



Minutes  
Redondo Beach City Council  
Tuesday, February 11, 2020  
Closed Session-Adjourned Regular-4:30 p.m.  
Open Session-Regular Meeting-6:00 p.m.

### **CALL MEETING TO ORDER**

An Adjourned Regular Meeting of the Redondo Beach City Council was called to order by Mayor Brand at 4:31 p.m. in the City Hall Council Chamber, 415 Diamond Street, Redondo Beach, California.

### **ROLL CALL**

Councilmembers Present: Nehrenheim, Loewenstein, Horvath, Gran, Emdee, Mayor Brand  
Councilmembers Absent: None  
Officials Present: Joe Hoefgen, City Manager  
Vickie Kroneberger, Chief Deputy City Clerk

### **SALUTE TO THE FLAG AND INVOCATION**

At the request of Mayor Brand, the audience and Councilmembers rose to salute the flag.

### **BLUE FOLDER ITEMS – ADDITIONAL BACK UP MATERIALS - NONE**

### **PUBLIC COMMUNICATIONS ON CLOSED SESSION ITEMS**

Mayor Brand called for public comment. There being no one wishing to comment, Mayor Brand closed the public comment period.

#### **F. RECESS TO CLOSED SESSION at 4:35 p.m.**

##### **F.1. CONFERENCE WITH REAL PROPERTY NEGOTIATOR - The Closed Session is authorized by the Government Code Sec. 54956.8.**

###### **AGENCY NEGOTIATOR:**

Joe Hoefgen, City Manager  
Mike Witzansky, Assistant City Manager  
Stephen Proud, Waterfront and Economic Development Director

###### **PROPERTY:**

208 Yacht Club Way, Redondo Beach, CA 90277  
(portions of APN's: 7503-003-900; 7503-013-822; 7503-003-901)

###### **NEGOTIATING PARTY:**

Maryann Guthrie, MCL

###### **UNDER NEGOTIATION:**

Both Price and Terms

##### **F.2. PUBLIC EMPLOYEE PERFORMANCE EVALUATION - The Closed Session is authorized by the Government Code Section 54957(b)**

Title: City Manager

Motion by Councilmember Loewenstein, seconded by Councilmember Horvath, to recess to conduct Closed Sessions attended by City Attorney Michael W. Webb, City Manager Joe Hoefgen, Assistant City Manager Mike Witzansky, Assistant City Attorney Cheryl Park, and Waterfront & Economic Development Director Stephen Proud. Motion carried unanimously.

**G. RECONVENE TO OPEN SESSION: 6:00 p.m.**

**H. ROLL CALL**

Councilmembers Present:	Nehrenheim, Loewenstein, Horvath, Gran, Emdee, Mayor Brand
Councilmembers Absent:	None
Officials Present:	Michael Webb, City Attorney Joe Hoefgen, City Manager Vickie Kroneberger, Chief Deputy City Clerk Diane Cleary, Minutes Clerk

**I. ANNOUNCEMENT OF CLOSED SESSION ACTIONS – NONE**

**J. ADJOURN TO REGULAR MEETING:**

Motion by Councilmember Loewenstein, seconded by Councilmember Horvath, to adjourn to Open Session at 6:00 p.m. Motion carried unanimously.

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**A. CALL TO ORDER**

A Regular Meeting of the Redondo Beach City Council was called to order by Mayor Brand at 6:00 p.m. in the City Hall Council Chambers, 415 Diamond Street, Redondo Beach, California.

**B. ROLL CALL**

Councilmembers Present:	Nehrenheim, Loewenstein, Horvath, Gran, Emdee, Mayor Brand
Councilmembers Absent:	None
Officials Present:	Michael Webb, City Attorney Joe Hoefgen, City Manager Vickie Kroneberger, Chief Deputy City Clerk Diane Cleary, Minutes Clerk

**C. SALUTE TO THE FLAG AND INVOCATION**

At the request of Mayor Brand, the audience and Councilmembers rose to salute the flag followed by a moment of silence.

**D. PRESENTATIONS/PROCLAMATIONS/ANNOUNCEMENTS**

Councilmember Nehrenheim announced the upcoming Presidents' Day weekend.

Councilmember Loewenstein announced his District 2 Community Meeting taking place on February 19, 2020 2<sup>nd</sup> floor of the main library from 6 to 7:30 p.m.

Councilmember Horvath announced his Community Meeting taking place this Thursday at Adams Middle School Library from 6 to 7:30 p.m. discussing the census, election, voting system, and upcoming smoking ban.

Councilmember Emdee announced a free document shredding event at the Performing Arts Center on February 29, the Public Works Commission will be hearing the Traffic Calming Tools for the North Redondo neighborhood on February 24, and dogs in parks will be discussed on February 18 by City Council.

Mayor Brand thanked Public Works for the right turn lane off of PCH onto Torrance Boulevard which will be striped on Friday.

**E. APPROVAL OF ORDER OF AGENDA**

Motion by Councilmember Nehrenheim, seconded by Councilmember Loewenstein, to approve the order of agenda as presented. Motion carried unanimously.

**F. AGENCY RECESS - NONE**

**G. BLUE FOLDER ITEMS – ADDITIONAL BACK UP MATERIALS**

Motion by Councilmember Gran, seconded by Councilmember Nehrenheim, to receive and file additional materials for Item N2. Motion carried unanimously.

**H. CONSENT CALENDAR**

**H.1. APPROVE AFFIDAVIT OF POSTING FOR THE CITY COUNCIL ADJOURNED REGULAR AND REGULAR MEETING OF FEBRUARY 11, 2020.**

**CONTACT: ELEANOR MANZANO, CITY CLERK**

**H.2. APPROVE MOTION TO READ BY TITLE ONLY AND WAIVE FURTHER READING OF ALL ORDINANCES AND RESOLUTIONS LISTED ON THE AGENDA.**

**CONTACT: ELEANOR MANZANO, CITY CLERK**

**H.3. APPROVE THE FOLLOWING CITY COUNCIL MINUTES – NONE**

**CONTACT: ELEANOR MANZANO, CITY CLERK**

**H.4. APPROVE AGREEMENT WITH THE LAW FIRM STRUMWASSER & WOOCHEER LLP FOR LEGAL SERVICES AS NEEDED FOR THE TERM OF FEBRUARY 12, 2020 UNTIL TERMINATED**

**CONTACT: MICHAEL W. WEBB, CITY ATTORNEY**

**H.5. APPROVE THE EIGHTH AMENDMENT TO THE AGREEMENT WITH KOSMONT & ASSOCIATES, INC. FOR REAL ESTATE CONSULTING SERVICES FOR AN ADDITIONAL AMOUNT OF \$60,000 FOR A NEW NOT-TO-EXCEED TOTAL OF \$1.395M FOR THE EXISTING TERM TO DECEMBER 31, 2020**

**CONTACT: STEPHEN PROUD, WATERFRONT AND ECONOMIC DEVELOPMENT DIRECTOR**

**H.6. ADOPT BY TITLE ONLY RESOLUTION No. CC-2002-007, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, AUTHORIZING THE SUBMITTAL OF THE FUNDING REQUEST CERTIFICATION TO THE DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY (CALRECYCLE) FOR PAYMENT PROGRAMS AND RELATED AUTHORIZATIONS**

**CONTACT: TED SEMAAN, PUBLIC WORKS DIRECTOR**

Mayor Brand called for public comment. There being no one wishing to speak, Mayor Brand closed the public comment period.

Motion by Councilmember Horvath, seconded by Councilmember Nehrenheim, to approve Consent Calendar items H.1 through H.6. Motion carried unanimously.

Chief Deputy City Clerk Kroneberger read all Ordinances and Resolutions by title only which were included on the Consent Calendar.

**I. EXCLUDED CONSENT CALENDAR ITEMS – NONE**

**J. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS**

Mayor Brand called for public comment.

Wayne Craig, District 1, spoke on an fire incident on the 5<sup>th</sup> floor of an apartment building on The Esplanade and stated firefighters are risking their lives every day for the residents, expressed concern with Councilmember Gran sending a threatening email to the Redondo Beach Fire Captain, questioned why the Redondo Beach fire unit was not being used as opposed to the Torrance unit, and expressed concern with not having a dedicated trainer.

Sara Martin, 18-year resident of District 1, reviewed her concerns regarding the removal of the driveway apron at the Reed's home for their disabled daughter and asked that it be restored.

Eugene Solomon, Redondo Beach, expressed concern with the City being at risk with not having a contract in place for investment advisory and over \$86M under advisory management. He noted a month to month agreement and yet the expired agreement does not provide for any continuation beyond the January 31, 2020 date and the City Treasurer is not empowered to enact such a contract for month to month services without City Council consent. He reviewed his concerns and believed the City is currently in violation of the City investment policy guidelines for reporting and competitive bidding related to the City's investment transactions. He asked that City Council take immediate action to remedy this breach of public trust and risk to City finances.

Motion by Councilmember Nehrenheim, seconded by Councilmember Loewenstein, to receive and file copies of relevant sections of the City Investment Policy Guidelines presented by Mr. Solomon. Motion carried unanimously.

Marilyn Singleton supported the Reeds and discussed the ordinance that's making it impossible for the Reeds to keep the apron. She said most of the garages in the area are used as storage, and suggested modifying the ordinance, substituting driveway of 50 feet or more. She also supported accommodating people with special needs.

Dan Brown, District 1, asked for a report back from the Mayor regarding finding money, and requested having a line item budget.

There being no one else wishing to comment, Mayor Brand closed the public comment period.

**K. EX PARTE COMMUNICATIONS – NONE**

**L. PUBLIC HEARINGS - NONE**

**M. ITEMS CONTINUED FROM PREVIOUS AGENDAS – NONE**

**N. ITEMS FOR DISCUSSION PRIOR TO ACTION**

**N.1. DISCUSSION AND POSSIBLE ACTION REGARDING RECONSTITUTING THE GOVERNING BOARD FOR THE ENHANCED INFRASTRUCTURE FINANCING DISTRICT No. 1 TO INCLUDE COUNTY PARTICIPATION**

**ADOPT BY TITLE ONLY RESOLUTION No. CC-2002-005, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, RECONSTITUTING THE GOVERNING BOARD FOR ENHANCED INFRASTRUCTURE FINANCING DISTRICT No. 1.**  
**CONTACT:** STEPHEN PROUD, WATERFRONT AND ECONOMIC DEVELOPMENT DIRECTOR

Larry Kosmont, Kosmont and Company, gave a report on the Enhanced Infrastructure Financing District Update as follows:

- AES Site
- EIFD Formation
- No new taxes
- Bucket collecting taxes shifts to a new authority, Public Financing Authority
  - Collect tax increment from increased values in property
  - Adopted resolution to authorize
  - Public Financing Authority required to approve the EIFD – spending plan
- Goal of EIFD – get other public money – allows other taxing agencies to voluntarily agree to help fund the spending plan by coming onto the PFA Board – two public agencies – one member and one public member
- EIFD Boundaries – 96-acre area of property – areas of issues
- EIFD – implement public infrastructure in conjunction with public
- Acquisition of AES property – money over the current base for the properties
- Any other improvements would add increment value
- EIFD Board members
- Both public agencies see value of EIFD – cleanup, wetlands, operating expenses, etc.
- Additional leg – can also use tax increments to help operate
- Public Financing Authority
  - Governing body for Redondo Beach EIFD
    - Infrastructure Financing Plan document guides taxing entity participation and financing decision
    - Tax increment revenue projects - \$136M over 50 years
    - Infrastructure investments – approximately \$100M for land acquisition, wetlands, restoration, open space and recreational amenities, circulation, public parking and utility improvements
  - Public Financing Authority Composition and Role
    - 5-member Board with County participation
      - City Mayor, 1 Councilmember, 1 public member
      - County – Supervisor, 1 public member
    - PFA meeting February 19 to review draft infrastructure

Waterfront and Economic Development Director Proud spoke on the constitution of the Board which needs to be amended. He stated each taxing entity needs to appoint a member of the public and asked for direction from Council in terms of the two public officials as well as the public member who would represent the City on the EIFD Board.

In response to Councilmember Emdee regarding having 7 members on the Board, Waterfront and Economic Development Director Proud explained that the 5-member board was set for the EIFD.

Mr. Kosmont explained that a 7-member PFA could be allowed with having another county supervisor. He also said that the statute is evolving, noting a series of cleanups taking place.

Assistant City Manager Witzansky also said that the county considered and deliberated on whether or not to join the City's EIFD based on the assumption there would be a 5-member board. He also said they

came into this assuming they would have 40% of the voting share, and he did not recommend moving to a 7-member board.

Mayor Brand asked how much money would normally be going to the county which would now come back to Redondo Beach. Mr. Kosmont stated the county gets about 33 cents on the dollar and the City is asking for 21 cents which is equal to about \$68M nominal dollars.

Mayor Brand pointed out that Redondo Beach only gets back about 16.7% of property taxes paid to the state and the county gets 33 percent. He noted a mechanism for the county to not take 33% and to kickback 21% back to the City.

Assistant City Manager Witzansky stated it is a big deal for the City to gather effectively 2/3's of the property taxes that the county would otherwise collect in this area.

Mr. Kosmont stated the county has already agreed to come to the PFA but still has to agree to how much they will give the City.

Assistant City Manager Witzansky stated the indications are that the county will match the City's contribution.

Mr. Kosmont reviewed the schedule and said it is important to freeze the base before something happens, capturing the increment for this year rather than waiting for the December 2020 tax base.

Assistant City Manager Witzansky stated staff only needs direction on choosing public members.

In response to Councilmember Horvath, Waterfront and Economic Development Director Proud stated that Council can choose two Councilmembers or the Mayor and a Councilmember.

In response to Councilmember Nehrenheim, Mr. Kosmont stated the objective is to freeze the base of the current price, the sale of the property is now upcoming, and believed the piece for the Sea Lab is included. He also explained if the property or AES is sold again in the future, the City would capture a portion of the new increase.

Assistant City Manager Witzansky explained that the valuation that occurs isn't exclusively based on purchase price, and has to do with procurement contracts, current contracts, power generation, etc., noting the sites are unique.

In response to Councilmember Nehrenheim regarding obtaining other tax increments, Mr. Kosmont stated the City is really only dealing with most of the money with the two agencies available, and the rest is nominal.

In response to Councilmember Nehrenheim, Waterfront and Economic Development Director Proud stated the resolution adopted in June was drafted to state the President of the Redondo Beach Unified School District Board or another appointed elected alternative.

In response to Councilmember Nehrenheim regarding having a backup member, Assistant City Manager Witzansky explained that Mr. Bowers and Supervisor Hahn are the voting members of the 5-member board.

In response to Councilmember Nehrenheim regarding having an alternate for the public member, Assistant City Manager Witzansky stated this was included in the School District's basic designee, the president or their designated appointee.

Motion by Councilmember Nehrenheim, seconded by Councilmember Loewenstein, to reconstitute the governing board for the Enhanced Infrastructure Financing District No. 1 to include Mayor Brand, Councilmember Loewenstein, one public member and county supervisor.

Councilmember Loewenstein stated he is glad to volunteer, noting the majority of the property is in his district.

Councilmember Horvath suggested having two elected officials each representing District 2 and District 3.

Councilmember Nehrenheim supported keeping the Mayor on the Board, noting he will oversee everything that encompasses the entire right-of-way and he can also speak to the county on behalf of the City.

Councilmember Horvath pointed out that the Mayor may not always be representing District 2 in the future.

Councilmember Loewenstein stated it is important that the Mayor be included.

Mayor Brand also agreed that the Mayor should be included.

Assistant City Manager Witzansky stated the City Council will eventually have the opportunity to approve the Infrastructure Financing Plan.

In response to Councilmember Loewenstein regarding the Board schedule, Mr. Kosmont stated the Board will meet at least once a quarter.

Mayor Brand called for public comment.

Eugene Solomon, Redondo Beach, suggested setting up a rotation between the members of the Council of District 2 and District 3. He also asked how a pending sale may affect the valuation beyond the procurement contracts.

Assistant City Manager Witzansky believed that AES has been on a declining scale over the last few years due to the contractual relationship for power purposes, but they are also a corporate entity with a lot of tax attorneys and consultants guarding against taxes. He suggested growth in the sale of the AES site but decline in the valuation associated with the SCE transmission corridor due to power procurement and production ceasing. He also said the Council retains the right to change the member makeup but didn't suggest an immediate rotation.

Sheila Lamb, District 4, supported the EIFD with money coming into the City, but said it is important to note this has been a long process as a result of a lot of hard work. She said it is important to be reminded that the actions of the Councilmembers and Mayor have brought this to the community.

Gary Mlynek, District 5, asked if the \$50M has to be paid back and asked if it is a tax. Mayor Brand stated it is a diversion of property tax money that would go to the county regardless and the money doesn't have to be paid back.

Waterfront and Economic Development Director Proud stated the challenge is the timing of the proceeds to be received and the real value gets unlocked as new development occurs inside the district. He said the EIFD monies will come later in the process.

Assistant City Manager Witzansky explained there has to be some substantive redevelopment for there to be new tax increments. He also said the funds can be used to support public amenities rather than going into the General Fund.

Mr. Mlynek also asked if the City pays property tax on land that it owns. Assistant City Manager Witzansky stated sometimes depending on the use.

A member of the public questioned why the county would give the City money. Mr. Kosmont explained that the purpose of the EIFD's is to install public infrastructure and the county has to volunteer, investing in the business plan, with a joint effort to improve the area.

Mayor Brand stated this will be an investment for the county, doing better in the long run to redevelop the site.

A member of the public asked if the tax base is similar to resident homeowners.

Mayor Brand stated it is very complicated and explained that the power plant portion of the property is valued by the State Board of Equalization and the other 24 acres are valued by the county, with different approaches by the appraisals.

A member of the public believed this will have a positive effect on property values on the entire South Bay.

Sara Martin stated the project is a regional project and supported that the Mayor must be on the Board. She also asked that the Mayor and two Councilmembers make their case as to what they could bring to the Board.

Mayor Brand stated he has been involved for a long time and has a lot of knowledge base.

There being no one else wishing to comment, Mayor Brand closed the public comment period.

Motion by Councilmember Gran, seconded by Councilmember Loewenstein, to start with District 3 Councilmember, the Mayor, and member of the Redondo Beach Unified School District board representative, and rotate between District 2 and District 3 beginning June 2021.

Assistant City Manager Witzansky advised staff will return with an updated resolution at the next meeting confirming the composition of the EIFD board.

Substitute Motion by Councilmember Emdee, seconded by Councilmember Horvath, that the 5-member Board with county participation include Councilmembers from Districts 2 and 3, one School Board member, county supervisor and one public member.

Councilmember Horvath agreed with Councilmember Emdee's motion in the long-term but supported Councilmember Gran's motion as a temporary guideline to get us through between now and December 31.

Councilmember Emdee withdrew her motion.

Councilmember Gran's motion carried unanimously.

## **N.2. DISCUSSION AND POSSIBLE ACTION REGARDING THE APPLICATION TO THE CALIFORNIA DEPARTMENT OF PARKS AND RECREATION FOR LAND ACQUISITION GRANT FUNDS**

**ADOPT BY TITLE ONLY RESOLUTION No. CC-2002-006, RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA APPROVING THE APPLICATION TO THE LAND AND WATER CONSERVATION FUND FOR WETLANDS AND**



## **PARK SPACE ACQUISITION AT THE AES POWER PLANT SITE IN REDONDO BEACH PROJECT**

**CONTACT:** STEPHEN PROUD, WATERFRONT AND ECONOMIC DEVELOPMENT DIRECTOR

Waterfront and Economic Development Director Proud gave a report and discussed the following:

- Project background
- Proposed park acquisition
- Total Grant Application efforts to date - \$61,311,900
- Forthcoming grant opportunities (2020) - \$11K - \$20M+
- Land and Water Conservation Fund Program
- 2019-2020 Grant Cycle
- Application Details – request \$5,311,900
- Recommendation

Assistant City Manager Witzansky stated that Senior Management Analyst Elizabeth Hause has done a great job with grants. He also said there is a verbal interest from the purchaser of the AES site to sell the acreage but there is no contract in place. He said the City will need a willing seller and partner in closing the deal and using the grant funds to buy open space on the AES site.

Mayor Brand stated both the Business Director of AES and potential new buyer are highly motivated to work with the City and have made themselves willing sellers. However, there is nothing in writing and can be withdrawn at any time. He also thanked Senior Management Analyst Elizabeth Hause for her help and stated there is more to come to include SB45.

Mayor Brand called for public comment. There being no one wishing to comment, Mayor Brand closed the public comment period.

Councilmember Nehrenheim thanked Senior Management Analyst Elizabeth Hause and Waterfront and Economic Development Director Proud for being proactive in getting grants and pointed out that the funds are not General Fund monies. He also said that Quimby Fees can now be used, and bonds have already passed and suggested putting in an application.

Motion by Councilmember Gran, seconded by Councilmember Horvath to adopt by title only Resolution No. CC-2002-006. Motion carried unanimously.

Chief Deputy City Clerk Kroneberger read Resolution No. CC-2002-006 by title only.

### **O. CITY MANAGER ITEMS**

City Manager Hoefgen provided an update regarding S. Francisca and said the plan is to move forward with Council direction (approved 4-1) regarding installing two on-street disabled parking spaces, unless Council would like this item to come back. He also said Mr. Reed does not want an on-street disabled parking space in front of his home.

Mayor Brand stated he also received a text from Mr. Reed who indicated he does not want an on-street disabled parking space blue curb.

### **P. MAYOR AND COUNCIL ITEMS – NONE**

### **Q. MAYOR AND COUNCIL REFERRALS TO STAFF**

Motion by Councilmember Nehrenheim, seconded by Councilmember Loewenstein, to agendize discussion and possible action for next week on the blue curbs regarding the S. Francisca property. Motion carried, with Councilmember Horvath voting no.

In response to Councilmember Nehrenheim regarding not having a contract in place with the investment advisory, FTN, City Manager Hoefgen stated the City Treasurer will be providing a presentation at the next meeting.

In response to Councilmember Nehrenheim regarding a line item budget for the next budget cycle, Assistant City Manager Witzansky stated a budget response report will be provided as part of the midyear review in March.

Councilmember Loewenstein asked about the remainder of the method of service study. Public Works Director Semaan stated he made the request but has not received anything back from Edison.

Councilmember Loewenstein asked about a discussion regarding the assessment of park facilities. Community Services Director La Rock stated this will come back in April.

Councilmember Loewenstein also asked about a date for the next Strategic Plan. City Manager Hoefgen stated a date has not been finalized but a discussion will come back at the next meeting.

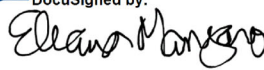
**R. RECESS TO CLOSED SESSION – NONE**

**S. RECONVENE TO OPEN SESSION – NONE**

**T. ADJOURNMENT: 8:04 P.M.**

There being no further business to come before the City Council, Motion by Councilmember Emdee, seconded by Councilmember Nehrenheim, to adjourn the meeting at 8:04 p.m. to an Adjourned Regular meeting to be held at 4:30 p.m. (Closed Session) and a Regular meeting to be held at 6:00 p.m. (Open Session) on Tuesday, February 18, 2020, in the City Hall Council Chamber, 415 Diamond Street, Redondo Beach, California. Motion carried unanimously.

Respectfully submitted,

DocuSigned by:  
  
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Eleanor Manzano, City Clerk