, and he thought, if they lay out the terms of what they want now, they should give them the chance to respond as they are into them for a year now, stating that the RFQ went out in October of last year. He would like to give the developer the opportunity to make a decision with the reality in front of them. He stated that, if they choose to say no, they will discuss that in closed session. He responded to someone and stated that it was property negotiations and he thought it would be closed session. He stated that they would have to discuss it at that point. He stated that he would like to hear what the Mayor has to say.

Mayor Digre stated that she was trying to keep the rebel in her sane and sensible. She liked what she heard from the developer until she remembers that we have people displaced and she was distressed with that and skyrocketing rents. She stated that wages have to be decent enough or the people who are going to work there will have to move somewhere else to live or busing themselves in. She understands and wanted to get to the point that is bothering her. She stated that we are an ocean front and we had a very good developer at one time, waiting four years, and nothing came out of that. She stated that they have been through 16 years, but she stated a lot of that was the economy as there were other people who wanted to do things here. She was inclined to be in favor of whatever the community feels that it wants, and they don't want to be displaced but a living wage. She stated that they just had Labor Day and she was involved in labor issues. She realizes that they are taking a risk and paying a lot of money for things, but it bothers her that we have to feel like we are so poverty stricken that we will take and grovel for whatever we can get. She stated that another part of her says we are in that position and we do need to grovel. She was understanding revenue and how we need it, and she was not at the point where she doesn't feel like she is selling her soul. She wants the revenue so the community can pay for potholes and will be an enticement to other people to do more on Palmetto, but her other side says we have good stuff here and there must be somebody that will do it, and she didn't think this pushes what is going on with Palmetto. She stated that, whatever direction she goes, she can be totally wrong, but she will go with what she feels. She stated that the developer has great stuff and says great stuff and wants to be what the community and reflect the community, and she feels that she is tied up with skyrocketing rents and displacement of our community which bothers her every day. She feels that this is just another leg of that and she was inclined to say we put our foot down and see where we go and not have to follow the other ways of feeling like you are threatened if you don't do it that way. She asked if she made sense.

Councilmember Ervin stated that, as a Council, their primary goal was to improve our economy and our second goal was to develop the Beach Blvd. Site and she felt we need to be very careful of what they are saying no to. She stated that the more money we have as a city, the more we can help those who need it. They can assist and fill pot holes or take care of those who need the Council to help them. She stated that they had six candidates, then to four, and basically down to none and they would be starting over if they stand firm and the city stands firm. She likes the idea of negotiating and letting them know that it is important to us, but having it a negotiating element but not a do or die situation. She asked if they could get other better living wages and instill upon them on how important it was to them as a city to pay fair living wages to our community and take the step to get on the map as a place where people want to go and they will come back and the city can demand more as they will have more here. She stated that there are only 11 out of 174 hotels in San Mateo County. She felt they can do it together but they have to do it at a pace that is affordable or they won't have any jobs for

anybody.

Mayor Digre asked the audience, stating that this was our American democratic process. She asked if anyone has answers.

Councilmember Keener stated that a no vote doesn't mean this process is over. He stated that the developer has not been tested with adversity in this regard. He stated that maybe he or she will find a way to live with 3.5% or 5% or maybe not. He didn't know, but what he thinks is that, if they vote yes, they will not get good paying jobs but rather \$10/hour.

Mayor pro Tem O'Neill stated that he will make a motion to see what happens, if there is a second, and move on.

Mayor pro Tem O'Neill moved to approve the selection of recommended development team, James H. Friend of Friend Development Group, based on the proposed hotel and restaurant concept submitted for 2212 Beach Blvd. And authorize the City Manager to prepare an agreement to negotiate exclusively with the selected developer for subsequent City Council review and approval, and take all necessary steps to do so with the amendment that they meet with the union to discuss organization. He asked the City Attorney to help him out with that language.

City Attorney Kenyon asked if he could describe further what he was asking for, stating that she has heard different thoughts coming from them.

Mayor pro Tem O'Neill understood and he was saying to get things going. He stated that he wants to move forward with the developer, with whom they are in for a year and a half, and they want employee representation of some kind.

City Attorney Kenyon asked if he was giving staff direction in negotiations.

Mayor pro Tem O'Neill responded affirmatively.

City Attorney Kenyon asked if he was giving staff direction to talk to the developer with that directive in mind and they will bring back their response to Council.

Mayor pro Tem O'Neill agreed, clarifying that, if the developer moves forward, they have union rights, their labor rights.

City Attorney Kenyon concluded that he is making the motion with a proviso that he was also directing staff to convey the Council's intent to demand union representation and to negotiate that with the developer and bring the results of those negotiations back to the Council.

Mayor pro Tem O'Neill responded affirmatively, adding that was his motion.

Mayor Digre stated that, if they vote on that, it was not committing them in any way to the developer or vice versa.

City Manager Tinfow stated that it was indicating that they would like staff to move forward with conversations with the Friend Development Group and then have the negotiations include discussion of the city requiring them to have union represented workers. That is what she understood the motion to be.

Mayor pro Tem O'Neill clarified that one of the conditions of the project is that they have union representation. They can still move forward and not start from square one again.

City Manager Tinfow stated that if they agree, that would be the case.

Mayor pro Tem O'Neill stated that, if they don't agree, they start from square one.

Mayor Digre stated that part of the problem is that the community at large does not know some of the things we know. She asked that people keep calm because it was not easy making decisions. She stated that they are trying to think of 38,000 people and the future of each of them and be sensitive to everyone. She stated that there is risk whichever way they go, of things totally collapsing and bombing out, and everyone being poor as church mice. She stated that, if she was hearing it correctly, they were requesting union workers and, if they say no, they start all over.

City Attorney Kenyon stated that they will bring it back to the Council for discussion.

Mayor Digre stated that it leaves another doorway for them to be where they are today. She stated that she doesn't have a problem with that because she thinks the plan is something that the Coastal Commission would approve and she was not against the Coastal Commission, stating that they were voted on by the people of California for those things. She thinks that the public needs to be more engaged in what they do and then they wouldn't be having as much of an impasse and she thought it was a good thing.

Councilmember Ervin seconded the motion. She added that she wanted to make something clear, and she knew it was hard to hear and understand. She stated that there are sometimes decisions they make and would make a different decision if they were speaking for themselves, but they are speaking on behalf of 38,000 and the benefit to all community members as a whole and do it the right way to benefit all Pacificans. She stated that they were trying to find the space to do that, trying to make sure that people are paid fair wages but at the same time, they get a project that could improve the city's standings, so it was not so risky to come to Pacifica to put a hotel there, but a project more people will want to do and they can negotiate and have stronger power to negotiate a better contract for everyone.

Councilmember Keener thought the union and developer should speak directly to each other rather than having the city in the middle. He thought that would bollix up the works completely.

Mayor pro Tem O'Neill stated that he does not disagree with what he was saying. He does think it was their place to do it, but he understood that he has refused to meet with them many times over the past couple of months. He stated that they were saying the terms of sale and they want to talk, but at that point they facilitate a meeting between the union and the developer of the hotel.

Councilmember Keener thinks he is following what he was saying, and he also appreciate his making the motion, but he thought the end result will be the same, in the sense that the developer still says no, then they were back to square one and searching for another developer. He stated that, if the developer says yes to the union, then they are great and they can move forward, but having a third party in the room, to him, begs for mixed messages, poor communication, etc. He would not support his motion, although he thought it was pretty good.

City Manager Tinfow reminded them that the negotiation was between the city and the developer. She stated that the developer could talk to the union, but the provision of the requirement is what would be in the city's agreement with him if he chooses to agree to that and then how that gets implemented they would work out. She reiterated that the negotiation was between the city and the developer at this point. They would need to be at the table and party to the conversations.

Mayor pro Tem O'Neill stated that he was going to clarify with the City Attorney, who had mentioned that there was a certain individual in her office that handles real estate negotiations and he was sure this individual has done this type of real estate many times, if not this particular situation, and he thought this was something he would approach the developer with, hopefully sell the sizzle and the steak.

City Attorney Kenyon agreed, stating this would be one of many terms on which the city would be negotiating with the developer.

Mayor pro Tem O'Neill agreed with Councilmember Keener that once the negotiator for the city tells them the terms of our sale, then the city would be out of the picture and the negotiations between the union and the developer were their business. He stated that they had a motion and a second.

Mayor Digre repeated that they are deciding to add a requirement that the developer have union involvement.

City Attorney Kenyon stated that they are giving direction to staff to negotiate that term with the developer. They will bring back to them the results of those negotiations.

Mayor Digre was okay with that and she called for the vote.

RESULT:	ADOPTED [3 TO 1]
MOVER:	Sue Digre, Mayor
SECONDER:	Karen Ervin, Councilmember
AYES:	Digre, O'Neill, Ervin
NAYS:	Keener
RECUSED:	Nihart

ADJOURN

Mayor Digre adjourned the meeting at 12:14 p.m

Transcribed by Barbara Medina, Public Meeting Steonographer.

Respectfully submitted,

Kathy O'Connell, City Clerk

APPROVED: 9/26/16; 5-0

Sue Digre, Mayor