



## MINUTES

Monday, August 29, 2016

6:00 P.M. Closed Session

6:30 P.M. Open Session

**SPECIAL MEETING  
CITY COUNCIL, AIRPORT COMMISSION,  
MARINA ABRAMS B NON-PROFIT CORPORATION,  
AND SUCCESSOR AGENCY OF THE FORMER MARINA REDEVELOPMENT AGENCY**

Council Chambers  
211 Hillcrest Avenue  
Marina, California

1. CALL TO ORDER
2. ROLL CALL & ESTABLISHMENT OF QUORUM: (City Council, Airport Commissioners, Marina Abrams B Non-Profit Corporation, and Redevelopment Agency Members)  
  
MEMBERS PRESENT: Nancy Amadeo, David W. Brown, Gail Morton, Mayor Pro-Tem/Vice Chair Frank O'Connell, Mayor/Chair Bruce C. Delgado
3. CLOSED SESSION: *As permitted by Government Code Section 54956 et seq., the (City Council, Airport Commissioners, Marina Abrams B Non-Profit Corporation, and Redevelopment Agency Members) may adjourn to a Closed or Executive Session to consider specific matters dealing with litigation, certain personnel matters, property negotiations or to confer with the City's Meyers-Milias-Brown Act representative.*
  - a. Conference with Legal Counsel - Anticipated Litigation – Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of CA Govt. Code Section 54956.9 – One Case

6:30 PM - RECONVENE OPEN SESSION AND REPORT ON ANY ACTIONS TAKEN IN CLOSED SESSION

Assistant City Attorney Robert Rathie reported out closed session: Council will be continuing the closed session and the item relates to the matter that is listed on open session on the agenda which is possible amendment of the Operating Covenant & Agreement of the Monterey Peninsula Hotel Group. The facts that initiates this discussion in closed session under potential litigation is the fact that the hotel did not open on July 30<sup>th</sup> and the anticipation of potential litigation revolves around the interpretation, application of certain terms of the Operating Covenant & Agreement and the council will receive advise in closed session from legal counsel on the matter.

4. MOMENT OF SILENCE & PLEDGE OF ALLEGIANCE (Please stand)

5. OTHER ACTIONS ITEMS: *Action listed for each Agenda item is that which is requested by staff. The City Council may, at its discretion, take action on any items. The public is invited to approach the podium to provide up to four (4) minutes of public comment.*

***Note: No additional major projects or programs should be undertaken without review of the impacts on existing priorities (Resolution No. 2006-79 – April 4, 2006).***

- a. City Council consider adopting Resolution No. 2016-, approving the First Amendment to Operating Covenant and Agreement with Monterey Peninsula Hotels, LLC; and authorize the City Manager to execute amendment subject to final review and approval by the City Attorney.

City Attorney Bob Rathie announced that this is a consideration of a proposed first amendment to the Operating Covenant and Agreement for the Monterey Peninsula Hotel Group. At this point there is no agreement that we could put before you to address the terms and conditions of what a potential amendment would be. That in fact is what we will be discussing and receiving advice on in closed session.

Public Comments:

- Paula Pelot – Heard the explanation about the closed session agenda but not understanding why the open session agenda does not have at least a pointer to what item(s) is/are being proposed to be amended. Public cannot come and comment on or inform themselves unless they know what it is the item is. Hope council is not giving back the “store” again. Did not agree with this agreement to begin with; hope you come to some kind of arrangement where those impact fees are paid to the city and not through the mechanism that was originally offered to them as an incentive. They have failed to comply with the conditions. There is no activity going on there.
- Mike Owen – The language talked about “unforeseen circumstances” as an excuse where they wouldn’t have to pay anything back as determined by the Council. If this is the issue and you do determine that there are unforeseen circumstances that gives the developer an excuse to keep the \$737,000 could you at least tell the public what those unforeseen circumstances were in your determination to not recoup the \$737,000. There seems to be some ambiguity or something that is not clear in the language where you can with certainty enforce this requirement for them to pay the money back. If that’s the case and they don’t have to pay it back. I hope in future language when you’re doing these contracts corrects this ambiguity and makes it clear that when they don’t perform they’re to pay the city back as in the agreement.
- Alex Vasquez – Asked for clarity in tonight’s meeting. Are you going to go back into closed session and then come up with something you’re going to present on the 31<sup>st</sup>? Why don’t we just come back to session tonight and get it over with rather than pushing it out to another evening?
- Margaret Davis – Agrees with Paula that City of Marina contract should be taken seriously. That the money that was extended to the hotel was not a joke and was a very unpopular move in many people’s eyes. We are now try to excuse them for that at the same time trying to raise taxes on our residents in a city that underperforms in every demographic in this county to put on heads fixing roads, taking care of the needs of the city and excuse the Marriott International Corporation that does not go well with the people of this town and hope this is not what council is considering.
- Kathy Biala – Never doubted the City Manager’s calculation that the city is in dire need of funding a myriad of project left unattended during the most recent eight (8) years. As part of the recovery initiative we made legal agreements to incentives and rekindle the development that would bring economic benefit in the long run to Marina. The decision was made in formal contract in which all parties had clear expectations. The amount of money in question is very substantial and the payment of or forfeiture of such an amount is significant to the City of Marina.

**BROWN/DELGADO: TO GO BACK INTO CLOSED SESSION TODAY AND CONTINUE THIS MEETING TO WEDNESDAY, AUGUST 31, 2016 5:30 PM FOR CLOSED SESSION AND 6:30 PM FOR OPEN SESSION. 5-0-0-0 Motion Passes**

Public Comments on Motion:

- Paula Pelot – Commented that she was looking for a “broad topic” and not the actual document. If you’re going to give notice for another closed session; are you going to say which of the 10 items in the current agreement are going to be negotiated?

6. ADJOURNMENT: The meeting adjourned back into Closed Session at 7:05 PM

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Anita Sharp, Deputy City Clerk

ATTEST:

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Bruce C. Delgado, Mayor