CITY OF ESCONDIDO
JUNE 30, 2010
4:00 p.m. Special Meeting Minutes

Escondido City Council
Community Development Commission

CALL TO ORDER

The Special Meeting of the Escondido City Council and Community Development Commission was called to order at 4:00 p.m. on Wednesday, June 30, 2010 in the Council Chambers at City Hall with Mayor Pfeiler presiding.

FLAG SALUTE

Mayor Pfeiler led the flag salute.

ATTENDANCE

The following members were present: Councilmember Sam Abed, Mayor Pro Tem Dick Daniels, Councilmember Olga Diaz, Councilmember Marie Waldron, and Mayor Lori Holt Pfeiler. Quorum present.

Also present were: Clay Phillips, City Manager; Jeffrey Epp, City Attorney; Barbara Redlitz, Community Development Director; Ed Domingue, Engineering Services Director; Marsha Whalen, City Clerk; and Liane Uhl, Minutes Clerk.

ORAL COMMUNICATIONS

Lisa Prazeau, Escondido, indicated she did not agree with the way information on agenda items was distributed**.**

PUBLIC HEARINGS

1. **AMENDED AND RESTATED DISPOSITION AND DEVELOPMENT AGREEMENT AND EXTENSION OF TIME FOR PRELIMINARY AND MASTER PLAN, 2005-21-PD/SPA, ER2005-13, and ADM 09-0113 (DOWNTOWN HOTEL PROJECT)** The City Council and Community Development Commission will consider an Amended and Restated Disposition and Development Agreement between the CDC and Escondido Development, LLC that will specify the roles and financial obligations of the parties regarding development of a full-service, 196-room

Marriott Hotel with subterranean parking, fitness center, restaurant, and conference facilities ("Project"). The Project was included within the previously adopted Amendment to the Civic Center District of the Downtown Specific Plan (SPA-9), which allowed a nine-story hotel with seven above-ground floors and related facilities; an amendment to the SPA-9's Retail Overlay which allowed an increase in building height from 45 feet to 75 feet at this location (described below); and approval of a 196-room hotel and related facilities including a restaurant, health club, and administrative offices associated with the hotel. The Project also involves the adoption of project-specific development standards, including a maximum building height of 75 feet and project-specific parking standards for 209 parking spaces to be built in the hotel's two underground parking levels, based on studies conducted by Walker & Associates. The City Council will also consider an extension of time for the associated Preliminary and Master Development Plan for the hotel project (City Council/Community Development Commission action). (File No. 0800-40 2005-21-PD/SPA, ER2005-13, and ADM 09-0113)

Staff Recommendation: Approval **(City Manager's Office: Charles Grimm; and City Attorney: Jeffrey Epp)**

a. RESOLUTION NO. 2010-108 (Extension of Time)
b. RESOLUTION NO. 20010-111R (Disposition/Development Agt)
c. RESOLUTION NO. CDC 2010-07R (CDC Disposition/Dev. Agt)

Charles Grimm, Assistant City Manager, gave the staff report and presented a series of slides.

Mayor Pfeiler opened the public hearing and asked if anyone would like to speak on this issue in any way.

Pamela Stahl, Escondido, stated she was opposed to taxpayers subsidizing a hotel.

Delores McQuiston, Escondido, voiced concern with the cost of building the hotel and pedestrian plaza when the City has budget shortfalls.

Margaret Liles, Escondido, indicated that past projects in the City have lost money and the California Center for the Arts, Escondido has run deficits the City must cover.

Michelle Mareck, Escondido, listed the hotels in San Diego that have gone bankrupt or were in foreclosure.

Jerry Lenhard, Escondido, expressed concern that the State may take more redevelopment funds and the City would be responsible for financing the hotel project with other funds.

Kurt Nunez, Escondido, stated the hotel would not generate revenue until its fourth year of operation.

Rick Moore, Escondido, indicated that Prop P funds for the Police and Fire Facility have been depleted.

Paul McNamara, Escondido, stated he did not believe the hotel could get $174 per night.

Tina Pope, Escondido Chamber of Commerce Chair, indicated the hotel project was a good use of redevelopment funds, which could not be used for extending library hours or pay salaries. The Chamber of Commerce was in support of the hotel project and asked Council to approve it.

Harvey Mitchell, Escondido Chamber of Commerce, read a letter from the Carlsbad Chamber of Commerce President, who is a resident of Escondido, urging the Council to approve the hotel project.

Alex Galenes, Escondido, indicated he chose to live and have his business in Escondido. He noted that the Marriott Corporation had faith in Escondido and he asked Council to approve the project.

Jerry Kaufman, Escondido Chamber of Commerce, listed the businesses that have invested in the City and urged the Council to take advantage of the opportunity to further the City's progress.

Christine Goeyvaerts, Escondido Robertson's Ready Mix, indicated that Jaynes Corporation was a superior construction company; the hotel construction would create jobs to help Escondido economy; and urged Council to approve the project.

Connie Swanson, Escondido, stated that hotels bought their own land, built and ran their own hotels and the City should not subsidize this project.

Chris Nava, Escondido, expressed concern that hotels were going bankrupt and indicated that she opposed the project.

Carol Rea, Escondido, indicated there had been many lost opportunities to bring large groups to the conference center due to the lack of a hotel for the visitors and urged Council to approve the project.

Edwin Handley, Escondido, stated the construction of the hotel would bring jobs to Escondido, the Center for the Arts would greatly benefit from the hotel by bringing in celebrity acts, and requested Council approve the project.

Joanne McGee, Escondido, voiced concern that the hotel would not have any customers and the City would be bankrupt.

Jim Crone, Escondido, presented a slide and indicated the developer should not ask the City to subsidize the project.

Tom D'Agosta, Escondido, stated the City should require the hotel development to be an open bid process and that a Request for Proposal be received from interested developers.

Melissa Walker, Escondido, indicated she booked hotel rooms for clients and the suggested room rate of $174 was a good estimate; the project was a good investment for the City and requested the Council approve it.

Bruce Sims, Escondido, expressed concern that a thorough analysis of the hotel construction expenditures had not been done.

Judy Calkins, San Diego North Convention and Visitors Bureau, indicated the proposed hotel would promote tourism in Escondido and that CONVIS supported the hotel project.

John Boer, Escondido, voiced concern that the hotel would not bring in customers because the room rates were high and stated he did not support the project.

Claus Gornig, Escondido, indicated Escondido was not a destination City and he opposed the hotel.

Diana Wallace, Escondido, expressed concern with parking issues; stated Escondido was not ready for a Marriott Hotel and requested that Council not approve the project.

Kimber Allison, Escondido, requested that Council put in a traffic signal at Centre City Parkway and Brotherton Road instead of subsidizing a hotel.

Carmen Miranda-Griffith, Escondido, stated this was not the time to build a hotel in Escondido and she did not support it.

Michael O'Connor, Valley Center, voiced concern with the location of the hotel being next to Grape Day Park and indicated he was opposed to the project.

Michael Davis, Escondido, indicated Escondido should not invest in the hotel due to the recession.

Mike Diaz, Escondido Firefighters Association President, stated the Firefighters Association opposed the hotel project.

Thora Guthrie, Downtown Business Association, indicated a hotel was economically beneficial to the downtown businesses and urged Council to approve the project.

Jim Rady, Escondido, stated that a hotel was always the 1980's Council's vision to accompany the Center for the Arts and requested the Council approve it.

John Ward, Escondido, indicated the City should spend money on maintenance projects instead of a hotel.

Patricia Borchmann, Escondido, requested the Council deny the hotel project due to the unrealistic economic benefits presented by the consultants.

Ed Gallo, Escondido, stated the Signature Theatre was built with a City subsidy and urged the Council to approve the project.

Barbara Benedict, Escondido, asked if the hotel project had been evaluated for the new California state law for the green building code effective January 1, 2011.

Ralph Ginese, Escondido, indicated he was opposed to the hotel.

Lisa Gulliver, Escondido Business Owner, stated a hotel would bring business to the downtown area and asked the Council to approve it.

Wayne Louth, Escondido, indicated the hotel would be a white elephant next door to another white elephant, the Center for the Arts, Escondido.

Guy Winton, Escondido, voiced concern with the negative press stories on this project and urged Council to build the hotel.

Larry Hartwig, Escondido Community Bank President and CEO, stated the hotel would provide jobs in the City and requested Council approve the project.

Mayor Pfeiler asked if anyone else wanted to speak on this issue in any way. No one asked to be heard. Therefore, she closed the public hearing.

MOTION: Moved by Councilmember Abed and seconded by Councilmember Daniels to approve an Amended and Restated Disposition and Development Agreement between the CDC and Escondido Development, LLC that will specify the roles and financial obligations of the parties regarding development of a full-service, 196-room Marriott Hotel with subterranean parking, fitness center, restaurant, and conference facilities, adopt Resolution No. 2010-108 (Extension of Time), Resolution No. 20010-111R (Disposition/Development Agreement), and Resolution No. CDC 2010-07R (CDC Disposition/Development Agreement). Ayes: Abed, Daniels, Waldron and Pfeiler. Noes: Diaz. Absent: None. Motion carried.

ADJOURNMENT

Mayor Pfeiler adjourned the meeting at 8:05 p.m.

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MAYOR CITY CLERK

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MINUTES CLERK