A regular meeting of the Cypress City Council was called to order at 5:31 p.m. by Mayor Morales at the Cypress Senior Citizens Center, 9031 Grindlay Street, Cypress, California.

ROLL CALL

Mayor Paulo Morales
Mayor Pro Tem Jon Peat
Council Member Stacy Berry
Council Member Rob Johnson
Council Member Mariellen Yarc

STAFF PRESENT

City Manager Peter Grant
City Attorney Anthony Taylor
Director of Finance and Administrative Services Matt Burton
City Planner Doug Hawkins
Senior Management Analyst Alisha Farnell
City Clerk Denise Basham

ORAL COMMUNICATIONS (Limited to 30 minutes – three minutes per speaker, unless extended by the City Council)

None.

WORKSHOP SESSION

The City Manager stated that the City Council would be presented with an informal review and discussion of the potential sale of the City-owned 13 acre parcel of land at Katella Avenue and Winners Circle. He stated that the real estate advisory team would make a presentation to the City Council and introduced Scott Burns and Larry Kosmont.

Scott Burns, Senior Vice President of JLL, provided an overview of JLL and stated that a list of 20 developers was established and that developer selection included retail development experience, reputation within Southern California, and development qualifications. He reviewed the 2016 developer selection timeline, and informed that five developers submitted proposals, with two selected for final consideration.

Council Member Berry asked why only five of the 20 developers submitted a proposal.

Mr. Burns responded that there was an abundance of development during the recession, which has since changed, and that was a typical response due to the state of retail development.

Larry Kosmont, Kosmont Realty, stated that exact profile screening was done and that the list was quality.

Mr. Burns stated that the final two developers were interviewed and asked to finalize their best and final proposals, and that the City Council would have an opportunity to ask questions of them at this workshop. He provided a slide presentation depicting potential amenities that would complement the existing businesses.

Mr. Kosmont provided background information on their company, and stated that their experience includes public finance work for communities, infrastructure, and tax agreements. He spoke of comparison of proposals from CenterCal and Shea Properties, and that each developer is qualified with diverse experience. He stated that the developers were asked to provide two development concepts to include Concept 1 that would be the community preference and Concept 2 would include less frills and a higher price, with the likelihood of retaining more money. He spoke of the retail competition with online sales, and the effects of pricing.
Council Member Yarc asked about the robust project option.

Mr. Kosmont described the pros and cons of each concept, as well as land size options. He stated that CenterCal revenues are made up of property tax and sales tax, and that the Shea Properties proposal includes a hotel tax. He stated that CenterCal proposal revenues would be approximately $640,000 to $700,000, and that the Shea Properties revenues would be approximately $475,000 more due to a hotel development in the first phase.

Mayor Morales asked if the increased revenue is attributed to the Transient Occupancy Tax (TOT).

Mr. Kosmont responded in the affirmative.

Mr. Kosmont reviewed CenterCal Concept 1 and Concept 2 and stated that Concept 1 would be the community preference option to include a higher quality option anchored by a specialty grocery store and a luxury cinema, and maximum land value.

Council Member Yarc asked about retail development in Concept 2.

Mr. Kosmont responded that Concept 2 may include such businesses as a pet food store, an office supplies store, discount soft goods and home décor, and specialty stores.

Council Member Berry asked about the decision for CenterCal to not have a hotel in its first phase of development.

The City Manager stated that Concept 1 would include a future phase development with Los Alamitos Race Course options.

Council Member Johnson asked about the CenterCal Concept 1A/B.

Mr. Kosmont responded that it would include sit-down restaurants and a cinema. He spoke of grocer-raunts that would include in-store full service restaurants.

Mr. Kosmont spoke of Shea Properties site concept and that a hotel and luxury cinema would be the anchor businesses in Concept 1 and that Concept 2 would include mid-sized businesses that meet the priorities of the leasing market place and match gaps in the community.

Council Member Johnson asked if Shea Properties Concept 2 would include a hotel.

Mr. Kosmont replied in the affirmative, and clarified that both Shea Properties Concept 1 and Concept 2 would include a hotel.

Council Member Johnson asked about the target market.

Mr. Kosmont indicated that mid-box tenants such as Party City, Tuesday Morning, and Fitness 19 may be included in order to match the population.

Council Member Johnson asked what would predicate the tenants.

Mr. Kosmont responded that the tenants would be predicated on the presence of competitors in the area, as well as the ability to support additional square footage for the particular product type based on expendable income.

Mayor Pro Tem Peat asked about ingress and egress and if both major intersection traffic signals are ready.

Mr. Kosmont responded in the affirmative, and stated that left and right hand vehicle turns could be accommodated.

Mr. Kosmont clarified that the observations are that of JLL and Kosmont Realty, and stated that consideration should be given as to which developer best fits the community, which concepts make sense, how community outreach would work, and
long-term partnership. He stated that both are hold-and-own developers who would create a timeless design to operate and own in the same manner as the City. He stressed the project timing is a key variable and the pace and timing would be set by the City Council.

Mr. Kosmont indicated that both developers are vetted and that the Shea Properties hotel development would yield a higher additional annual tax revenue. He stated that once the City Council makes its selection, the City would enter into an Exclusive Negotiating Agreement (ENA) and eventually the Disposition and Development Agreement (DDA), and that the City Council would provide negotiation feedback to JLL.

Council Member Yarc asked if the City Council would have the authority to decide on or reject the businesses.

Mr. Kosmont responded in the affirmative, and clarified that the business selection would be included in the final concept negotiations.

Jean Paul Wardy, CenterCal President and co-founder, introduced himself and Rupesh Bhakta, V.P. Acquisitions.

Mayor Morales asked why a hotel is not included in the initial development process.

Mr. Wardy replied that their intent is to initially create a sense of place and a vibrant town center in order to get the appropriate hotel built with the highest level of success.

Mayor Morales asked about the amenability of a hotel in the project design.

Mr. Wardy indicated that a hotel could be included in the first phase if it is important to the City.

Council Member Johnson asked about projects done with similar demographics and property acreage.

Mr. Wardy indicated that recent projects include the City of Cerritos Plaza 183, as well as a 26 acre project in Seattle, Washington.

Council Member Johnson asked about Option 1A.

Mr. Wardy stated that the Option 1 anchor business would be a grocery store.

Council Member Yarc asked about the restaurants.

Mr. Wardy responded that restaurants would include elevated quick-serve with high-name chefs.

Council Member Berry asked about junior anchor business.

Mr. Wardy indicated that junior anchor business could include ULTA Cosmetics.

Council Member Berry asked about community outreach.

Mr. Wardy replied that community outreach would be specific to Cypress and may include digital outreach, door-to-door, community centers, and an information center.

Brad Deck, Senior V.P. of Development, Shea Properties, introduced himself and Kevin McCook, V.P. of Retail Development of Southern California.

Council Member Johnson asked about projects done with similar demographics and property acreage.

Mr. Deck responded that recent projects include Alhambra, San Diego County, as well as Carlsbad.

Council Member Johnson asked about the hotel in Option 1.
Mr. Deck indicated that extensive tenant outreach was done and a brokerage company identified uses including a hotel operator.

Council Member Yarc asked about the type of hotel.

Mr. Deck stated that there are several potential hotel operators and that an interest offer was received from a hotel broker.

Council Member Yarc asked about the luxury theatre.

Mr. Deck informed that a letter of interest was received from The Lot luxury theatre.

Council Member Berry asked about adaptability with future development at the Los Alamitos Race Course property.

Mr. Deck stated that his company would adapt and be flexible.

Council Member Berry asked if the corner of Katella Avenue and Winners Circle would be the central gathering location.

Mr. Deck responded in the affirmative.

Council Member Berry asked about the extended timeline.

Mr. Deck responded that the timeline extension would be needed for the ENA and DDA, letters of interest, and the plan, development, permitting, and construction process.

Mr. McCook stated that the project completion could take one and one-half to two years.

Council Member Berry asked about community outreach.

Mr. McCook indicated that past projects include community outreach that took up to one year in order to identify stakeholders, holding one-on-one meetings, community workshops, and a transparent process. He stated that there was partnership with the schools, community, and city.

Council Member Johnson asked about the possibility of including a Sprouts Farmers Market.

Mr. McCook stated that a Sprouts Farmers Market is being considered in a nearby community.

CLOSED SESSION

The City Attorney reported that the City Council would be meeting in Closed Session after the regular 7:00 p.m. session regarding Conference with Real Property Negotiators, pursuant to Government Code Section 54956.8. Real Property Identified by APN Numbers 241-091-22 through 26, Inclusive, 13.329 Acres Located at the Northwest Corner of Katella Avenue and Winners Circle, Parties Negotiating With: CenterCal Properties and Shea Properties Negotiating Party: City Manager, Under Negotiation: Price and Terms of Payment.

At 6:42 p.m., the Mayor recessed the meeting.

RECONVENE

The 7:00 p.m. session of the City Council meeting was called to order at 7:07 p.m. by Mayor Morales.

ROLL CALL

Cypress City Council, also acting as the Ex-Officio Governing Board of Directors of the Cypress Recreation and Park District
CITY COUNCIL MINUTES

APRIL 10, 2017

Mayor Paulo Morales
Mayor Pro Tem Jon Peat
Council Member Stacy Berry
Council Member Rob Johnson
Council Member Mariellen Yarc

STAFF PRESENT

City Manager Peter Grant
City Attorney Anthony Taylor
Director of Finance and Administrative Services Matt Burton
Director of Recreation and Community Services June Liu
Police Commander Steve Ramsey
City Planner Doug Hawkins
Public Works Superintendent Kirk Streets
Recreation Superintendent Dena Diggins
Senior Civil Engineer Nick Mangkalakiri
Associate Planner Kori Sanders
Recreation Supervisor Kori Sanders
Senior Management Analyst Alisha Farnell
City Clerk Denise Basham

PLEDGE OF ALLEGIANCE The Pledge of Allegiance was led by Council Member Johnson.

INVOCATION The invocation was given by Steven Mauss, Church of Jesus Christ of Latter-Day Saints.

REPORT OF WORKSHOP AGENDA/CLOSED SESSION

The Mayor asked for the report of the Workshop Agenda item discussed earlier in the evening.

The City Manager reported that the City Council met in a Workshop Session regarding developer proposals at Katella Avenue and Winners Circle. He stated that no reportable action was taken.

The City Attorney reported that the City Council would be meeting in Closed Session after the regular 7:00 p.m. session regarding Conference with Real Property Negotiators, pursuant to Government Code Section 54956.8, Real Property Identified by APN Numbers 241-091-22 through 26, Inclusive, 13.329 Acres Located at the Northwest Corner of Katella Avenue and Winners Circle, Parties Negotiating With: CenterCal Properties and Shea Properties Negotiating Party: City Manager, Under Negotiation: Price and Terms of Payment.

ORAL COMMUNICATIONS (Limited to 30 minutes – three minutes per speaker, unless extended by the City Council)

Mayor Morales asked anyone who wished to speak on any topic not included on the meeting Agenda to come forward.

Carrie Carter spoke regarding massage parlors in the City.

Julie Jordan, Soroptimist of Cypress, spoke regarding Agenda Item No. 8.

Anne Hertz, Boys and Girls Club of Cypress, spoke regarding Month of the Military Child.

Pat Edep, Cypress Art League, spoke regarding Agenda Item No. 8.

Kacee Chase-Moore, Cypress, spoke regarding Agenda Item No. 7.

Lori Green, Cypress, spoke regarding Agenda Item No. 7.
Carol Doss, Cypress, spoke regarding Agenda Item No. 7 and the landscape screen on the Lincoln Avenue townhome project.

Lisa Bolla, Cypress, spoke regarding Agenda Item No. 7.

Mayor Pro Tem Peat requested that the requirements of the conditional use permit for the Lincoln Avenue townhome project addressed by Ms. Doss be agendized for review by the City Council.

**CONSENT CALENDAR**

All matters listed on the Consent Calendar are to be approved with one motion unless a Council Member requests separate action on a specific item.

Mayor Morales stated that Agenda Item No. 6, the Warrant Register, includes warrant no. 42037 for $547.98 for a reimbursement he receives as a retired employee of the City of Cypress. He indicated that in voting for any motion to approve the Warrant Register, he would not be voting on warrant no. 42037 for the reason disclosed.

It was moved by Council Member Johnson and seconded by Mayor Pro Tem Peat, to approve Consent Calendar Items No. 1 through 6.

The motion was unanimously carried by the following roll call vote:

**AYES: 5**
- COUNCIL MEMBERS: Berry, Johnson, Yarc, Peat and Morales

**NOES:** 0
- COUNCIL MEMBERS: None

**ABSENT:** 0
- COUNCIL MEMBERS: None

**Item No. 1:** Approve Minutes – Meetings of March 27 and April 5, 2017

**Recommendation:** Approve as submitted.

**Item No. 2:** Introduce and/or Adopt All Ordinances and Resolutions Presented for Consideration by Title Only and to Waive Further Reading

**Item No. 3:** Approve the Cooperative Agreement with the Orange County Transportation Authority for the Cerritos Avenue Bike Corridor Improvements

**Recommendation:** Approve the Cooperative Agreement with the Orange County Transportation Authority for the Cerritos Avenue Bike Corridor Improvements.

**Item No. 4:** Approve Plans and Specifications and Award Contracts for the Annual Slurry Seal, Project 177

**Recommendation:**

1. Approve Plans and Specifications for the Annual Slurry Seal, Project 177; and

2. Award a contract in the amount of $658,112.70 to American Asphalt South, Inc., Fontana, CA, for the Annual Slurry Seal, Project 177, and authorize a contingency of $98,720; and

3. Approve a Task Order for Construction Inspection Services to Vali Cooper and Associates, Inc., for $93,594, and authorize a contingency of $12,500.

**Item No. 5:** Award a Contract for a New Business Licensing System

**Recommendation:** Award a $41,750 contract to HdL Software, LLC for a new business licensing system, and approve ongoing system support and business license tax revenue audit and recovery services with HdL Software, LLC.
Item No. 6:  Approve Register of Warrants, Electronic Funds Transfers and Wires
Issued for the Period of March 17, 2017 through March 31, 2017

Recommendation:  Approve the attached payment register summarized below for the
period of March 17, 2017 through March 31, 2017:

- Warrants 41952 through 42127
- Electronic Funds Transfers 2653 through 2708
- Payroll Wire W1330

NEW BUSINESS

Item No. 7:  Continued Consideration of 70 Apartment Development at 4620
Lincoln Avenue – Design Review Committee Permit No. 3081

The City Planner provided background information on this item.

Council Member Berry asked about the added security gates and traffic flow.

The City Planner responded that the security gates in Site Plan – Option 1 would be in
a drive aisle that leads to guest and tenant parking, and the second gate would be
located in the rear portion.  He showed a map depicting new wrought iron fencing.

Council Member Berry asked if tenants would have access to both gates and about the
ability of vehicles to turn around.

The City Planner stated that there would be a 24 foot wide drive aisle that would allow
for a three-point turn and he spoke of the tenant entrance and exit.

Council Member Berry asked about guest parking.

The City Planner stated that guest parking has been moved outside of the gate and that
there are a few tenant parking spaces in the front.

Council Member Berry asked how tenant parking outside of the gates would be
determined.

The City Planner responded that outside parking would be determined by the location
of the apartment units and assignment by the developer.

Council Member Berry asked about Conditions of Approval 2.5 and how long-term
parking would be determined.

The City Planner responded that long-term parking would typically be for more than one
week.  He stated that it is not clarified in the Conditions of Approval and that staff could
further clarify.

Council Member Berry spoke in support of available tenant parking and that Conditions
of Approval 2.5 should be clarified, and asked about long-term parking violations.

The City Planner indicated that parking enforcement would be done by the developer.

Council Member Johnson asked about the three additional parking spaces depicted in
Site Plan – Option 2.

The City Planner stated that the parking spaces would be in the back of the
development and accommodated by smaller landscaped areas along the back and both
drive aisles.

Council Member Johnson asked if the landscaping gaps would increase visibility to the
homes.

The City Planner responded no.
Council Member Johnson asked if additional parking spaces and security could be accommodated.

The City Planner responded no, and clarified that the parking spaces had to be altered in order to accommodate additional parking spaces and the security gates.

Council Member Johnson asked if parking near the Lincoln Avenue entrance is red curb.

The City Planner indicated that there would available parking in that area and that certain parts would be red curb in order to provide for adequate sight distance for vehicles entering and exiting the complex.

Council Member Johnson asked about street sweeping signage.

The City Planner responded that the street sweeping schedule has not yet been determined and that signage would be posted.

Council Member Yarc asked about municipal code parking requirements for the 70 unit development.

The City Planner responded that the municipal code would require 133 parking spaces.

Council Member Yarc asked if that would include garages.

The City Planner responded in the affirmative, and clarified that the municipal code requires a two-car garage for a two-bedroom unit and a one-car garage for a one-bedroom unit.

Council Member Yarc asked if the State allowed for the parking variance.

The City Planner responded in the affirmative, and clarified that the Density Bonus Provisions allow for the parking space concession.

Mayor Pro Tem Peat asked if 89 parking spaces would be assigned.

The City Planner responded in the affirmative.

Mayor Pro Tem Peat stated that 22 or 25 units would remain without assigned parking, dependent upon whether or not the security gate is installed, and asked if half of the single bedroom units have two cars instead of one, all of the available guest parking would be utilized.

The City Planner responded in the affirmative.

Mayor Pro Tem Peat asked if that would create a violation of Conditions of Approval 2.5.

The City Planner responded in the affirmative.

Mayor Pro Tem Peat spoke in favor of developing in the Lincoln Avenue Specific Plan and expressed concern with parking overflow into the surrounding businesses.

The applicant, Ed Bonanni, spoke regarding the City Council’s concerns from the March 27 meeting that included security gates site plan analysis, security cameras, and Forest Lawn interment schedule. He stated that Conditions of Approval 20.13 and 21.3 address security cameras and Forest Lawn interment schedule, and that three additional parking stalls were added without a security gate. He spoke of Conditions of Approval 2.5 with regard to long-term guest parking and stated that he would be willing to post vehicle tow warning signs and establishing an enforceable guest parking time limit.

Mr. Bonanni spoke regarding the screen trees and stated that it was originally an oversight and have since agreed to replace the Australian Willow Trees with 77 Podocarpus every five feet beginning Friday. He stated that he agrees to the conditions
and has always done exactly what he was supposed to do. He spoke regarding the parking and commented that there would be a vacancy factor. He indicated that the State regulation is 107 parking spaces and that there would be 114 parking spaces, and that the building would be setback. He spoke in opposition to the security gate due to traffic flow, and health and safety for fire authority access.

Council Member Johnson asked about the project setback in order to accommodate for landscaping.

The City Planner indicated that Mr. Bonanni increased the project setback with an additional one and one-half feet, with the inclusion of an enhanced landscape treatment along Lincoln Avenue.

Council Member Yarc asked the applicant if he has other approved apartment developments along Lincoln Avenue.

Mr. Bonanni responded in the affirmative.

Council Member Yarc asked if those developments are east or west of Hansen Auto Body.

Mr. Bonanni responded that those developments are west of Hansen Auto Body.

Council Member Yarc commented that previous developments were based on the Cypress Municipal Code and parking requirements, and asked why the parking for this development is being done differently. She asked if fewer units would be considered in order to meet parking regulations.

Mr. Bonanni responded that the project is approved and would be built based on State standards.

Council Member Yarc asked about the number of parking spaces.

Mr. Bonanni replied that the parking would be developed based upon state standards.

Council Member Yarc asked about the number of parking spaces.

The City Planner stated that the actual number of parking spaces is per the Cypress Municipal Code standards, with one concession of carports instead of garages.

Council Member Yarc asked how many parking spaces are at the 67 apartment development.

The Associate Planner stated that there are 126 parking spaces.

Council Member Yarc asked Mr. Bonanni to increase the parking spaces for the proposed development.

Mr. Bonanni responded that this project has been in the works for a long time and it took a lot to bring it for City Council consideration, and that the State guidelines have been improved upon and that would be a fair compromise.

Council Member Berry expressed her concern over non-conformance to the Municipal code parking requirements and impacts to the surrounding businesses. She stated that the proposed amount of tenants would likely be higher due to the rental amount and the vehicle impacts. She suggested a reduction in the number of units and the creation of additional parking spaces.

Mayor Pro Tem Peat asked about parking enforcement outside of the complex in the neighboring businesses.

Mr. Bonanni stated that parking enforcement in the neighboring businesses would be enforced by the apartment management. He commented that the proposed parking is sufficient based on comparisons to existing projects, and that there would be a vacancy factor. He is in support of parking enforcement signs and vehicle towing of violators.
Mayor Pro Tem Peat asked about projects with a similar parking ratio.

Dave Maldonado, D33 Design and Planning, stated that the State parking standard is the guideline for density bonus.

Mayor Pro Tem Peat commented that the State standard is different than the Cypress community standard and that the State standard would create overflow parking. He asked Mr. Maldonado if he has developed other similar projects for Mr. Bonanni.

Mr. Maldonado responded no, and clarified that he has done developments for other clients and that the State standard is followed unless an Ordinance supersedes.

Council Member Yarc asked Mr. Maldonado if he has returned to complexes to determine if there are vacant parking spaces.

Mr. Maldonado responded in the affirmative, and clarified that at times there are vacant spaces, and times the parking is full. He stated that the parking vacancy rate would be based on the housing market.

Council Member Johnson asked about the number of units on the north and south sides of the development, and about the feasibility of replacing those units with parking spaces.

Mr. Bonanni responded that it would not be feasible due to articulation of the project.

Council Member Johnson asked about the number of units that area represents.

Mr. Bonanni responded that the area in question represents six units.

Council Member Johnson asked if the two wings in the east end could be removed and replaced with parking spaces, and considered and discussed at a future City Council meeting.

Mr. Maldonado commented that reduction in units would equate to a reduction in parking spaces, and there would be a fiscal loss.

Mr. Bonanni asked Council Member Johnson for further clarification.

Council Member Johnson responded that he requests additional parking spaces, with the possible reduction of apartment units.

Mr. Bonanni stated that he would be willing to continue this item for a couple of more weeks.

Mr. Maldonado asked for further clarification and if the request is for parking spaces based exactly on the Cypress Municipal Code or if there is flexibility to include the State code.

Council Member Yarc asked for the Cypress Municipal Code parking ratio.

The City Planner stated that the Cypress Municipal Code requires 133 parking spaces based upon the number and type of units. He clarified that each one-bedroom unit requires one parking space and each two-bedroom unit requires two parking spaces, with an additional one-quarter guest parking space per unit.

Council Member Yarc asked what the Cypress Municipal Code would require if the development was 70 units.

Mayor Morales clarified that the number of parking spaces would be based on the number of one-bedroom and two-bedroom units. He stated that an exact number of parking spaces would not be required at this time if it is the consensus of the City Council to continue the item.
The City Manager suggested that the City Council provide more clarification on what is an acceptable level of parking spaces in order to assist the developer with modifications. He stated that the City Council direction could include the requirement to meet the current City standard based upon the number of bedrooms included in the proposal or a compromise between the City and State standards.

Council Member Johnson stated that his request is for 124 parking spaces.

Mayor Morales spoke in support of reducing the six one-bedroom units on the east side of the building which would add an additional six parking spaces to the parking provided, resulting in 120 parking spaces. He stated that the reduced number of units would result in a new parking requirement of 127 spaces, bringing the parking to 95 percent of City Code requirements. He commented that the 95 percent is a lot more attractive than the current parking proposed.

Mr. Bonanni stated that he would be willing to compromise between the State and Cypress Municipal Code standard at 1.25 parking spaces per unit, and spoke regarding adequate design standards for an efficient building.

Mr. Maldonado stated that there would not be more than 114 parking spaces on the site, and that an apartment unit ratio reduction would reduce the number of parking spaces. He indicated that a compromise between the City and State codes would be a decrease of approximately 16 parking spaces and require a reduction of apartment units.

Mr. Bonanni stated that the project design should be associated with a parking space ratio that allows a win/win for everyone in order to avoid repeated continuation of this item.

Council Member Yarc spoke in opposition to the State code requirements.

It was moved by Council Member Johnson and seconded by Mayor Pro Tem Peat, to continue this item to allow further review of an increase of 1.25 parking spaces per apartment unit.

The motion was carried by the following roll call vote:

AYES: 3 COUNCIL MEMBERS: Johnson, Peat and Morales
NOES: 2 COUNCIL MEMBERS: Berry and Yarc
ABSENT: 0 COUNCIL MEMBERS: None

Item No. 8: Non-Profit Grant Awards for Fiscal Years 2017-18 and 2018-19

The Director of Recreation and Community Services provided background information on this item.

Council Member Johnson asked how meeting room usage is determined.

The Director of Recreation and Community Services stated that room capacities vary and that the Community Center and Senior Citizens Center prime time ballroom uses are limited to two. She indicated that accommodations are made for general meeting rooms up to 15 times per fiscal year for board, membership, and scheduling meetings. She stated that the joint use agreements provide for alternate meeting sites, as well as the Cypress Library.

Council Member Johnson asked about the staff request for the City Manager to have the authority to approve annual indirect funding for non-profit groups.

The Director of Recreation and Community Services clarified that the requested amount would be up to $2,000 annually for indirect funding for non-profit groups not included in the summary.

Council Member Johnson clarified that that amount would not be cash support.

The Director of Recreation and Community Services responded in the affirmative.
Council Member Berry asked if the percentage of type of users has remained constant.

The Director of Recreation and Community Services indicated there has been an increase of ballroom uses at the Community Center which is a high fee waiver value.

Council Member Berry asked if the percentage would change if not for the non-profit grant awards.

The Director of Recreation and Community Services responded in the affirmative, and stated that resident/private and resident/non-profit room reservations may be made up to 15 months in advance. She commented that without the non-profit grant awards, room uses likely would decrease due to the room rental cost.

Council Member Berry asked about the Cypress Girls Softball request reduction.

The Director of Recreation and Community Services stated that the Cypress Girls Softball requested fewer field use hours based on staff's request that the requests be more true to use due to the high demand of public use.

Mayor Pro Tem Peat asked when additional funding requests could be made.

The Director of Recreation and Community Services responded that the Cypress Art League has expressed an interest in an additional funding request that may be considered by the City Council at this time.

The City Manager clarified that additional funding requests must be included in the City Council motion.

Mayor Pro Tem Peat asked if funding granted over two fiscal years could be spent in the first fiscal year or if it must be allocated over the two fiscal year period.

The Director of Recreation and Community Services indicated that the additional funding be allocated to a specific fiscal year.

Mayor Pro Tem Peat asked Ms. Edep, representing the Cypress Art League, if half of the group's $1,700 additional grant funding request for display case backings and display cases would suffice for Fiscal Year 2017-18.

Ms. Edep stated that the project would be contracted and it would be unlikely that it could be done in two parts. She stated that she would consider a delay of the additional grant funding until Fiscal Year 2018-19.

Council Member Yarc asked if the display case project could be done in-house.

The Director of Recreation and Community Services stated that the project was considered for in-house, however an outside source would be more suitable due to the fragility of the art pieces and glass doors.

Council Member Berry asked if the display cases are utilized by groups other than the Cypress Art League.

The Director of Recreation and Community Services responded no.

Mayor Morales asked about the additional meeting room use request by Soroptimist of Cypress.

The Director of Recreation and Community Services stated that the additional meeting room use would be contingent upon room availability and that there is a maximum of 15 meeting room uses plus one ballroom use. She indicated that the group's mid-day or non-time meeting room requests cannot be determined at this time, however staff would work with them on availability.

Mayor Morales requested that staff coordinate accommodations with Soroptimist of Cypress for their additional 11 meeting room uses for each fiscal year.
Mayor Morales asked if providing the City Manager authority to approve $2,000 of annual indirect funding for non-profits not included in the summary was sufficient.

The Director of Recreation and Community Services responded in the affirmative based on past year requests.

Council Member Yarc asked if the City Manager authority funding is allocated in the Cypress Recreation and Park District Budget.

The Director of Recreation and Community Services responded in the affirmative, and clarified that funding for the non-profit grant awards is allocated in the Cypress Recreation and Park District budget.

The City Manager indicated that funding authority would only be for in-kind services and not cash grants.

It was moved by Council Member Berry and seconded by Council Member Johnson, to approve $1,018,393 of grant funding to 20 Cypress non-profit organizations for Fiscal Years 2017-18 and 2018-19, with an additional 11 meeting room uses for each fiscal year for Soroptimist of Cypress and a one-time $1,700 increase to the Cypress Art League for Fiscal Year 2017-18.

Council Member Johnson stated that in voting on this motion, he is not voting on the funding request for the Cypress Chamber of Commerce.

Council Member Berry stated that in voting on this motion, she is not voting on the funding request for the Cypress Children’s Advocacy Council and Soroptimist International of Cypress.

The motion was unanimously carried by the following roll call vote:

AYES: 5  COUNCIL MEMBERS: Berry, Johnson, Yarc, Peat and Morales
NOES: 0  COUNCIL MEMBERS: None
ABSENT: 0  COUNCIL MEMBERS: None

Item No. 9: Retail Business Recruitment and Retention Update

The City Manager introduced Ashton Arrington and Robert Jolly from Retail Strategies.

Ms. Arrington spoke of Retail Strategies’ three-year partnership with the City and the goal to recruit and retain retail. She indicated that the process includes industry analysis, market analysis, real estate analysis, and proactive retail recruitment. She stated that retail is adapting to an evolving industry and omni-channeling. She commented that store closure trends would be addressed and that non-traditional anchor businesses would be considered. She stated that local industry trends would be tracked.

Ms. Arrington indicated that free monthly webinar and stream reports are provided to staff, the community, and local business owners. She stated that a market analysis would include mobile tracking data and tapestry segmentation. She commented that prospective target retailers were selected based on a peer community analysis, and that a void analysis and a distance tolerance report would be done. She stated that a gap analysis would also be utilized.

Ms. Arrington spoke regarding retail strengths of the community that include household income, daytime population, traffic counts, and educational attainment. She stated that retail challenges of the community include immediately available opportunities and the fit for what a retailer is looking for.

Ms. Arrington reviewed the marketing guide that includes the existing retail synergy in the market. She stated that the main criteria of site selectors would include visibility in signage, accessibility, traffic, parking, and co-tenancy. She spoke of the ability to run site specific information on any property in the market and assistance with Lincoln Avenue retail opportunities.
Ms. Arrington provided a detailed report of retail recruitment progress made over the last year and one-half. She indicated that the number of prospective retailers has increased to 167, 120 retailers have been contacted, 41 retailers have provided feedback, and 14 positive retailer leads have been generated.

Mayor Pro Tem Peat asked if Retail Strategies would be included in the retail recruitment process.

Ms. Arrington responded that she would identify prospects, provide data, demographic resources, aerials, or however the City would like their involvement.

Council Member Johnson spoke in support of prospective retail contacts that would be a legitimate fit for the City.

Council Member Berry asked about the Cypress Village redevelopment and what retail development would succeed in that development.

Ms. Arrington responded that Cypress Village retail may include fitness, cellular, and other non-food goods and services.

Council Member Berry asked why Cypress would sometimes be considered not a good fit for retailers.

Ms. Arrington replied that some tenant feedback includes interest in a specialty market that does not exist in Cypress or the site does not meet the tenant’s needs.

Council Member Berry asked why there is not a specialty market in Cypress.

Ms. Arrington stated that a specialty market in the City would be a realistic opportunity for the near future.

Council Member Berry asked if Cypress is still relevant.

Ms. Arrington stated that Cypress is relevant with the recent development of fast-casual restaurants and several new-to-market retailers.

Council Member Berry asked about the Kohl’s site vacancy on Valley View Street.

Ms. Arrington indicated that they have been working directly with the property owner and the broker, and the large footprint of the property has presented challenges. She stated that there is a potential prospect that is a viable opportunity.

It was moved by Council Member Johnson and seconded by Mayor Pro Tem Peat, to receive and file the Retail Business Recruitment and Retention Update.

The motion was unanimously carried by the following roll call vote:

**AYES:** 5  **COUNCIL MEMBERS:** Berry, Johnson, Yarc, Peat and Morales

**NOES:** 0  **COUNCIL MEMBERS:** None

**ABSENT:** 0  **COUNCIL MEMBERS:** None

**ORAL COMMUNICATIONS** (Five minutes per speaker, unless extended by the City Council)

None.

**COUNCIL MEMBER REPORTS AND REMARKS**

Mayor Morales requested reports from the Council Members on their respective committee assignments.

None.
CITY MANAGER REMARKS

The City Manager stated that the City Council would be meeting in Closed Session after the regular 7:00 p.m. session.

CLOSED SESSION

The City Attorney reported that the City Council would be meeting in Closed Session regarding Conference with Real Property Negotiators, pursuant to Government Code Section 54956.8, Real Property Identified by APN Numbers 241-091-22 through 26, Inclusive, 13.329 Acres Located at the Northwest Corner of Katella Avenue and Winners Circle, Parties Negotiating With: CenterCal Properties and Shea Properties Negotiating Party: City Manager, Under Negotiation: Price and Terms of Payment.

At 9:28 p.m., the Mayor recessed the meeting.

At 10:01 p.m., the Mayor reconvened the meeting.

The City Attorney reported that no reportable action was taken.

ADJOURNMENT

Mayor Morales adjourned the meeting in memory of Else Dancs and Roberta Vigneau at 10:01 p.m. to an adjourned Regular Meeting, to be held on Monday, April 27, 2017, beginning at 5:30 p.m. in the Executive Board Room.

ATTEST:

Denise Busham
CITY CLERK OF THE CITY OF CYPRESS