

**MINUTES OF THE CITY COUNCIL
OF THE CITY OF LOS ALAMITOS**

SPECIAL MEETING – August 18, 2014

1. CALL TO ORDER

The City Council met in Special Session at 6:03 p.m., Monday, August 18, 2014, in the Council Chamber, 3191 Katella Avenue, Mayor Graham-Mejia presiding.

2. ROLL CALL

Present: Council Members: Edgar, Grose, Kusumoto,
Mayor Pro Tem Murphy, Mayor Graham-Mejia

Absent: Council Members: None

Present: Staff: Bret M. Plumlee, City Manager
Cary Reisman, City Attorney
Dave Hunt, City Engineer
Corey Lakin, Community Services Director
Steven Mendoza, Community Development Director
Cassandra Palmer, Support Services Manager
Windmera Quintanar, CMC, City Clerk
Glenn L. Steinbrink, Interim Admin. Services Director

3. SPECIAL ORDERS OF THE DAY

Mayor Graham-Mejia opened the meeting for public comment.

John Underwood requested holding his comments until the second item was discussed.

Mayor Graham-Mejia agreed. There being no one else present wishing to speak, Mayor Graham-Mejia closed the meeting for public comment.

**A. Civic Center Relocation – A Preliminary Discussion
(Community Development)**

This report initiated a discussion about the future of the Civic Center.

City Manager Plumlee introduced the item. Community Development Director Mendoza summarized the Staff report, referring to the information contained therein, and answered questions from the City Council.

Council Member Kusumoto asked at what point the Council could go into Closed Session to discuss real estate.

City Attorney Reisman advised Closed Session could be used when negotiations for a specific property occurred.

Council Member Kusumoto asked if the property value would change if the City stated interest.

City Attorney Reisman stated that was difficult to determine and indicated Staff had recommended two Council Members discuss with the Staff different locations. When discussion got to the right point, it could be brought to the entire Council in Closed Session.

Council Member Kusumoto stated a preference for establishing a specification sheet to include specific needs and wants with associated cost. He stated concern for encumbering future Council's with a project that is non-workable and unaffordable. He wanted to ensure current needs and future needs are vetted out as much as possible before looking at potential sites.

Council Member Grose advised he had started discussions with General Combs in 2007/08 and his understanding was Staff did not have any direction should an interested party want to discuss the property. His goal was to have Council commit to staying on the property or direct Staff to explore other opportunities and market the property. He referenced the property next door and believed it would be more marketable and offer new opportunities for residents if the 290 feet of prime location was marketed together. He believed timing was an issue and it was important for Staff to have direction. An Ad Hoc Committee would enable Staff to move forward and address some of the unknowns. He believed if a buyer was interested in the next month, the City did not have the ability to move off the site and suggested the possibility of temporary facilities such as vacant classrooms at school sites. He was supportive of looking towards the future and stated concern for spending money on upgrading and updating the facility if the goal was to relocate.

Council Member Edgar indicated a more comprehensive approach was needed. He understood City Hall may need to be relocated due to the potential increase in revenue should retail replace City Hall. He referred to the cost of relocating and advised Council to look at the bigger picture. He pointed out the budget is balanced and although there is a healthy reserve, the City could not afford to spend much of it. He stated a more comprehensive approach would include discussion regarding realignment of the entire corridor, possible relocation of City Hall, vacant properties, the hospital, and potential sources of funding. He questioned how the City would change the financial trajectory and suggested the sale of bonds for a comprehensive corridor project. He believed the next step should be a very specific plan for financing, not necessarily plans and requirements for

City Hall. He supported considering a business case approach to look at the situations holistically in an attempt to change the financial trajectory of the City.

Mayor Pro Tem Murphy stated concern that relocating City Hall for \$12million would be difficult to market as the City's budget was \$12million. He believed the majority of the proceeds from the sell of the land would go towards purchasing a new location. He did not believe the City was ready to sale as part of the Super Media project and understood the purchase should be complete by the end of the year. He did not think the City could make a prudent move in that time frame. He stated support for finding a creative solution and suggested expanding City Hall. He understood the land may be better used for something else, however, the City had already paid for the land and building and only needed to maintain the property. He reiterated it would be a difficult decision to build a new City Hall for \$12million against a \$12million budget. He stated support for moving forward, but reiterated the need for caution.

Mayor Graham-Mejia agreed. She stated the City was growing and needed to be serviced, but a new City Hall may not have enough support to be successful. She referred to Council Member Grose's discussions with the Joint Forces Training Base (JFTB) and felt leasing the land made sense. She did not think it was viable to combine City Hall with the sale of the Super Media site. She did not support spreading City Hall throughout the City and believed the community would want to be serviced in one location. She was supportive of a comprehensive plan, but did not feel it could be done expeditiously. She questioned if residents would support a tax to build a new City Hall in these economic times.

Council Member Grose indicated Staff needed direction and stated Council needed to make a decision to stay on the property or direct Staff to look at other options. He indicated an Ad Hoc Committee and Staff could look into the concerns brought up today. The Super Media property had fallen out of escrow before and that the City could be approached if developers realized the property was available. He was supportive of an Ad Hoc Subcommittee and Staff looking for different locations for City Hall. He indicated that if a high end retailer were to purchase the property, sales tax could offset most of the concerns even if a short term loan was needed. He reported there was still interest at the JFTB for potentially relocating City Hall there and reiterated Staff needed the latitude to start meeting with people and showing an interest in relocating. He stated opposition to prejudging the project, indicated he was aware of the expense of moving and believed Staff needed the opportunity to move forward with preliminary discussions.

Council Member Kusumoto agreed a business plan was needed and that caution should be exercised. He suggested bifurcating the project into two Ad Hoc Committees; one to lay out the specific needs of City Hall and one to address a funding source. He asked if it was possible to have two Ad Hoc Committees.

City Attorney Reisman advised there was no legal reason two committees could not be formed.

Council Member Kusumoto stated support for two committees.

Council Member Edgar agreed. He believed one committee should address the scope of the project. He stated preference for the scope including City Hall, corridor alignment, timeline, resources needed, associated risks, and stakeholder input. He wanted to ensure that Staff looked at all components and provided a five year road map of the items that needed to be done and in what order. He stressed the importance of changing the revenue structure for the financial future of the City and this was not a commitment by the City to fund the project. He was interested in seeing how much revenue could potentially come from the sale of property and what the possible ongoing revenue would be to restructure City Hall and parts of the corridor. He referenced the Los Alamitos Unified School District bond, and indicated the amount was not as relevant as sending the right message. He did not think City Hall alone would be as successful as a message to change the financial trajectory of the City. He did not see how City Hall would be relocated without a bond as financing would be needed and the City did not have the necessary funds. He stated support for a comprehensive approach and moving City Hall in the short term.

Mayor Pro Tem Murphy agreed a timeline was important. He believed a five year time frame would also show what needs to be repaired in the interim. He had suggested City Hall relocation be one of the first workshops so if there was a surplus of funds, Staff and Council would know where it needed to go and what needed to be accomplished. He stated with a legitimate time frame, Staff could work backwards to get the buildings up to the minimum requirements.

Mayor Graham-Mejia indicated a representative from the property next door was present and asked him if the project was still residential.

Ashish Khatana, Shopoff Reality Investments, indicated last year the project was primarily residential with a little retail. He stated under the new contract he just entered into the concept was mixed use with both retail and residential.

Mayor Graham-Mejia stated Council's preference for retail and asked Mr. Khatana if his specialty was residential.

Mr. Khatana answered in the negative and stated the company does mixed use, industrial, rental apartments, and condominiums for sale.

Mayor Graham-Mejia stated there would not be a large amount of retail with a mixed use.

Mr. Khatana stated the project would have a retail component and a plaza for a gathering area. They were contemplating a special place where residential and retail would fit together nicely.

Mayor Graham-Mejia asked for clarification if the project was mainly residential with a little retail mixed in.

Mr. Khatana stated it was primarily residential.

Mayor Graham-Mejia did not believe that would be a viable option when the City was trying to create more retail. She referred to a meeting she had with Major General Jones and City Manager Plumlee, regarding the JFTB's desire to have a shared use of the property. She stated concern the property would be taken back by the JFTB if needed.

Motion: Grose

Direct Staff to move forward with the concept of relocating City Hall to a different location, to offer opportunities to those that might be interested in the existing property that would be beneficial for a long term solution, to appoint an Ad Hoc Subcommittee, with the understanding subsequent Ad Hoc Subcommittees may be needed later, and to bring a plan back to Council within 90 days.

Substitute Motion: Kusumoto

Direct Staff to create an overall road map for the next five years, including relocation of City Hall and Laurel Park refinancing.

Council Member Kusumoto clarified the goal was to define the overall long term footprint for revenues and a lot of detail should not be included.

City Manager Plumlee indicated Staff had identified City Hall campus and other locations and asked for clarification of what should be included in relocation.

Council Member Kusumoto indicated no specific direction.

Mayor Graham-Mejia questioned how some components could remain if the property was sold.

City Manager Plumlee answered if the entire property was sold, all aspects would have to move. If the City were to work with a developer, some aspects may be able to remain. He asked for direction if the campus should stay together or be relocated in pieces.

Council Member Edgar indicated the substitute motion provided a compromise for the bigger picture.

Council Member Grose stated he could support the motion as long as the maker understood adding Laurel Park refinancing took the process a step further. He believed the financing subcommittee should address the topic on feasibility for moving off the property.

Council Member Kusumoto stated support for one Ad Hoc Subcommittee to address the overall roadmap for the City, including the City Hall Complex, and one Ad Hoc Subcommittee to address financing.

Motion/Second: Kusumoto/Grose

Direct Staff to create an overall road map for the next five years, including an Ad Hoc Subcommittee for the relocation of City Hall and an Ad Hoc Subcommittee for financing options.

Council Member Edgar stated support for having an outreach component as well. He indicated the outcome from the Committee should go to the community and added the stakeholder's input was important.

City Manager Plumlee clarified the amount currently budgeted for analysis and outreach was for the Los Alamitos Blvd. project. He indicated there was funding available, but spending additional amounts would need to be included in the motion.

Council Member Edgar stated there would be components from the Ad Hoc Subcommittees that would need community input. He indicated he would have concerns supporting relocation of City hall unless the finances were in order.

Council Member Grose suggested the project area be referred to as Civic Center for clarity; that would include all properties at the current location.

City Manager Plumlee questioned the mention of Laurel Park refinancing.

Council Member Kusumoto clarified that was a suggestion and not part of the motion.

Council Member Edgar indicated he would be supportive if the park could be refinanced and packaged with City Hall for a revenue increase.

Mayor Graham-Mejia indicated the details would be worked out through the Ad Hoc Subcommittees.

Motion/Second: Kusumoto/Grose

Unanimously Carried: The City Council directed Staff to create an overall road map for the next five years, including an Ad Hoc Subcommittee for the relocation of the Civic Center and an Ad Hoc Subcommittee for financing options.

B. Discussion of the Cable Function and the Future of Los Alamitos Television (City Manager)

This agenda item sought Council direction regarding the cable function and the future of Los Alamitos Television

City Manager Plumlee summarized the Staff report, referring to the information contained therein, and answered questions from the City Council.

Mayor Graham-Mejia opened the item for public comment.

John Underwood, Cable Television Commission Vice Chair, spoke regarding the Commissions recent actions and stated support for the continuation of LATV.

Mayor Graham-Mejia closed the item for public comment.

Council Member Grose stated a Staff member was present at all Commission meetings and 10-15 hours a month was not unusual amount of time.

City Manager Plumlee indicated he wanted to make Council aware he was the support person for Commission and it did take time away from other projects.

Council Member Grose questioned where it was stated the City Manager was the designated Staff person. He recalled previously a Staff person was designated, but the past two City Managers had taken over the oversight of the Commission. He stated opposition to paying the City Manager's hourly rate to oversee this particular Commission. He stated support for Council assigning or hiring someone else. He added Staff time was not a generic cost to this Commission.

City Manager Plumlee agreed Staff time was similar and pointed out the Cable Television Commission had funds and included PEG fees. He indicated Staff was attempting to make Council aware of the resources and legal requirements needed for this Commission.

Council Member Grose indicated Parks, Recreation, and Cultural Arts Commission was the only other revenue producing Commission. He stated concern the comparison between Commissions was not accurate. He disagreed the Commission had the responsibility for PEG funds as that was part of the franchise agreement.

City Manager Plumlee indicated the facts were being presented to receive Council direction.

Mayor Pro Tem Murphy pointed out the Council tends to get involved with every detail for this commission. He felt the issue was lack of leadership and stated support for having the professionals in the business advise what should happen.

Motion: Murphy

Direct Staff to release a Request for Proposals (RFP) that would encompass operations (i.e. daily programming and monetizing current assets, availability for public access producers), maintenance, distribution (making local programming available to the largest audience), best use of capital surplus fund, sustainability, the benefits of the arrangement for the City and local stakeholders, and the future of LATV.

Council Member Kusumoto was supportive. He referenced past legal actions through different entities and questioned the City's risk and liability. He suggested the City Manager bill his time against PEG funds.

City Attorney Reisman advised that was acceptable.

Council Member Kusumoto stated releasing an RFP offering loan of equipment to different bidders opens the City to another liability and he was supportive of requiring a hold harmless agreement to protect the City. He was supportive of an arrangement similar to that with the Los Alamitos Museum Association where they organization is obligated to the City and has to provide yearly reports, revenues, and the value they provide to the Community with the City's resources.

Council Member Edgar expressed frustration this same issue has been occurring since 2006 and gave a brief overview. He asked at what point the City would decide it could not afford to fund this operation. He referenced the two factions of LATV that are at odds and indicated he was encouraged they had taken action to move something forward to Council.

He believed the Council needed to make a commitment to the Commission. If the Commission could agree how to allocate and invest funds, Council should let it spend all the money or not, with the understanding that there was no way to get funding back. He stated the Commission had unanimously agreed to spend \$39,000 on equipment.

City Manager Plumlee confirmed.

Council Member Edgar refereed to video streaming and pointed out the Commission had unanimously supported recommendation to Council. He questioned if this was the beginning of a Commission that was starting to work together or if it was time to have someone externally reevaluate procedure. He indicated the Council had previously approved the hiring of someone to oversee the Commission for \$15,000/year and expressed frustration in that had not occurred.

Mayor Pro Tem Murphy stated RFPs should include the vision for LATV, the current budget, the future needs, and a plan to sustain operations. He stated the bidders should advise how they can make a profit rather than the Council telling them how to move forward.

Council Member Edgar questioned the goal was to have a long term solution.

Mayor Pro Tem Murphy stated yes and advised a long term bidder would be desired. He added the Council should request an annual report.

Council Member Edgar questioned why not bring in a knowledgeable independent contractor now to relieve some of the pressure.

Council Member Grose seconded the motion. He recalled when an outside company was paid \$2,000 per month to run the studio and indicated there was money at that time to do such.

Council Member Edgar indicated part of what he was interested in was a legal assessment. He stated he had concerns for funding and how money would be raised. He believed the next step would be to evaluate the RFPs to determine if they were feasible. He questioned what the minimum requirements are to receive PEG funds and the scope of the RFP. He asked if the scope would be narrow or left open for creativity. He stated concern for legal requirements and possible add ons.

Mayor Pro Tem Murphy stated the bidder would indicate what the studio could do and how much it was going to cost. He cautioned Council that it would not be free and that should be recognized now. He stated that not

many people were familiar with the process and would be willing to take it on.

Council Member Edgar indicated producers had brought ideas forward before which were not implemented due to legal constraints.

Mayor Graham-Mejia indicated this discussion had occurred multiple times and an extraordinary amount of Staff, Council, and Commission, time had been spent on the same issues. She did not think a manager was needed and recalled when former producer Althea Miller produced her shows on her own. She questioned if the City was expected to provide a running studio and asked about the new litigation that would potentially provide an additional source of funding.

City Manager Plumlee stated the Council had supported the CAP Act and if approved would bring more money to the City; however, it was currently stalled.

City Attorney Reisman added it would allow the funding to go towards programming as opposed to the studio.

Mayor Graham-Mejia recalled when the studio previously had a manager. She did not support the City providing a studio and had concerns about providing equipment. She suggested a very minimal approach for the studio that would allow it and the equipment remain as is. She supported the community having their productions aired to a certain level, and felt a contractor that worked for the City to record Council meetings was all that was needed. She stated as a member of the LATV Ad Hoc Committee there had been issues with people receiving money for producing while being on the Commission. She stated support for live streaming and advertising. She recommended keeping things as they are, only replacing broken items, look into live streaming, and discuss the possibility of editing for producers with a current contractor.

Council Member Kusumoto believed this entity should be looked at as self sustaining for-profit entity. It could bring in revenue by selling advertising ensuring it was in compliance with pertinent regulations. He asked if the suggestion was to bundle LATV-3 to generate its own revenue and create its own programming.

Mayor Pro Tem Murphy answered in the negative and stated the idea was not that far along.

Council Member Kusumoto expressed concerns about liability and allowing someone else to oversee the operation.

Mayor Pro Tem Murphy clarified the Mayor's suggestion and his proposal was not mutually exclusive. He clarified his proposal was to review the RFPs and see what the experts advise could work. If the ideas were not feasible, operations would remain at a minimum. He supported allowing the community who wanted a chance to run the operations.

Council Member Kusumoto questioned the legal aspect for PEG funds. He indicated there were a lot of various components and he needed more detail before he could be supportive. He believed the agreement with Direct Community Video should be decided now as it was time sensitive. He questioned the condition of the existing studio and stated his understanding that it was a collection of material including VHS tapes and older formats that were not organized.

City Manager Plumlee indicated he believed so and stated there was also equipment.

Council Member Kusumoto questioned what could be done to digitize and store the material. He reiterated action should be taken on item #2.

Mayor Graham-Mejia advised the Ad Hoc Committee had been informed advertising could not be sold. She stated she wanted to understand the level of breakdown and asked if this item was listed on the Regular agenda as well.

City Manager Plumlee stated yes and advised the RFP responder was in the audience and available to answer any questions. He stated the item was time sensitive as the first game was in September.

Council Member Edgar stated concern for the legal component and finding a create way to advertise. He acknowledged the urgency, but cautioned against making a decision that usurps the budget.

Council Member Grose indicated the proposal was done and sent out on the advice of a prior person and the responder had indicated it could be done for \$6,500. He stated concern for offering the City's equipment and van.

City Manager Plumlee advised the consultant was proposing to use his own equipment.

Council Member Grose indicated that was acceptable as long as it was clear in the contract.

Council Member Edgar stated concern for the legal parameters of a company hired by the City raising money on PEG funds.

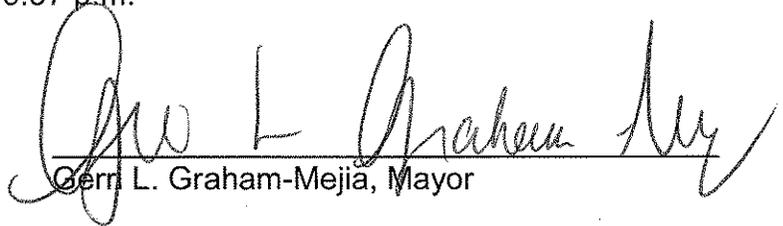
Mayor Graham-Mejia asked Larry Strawther, present in the audience, to address Council Member Edgar's concerns regarding PEG Funds.

Larry Strawther stated support for the proposal from Direct Community Media. He stated the advertising concern had already been adjudicated and PEG funds can be used for advertising when used to create PEG programming.

Mayor Graham-Mejia advised the item would be discussed at the Regular meeting.

4. ADJOURNMENT

The City Council adjourned at 5:57 p.m.


Gern L. Graham-Mejia, Mayor

Attest:


Windmera Quintanar, CMC, City Clerk