



CITY OF ATASCADERO CITY COUNCIL

MINUTES

Tuesday, February 23, 2021

City Hall Council Chambers, 4th floor
6500 Palma Avenue, Atascadero, California

City Council Regular Session:

6:00 P.M.

REGULAR SESSION – CALL TO ORDER: 6:00 P.M.

Mayor Moreno called the meeting to order at 6:00 p.m. and Mayor Pro Tem Newsom led the Pledge of Allegiance.

ROLL CALL:

Present: **By Teleconference** – Council Members Bourbeau, Dariz, Funk, Mayor Pro Tem Newsom and Mayor Moreno

Absent: None

Others Present: **By Teleconference** – Treasurer Gere Sibbach

Staff Present: **By Teleconference** – City Manager Rachelle Rickard, Police Chief Bob Masterson, Fire Chief Casey Bryson, Public Works Director Nick DeBar, Community Development Director Phil Dunsmore, City Attorney Brian Pierik, Deputy City Manager/City Clerk Lara Christensen, Deputy Administrative Services Director Cindy Chavez and IT Manager Luke Knight

APPROVAL OF AGENDA:

- MOTION:** By Council Member Funk and seconded by Mayor Pro Tem Newsom to:
1. Approve this agenda; and,
 2. Waive the reading in full of all ordinances appearing on this agenda, and the titles of the ordinances will be read aloud by the City Clerk at the first reading, after the motion and before the City Council votes.

Motion passed 5:0 by a roll-call vote

PRESENTATIONS: None.

A. CONSENT CALENDAR:

1. City Council Draft Action Minutes – February 9, 2021

- Recommendation: Council approve the February 9, 2021 Draft City Council Regular Meeting Minutes. [City Clerk]

2. January 2021 Accounts Payable and Payroll

- Fiscal Impact: \$2,452,659.13
- Recommendation: Council approve certified City accounts payable, payroll and payroll vendor checks for January 2021. [Administrative Services]

3. December 2020 Investment Report

- Fiscal Impact: None
- Recommendation: Council receive and file the City Treasurer's report for quarter ending December 31, 2020. [City Treasurer]

Treasurer Sibbach made brief comments to the Council regarding the City's investments.

**MOTION: By Council Member Bourbeau and seconded by Council Member Funk to approve the Consent Calendar.
*Motion passed 5:0 by a roll-call vote.***

UPDATES FROM THE CITY MANAGER:

City Manager Rachelle Rickard gave an update on projects and issues within the City.

COMMUNITY FORUM:

The following citizens spoke during Community Forum: None.

Mayor Moreno closed the COMMUNITY FORUM period.

B. PUBLIC HEARINGS:

1. Adoption of the City of Atascadero Wildland Urban Interface Fire Area Map

- Fiscal Impact: None.
- Recommendation: Council introduce for first reading, by title only Draft Ordinance, repealing and replacing Title 4, Chapter 7 of the Atascadero Municipal Code (the City of Atascadero Fire Code). [Fire Department]

Ex Parte Communications

All Council Members reported having no ex parte communications.

Fire Chief Bryson gave the staff report and answered questions from the Council. City Manager Rickard also answered questions from the Council.

PUBLIC COMMENT:

The following citizens spoke by telephone on this item: Geoff Auslen

Mayor Moreno closed the Public Comment period.

MOTION: By Mayor Pro Tem Newsom and seconded by Council Member Funk to introduce for first reading, by title only Draft Ordinance, repealing and replacing Title 4, Chapter 7 of the Atascadero Municipal Code (the City of Atascadero Fire Code).

Deputy City Manager/City Clerk Christensen read the title of the Ordinance:

**AN ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF ATASCADERO, CALIFORNIA, REPEALING AND
REPLACING TITLE 4, PUBLIC SAFETY, CHAPTER 7, FIRE CODE, OF THE
ATASCADERO MUNICIPAL CODE**

Motion passed 5:0 by a roll-call vote.

C. MANAGEMENT REPORTS:

1. Title 9 Annual Planning and Zoning Text Amendments

- Fiscal Impact: The upcoming text updates/ clarifications will be done by City staff with a combination of general fund and grant funding.
- Recommendation: Council review proposed Title 9 Planning and Zoning text amendments and direct staff on which amendments to prioritize. [Community Development]

Community Development Director Dunsmore gave the staff report and answered questions from the Council. City Manager Rickard also answered questions from the City Council.

Mayor Moreno recessed the meeting at 8:20 p.m.

Mayor Moreno reconvened the meeting at 8:31 p.m. with all present.

PUBLIC COMMENT:

The following citizens spoke by telephone on this item: Geoff Auslen

Mayor Moreno closed the Public Comment period.

Council reviewed the proposed Title 9 Planning and Zoning text amendments and provided comments and direction to staff.

2. Resolution to Support the Galaxy Theater and Colony Square Commercial Properties During Covid-19

- Fiscal Impact: There are no known fiscal impacts as a result of the adoption of the Draft Resolution. However, there are significant potential fiscal impacts as a result of the possible closure of Galaxy Theaters and foreclosure of the Colony Square property.
- Recommendation: Council adopt Draft Resolution recognizing the significant economic impact on the Galaxy Theater, the property owner, and supporting commercial businesses, as a result of mandated closures due to Covid-19.
[City Manager]

City Manager Rickard gave the staff report and answered questions from the Council. She noted that the Draft Resolution had been amended as shown in the PowerPoint presentation and had been provided prior to the meeting to the City Council as well as made available to the public by posting on the City's website.

PUBLIC COMMENT:

The following citizens spoke by telephone on this item: Jeff Nelson, Geoff Auslen, and Frank Rimkus

Emails from the following citizens were read into the record by Deputy City Manager/City Clerk Christensen: Larry Cavaletto, 5th District Supervisor Debbie Arnold, Assemblyman Jordan Cunningham, and Jason Nelson

Mayor Moreno closed the Public Comment period.

MOTION: By Mayor Moreno and seconded by Mayor Pro Tem Newsom to adopt Resolution No. 2021-004, as amended, recognizing the significant economic impact on the Galaxy Theater, the property owner, and supporting commercial businesses, as a result of mandated closures due to Covid-19.
Motion passed 5:0 by a roll-call vote.

D. DISCUSSION ITEM: Discussion of COVID 19 issues including oral updates by Mayor Moreno and City Manager Rickard, questions by City Council, public comment and comments by City Council.

1. Coronavirus (COVID-19) update – Mayor Moreno
2. Coronavirus (COVID-19) update – City Manager Rickard

Mayor Moreno and City Manager Rickard provided updates on Coronavirus (COVID-19) and answered questions from the Council.

E. COUNCIL ANNOUNCEMENTS AND COMMITTEE REPORTS:

The following Council Members made brief announcements and gave brief update reports on their committees since their last Council meeting:

Mayor Moreno

1. County Mayors Round Table
2. Economic Vitality Corporation, Board of Directors (EVC)

Mayor Pro Tem Newsom

1. Design Review Committee

Council Member Bourbeau

1. Integrated Waste Management Authority (IWMA)

Council Member Bourbeau noted that the IWMA has voted to rescind the Countywide polystyrene ordinance and would like the City Council to discuss adoption of a limited polystyrene ordinance focused on food and beverage containers that are most likely to end up as persistent litter in our streets and creeks in the somewhat near future, maybe after the budget process.

Council Member Funk

1. Design Review Committee
2. Homeless Services Oversight Council

F. INDIVIDUAL DETERMINATION AND / OR ACTION:

1. City Treasurer Sibbach asked the City Council to consider joining Central Coast Community Energy (3CE).

After some brief Council questions, it was determined that the City Manager would bring information regarding staff time and capacity for discussion by Council on potential placement of this item on a future Council agenda at the March 9 Meeting.

G. ADJOURN

Mayor Moreno adjourned the meeting at 10:10 p.m.

MINUTES PREPARED BY:



Lara K. Christensen
Deputy City Manager / City Clerk

APPROVED: March 9, 2021

PUBLIC COMMENT PROVIDED BY EMAIL

C. MANAGEMENT REPORTS

C-2

SUBMISSION FROM: Jason Nelson

From: Jason Nelson <jason@oakcreekco.com>

Sent: Tuesday, February 23, 2021 3:19 PM

To: City Clerk <cityclerk@atascadero.org>

Subject: Item C-2

Hello,

My name is Jason Nelson, my family owns the Colony Square property. I assist in managing the property along with Pacifica Property management. The collective work to acquire the property represents 15 years of efforts. As the theatre has been shut down by State law since mid-march they have been unable to pay rent since then. The lender on the property is now moving towards foreclosure which would be the first pandemic related foreclosure in San Luis Obispo and surrounding Counties. Hope is on the way for the movie theatre as the latest pandemic relief pass included funding for theatres and other public venues shut down by the pandemic to be able to receive funds to pay for back rent and allow the theatres to open again once it is safe.

Please pass this resolution to assist us in our efforts to stabilize the property as a grant funding is on the horizon and shows great promise.

Thank you for your consideration.

Jason Nelson
The Oak Creek Company
Cell: 805-202-9384
Office: 805-845-4411
jason@oakcreekco.com

SUBMISSION FROM: Larry Cavaletto

From: Larry Cavaletto <cavaletto@cox.net>

Sent: Tuesday, February 23, 2021 2:48 PM

To: City Clerk <cityclerk@atascadero.org>

Subject: For tonight's meeting Feb 23, 2021 2. Resolution to Support the Galaxy Theater and Colony Square Commercial Properties During Covid-19

For tonight's meeting Feb 23, 2021

CITY OF ATASCADERO CITY COUNCIL

AGENDA

Tuesday, February 23, 2021

**City Hall Council Chambers, 4th floor 6500 Palma Avenue,
Atascadero, California**

2. Resolution to Support the Galaxy Theater and Colony Square Commercial Properties During Covid-19

I am Larry Cavaletto, my family and I worked with Jeff Nelson and his family for the last 15 years to put them and us in a position to create Cinema Square LLC and buy the Cinema Square property that includes the theatre and other businesses.

It would be heartbreaking and terribly unfair to have this property taken by a lender because of the pandemic when no one has done anything wrong.

I urge you to pass this resolution.

Larry J Cavaletto
587 Christmas Tree Lane
Santa Barbara, CA 93111
805-452-2804

SUBMISSION FROM: Debbie Arnold (emailed from Jeff Nelson)

From: Jeff <jeff@jeffnelsonlaw.com>
Sent: Tuesday, February 23, 2021 2:47 PM
To: City Clerk <cityclerk@atascadero.org>
Cc: Phil Dunsmore <pdunsmore@atascadero.org>; Heather Moreno <hmoreno@atascadero.org>; Rachelle Rickard <rrickard@atascadero.org>; Micki Olinger <molinger@co.slo.ca.us>; darnold@co.slo.ca.us
Subject: Atascadero item C-2 Feb. 23, 2021 Colony Square

Dear City Clerk,
Please include this letter from Supervisor Arnold in the record and read it too if you can.
Thank you very much.

Jeff Nelson
Cinema Square LLC
Cell (805) 698-0795



COUNTY OF SAN LUIS OBISPO
BOARD OF SUPERVISORS
Debbie Arnold *District Five Supervisor*

February 23, 2021

To Whom it May Concern,

As the Supervisor representing the Fifth District of San Luis Obispo County, including the City of Atascadero, economic resiliency during the Covid-19 shutdown has become very important to me.

It has come to my attention that the property owner of the Galaxy Theatre located in Colony Square is hoping to delay the foreclosure process of this key property in downtown Atascadero. I understand that this business property has qualified for SBA grants for businesses that suffered a 90% reduction in revenue during Covid-19 closures. It is also my understanding that the property owner has tried to work with the lender to delay payments until grant opportunities are exhausted. The Galaxy Theatre has been closed due to Covid19 for all but 3 days over the past year.

This commercial property is vital to the success of the Colony Square, a property of great importance to the economic well-being of downtown Atascadero.

It is my hope that the Lender for the Cinema Square LLC property, site of the Galaxy Theatre, work with the property owner as they seek grant funding to meet their financial obligations. At a time when many businesses are struggling through no fault of their own, we need all economic partners working together, including the banking community, to ensure an economic recovery in San Luis Obispo County.

Thank you for your consideration.

Sincerely,

Debbie Arnold
District 5, County of San Luis Obispo

SUBMISSION FROM: Jordan Cunningham

From: Handley, Kristen <Kristen.Handley-Polster@asm.ca.gov>

Sent: Tuesday, February 23, 2021 5:05 PM

To: City Clerk <cityclerk@atascadero.org>; Phil Dunsmore <pdunsmore@atascadero.org>; Heather Moreno <hmoreno@atascadero.org>; Rachelle Rickard <rrickard@atascadero.org>; Micki Olinger <molinger@co.slo.ca.us>; darnold@co.slo.ca.us

Subject: Atascadero item C-2 Feb. 23, 2021 Colony Square

Importance: High

Dear City Clerk,

Please include this letter from Assemblyman Jordan Cunningham in the record and read it too if you can.

Thank you very much. Please reach out if you have any questions.

Best,
Kristen

Kristen Handley

District Director

Assemblyman Jordan Cunningham

(805) 549-3381

Kristen.Handley@asm.ca.gov

1304 Broad Street

San Luis Obispo, CA 93401

STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0035
(916) 319-2035
FAX (916) 319-2135
DISTRICT OFFICE
444 HIGUERA STREET, SUITE 100
SAN LUIS OBISPO, CA 93401
(805) 549-3381
FAX (805) 549-3400



COMMITTEES
CO-CHAIR: ETHICS
VICE CHAIR: JOBS, ECONOMIC
DEVELOPMENT, AND THE ECONOMY
VICE CHAIR: RULES
AGRICULTURE
BUSINESS AND PROFESSIONS
TRANSPORTATION
UTILITIES AND ENERGY
SELECT COMMITTEES
CAREER TECHNICAL EDUCATION
AND BUILDING A 21ST CENTURY
WORKFORCE
CENSUS
CYBERSECURITY

February 23, 2021

The Honorable Heather Moreno
Mayor, City of Atascadero
6500 Palma Ave
Atascadero, CA 93422

Mayor Moreno:

I have recently been made aware that the Galaxy Theatre located in Colony Square is in danger of going through the foreclosure process from their lender, a Wall Street lender in the state of New York. The property owner is seeking to delay the foreclosure process to allow for the application and award of grant funding, and is seeking City support to encourage a delay on the foreclosure on a property that has been substantially impacted by COVID-19.

The Galaxy Theatre is one of the most significant tenants this complex and provides the largest portion of rental revenue for Colony Square. During the pandemic, Galaxy Theatre, to no fault of their own, was unable to pay rent. According to the property owner, this loss of revenue significantly impacted the owner's ability to make mortgage payments on this portion of the commercial center.

The Colony Theatre and the rest of Colony Square is the hub of the downtown area and vital for the growth of the City of Atascadero. It is imperative that the theater be able to survive the COVID-19 pandemic and return to opening as soon as allowed.

Earlier this week, the Legislature passed SB 87, a bill which I coauthored that would create a grant program specifically for small businesses impacted by COVID-19. If given the time to apply for and receive funding via this new grant, the Galaxy Theatre could have enough funding to help pay its back rent and keep the property out of foreclosure.

The New York lender is prohibited under New York law from foreclosing on any New York properties, so is taking its opportunities out of state. This lender has no idea of the importance of this theater to the survival and recovery of the City of Atascadero from this pandemic. Many grants, State, Federal and local are newly available that would remedy this situation if given a chance for the process to complete. This includes the Shuttered Venues Grant.

I am asking that the lender work with the tenant of the Cinema Square LLC and refrain from foreclosing on the property during this pandemic until the grant funding process has been given a chance to play through. New York may not know how important this theater and commercial center is to our City of Atascadero, but we realize its critical impact on the entire downtown footprint.

Sincerely,

A handwritten signature in black ink, appearing to read 'JC', with a long horizontal line extending to the right.

Jordan Cunningham
Assemblyman, 35th District