



CITY OF MORRO BAY HARBOR ADVISORY BOARD A G E N D A

AMENDED

The City of Morro Bay is dedicated to the preservation and enhancement of the quality of life. The City shall be committed to this purpose and will provide a level of municipal service and safety consistent with and responsive to the needs of the public.

**Regular Meeting - Thursday, February 2, 2017
Veteran's Memorial Building - 6:00 P.M.
209 Surf Street, Morro Bay, CA**

Bill Luffee, Chair	Marine Oriented Business
Dana McClish	Recreational Boating
Jeremiah O'Brian	Morro Bay Commercial Fishermen's Organization
Gene Doughty	South Bay/Los Osos
Neal Maloney	Waterfront Leaseholders
Lynn Meissen	Member at Large
Ron Reisner, Vice Chair	Member at Large
Peter Griffin	Alternate to Jeremiah O'Brian (MBCFO)
Owen Hackleman	Alternate to Jeremiah O'Brian (MBCFO)

ESTABLISH QUORUM AND CALL TO ORDER

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

CHAIR AND ADVISORY BOARD MEMBER ANNOUNCEMENTS & PRESENTATIONS

PUBLIC COMMENT PERIOD

Members of the audience wishing to address the Board on City business matters other than scheduled items may do so at this time. To increase the effectiveness of the Public Comment Period, the following rules shall be followed:

- When recognized by the Chair, please come forward to the podium and state your name and address for the record. Board meetings are audio and video recorded and this information is voluntary and desired for the preparation of minutes.
- Comments are to be limited to three minutes.
- All remarks shall be addressed to the Board, as a whole, and not to any individual member thereof.
- The Board respectfully requests that you refrain from making slanderous, profane or personal remarks against any elected official, Board member and/or staff.
- Please refrain from public displays or outbursts such as unsolicited applause, comments or cheering.
- Any disruptive activities that substantially interfere with the ability of the Board to carry out its meeting will not be permitted and offenders will be requested to leave the meeting.
- Your participation in Board meetings is welcome and your courtesy will be appreciated.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Harbor Department's Office Assistant at (805) 772-6254. Notification 24 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

A. CONSENT CALENDAR

- A-1 Approval of Minutes from Harbor Advisory Board meeting held on November 3, 2016.
Staff Recommendation: Approve minutes.
- A-2 Approval of Minutes from Harbor Advisory Board meeting held on December 1, 2016.
Staff Recommendation: Approve minutes.

B. PUBLIC HEARINGS, REPORTS, AND APPEARANCES

- B-1 Harbor Department Status Report
Staff Recommendation: Receive and file.

C. BUSINESS ITEMS

- C-1 Review, Input and Recommendation on Final Marine Services Facility/Boatyard Request for Qualifications Document, Including Update from the Marine Services Facility/Boatyard Ad-Hoc Committee on Committee's Recent Activities
Staff Recommendation: Staff recommend the Harbor Advisory Board (HAB) receive ad-hoc committee report and review the final draft Marine Services Facility/Boatyard Request for Qualifications (RFQ) document, provide input and recommendation on the document itself, and make a recommendation the City Council approve issuance of the RFQ.
- C-2 Update from the Finance & Budget Ad-Hoc Committee on Committee's Recent Activities
Staff Recommendation: Receive and file.
- C-3 Update from the Eelgrass Ad-Hoc Committee on Committee's Recent Activities
Staff Recommendation: Receive and file.
- C-4 Update from the Marine Sanctuaries Ad-Hoc Committee on Committee's Recent Activities
Staff Recommendation: Receive and file.
- C-5 Development of a Morro Bay Working Waterfront Policy or Policies, and Update from the Working Waterfront Ad-Hoc Committee on Committee's Recent Activities
Staff Recommendation: Receive report and ad-hoc committee input, review November 10, 2016, and January 26, 2017 Working Waterfront ad-hoc committee reports, and begin development of a Morro Bay Working Waterfront Policy or Policies.
- C-6 Election of Harbor Advisory Board Chair and Vice Chair
Staff Recommendation: Staff recommend the Harbor Advisory Board Elect a Chair and Vice Chair.

D. DECLARATION OF FUTURE AGENDA ITEMS

E. ADJOURNMENT

This agenda is subject to amendment up to 72 hours prior to the date and time set for the meeting. Please refer to the agenda posted at the Morro Bay Harbor Department, 1275 Embarcadero, for any revisions or call the department at 772-6254 for further information.

Materials related to an item on this Agenda are available for public inspection during normal business hours at the Harbor Department and at Mill's/ASAP, 495 Morro Bay Boulevard, or online at www.morrobayca.gov. Materials related to an item on this Agenda submitted to the Board after publication of the Agenda packet are available for inspection at the Harbor Department during normal business hours or at the scheduled meeting.

A-2 MINUTES

Mr. Doughty moved the October 6, 2016 Harbor Advisory Board minutes be approved as submitted. The Motion was seconded by Mr. McClish and carried unanimously.

B. PUBLIC HEARINGS, REPORTS, AND APPEARANCES

B-1 Harbor Department Status Report

<https://youtu.be/yb4Ru8qcpYo?t=8m39s>

Mr. Endersby briefed the Board on the following topics:

Recent Department Activity

- Harbor Patrol Statistics
- Small fire on the Harbor Hut dock
- Snowy Plover fencing was pulled down and store for next year
- Vessel sunk in the State Park Marina
- New hire – Charlee Lowe
- Homeless Camp Clean up in Morro Bay Creek
- Fall victim on the North Jetty

Fishing Season

Recreation Dungeness crab opens 11/5 and Commercial opens 11/15. Rock fish closes 12/31/16

Recent City Council Activity

Approved – Amendment 2 and New Lease for Lease Site 89/89W

Recent Events

- Replica of Juan Cabrillo's 1542 galleon San Salvador
- Morro Bay Harbor Festival
- Jesse King Memorial Paddle
- Sgt. Jody Cox was sworn in as the City's new Police Commander
- Annual Bay Clean up – South T-Pier

Upcoming Events

- Movie Night at the Rock 11/5/16
- Morro Bay Triathlon 11/6/16
- Lighted Boat Parade 12/10/16

Advisory Body Vacancies

Applications to apply are due 12/2/16
positions open:

- 2 - Planning Commission
- 4 - Public Works Advisory Board
- 2 - Citizen Oversight and Finance Committee
- 2 - Tourism Business Improvement District Advisory Board
- 3 - Recreation & Parks Commission
- 3 - Harbor Advisory Board

Mr. Reisner requested an update on the Coast Guard and Harbor Department building status. Mr. Endersby stated we are waiting on a response from the Coast Guard and the last report is they have secured funding through next fiscal year 17/18.

Mr. Reisner also requested the status of our City Council liaison. Mr. Endersby suggested we will have new Council members elected this month, whereas, normally December or January Council members are assigned to the various boards, committees throughout the County and State for the upcoming year.

C. BUSINESS ITEMS

C-1 Update from the Marine Services Facility/Boatyard Ad-Hoc Committee on Committee's Recent Activities, and Consideration of Marine Services Facility/Boatyard Request for Qualifications Document Content

<https://youtu.be/yb4Ru8qcpYo?t=31m25s>

Mr. McClish stated the committee hasn't met, but 3 committee members did meet on October 13th as part of a focus group, stakeholder's meeting for Plan Morro Bay. The focus was on Measure D and commercial fishermen. The Marine Services facility was brought up when questions were asked what the City can do for the commercial fishermen? Most of the meeting was educating the consultants in regards to our working waterfront.

Mr. McClish also stated he had been copied on correspondence and photos from Pandora Nash-Karner submitted to the City regarding a small boat haul out she visits up in Vancouver Island. The town is about the same size as Morro Bay. It's really nice, they have a boat yard and a travel lift that crosses the road to park the boats.

Mr. Endersby presented his staff report and there was discussion by the board.

The boards input for project overview, development concepts and RFQ evaluation process were:

Keep it open as possible

Maritime Museum highlighted

DYI element for users

Dedicated restrooms and showers

Phased approach to development

Provide what would be available to a respondent- space, dirt, etc.

Reference RRM concept work

Simons concepts as an example

List of past references from respondents

Scoring matrix

Public comment input

C-2 Update from the Finance & Budget Ad-Hoc Committee on Committee's Recent Activities

<https://youtu.be/yb4Ru8qcpYo?t=1h16m33s>

Nothing to report

C-3 Update from the Eelgrass Ad-Hoc Committee on Committee's Recent Activities

<https://youtu.be/yb4Ru8qcpYo?t=1h16m59s>

Nothing to report

C-4 Update from the Marine Sanctuaries Ad-Hoc Committee on Committee's Recent Activities

<https://youtu.be/yb4Ru8qcpYo?t=1h17m14s>

Nothing to report

C-5 Update from the Working Waterfront Ad-Hoc Committee on Committee's Recent Activities

<https://youtu.be/yb4Ru8qcpYo?t=1h17m27s>

As the Chair of the committee, Mr. Doughty stated the committee met this week to discuss the direction of this committee. Doughty reported the Planning Department in conjunction with the Michael Baker International firm in developing the revised general and LCP were unaware that the HAB was tasked by City Council in defining and designating the working waterfront. The next step is for the committee to step up a meeting with Baker to provide Baker input.

There was discussion by the Board.

Public comment-

Mr. Robert Davis introduced himself and spoke to the item. He recommended Staff or HAB meet with Michael Baker before the GPAC meeting on December 17, 2016 in integrate HAB input.

Again, there was discussion by the Board.

C-6. Review of Harbor Lease Sites with Construction or Other Leases/Lease Site Activity Currently Underway

<https://youtu.be/yb4Ru8qcpYo?t=1h31m18s>

Mr. Endersby presented his staff report. No discussion by the board.

D. DECLARATION OF FUTURE AGENDA ITEMS

<https://youtu.be/yb4Ru8qcpYo?t=1h55m5s>

Vice Chair, Mr. Reisner, encouraged the board to place a review of Measure D on the December HAB agenda.

Previously Declared:

Goals and Objectives – Working Waterfront Designation
Measure D
Commercial Slip Qualification Relief for Crab Permit Holders
City Code Enforcement for Boats on Trailers on Private Property
Back Bay Water Use Public Forum
Coast Guard Building Location Plans
Inspecting Marine Sanitation Devices on All Vessels in Morro Bay Harbor

E. ADJOURNMENT

This meeting was adjourned at 8:00 PM.

Submitted by,



Lori Stilts
Harbor Business Coordinator



AGENDA NO: A-2

MEETING DATE: February 2, 2016

CITY OF MORRO BAY

HARBOR ADVISORY BOARD

SYNOPSIS MINUTES

The regular meeting of the City of Morro Bay Harbor Advisory Board was held Thursday, December 1, 2016 at 6:00 PM in the Veteran's Hall, 209 Surf ST, Morro Bay, California.

ESTABLISH QUORUM AND CALL TO ORDER

Present:	Members:	Bill Luffee - Chair Dana McClish Lynn Meissen Gene Doughty Alan Alward Neal Maloney
	Absent:	Ron Reisner – Vice Chair
	Staff:	Eric Endersby, Harbor Director Lori Stilts, Harbor Business Coordinator

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

CHAIR AND ADVISORY BOARD MEMBER ANNOUNCEMENTS & PRESENTATIONS

https://youtu.be/nUf7_6FxHPs?t=2m20s

Mr. Doughty advised winter is coming and if you have a boat to make sure your pennant lines are secure, we've had boats come loose in the past.

Mr. Luffee thanked the community for coming to the movie night at the Rock. South Bay Wild was there serving tacos. The Friends of the Morro Bay Harbor Department has decided to start a capitol campaign to raise money to build a new Harbor Department building and public restroom.

Mr. McClish stated we have our annual sales of our calendars, "Morro Bay Tides." It's a great calendar with tide charts and Yacht Club events. This is a fundraiser for our youth sailing foundation. With a \$20 donation, you could have one of these calendars and support the youth sailing classes. You can pick them up at our Yacht Club happy hours or go to our website at www.mbyssf.org.

PUBLIC COMMENT

https://youtu.be/nUf7_6FxHPs?t=5m23s

Mr. Robert Davis spoke with fondness towards Morro Bay's advisory boards. He stated the Harbor Advisory Board is the working front for Council decisions and they do the heavy lifting that helps the City move its vision forward. Mr. Davis stated he specifically wanted to speak about the Staff Report on the working waterfront. He thinks the working waterfront designation is very

important because that is the core of Morro Bay. He stated the length of the vision from the State Park Marina to the Rock is a little overwhelming, and it would be very hard for the Council to digest. Mr. Davis recommended starting with a definition, and maybe examine visitor expectations. He stated Measure D is about fishing, and he was not sure we should let how we interpret that drive the way we define our working waterfront, and perhaps should look for something broader? He stated the key is the phrase from the staff report which is “clear definition of water dependent.”

A. CONSENT CALENDAR

A-1 MINUTES

No items

B. PUBLIC HEARINGS, REPORTS, AND APPEARANCES

B-1 Harbor Department Status Report

https://youtu.be/nUf7_6FxHPs?t=11m30s

Mr. Endersby briefed the Board on the following topics:

Recent Department Activity

Harbor Patrol statistics

“Super moon”

Baby gray whale

MBPD New Sergeant

Capsized kayak

Overtaken Kayak

CPR

Vessel nearly capsized

HPO Training:

K-38 Water Rescue training

Marine Firefighting

Boat fire training drill

Fishing & Hunting:

Recreational Dungeness crab

Last day for recreational rockfish

Waterfowl hunting season

2016 fish tickets due

Recent City Council Activity:

Amendment #1 GAFCO

Past Events:

2nd Annual Movie Night at the Rock

Upcoming Events:

“For Those Who Wait” statue dedication

Lighted Boat Parade

Polar Bear Dip

The Morro Bay Winter Bird

Polly Curtis Retirement

Army Corp Dredging

C. BUSINESS ITEMS

C-1 Update from the Marine Services Facility/Boatyard Ad-Hoc Committee on Committee’s Recent Activities

https://youtu.be/nUf7_6FxHPs?t=26m33s

Mr. McClish stated the committee met regarding the RFQ. The committee has a first rough draft with everyone’s concerns and ideas included and will have it submitted to Council in January. The draft is loose enough to apply to many applicants and attract creativity.

C-2 Update from the Finance & Budget Ad-Hoc Committee on Committee's Recent Activities

https://youtu.be/nUf7_6FxHPs?t=28m30s

Nothing to report

C-3 Update from the Eelgrass Ad-Hoc Committee on Committee's Recent Activities

https://youtu.be/nUf7_6FxHPs?t=28m39s

Nothing to report

C-4 Update from the Marine Sanctuaries Ad-Hoc Committee on Committee's Recent Activities

https://youtu.be/nUf7_6FxHPs?t=28m51s

Nothing to report

C-5 Update from the Working Waterfront Ad-Hoc Committee on Committee's Recent Activities

https://youtu.be/nUf7_6FxHPs?t=29m6s

As the Chair of the committee, Mr. Doughty stated the committee met along with a couple of consultants from Michael Baker International and discussed concerns of what the HAB considered the entire waterfront to be a "working waterfront," and that it's a major component in the Local Coastal Plan. Lateral access seemed to be a concern of Baker's and the committee members were given a wish list to complete.

There was discussion by the Board.

C-6. Review of Revised Centennial Parkway Plaza Concept Plan for Recommendation to the City Council

https://youtu.be/nUf7_6FxHPs?t=32m31s

Mr. Luffee briefed the board on the background of the Centennial Parkway Plaza concept plan.

Mr. Endersby presented his staff report, and queried the board as follows:

1. Do you believe the City should move forward with a plaza concept for Centennial Parkway?

There was discussion by the Board, with the following recommendations/comments:

How much will it cost?

Is this really something we want?

Looks nice, but what about our other plans.

Maybe the first approach should be to close the street from Market to Dorn's?

We do need to tie downtown to the Embarcadero.

Will this push out the boat yard based on cost?

Will traffic flow effect the drive from the launch ramp to the other end of Embarcadero?

Parking seems to be an issue.

Could this be a boat haul instead of a plaza?

MOTION: Mr. Luffee Motioned to approve the Plaza Concept as described in the agenda. The Motion was seconded by Mr. McClish and carried with a vote of 4-1, with Mr. Maloney voting no.

2. Do you have any comments on the plaza concept as-presented?

There was discussion by the Board, with the following recommendations/comments:

Needs to be hand, feel and touch items, large-scale amphitheater is too broad.
Not enough wind barrier.
Needs “beachy” landscaping.
Looks too much like a university plaza, there's no feeling in all concrete – less concrete.
Needs more of a Morro Bay feel - looks too much like Pismo Beach.
Better connectivity to downtown.
Less open space, more intimate feel.
Needs Morro Bay type materials, Morro Bay feel and look – timbers and heavy wood.
Water side – keep the transient tie-up dock on the pier.
Fire pits OK, but not on the pier.
Benches needed on the pier.

3. What is your preference for traffic flow on the Embarcadero between Harbor and Marina Streets?

One-way

Two-way

Do you have any comments on traffic flow/orientation/features?

There was discussion by the board, with the following recommendations/comments:

Be sure the waterfront businesses have input.
General consensus to keep two-way, but provide for wider sidewalks, pull-outs for delivery and loading zones.
If one-way, run a pilot trial first.
Consider the upland traffic impacts.
Hotel parking?
One-way bike lane will not work.

All recommendations will be forwarded to the City Council for their consideration at a future meeting.

C-7. Recommendation on 2017/2018 Goals & Objectives for City Council Consideration

https://youtu.be/nUf7_6FxHPs?t=2h5m54s

Mr. Endersby presented his staff report.

There was discussion by the Board.

Consensus by the Board on the nine (9) Harbor Advisory Board Goals:

1. Boatyard Haulout. *Keep-continue pursuing next steps*
2. Eelgrass. *Keep-continue pursuing next steps*
3. Dredging. *Keep - continue pursuing next steps - including to have City manage the State Park Marina and maintain the facility, possibly making this another goal*
4. A. Marine Research Facility. *Keep - continue pursuing next steps*
B. Support Harbor Enterprise Goals. *Support L.E.A.P. and other economic development efforts - remove goal*

- C. Marine Sanctuaries. *Keep - continue having Ad-Hoc Committee to conduct research and fact-finding in order to help inform the City Council in its decision making. This is not a current council goal nor pursue to make it one now.*
5. A. Off-Boat Fish Sales Direct to the Public. *Keep - continue to support, promote and help grow off-boat sales. Not something to bring to council*
B. Harbor Cost Allocation/Budget. *Keep - continue to work at ensuring cost allocation is properly accounting - create a goal objective for City Council to complete a new cost allocation study.*
6. Measure D. *Keep - continue the current working waterfront process to feed measure D input in the GP/LCP/DWSP process.*

Consensus by the Board on the Harbor Advisory Board work program:

- 3e. Downtown/Waterfront Strategic Plan - *Keep*
4d. Public Safety Scrub of Morro Bay Municipal Code - *Keep*
5a. Budget Forecast - *Keep*
6g. Aquarium Project - *Keep*
6j. Maritime Museum - *Keep*
6k. Marine Services Facility - *Keep*
7h. ESH Fencing - *Drop*
8c. Sea Otter Awareness – *Annual event, drop as goal objective*
10c. Records Management - *Keep*
10h. Harbor Maintenance - *Drop*
Other Item (a). Human Observer Requirement in Groundfish Fishery - *Keep*
Other Item (b). Working Waterfronts - *Keep*
Other Item (c). Eelgrass Mitigation - *Keep*

Consensus by the Board City Council's FY16/17 Goals and Objectives:

- Goal 1 – Develop New WRF- *No comments*
Goal 2 – Improve Streets - *Add fish dock alley as an objective, no comments on rest*
Goal 3 – Review and Update Significant City Land Use Plans - *No Comments*
Goal 4 – Maintain Core Public Safety Services – *No comments*
Goal 5 – Ensure Fiscal Sustainability – *Keep A; no comment on remaining items*
Goal 6 – Support Economic Development – *Keep A, C, G, H – and pursue a specific Harbor one, J, K – with a RFQ/RFP approach, M – keep for events only, no comments on remaining items*
Goal 7 – Improve City Infrastructure, Facilities and Public Spaces – *Keep A, B, C, E – with emphasis on improved trash collection and restroom cleaning; drop H; no comment on the remaining items*
Goal 8 – Enhance Quality of Life – *Keep B; Drop C - but keep up the efforts; no comments on the remaining items*
Goal 9 – Improve Water Supply Diversification – *Keep all*
Goal 10 – Improve City Operations – *Keep C; Drop E, H; no comments on the remaining items*

Consensus by the Board - goals to add to City Council: *Goal for HAB to create their own goals.*

C-8. Cancelation of the January, 2017 Harbor Advisory Board Meeting
https://youtu.be/nUf7_6FxHPs?t=3h25m58s

MOTION: Mr. Luffee motioned to cancel the January, 2017 Harbor Advisory Board meeting. The Motion was seconded by Mr. Maloney carried unanimously.

D. DECLARATION OF FUTURE AGENDA ITEMS

Previously Declared:

Goals and Objectives – Working Waterfront Designation
Measure D
Commercial Slip Qualification Relief for Crab Permit Holders
City Code Enforcement for Boats on Trailers on Private Property
Back Bay Water Use Public Forum
Coast Guard Building Location Plans
Inspecting Marine Sanitation Devices on All Vessels in Morro Bay Harbor

E. ADJOURNMENT

This meeting was adjourned at 9:26 PM.

Submitted by,



Lori Stilts
Harbor Business Coordinator



AGENDA NO: B-1

MEETING DATE: February 2, 2017

Staff Report

TO: Harbor Advisory Board

DATE: January 25, 2017

FROM: Eric Endersby, Harbor Director

SUBJECT: Harbor Department Status Report

RECOMMENDATION

Receive and file.

DISCUSSION

Recent Department Activity:

Harbor Patrol statistics for the month of December 2016 were 12 emergency responses and 86 calls for service, 23 assists of other agencies, 16 enforcement contacts, and 12 weather hazards. January 1st through the 26th of 2017 statistics include 8 emergency responses and 123 calls for service, 33 assists of other agencies, 13 enforcement contacts, and 19 weather hazards.

On December 10th, Harbor Patrol Officers responded to a report of a body floating near the harbor entrance. The Officers were waved down by surfers standing next to a fully clothed male laying in the wash on shore not moving. He was pronounced dead by attending Fire personnel.

December 13th, Harbor Patrol received weak transmission on VHF 16 of vessel dead in the water. A nearby vessel broke in and relayed information that the weak transmission was coming from a vessel near day marker 16 and outbound with the tide. Harbor Patrol responded and on arrival, a good Samaritan had taken the 18' ARINA in stern tow. Harbor Patrol transferred into side tow and one crewmember to the launch ramp.

December 15th, HP Officer Kelly responded to the North Rock parking lot for report of blow-up raft with 4 people on board launched at outlet and now in surf. The raft capsized, but all passengers were unharmed in the surf where they could safely stand.

December 31st, Harbor Patrol responded to a 16' Boston Whaler dead in the water off Cayucos. While in route the vessel called and stated he repaired engine issue and was underway making way. Harbor Patrol Officers stayed on course verify his status. The Whaler was found dead in the water again off North Point, and taken in tow to Launch Ramp.

Prepared By: EE

Dept. Review: EE

Also, December 2016 saw a larger than normal number of kayaking mishaps in the bay, from stuck in the mud, overturned to taking on water.

On January 10th, the CHABLIS returned to the LR parking lot for their bi-annual haul out for their required Coast Guard inspection.

On January 20, Harbor Patrol assisted with a 79 year-old fall victim outside the Dockside restaurant with a large laceration to the forehead. Harbor Patrol bandage up the patient and he was transported to the hospital.

Finally, on January 21, at about 10:30 a.m., a local gentleman was body surfing in the heavy surf at the Rock when the waves pulled him under. Harbor Patrol and Fire personnel pulled him from the water near Morro Rock and attempted to revive him. He was transported to Sierra Vista Regional Medical Center where he was pronounced dead.

Harbor Dredging

The Army Corps of Engineers contractor, Ahtna Design-Build, is now tentatively to begin dredging approximately February 1. They will be using a hydraulic pipeline dredge, and disposing of the dredged material on the beach north of the Rock between the high school and Azure street. If they cannot complete the project by February 25, they will likely have to vacate the beach because of the start of snowy plover nesting season, and use the nearshore disposal site off the sandspit.

Also on the dredging front, your Harbor Director on January 18-20 attended CMANC's annual winter conference in San Pedro, where the usual topics of dredging, navigation and the Federal budget as it relates to these issues were on the agenda. With a new California State Senator and Congressional Representative for our district, this year's CMANC trip to Washington DC will be especially important.

Clean Marina Certification

The City's "Clean Marina" certification is up for its second 5-year renewal. Harbor Patrol Officer Scott Mather is heading up the recert effort.

Derelict Vessel Demolitions

On Wednesday January 25, two derelict vessels were demolished using State grant funding. One vessel was a turn in under the V-Tip program, and the other was a vessel we processed a lien through the California Department of Motor Vehicles due to an unpaid dockage account.

Recent City Council Activity

At a Special Council Meeting held on December 13, 2016, applicants were interviewed to fill upcoming vacancies on the City's Advisory Boards: New HAB members are Peter Griffin, Owen Hackleman, Jeremiah O'Brien, and re-elected were William Luffee and Ron Reisner.

On January 10th, the Council held a Special Goals Study Session to begin a community discussion that will result in the City Council adopting our City of Morro Bay Program/Budget Objectives for the Fiscal Year (FY) July 2017 to June 2018.

At their regular January 10th meeting, the Council approve authorization for a three-person delegation (the Mayor, City Manager and Harbor Director) to attend the California Marine Affairs and Navigation Conference (C-MANC) 2017 “Washington Week” meetings in Washington, D.C. Additionally, Council made a proclamation declaring January 2017 as Morro Bay Winter Bird Festival month. Also on January 10th, discretionary appointments were assigned, and like last year Council member Matt Makowetski was assigned as Harbor Advisory Board liaison.

At a Special City Council meeting on January 24th, Council Discuss Fiscal Year 17/18 Program Objectives Associated with the Adopted City Goals.

Also on January 24th at their regular meeting, the Council adopted the Centennial Parkway concept plan to include the staff report and attachments and Council comments from this meeting to inform the concept, and adopted a 2-way traffic plan at this point.

Past Events

Lighted Boat Parade

Polar Bear Dip

"For those Who Remember" statue dedication

Winter Bird Festival

Upcoming Events:

Women for Fisheries Enchilada Sale 2/4

Big Bad & Ugly Surf Invitational 2/18 & 2/19

VFD



REQUEST FOR QUALIFICATIONS FOR

**DESIGN/BUILD/OPERATE PROJECT FOR
Marine Services Facility/Boatyard in Morro Bay, California**

Issued by the City of Morro Bay, California

Approved:

Project Representative: Eric Endersby, Harbor Director

Issue Date: TBD

Submission Deadline: TBD

Project No: MB-2017-HRFQ1

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1. Overview

1.1 Project Objective

The objective of the project is to design, build and potentially operate a full-service boatyard/marine services facility in Morro Bay, California, with do-it-yourself (DIY) capabilities, in order to service local and transient commercial and recreational vessels for their short and long-term maintenance, repair and overhaul needs, including emergency haulout and repair, as well as to provide a means to safely remove derelict vessels from the water to minimize negative environmental and other impacts, and creating new and improved economic opportunities in the local and regional economies. An additional objective is to assist, augment and/or provide for future maritime museum facility establishment. This full-service and DIY boatyard/marine services facility would also be expected to become a point of interest for visitors and locals alike.

The ultimate goal of establishing a boatyard/marine services facility in Morro Bay is to ensure the community has the physical resources and services to support resilient, independent and economically productive commercial, recreational, research and safety/security marine-dependent activities.

1.2 RFQ Respondents

It is anticipated RFQ Respondents or Respondent Teams are those with experience in operating boatyards and marine services facilities, and/or contracting those operations, as well as the capacity to facilitate, directly or indirectly, the design and build of such a facility in a private or public-private manner.

1.3 City of Morro Bay

Incorporated in 1964, the City of Morro Bay is a general law City on the Central Coast of California, located halfway between Los Angeles and San Francisco on scenic Highway One. It is a spectacular setting, with magnificent Morro Rock, harbor, rolling breakers in the ocean, a sand spit and quiet inner bay. The community enjoys a peaceful way of life with miles of sandy beaches and offers plentiful opportunities for outdoor activities.

Tourism and commercial fishing are the main features of the local economy, with the city's "working waterfront" being a prime cultural and economic feature. Morro Bay's population is 10,000. The city's waterfront is administered as an enterprise fund under the Harbor Department, and includes waterfront lease, facility, boating and open space management, public safety via Harbor Patrol and Lifeguard services, and capital planning/execution. A seven-member Harbor Advisory Board is charged with assisting and advising the City Council and Harbor Department by providing an additional forum for public discourse, and is a primary driving force behind this project.

This project is envisioned to be a joint one between the City's Harbor, Community Development and Public Works Departments, and with key participation from the City Council, Harbor Advisory Board, City Manager and community.

1.4 Project Background

Historically, Morro Bay had two boatyards that could service nearly all local vessels requiring haulout. In the late 1990's, the larger yard closed due to several reasons (economies of small scale and environmental compliance, location in the heart of the visitor-serving waterfront, old and reduced-capacity infrastructure), and the remaining yard can only service vessels up to approximately 30 feet, and then only one at a time.

Approximately 1995-1998, the City pursued establishment of a full-service boatyard/marine services facility in the northern portion of the bay and waterfront, but the effort failed primarily because of land ownership issues and cost of land acquisition, and environmental issues relative to the particular site.

Further efforts failed to make any significant progress, and the concept went fallow in the early 2000's. During the period of 2013-2015, the City of Morro Bay acquired from Morro Bay Power Plant owner Dynegy, Inc., the ownership of approximately two acres of open, coastal-dependent industrial-zoned property in the southwest portion of the plant property. Due to its shape, this property is commonly called the "Triangle Lot." At that time, the City's interest in a boatyard/marine service facility was renewed, with the possibility of this property being a suitable location.

In late 2012, with renewed interest in the project, the Morro Bay Harbor Advisory Board established an ad-hoc committee to assist in the efforts. In 2015 the City Council made it a Council goal to continue pursuing a boatyard/marine services facility, with the Triangle Lot being the most likely candidate identified by staff for location. With competing development interests at play for the Triangle Lot (boatyard/marine services facility, maritime museum, and public parking), in late 2015 the City commissioned RRM Design Group to conceptually determine which of, or how all, the three uses could conceivably fit into the Triangle Lot and surrounding public property.

RRM determined that with creative use of property and planning; a ~10-space boatyard, ~50-space dry-storage facility, ~3,200 SF maritime museum with outside vessel display area, and a ~35-55 net public parking space gain could be achieved with use of the Triangle Lot and adjoining useable areas, depending on which concept option they developed, A or B, was used. The Harbor Advisory Board endorsed Option A in December, 2015.

In addition, in 2014 the City commissioned Lisa Wise Consulting to conduct a Morro Bay Boatyard and Haulout Facility Market Demand Analysis, which concluded in a March, 2015 report, a boatyard in Morro Bay could conceivably attract ~270 vessels per year with total spending of between \$1.1 - \$2.3 million, based on a facility concept aligned with Site Criteria developed and approved by the Harbor Advisory Board.

2. Definitions & Acronyms

- 2.1 City – City of Morro Bay
- 2.2 Respondent or Respondent Team – those people, organizations, entities or firms responding to this Request for Qualifications
- 2.3 RFQ - Request for Qualifications
- 2.4 RFP - Request for Proposals
- 2.5 SOQ - Statement of Qualifications
- 2.6 Qualified Respondent – those Respondents or Respondent Teams chosen by the City to submit a proposal should a Request for Proposals be issued. Also known as the “short list.”
- 2.7 Project – the boatyard/marine services facility as envisioned by the City
- 2.8 QRC - Qualifications Review Committee
- 2.9 DIY - Do It Yourself

3. Request for Qualifications

3.1 Inquiries

All inquiries related to this RFQ are to be directed, in writing (by mail or email), to the Project Representative, as listed on the front cover of this RFQ. Information obtained from any other source, unless directed by the Project Representative, is not official and should not be relied upon. Respondent or Respondent Teams are invited and encouraged to contact the Project Representative with any questions, comments or needs for information.

3.2 Documents Available

The following public documents are available for review upon request:

- 3.2.1 Lisa Wise Consulting’s March, 2015 Morro Bay Boatyard and Haulout Facility Market Demand Analysis.
- 3.2.2 Marshall & Associates’ 1998 Economic and Operational Analysis of Proposed Boating Access Facility at Morro Bay Harbor.

In addition, the facility Site Criteria as approved by the Harbor Advisory Board, and RRM’s 2015 Triangle Lot Concept Options A and B are included with this RFQ as **Exhibits 1 and 2.**

3.3 Closing Date

Three complete hard copies, including one with an original signature as outlined in Section 3.7, and one electronic copy of each response must be received **before [90 days out], on [date]** at the address on the front cover of this RFQ. Responses sent by facsimile (“fax”) will not be accepted. Responses and their envelopes should be clearly marked with the name and address of the Respondent and the project title.

3.4 Late Responses

Late responses will only be accepted if an extension to the closing date and time is provided by the City 24 hours in advanced of the published closing date and time. Any extensions will be granted at the sole discretion of the City and for reasons compelling to the City's interests in the project.

3.5 Qualifications Review Committee

A Qualifications Review Committee will be appointed by the City to rate and score the RFQ responses and SOQ's on a qualitative basis. The City may use appropriate technical resources to provide assistance in evaluating the responses.

3.6 Review and Selection

The QRC will rate and score (in their sole discretion) the Respondent's Statements of Qualifications based on the Evaluation Criteria and Scoring Matrix as shown in Section 5. Failure to meet all RFQ requirements may render a Statement of Qualification non-responsive. The extent to which a Respondent meets or exceeds Evaluation Criteria will be rated by the QRC and be reflective of the QRC's scoring (in their sole discretion) of the Statements of Qualifications submitted.

In its sole discretion, the QRC may hold interviews, ask written questions of the Respondents, seek written clarifications, conduct discussions on the SOQ's, and solicit updated SOQ's during the evaluation process.

The City will develop a "short-list" of Qualified Respondents who will be provided the opportunity to respond to any Request for Proposals (RFP), ~~if one is issued~~, resulting from this RFQ.

3.7 Signed Responses

One of the complete hard copy responses must include an original "wet" signature or signatures of the Respondent, or principal of the Respondent team. Signature(s) will be those that are required to legally bind the Respondent to a contract.

3.8 Acceptance of Responses

This RFQ and the City's evaluation of SOQs responsive to it are not a binding agreement or guarantee the City will issue an RFP for the Project. Respondents to this RFQ will be assessed in light of the Evaluation Criteria and Scoring Matrix and, if chosen as a Qualified Respondent, will be provided the opportunity to submit a proposal to an RFP for the Project should one be issued.

4. Post-RFQ Services

Qualified Respondents, **should they respond to any subsequent RFP issued for the Project**, will be expected to submit the following in their RFP submittals, including narratives, visuals and other supporting documentation:

4.1 Facility Layout

Including but not necessarily limited to, and with deference to the Site Criteria:

- 4.1.1 Haulout Ways, Staging Dock and Approach Apron
- 4.1.2 Fixed Hoist for Small and/or Trailerable Vessels, including fully-rigged sailing vessels
- 4.1.3 Vessel Scrape/Wash-down Area with Necessary Environmental Features
- 4.1.4 Means and Path for Vessel Transport to Yard
- 4.1.5 Vessel Work Pads/Spaces within the Yard
- 4.1.6 Sanding/Painting Booths or Enclosures
- 4.1.7 Shop Space
- 4.1.8 Office/Administrative Space
- 4.1.9 Storage Space
- 4.1.10 Restrooms/Shower
- 4.1.11 Employee and Patron Parking
- 4.1.12 Vessel Dry Storage Space and Associated Facilities and Equipment
- 4.1.13 Accommodation of Maritime Museum and Associated Displays
- 4.1.14 Public Parking
- 4.1.15 Facility Lighting, Utilities and Trash/Recycling
- 4.1.16 Facility Security

4.2 Design and Permitting

Including, but not necessarily limited to:

- 4.2.1 Design and Permitting Process Approach
- 4.2.2 Zoning and Code Compliance
- 4.2.3 Above-Ground and Below-Ground Structures and Improvements
- 4.2.4 Environmental Compliance
- 4.2.5 Utilities
- 4.2.6 Neighborhood Compatibility and Nuisance Abatement Strategies
- 4.2.7 Accommodation of Maritime Museum
- 4.2.8 Public and Facility Parking
- 4.2.9 Public Viewing Opportunities

4.3 Build/Construction

Including, but not necessarily limited to:

- 4.3.1 Build/Construction Process Approach
- 4.3.2 Timeline
- 4.3.3 Phasing (if any)
- 4.3.4 Soils Testing as Necessary
- 4.3.5 Minimization of Negative Neighborhood and Traffic Impacts, and Nearby Slip Holder and Pier User Disruption

- 4.3.6 Accommodation of Maritime Museum
- 4.3.7 Necessary and Proper Insurance

4.4 Operation

Including, but not necessarily limited to:

- 4.4.1 Operational Approach, Including Operation by Others if Proposed
- 4.4.2 Subtenants (if any)
- 4.4.3 Major Machinery and Equipment Features
- 4.4.4 Accommodation of DIY Patrons
- 4.4.5 Vessel Transport Plan – Trailerable and Non-Trailerable
- 4.4.6 Traffic Control During Vessel Transport
- 4.4.7 Storage Yard Access and Use
- 4.4.8 Self-Launch (Fixed Hoist) Patrons
- 4.4.9 Minimization of Negative Neighborhood Impacts
- 4.4.10 Best Management Practices
- 4.4.11 Environmental Control and Monitoring
- 4.4.12 Incorporation of “Clean Marinas Program” Elements
- 4.4.13 Accommodation of Maritime Museum
- 4.4.14 Off-hour Emergency Vessel Haulage
- 4.4.15 Necessary and Proper Insurance

4.5 Administrative and Financial

Including, but not necessarily limited to:

- 4.5.1 Proposed Lease Structure
- 4.5.2 Financial Pro Forma, through to Stabilization, Including Proposed Haul/Launch, Lay-day and Storage Rates
- 4.5.3 Subtenants and/or Subcontractors
- 4.5.4 Environmental and Permit Compliance
- 4.5.5 Proof of Financial Capability to Undertake Project

5. Project Assumptions

The following assumptions can be made with regard to the Project and subject property:

- 5.1 The Triangle Lot is free of all encumbrances and liens, and available on a negotiable lease basis.
- 5.2 All current hardscape and landscape features in the Triangle Lot, with the exception of the current maritime museum improvements, and including the pathway from the haulout ways to the yard, are capable of being relocated, revised, or eliminated.

- 5.3 The Triangle Lot and all adjacent public property and Right-of-ways are potentially available for use and development.
- 5.4 The haulout ways and its piers are able to be located in the area of the fishing vessel slips roughly southwest of the Triangle Lot, and to the south of the South 'T' Pier.
- 5.5 All required utilities are available.
- 5.6 At a minimum, the current public parking space inventory is to be preserved. Spaces can be relocated, and ideally enhanced in number.

6. RFQ Evaluation Criteria & Scoring Matrix

6.1 Evaluation Criteria

The following Evaluation Criteria are considered mandatory for all RFQ submissions:

- 6.1.1 Qualifications of Respondent's team members and key personnel.
- 6.1.2 Respondent's organizational structure and governance.
- 6.1.3 Respondent's years of experience in the industry.
- 6.1.4 Experience with the type of project specified in this RFQ, including planning/permitting, funding, construction/execution, and operation.
- 6.1.5 Proven financial and organizational capacity to deliver the Project design/build requirements on time and on budget.
- 6.1.6 Statement responsive to the Scoring Matrix elements.
- 6.1.7 Portfolio of developed and/or operated projects.
- 6.1.8 Respondent team vision and creativity.

6.2 Scoring Matrix

The following Scoring Matrix will be used to rate the SOQs:

- 6.2.1 Completeness, depth and quality of the Evaluation Criteria submission.
- 6.2.2 Extent to which the Site Criteria are incorporated.
- 6.2.3 Degree and quality to which "S.W.O.T." (Strengths, Weaknesses, Opportunities, Threats) analysis is performed.
- 6.2.4 Type of Project development approach that is taken (Private, Public/Private, Public, or combination), and how each Project element (planning/permitting, construction/execution, operation) is handled in the approach.
- 6.2.5 Incorporation and/or accommodation of the maritime museum as-envisoned.
- 6.2.6 Type of facility operational approach that is taken.
- 6.2.7 Project phasing, if any.
- 6.2.8 Understanding of Zoning, Environmental and Permitting Issues.
- 6.2.9 Clarity, concision, and completeness of response.

Scoring will be weighted as follows:

6.2.1	25 points
6.2.2	15 points
6.2.3	5 points
6.2.4	15 points
6.2.5	10 points
6.2.6	15 points
6.2.7	5 points
6.2.8	5 points
6.2.9	5 points
Total	100 points

7. RFQ Submission Requirements

- 7.1 Letter of Submittal and Statement of Interest
- 7.2 Completed Respondent Information Form (**Exhibit 3**)
- 7.3 Responses to Evaluation Criteria
- 7.4 Professional and Financial References

8. RFQ Pre-Submittal Conference and Site Tour

Mandatory pre-submittal conference and site tours for each prospective Respondent will be scheduled at the mutual convenience of the individual Respondent and City representatives, but in no event later than **XXXX**. Prospective Respondents attending these meetings will receive a presentation, view the site, have the opportunity to ask questions and get a better understanding of the City's vision, goals, opportunities, constraints and other factors potentially affecting the Project. Meetings with prospective Respondents will be combined where practical.

9. Conflicts of Interest

A conflict of interest exists wherever an individual could benefit directly or indirectly from access to information or from a decision over which they may have influence, and also includes a perceived conflict where someone might reasonably perceive there to be such benefit and influence. A conflict of interest occurs when a staff member or consultant attempts to promote a private or personal interest that results in an interference with the objective exercise of their job responsibilities, or gains any advantage by virtue of his/her position. Conflicts of interest may be real, potential or perceived.

Respondents should disclose conflicts of interest, or potential conflicts of interest, in writing, in their submittals. The QRC will consider the nature of the Respondent's responsibilities and the degree of potential or apparent conflict in deciding the course of action that the Respondent needs to take to remedy the conflict of interest.

10. Limitations & Reserved Rights

- 10.1** The City reserves the right to select one, more than one or no Respondents to move onto the “short-list” proposal phase, should one be conducted, as a result of this process.
- 10.2** In connection with this process, the City reserves to itself all rights (which rights shall be exercisable by the City in its sole discretion) available to it under the law, including without limitation, the following, with or without cause and with or without notice:
- 10.2.1 The right to cancel, withdraw, postpone or extend this RFQ or subsequent RFP in whole or in part at any time prior to the execution by the City of a design/build/operate contract, without incurring any obligations or liabilities.
 - 10.2.2 The right to issue a new RFQ.
 - 10.2.3 The right to reject any and all responses, submittals and proposals received at any time.
 - 10.2.4 The right to modify all dates set or projected in this RFQ.
 - 10.2.5 The right to terminate evaluations of responses received at any time.
 - 10.2.6 The right to revise and modify, at any time prior to any RFP submittal date, factors the City will consider in evaluating responses to this RFQ and the subsequent RFP should be issued, and to otherwise revise its evaluation methodology.
 - 10.2.7 The right to waive or permit correction to data submitted with any response to this RFQ until such time the City declares in writing a particular stage or phase of its review of the responses to this RFQ is completed and closed.
 - 10.2.8 The right to issue addenda, supplements and modifications to this RFQ, including but not limited to modifications of evaluation criteria or methodology and weighting of evaluation criteria.
 - 10.2.9 The right to permit submittal of addenda and supplements to data previously provided with any response to this RFQ until such time as the City declares in writing a particular stage or phase of its review of the responses to this RFQ is completed and closed.
 - 10.2.10 The right to hold meetings and conduct discussions and correspondence with one or more of the Respondents responding to this RFQ to seek an improved understanding and evaluation of the responses to this RFQ.
 - 10.2.11 The right to seek or obtain data from any source that has the potential to improve the understanding and evaluation of the responses to this RFQ, including the right to seek clarifications from Respondents.
 - 10.2.12 The right to permit Respondents to add or delete firms and/or key personnel until such time as the City declares in writing a particular stage or phase of its review is completed and closed.
 - 10.2.13 The right to add or delete Respondent responsibilities from the information contained in this RFQ or subsequent RFP, if one is issued.
 - 10.2.14 The right to appoint and change appointees of any QRC.
 - 10.2.15 The right to use assistance of technical and legal experts and consultants in the evaluation process.
 - 10.2.16 The right to waive deficiencies, informalities and irregularities in an SOQ, accept and review a non-conforming SOQ or seek clarifications or supplements to an SOQ.

10.2.17 The right to disqualify any Respondent that changes its submittal without City approval.

10.2.18 The right to change the method of award between the advertisement of the RFQ and the advertisement of the RFP, if one is issued.

10.2.19 The right to respond to all, some, or none of the inquiries, questions and/or requests for clarification received relative to the RFQ.

10.3 City assumes no obligations, responsibilities or liabilities, fiscal or otherwise, to reimburse all or part of the costs incurred or alleged to have been incurred by parties considering a response to and/or responding to this RFQ, or any subsequent RFP, if one is issued. All of such costs shall be borne solely by each Respondent and its team members.

10.4 City retains the right to indefinitely retain possession of all information and data provided in response to this RFQ.

THANK YOU FOR YOUR INTEREST IN THIS PROJECT.

Morro Bay Boatyard and Haulout Facility Site Criteria
Harbor Advisory Board Marine Facilities Ad Hoc Committee

May 6, 2015

Two Pages

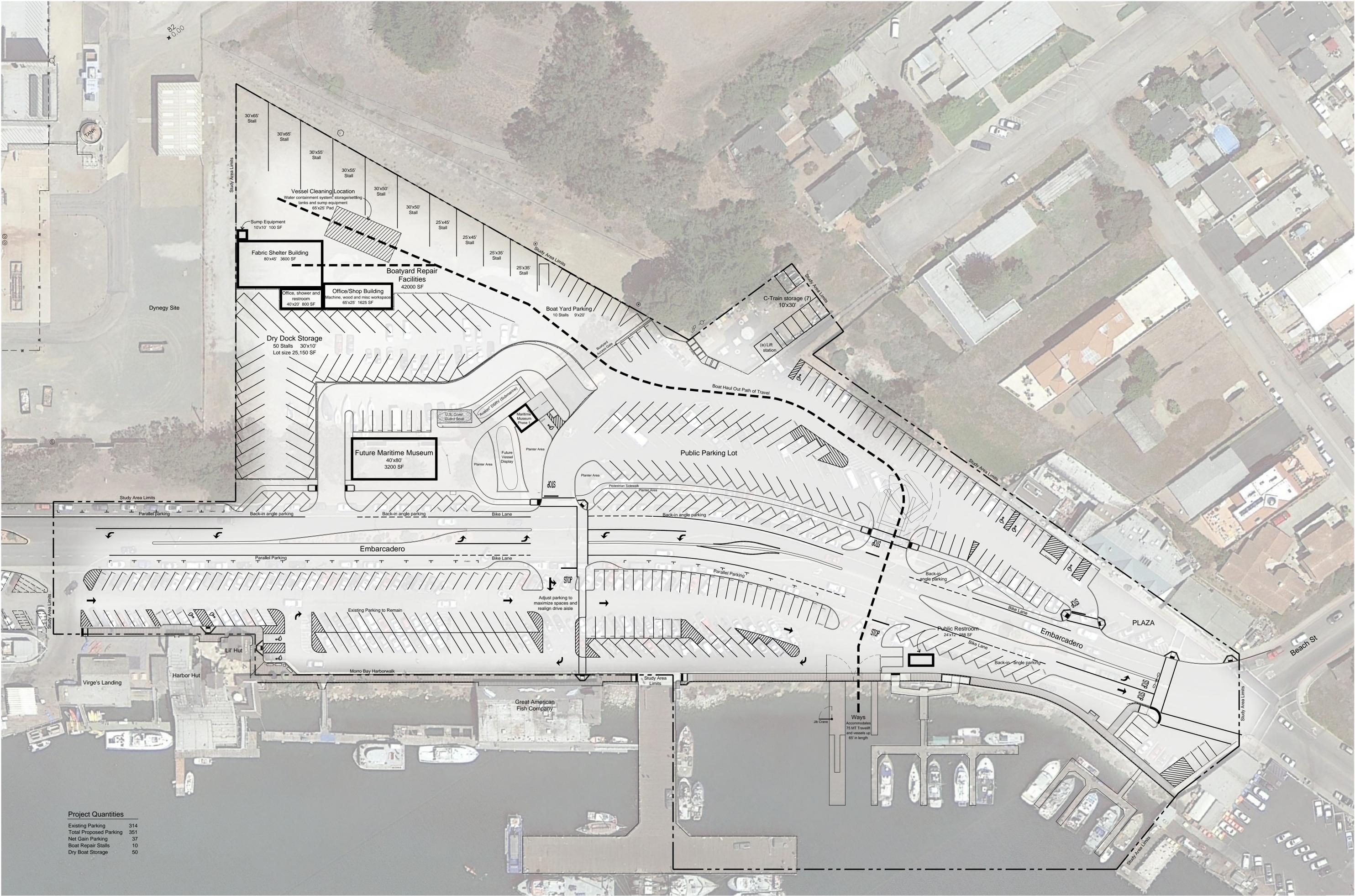
- City owned or controlled property, or alternatively property for which there is a realistic opportunity for acquisition by the City.
- Necessary consideration of Measure D requirements and restrictions.
- The upland portion of the facility, as well as the haulout site or sites, able to obtain site approval from City, County, State (to include the California Coastal Commission) and Federal regulatory agencies.
- The upland portion of the facility large enough to accommodate at least ten 50' vessels blocked at one time for repair and/or maintenance, with adequate space for a Travelift of 75 metric ton (MT) capacity to maneuver (which requires a turning radius of 35'). Additionally, sufficient upland site size to accommodate a 60' by 30' (60' long by 30' wide, by 40' tall) fabric shelter builder (assuming pad size of 70' by 40' - equals 2,800 square feet or .064 acre), and a reasonably sized office/shop building (assuming 20' by 60' - equals 1,200 square feet or .028 acre). See Note A below. "Travelift" is trademarked brand name (the full name is Marine Travelift), and there are numerous other mobile boat hoist brands.
- The upland portion of the facility to have no vertical restrictions.
- The upland facility able to accommodate parking for twenty vehicles.
- The upland portion of the facility to feature soil conditions able to support the movement of a loaded 75 MT Travelift. Total weight of a 75 MT Travelift, when combined with its maximum rated load capacity, is 211,000 pounds.
- The upland portion of the facility to feature soil conditions able to support the blocking of a vessel weighing the same as the maximum capacity of a 75 MT Travelift, which is 165,000 pounds.
- The upland portion of the facility large enough to accommodate an as yet unspecified number, type and size of vessels in dry storage (up to one hundred trailerable boats and/or dry stack storage structure for up to one hundred boats). See Note B below.
- The upland facility well drained, to avoid standing water and a soft surface due to wetting (requiring minimal modification for run-off containment, and standing water management).
- The upland facility provided with adequate electrical service for light industrial uses (440 Volt service for fixed air compressor; 220 Volt service for lighting; 110 Volt service for power tool operation).
- The upland facility provided with adequate sunlight and prevailing wind exposure to support solar power and wind power applications.
- The upland facility provided with adequate fresh water supply, sufficient to supply fire main and occupational requirements.
- The upland facility able to feature restroom and shower facilities.
- The upland facility provided with adequate access to sewer main for discharge of treated wash-down water and run-off water.

- The upland facility provided with adequate lighting, to include security lighting.
- The upland facility able to accommodate a suitable vessel bottom cleaning containment system (hardscape area approximately 25' by 65', with water collection system involving storage/settling tank(s) and sump pump equipment).
- The upland facility able to include perimeter features to mitigate wind driven sand and debris from entering from the outside, and able to mitigate dust from inside the facility migrating outside.
- The upland facility able to be secure around its perimeter for security and safety requirements.
- The upland facility located as close as possible to the haulout site.
- The haulout site able to accommodate the piers and ramp for (up to) a 75 MT Travelift (mobile boat hoist).
- Means (a fixed hoist) to launch and haul out small boats of up to approximately 9,000 pounds, to accommodate trailerable boats and dry stored boats.
- The access route between the haulout site and the uplands facility able to physically support a loaded 75 MT Travelift (to include the weight of the hoist itself, and with vertical clearance up to 130'). Total weight of a 75 MT Travelift, when combined with its maximum rated load capacity, is 211,000 pounds.
- Reasonable pedestrian and vehicle traffic control possible relative to the access route between the haulout site and the uplands facility.

Note A: The 1998 Marshall study calculated an area of 530' by 150' (or 1.83 acre) as being necessary to "accommodate 20 vessels in a combination of lengths up to 80 feet and 22 feet beam".

Note B: The 1998 Marshall study calculated an area of 455' by 150' (or 1.57 acre) as being necessary to "provide long term storage for up to 120 trailerable boats in lengths to 25 feet". It should be noted that this size configuration does not include the use of dry-stack storage.

Note C: Endorsed by the Harbor Advisory Board by unanimous vote May 7, 2015.



Project Quantities

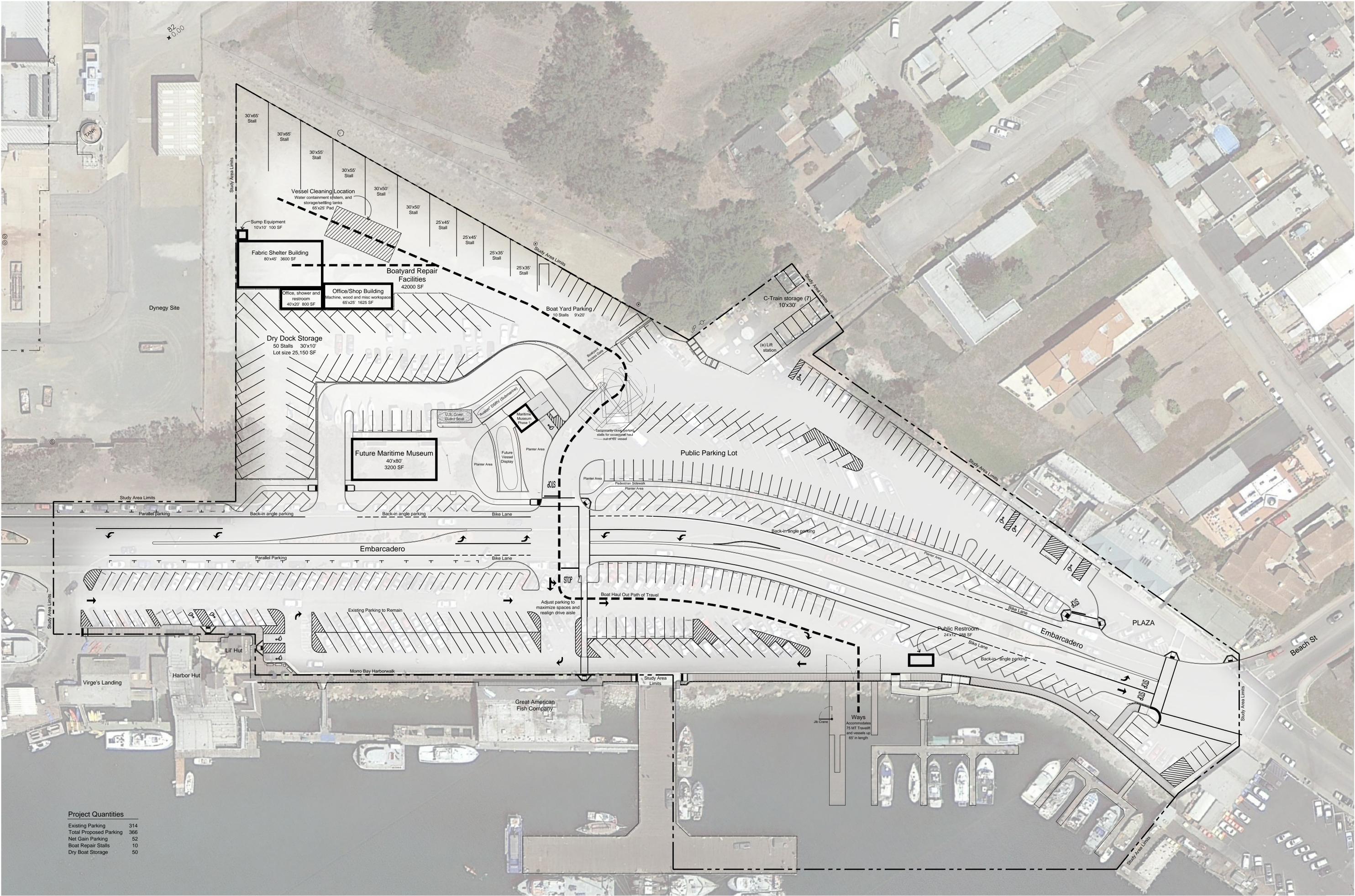
Existing Parking	314
Total Proposed Parking	351
Net Gain Parking	37
Boat Repair Stalls	10
Dry Boat Storage	50

Morro Bay Triangle Lot - Option A



Base Map
December 3, 2015

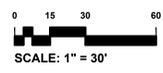




Project Quantities

Existing Parking	314
Total Proposed Parking	366
Net Gain Parking	52
Boat Repair Stalls	10
Dry Boat Storage	50

Morro Bay Triangle Lot - Option B

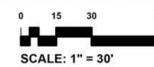


Base Map
December 3, 2015





Morro Bay Triangle Lot - Existing Conditions



December 3, 2015

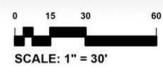




Project Quantities

Existing Parking	314
Total Proposed Parking	351
Net Gain Parking	37
Boat Repair Stalls	10
Dry Boat Storage	50

Morro Bay Triangle Lot - Option A



Base Map
December 3, 2015

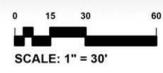




Project Quantities

Existing Parking	314
Total Proposed Parking	366
Net Gain Parking	52
Boat Repair Stalls	10
Dry Boat Storage	50

Morro Bay Triangle Lot - Option B



Base Map
December 3, 2015





AGENDA NO: C-2

MEETING DATE: February 2, 2017

Staff Report

TO: Harbor Advisory Board

DATE: January 25, 2017

FROM: Eric Endersby, Harbor Director

SUBJECT: Update from the Finance & Budget Ad-Hoc Committee on
Committee's Recent Activities

RECOMMENDATION

Receive and file.

DISCUSSION

The Finance & Budget Ad-Hoc Committee will be presenting an oral update on their activities, if any. This is a standing committee report agenda item.

Prepared By: EE

Dept. Review: EE



AGENDA NO: C-3

MEETING DATE: February 2, 2017

Staff Report

TO: Harbor Advisory Board

DATE: January 25, 2017

FROM: Eric Endersby, Harbor Director

SUBJECT: Update from the Eelgrass Ad-Hoc Committee on Committee's Recent Activities

RECOMMENDATION

Receive and file.

DISCUSSION

The Eelgrass Ad-Hoc Committee will be presenting an oral update on their activities, if any. This is a standing committee report agenda item.

Prepared By: EE

Dept. Review: EE



AGENDA NO: C-4

MEETING DATE: February 2, 2017

Staff Report

TO: Harbor Advisory Board

DATE: January 25, 2017

FROM: Eric Endersby, Harbor Director

SUBJECT: Update from the Marine Sanctuaries Ad-Hoc Committee on Committee's Recent Activities

RECOMMENDATION

Receive and file.

DISCUSSION

The Marine Sanctuaries Ad-Hoc Committee will be presenting an oral update on their activities, if any. This is a standing committee report agenda item.

Prepared By: EE

Dept. Review: EE

Agenda item C-5 is amended with a revised staff report and addition of Attachment 2 to the staff report, which are both now available.



AGENDA NO: C-5

MEETING DATE: February 2, 2017

Staff Report

TO: Harbor Advisory Board

DATE: January 25, 2017

FROM: Eric Endersby, Harbor Director

SUBJECT: Development of a Morro Bay Working Waterfront Policy or Policies, and Update from the Working Waterfront Ad-Hoc Committee on Committee's Recent Activities

RECOMMENDATION

Receive report and ad-hoc committee input, review November 10, 2016, and January 26, 2017 Working Waterfront ad-hoc committee reports, and begin development of a Morro Bay Working Waterfront Policy or Policies.

BACKGROUND

In their 19-page report to the HAB, dated November 10, 2016, the Working Waterfront ad-hoc committee recommended "development of a Morro Bay working waterfront policy should take place in light of waterfront related business and land use projects that are underway, or are being contemplated" (pg. 3). In addition to various other pertinent and valuable information in the report, the committee identified "imperatives and factors relevant to Morro Bay developing a working waterfront policy" (page 7).

A copy of the November 10, 2016 ad-hoc committee report is included with this staff report as Attachment 1. In addition, a January 26, 2017 ad-hoc committee report is also included as Attachment 2, providing additional summary, background and policy-development information for consideration.

Last fall, ad-hoc committee members and staff met with consultants Michael Baker International, the firm hired by the City to update its General Plan, Local Coastal Plan and Downtown and Waterfront Master Plan, wherein issues of working waterfronts and Measure D were discussed and vetted. The intent of this meeting was to ensure HAB and ad-hoc committee input was received for consideration and integration in revising the above-stated plans. It is yet to be seen to what degree this input is integrated.

Prepared By: EE

Dept. Review: EE

In addition, at their October 6, 2016 meeting, the HAB recommended to the City Council:

That in order to ensure a vibrant waterfront, the City of Morro Bay self-designate a working waterfront area from Morro Rock to the State Park Marina with follow-on policies, perhaps zoning, and other land and water use implementation strategies and/or measures.

DISCUSSION

In addition to continuing to “feed” input to Baker via various methods, staff recommend the HAB begin development of a discreet Morro Bay Working Waterfront Policy or Policies as recommended by the HAB on October 6. This recommendation is also in keeping with the Council-approved HAB Goals Work Program items.

The Working Waterfront Ad-Hoc Committee will also be presenting an oral update on their activities, including presentation of their January 26 report.

CONCLUSION

It is further recommended the HAB begin with identifying what elements should be included in development of a policy, then work to identify or outline a process by which to achieve that development. It is anticipated development of a policy or policies will take considerable time, effort and outreach to ensure development of a well-conceived product.

ATTACHMENT

1. Morro Bay Working Waterfront Initiative Project Report, November 10, 2016
2. Morro Bay Working Waterfront Initiative Project Report, January 26, 2017

Morro Bay Working Waterfront Initiative Project Report

Harbor Advisory Board - Working Waterfront Ad Hoc Committee

November 10, 2016

(Nineteen Pages)

Executive Summary

In August 2016, the Morro Bay City Council tasked the Morro Bay Harbor Advisory Board (the “HAB”) to, “. . . begin a “Working Waterfront” policy-making process for Morro Bay”. The HAB in turn created a Working Waterfront Ad-Hoc Committee (Committee) to pursue that task.

Per the relevant City Staff Report in August, the HAB and the Committee were requested to address three Working Waterfront “Work Plan Elements” (WPE) to “. . . guide the process and help achieve the goal”.

The first of those WPE’s (WPE1) was to be addressed by the HAB and the Committee during the first quarter (Q1) of the current City fiscal year – July 2016 through September 2016. WPE1 calls for the HAB and the Committee to, “Research ‘Working Waterfronts’, their designations, guidelines and other information pertinent to Morro Bay for consideration of a Morro Bay policy and possible designation”.

In September 2016, after considerable research into Working Waterfronts in the U.S., as well as research into and consideration of the Working Waterfront concept as it relates to Morro Bay, the Committee reported the following key points, and provided the back-up information that follows these key points:

- Morro Bay as a community emerged in significant part as result of growth occurring around its commercial port, and the businesses and population that supported its commercial port – it’s working waterfront. The history, culture, and community identity of Morro Bay is inextricably linked to the existence of its working waterfront. There is concern both in the community and in City government that Morro Bay’s working waterfront is at risk in terms of conversion, and even disappearance.
- The loss of working waterfronts can negatively impact coastal communities economically (jobs, business, and taxes), as well as culturally and environmentally. For instance, when working waterfront uses are converted to non-working waterfront uses, the loss of water-dependent businesses often has unexpected cumulative negative impacts on the local community, and on surrounding communities. Morro Bay’s working waterfront faces pressures from competing uses, changing regulations, increasing tax burdens, aging infrastructure, coastal hazards, and emerging waterfront uses.
- Competing and/or new uses of Morro Bay’s working waterfront may very well be entirely compatible with some notional long-term plan for Morro Bay, but it is important to recognize that the stock of Morro Bay waterfront property is finite. Maintaining Morro Bay’s overall inventory of working waterfront lands is critical, especially considering the

possible infrastructure needs of emerging waterfront uses such as renewable wind, tide and current energy, or even emerging fisheries, not yet being fully understood. Preservation of Morro Bay's working waterfront, and the associated access to the water, is vitally important to the City, to the community, and to the regional economy.

- Special circumstances apply to Morro Bay's waterfront, in that the navigable waters of Morro Bay, the submerged lands underneath the Bay, and the very waterfront of Morro Bay are all held in trust by the State for the benefit of the public. The public's access rights to these State Tidelands Trust Lands under the State's public trust doctrine makes clear that the public has a right to use those lands and waters for fishing, navigation, commerce and recreation. Conversion of Morro Bay's working waterfront to non-water dependent uses, such as hotels or restaurants, can mean the loss of access to public trust lands and waters. Because the public depends in part upon Morro Bay's working waterfront to access public resources, the City of Morro Bay has an imperative under public trust doctrine to ensure there is enough working waterfront to meet the needs of the public, and its own community.
- The Economic Development Administration, a division of the U.S. Department of Commerce, recognizing the need to collect and synthesize information about the economic impacts and historical trends of working waterfront conversion to non-working waterfront uses, saw to the creation of a subcommittee of the National Working Waterfront Network (NWWN) to pursue a collaborative agreement with the EDA (Proposal to Economic Development Administration, CFDA 11.312) to develop a *Sustainable Working Waterfronts Toolkit*.
- The efforts of coastal communities, States, the Federal government, and the NWWN have identified a number of imperatives and factors that relate to a working waterfront in Morro Bay, and to Morro Bay developing a Working Waterfront policy (refer to **Imperatives and Factors Relevant to Morro Bay Developing a Working Waterfront Policy** below).
- The *Sustainable Working Waterfronts Toolkit (Toolkit)* noted above provides a useful template for identifying key elements to the development of a Working Waterfront policy. For instance, the *Toolkit* identifies five principal themes that can be applied to the process of Morro Bay creating its own Working Waterfront policy: Trends; Economics; Financing; Law and Policy; and Tools in Action (refer to **Initial Steps to Creating a Morro Bay Working Waterfront Policy** below).

Presently in the U.S. there does not appear to be a clear definition of "Working Waterfront". Various communities and States have developed definitions tailored to their particular circumstances and needs. For instance, the State of Maine's legislated definition of Working Waterfront focuses on protecting access by the State's commercial fisheries to waterfront facilities; while the State of Florida's legislated definition of Working Waterfront addresses "recreational and commercial working waterfront," including boatyards, marinas, and, since 2006, resort hotels. (refer to **Defining Working Waterfronts** below).

Concerning what portion of Morro Bay's waterfront should be considered as "working waterfront", on October 6, 2016 the HAB approved the following motion:

Recommend to the City Council that in order to ensure a vibrant waterfront, the City of Morro

Bay self-designate a working waterfront area from Morro Rock to the State Park Marina, with follow-on policies, perhaps zoning, and other land and water use implementation strategies and/or measures.

In its research and deliberations into the concept of Morro Bay's working waterfront, the HAB clearly determined that such concept must be integrated into the City's General Plan, Local Coastal Plan, and Waterfront Master Plan. Further, such integration must include the City's Measure D. Additionally, development of a Morro Bay working waterfront policy should take place in light of waterfront related business and land use projects that are underway, or are being contemplated.

Background

Morro Bay as a community emerged in significant part as result of growth occurring around its commercial port, and the businesses and population that supported its commercial port – its working waterfront. The history, culture, and community identity of Morro Bay is inextricably linked to the existence of its working waterfront. There is concern both in the community and in City government that Morro Bay's working waterfront is at risk in terms of conversion, and even disappearance. For instance, when working waterfront uses are converted to non-working waterfront uses, the loss of water-dependent businesses often has unexpected cumulative negative impacts on the local community, and on surrounding communities. The loss of working waterfronts can negatively impact coastal communities economically (jobs, business, and taxes), as well as culturally, and environmentally.

Morro Bay's working waterfront faces pressures from competing uses, changing regulations, increasing tax burdens, aging infrastructure, coastal hazards, and emerging waterfront uses. Changes to the physical environment, such as climate change impacts and other environmental forces, also affect both the shorelines that facilitate access to and from the waters of Morro Bay, and the adjacent waters upon which commercial fishing, maritime trade, and recreational tourism activities are conducted. For all these reasons, preservation of Morro Bay's working waterfront, and the associated access to the water, is vitally important.

The Federal government, States, and coastal communities have recognized that efforts to preserve a particular working waterfront from the threat of conversion to non-working waterfront use often occur in a piecemeal fashion, and on a parcel-by-parcel basis. In many cases, the rate of working waterfront loss and conversion to non-working waterfront outpaces community action to prevent it. In order for Morro Bay's working waterfront to remain economically vibrant, Morro Bay needs to consider implanting formal planning measures to withstand changing demands on the waterfront, and develop creative solutions to maintain water access for businesses and other users.

Based on feedback from nationwide working waterfront efforts, including the National Working Waterfront Network (NWWN), it became clear that creation of a "central clearinghouse" was necessary to help communities and organizations find information on the tools available to address the issues of Working Waterfronts. The Economic Development Administration, a division of the U.S. Department of Commerce, recognized the need to collect and synthesize information about

the economic impacts and historical trends of working waterfront conversion to non-working waterfront uses. Additionally, it saw the benefit of providing resources related to the challenges and opportunities for preserving working waterfronts and waterways as key economic drivers in communities. In order to fulfill this objective, a subcommittee of the NWWN was formed to pursue a collaborative agreement with the EDA (Proposal to Economic Development Administration, CFDA 11.312) to develop a *Sustainable Working Waterfronts Toolkit*.

That project identified three key findings which have relevance to Morro Bay's efforts relative to a Working Waterfront policy-making process:

- Working waterfronts are economically and culturally important;
- Working waterfronts are changing and the threats facing them are also changing; and
- Working waterfronts are difficult to define and measure.

Defining Working Waterfronts

Based on widely varied stakeholder needs and interests across the country, the concept of “*working waterfront*” has numerous, distinctly different definitions. For example, the Federal Government's approach, the State of Maine's definition, and the State of Florida's definition, are recounted below.

Federal Working Waterfront Acts:

Compare the *Federal Working Waterfront Preservation Act of 2005*, introduced by Maine Senator Susan Collins, with the *Keep America's Waterfront Working Act of 2009*, introduced by Maine Representative Chellie Pingree. According to Collins's bill: “A working waterfront area is defined as ‘land that is used for or that supports commercial fishing or the aquaculture industry.’” S. 1723, 109th Cong. (Sept. 19, 2005); see also Josh Clemons, Stephanie Showalter, & Jason Savarese, National Sea Grant Law Center, *Working Waterfronts in Alabama and Mississippi* (April 2006). This definition did not change when Senator Collins reintroduced a modified version of the bill in 2009. S. 533, 111th Cong. (March 5, 2009).

Representative Pingree's bill defines water-dependent commercial activities to include “commercial fishing, recreational fishing, tourism, aquaculture, boatbuilding, transportation,” as well as, somewhat ambiguously, “many other water-dependent businesses.” H.R. 2548, 111th Cong. (May 21, 2009).

The State of Maine:

Application: Current Use Taxation

Under Maine's current use taxation policy, “Working waterfront land means a parcel of land, or a portion thereof, abutting water to the head of tide or land located in the intertidal zone that is used primarily or used predominantly to provide access to or support the conduct of commercial fishing activities.” 36 M.R.S. § 1132. The statute further describes the phrase “support the conduct of

commercial fishing activities” and specifies that “predominantly” means more than 90% of the land is used for commercial fishing activity, while “primarily” means more than 50%, and the rate of reduction on the tax valuation varies accordingly.

Working Waterfront Access Pilot Program

In 2005 Maine approved statute *LD 1930 An Act Regarding Working Waterfront Covenants* under the *Land For Maine's Future Program*, which defined and described the legal basis for a Working Waterfront Covenant, thereby giving legal authority to a method for preserving working waterfront land in perpetuity. The working waterfront covenant is a legally binding deed restriction held by the Department of Marine Resources.

The covenant protects all current and future fisheries related uses of the land by prohibiting all conflicting non-fisheries activities (i.e. condos, marinas, restaurants). The covenant does allow a degree of mixed uses that are compatible with the primary fisheries use and provides the property owner with the flexibility to manage the property as needed to remain financially viable. The property owner also retains all other rights of ownership; that is, they are free to sell or lease. If and when the property owner chooses to sell the property, the State has a "right of first refusal" to assure that the land will be valued at its working waterfront value and thus remain affordable to those who would purchase it with the intent to continue commercial fishing activities.

Though still tied to fisheries, the broader definition adopted by Maine’s Working Waterfront Access Pilot Program encompasses properties fitting one or more of the following criteria:

- Active working waterfront which is strategically significant to the local, regional and state fisheries related economy;
- Currently located and developed to fully support commercial fishing activities; providing key supports such as all tide access, fuel, bait, sales, and/or adequate parking;
- Under current and emerging threat by development and changing population dynamics of conversion to uses incompatible with commercial fishing activities;
- In a community with a clear desire to maintain and support their commercial fishing enterprises as evidenced by zoning, comprehensive plans, etc, and;
- A critical part of the local fishing infrastructure and provides key access for the area.

Application: Department of Environmental Protection

By contrast, Maine’s Department of Environmental Protection more inclusively refers to “functionally water-dependent uses,” defined as those uses that require, for their primary purpose, location on submerged lands or that require direct access to, or location in, coastal or inland waters and that cannot be located away from these waters. The uses include, but are not limited to commercial and recreational fishing and boating facilities, excluding recreational boat storage buildings, finfish and shellfish processing, fish storage and retail and wholesale fish marketing facilities, waterfront dock and port facilities, shipyards and boat building facilities, marinas, navigation aids, basins and channels, retaining walls, industrial uses dependent upon water-borne transportation or requiring large volumes of cooling or processing water that cannot reasonably be

located or operated at an inland site, and uses that primarily provide general public access to coastal or inland waters. (Dept. of Env'tl. Protec. 06-096 CMR Ch. 10)

Florida:

Application: Working Waterfront Protection Act

Florida's Working Waterfront Protection Act has adopted a broader definition that describes and protects "recreational and commercial working waterfront," which includes boatyards, marinas, and, since 2006, resort hotels in its definition of working waterfront. Fla. Const. art. VII (amended 2008); Fla. Stat. § 342.201 (2009).

In Florida's Act, the term "recreational and commercial working waterfront" means a parcel or parcels of real property that provide access for water-dependent commercial activities, including hotels and motels...or provide access for the public to the navigable waters of the state. Recreational and commercial working waterfronts require direct access to or a location on, over, or adjacent to a navigable body of water. The term includes water-dependent facilities that are open to the public and offer public access by vessels to the waters of the state or that are support facilities for recreational, commercial, research, or governmental vessels. These facilities include public lodging establishments, docks, wharfs, lifts, wet and dry marinas, boat ramps, boat hauling and repair facilities, commercial fishing facilities, boat construction facilities, and other support structures over the water. Fla. Stat. § 342.07 (2009).

Studies and programs to define the concept of a Working Waterfront, and apply that definition to local policy and local initiative, have also been undertaken by the following:

- North Carolina Working Waterfront Sea Grant Study – 2007
- Portland, OR Working Waterfront Study – 2013
- Working Waterfront Initiative Summary Report for the Town of Bowers Beach, DE – 2013
- Maine's Working Waterfront Coalition Strategic Plan 2008-2010
- Sustainable Working Waterfronts Toolkit Project Report – 2013

The "Toolkit" project was developed by: Island Institute; Marine Sea Grant; National Sea Grant Law Center; Coastal Enterprises, Inc.; Florida Sea Grant; Virginia Sea Grant; and the Urban Harbors Institute at University of Mass. Boston – March 2013

The "Toolkit" project issued a report prepared by the EDA Project Team as part of the Sustainable Working Waterfronts Toolkit project, funded under Investment Number 99-07-13873 from the U.S. Commerce Department's Economic Development Administration.

Imperatives and Factors Relevant to Morro Bay Developing a Working Waterfront Policy

The efforts of coastal communities, States, the Federal government, and the NWWN have identified a number of imperatives and factors that relate to a working waterfront in Morro Bay - and to Morro Bay developing a Working Waterfront policy. Below is a compilation of those imperatives and factors:

- **Working waterfronts are economically and culturally important**

Morro Bay's working waterfront is important both economically and culturally. Morro Bay's working waterfront provides a place for water-dependent businesses to be located – businesses that create and support jobs. There are strong economic and cultural connections between Morro Bay's working waterfront, the community of Morro Bay, and the region. Morro Bay's working waterfront is a key factor and a major contributor to the character of Morro Bay - a character that is highly valued by both residents and visitors.

- **Working waterfronts are inherently tied to their geography and natural resources.**

Morro Bay's working waterfront exists in very specific and very special location, and is imbedded in the historical context of the community and the City of Morro Bay. Should Morro Bay's uniquely located working waterfront be lost, a key component of the community's identity would be lost, as well as the dependent businesses and working waterfront related activities, and the jobs and tourism they represent.

- **Working waterfront lands and/or infrastructure facilitate important access to public resources.**

Morro Bay's working waterfront, both the land itself and the physical infrastructure on that land, facilitates access to navigable waters, natural resources, and a highly desirable local environment. To ensure a vibrant working waterfront, the waterfront land and the physical infrastructure must be protected. For example, docks, wharfs, piers, and moorings are critical infrastructure components that provide for access to public resources, and require protection and maintenance.

Working waterfronts are owned and managed in various ways, which impacts how they facilitate access to public resources. They may be publicly owned and managed, publicly owned but managed by a private entity, or they may be privately owned. The variations in ownership can make it challenging for governmental entities to address infrastructure needs. Although public and quasi-public working waterfronts can be regulated directly, private working waterfronts can only be indirectly regulated through land use, tax, and other policies.

Pursuant to the public trust doctrine (a common law legal doctrine recognized by the State of California), the navigable waters of Morro Bay, the submerged lands underneath the

Bay, and the very waterfront of Morro Bay are all held in trust by the State for the benefit of the public. The public's access rights under the State's public trust doctrine makes clear that the public has a right to use Morro Bay public trust lands and waters for fishing, navigation, commerce and recreation. Conversion of Morro Bay's working waterfront to non-water dependent uses, such as hotels or restaurants, can mean the loss of access to public trust lands and waters. Because the public depends in part upon Morro Bay's working waterfront to access public resources, the City of Morro Bay has an imperative to ensure there is enough working waterfront to meet the needs of the public, and its own community.

- **Once working waterfront land is converted to other uses, it is likely lost forever as a working waterfront.**

Morro Bay's existing working waterfront facilities and sites are invaluable assets. Given the extremely high replacement costs of acquiring waterfront property, constructing new infrastructure, and the need to comply with limitations imposed by State land trust laws and regulations, as well as environmental laws and regulations protecting coastal resources, existing working waterfronts are of inestimable value.

Should existing Morro Bay working waterfront sites be converted to non-water-dependent uses, the future opportunities for water-dependent working waterfront activities in Morro Bay would be severely diminished. After a working waterfront has been converted to another use, be it a hotel, restaurant, or any other use, chances are extremely slim that it will be converted back to a waterfront that supports water-related industry and commerce.

The new use may very well be entirely compatible with some notional long-term plan for Morro Bay, but it is important to recognize that the stock of Morro Bay waterfront property is finite. Maintaining Morro Bay's overall inventory of working waterfront lands is critical, especially considering the possible infrastructure needs of emerging waterfront uses such as renewable wind, tide and current energy, or even emerging fisheries, not yet being fully understood.

- **Working waterfronts are changing, as well as the threats facing them.**

Working waterfronts are reportedly impacted by various external factors. These factors, whether they are environmental (sea level rise), economic forces (real estate markets), or social (increasing populations), all exert great pressure on working waterfronts. Morro Bay has its own unique set of change forces impacting its working waterfront. It is significant to note that in other communities, and particularly by region of the country, these forces have reportedly been found to be of a nature and magnitude that community-level planning often cannot control or even anticipate. Study indicates that in many cases, these forces change over time, and a particular driver of change in one locale can strengthen even as it is waning in another locale. Significantly, many of the forces affecting working waterfronts are only beginning in recent years to be understood, with the result that working waterfront

decline is sometimes well underway, and perhaps irreversible, before communities have had a chance to understand the ramifications of that loss, let alone prepare for it or try to prevent it.

- **Working waterfronts are often affected by external environmental, economic, and social forces; forces that communities cannot always control or anticipate.**

Drivers of change potentially affecting Morro Bay's working waterfront include broad societal trends. For example, for a number of years Morro Bay has attracted a disproportionate number of people for its physical size and historic zoning, escalating the demand for land for residential/vacation housing, and related commercial development. The increase in demand for coastal real estate and the resulting increase in land values, puts economic pressure on existing traditional working waterfront activities that occupy desirable waterfront locations in Morro Bay. Working waterfront businesses may have difficulty competing with a full range of alternative land uses, many of which potentially provide higher economic returns. However, as mentioned in bullet points above, the economic value of Morro Bay's working waterfront to the community of Morro Bay, as well as to other local communities and to the region, can be counted in terms beyond real estate value.

Other drivers of change can be demand for various marine-related industries, whether brought about by natural resource depletion, technological advances, globalization, shifting demographics, consumer preferences, or competition. These changes may result in less activity at a particular working waterfront location, and increased pressure to convert to other uses. As these businesses grow, decline, consolidate or shift locations, the underlying working waterfront in Morro Bay may have a hard time adapting without well informed and enlightened policy.

- **External forces are changing and these changes vary across regions, making it hard for communities to identify solutions to the problems facing their working waterfronts.**

External forces are in a constant state of flux, and to further complicate matters, they frequently combine with each other. For instance, increasing regulation in the fishing industry, exacerbated by the desire of environmental groups to potentially increase regulation through a local National Marine Sanctuary, impacts the viability of Morro Bay's fishing fleet, as well as impacting the physical well-being of the fleet itself in terms of available funds for maintenance.

External forces, however, can also present opportunities for Morro Bay's working waterfront. The increasing demand for renewable energy, for example, has opened the door for offshore wind and tidal energy, both of which would be reliant on safe and efficient access to the water. The infrastructure needed for these emerging waterfront industries has the potential for funneling new jobs into Morro Bay's waterfront economy.

- **Working waterfronts are difficult to define and measure, and thus protect.**

Reportedly, adequate systems to accurately measure multi-scale and multi-dimensional economic and societal impacts on Morro Bay's working waterfront may not exist, making it challenging to develop effective policies to help Morro Bay's working waterfront thrive. Available information appears to be scattered among numerous agencies, associations, and organizations. It therefore becomes incumbent upon Morro Bay itself to assess and develop the economic and societal information necessary to developing a well-conceived Morro Bay Working Waterfront policy.

- **The lack of mechanisms for measuring the societal and cultural value – as opposed to economic value - of working waterfronts renders them susceptible to conversion.**

Per considerable study, much of the value that working waterfronts and their water-dependent businesses bring to coastal communities is less tangible than monetary contributions. It is not just about economics. In the case of Morro Bay, this societal value has much to do with cultural significance and the character of the community. For example, converting some or all of Morro Bay's working waterfront to non-water dependent uses would dramatically alter the very character of Morro Bay.

Because of the apparent dearth of available mechanisms to measure the impact of societal value-loss resulting from converting Morro Bay's working waterfront properties to non-water dependent uses, Morro Bay will need to independently determine the value of the working waterfront to its community. The 2016 Morro Bay National Citizen Survey "*Community Livability Report*" provides guidance on this issue. While new, non-water dependent uses of Morro Bay's working waterfront might mean increased tax income for the City, or might result in businesses that are more lucrative than those they replace, the traditional role that Morro Bay's working waterfront plays in the overall viability and the vitality of the City might be significantly impacted negatively.

- **The elusive definition of small-scale water-dependent industries results in a lack of dedicated funding or protective measures (i.e., it is hard to protect what you struggle to define).**

Per considerable study during the past decade, how working waterfronts are defined in law, in policy, and in funding programs can make a difference in whether a waterfront stays working. Clear definitions of water-dependent uses are apparently necessary to guide planning, permitting, and funding decisions.

Relevant definitions of water-dependent use and other similar terms can reportedly sometimes be found in state coastal management programs, local comprehensive plans, or local harbor management plans. Reportedly, many state water-dependency definitions are similar, as detailed in the project report "Working Waterfronts and the CZMA: Defining Water-dependent Use," - because the federal Coastal Zone Management Act requires

States to give priority consideration to “coastal-dependent uses”, which most States refer to as “water-dependent uses.” Local governments interested in protecting working waterfronts and water-dependent uses can incorporate similar definitions and requirements into local land use plans and zoning ordinances. However, Morro Bay’s working waterfront definition terminology and scope is dependent on the determined needs and priorities of Morro Bay, including imperatives of the State Trust Lands.

Therefore, an action item relative to Morro Bay developing a Working Waterfront policy is to review and assess various State and local water-dependency definitions.

It is important to note that different jurisdictions may seek to define water-dependency based on how they wish their waterfront property to be used. For example, Florida’s decision to include hotels and motels in their definition of “working waterfront” was controversial since these are not traditional water-dependent uses, i.e. uses that need to be physically located on the water to survive. Alternatively, Maine’s definition of “working waterfront” focused on fisheries-dependent uses, and the economic and tax related imperatives of sustaining its fishing industry.

- **Working waterfront issues fall under the jurisdiction of many federal and state agencies, and there is no coordinated working waterfronts policy.**

When the *Sustainable Working Waterfronts Toolkit* was published in March of 2013, it stated there were very few national level programs specifically designed to address the nation’s working waterfronts. It further stated that although many agencies address aspects of working waterfronts that touch on their areas, such as economic development or access to fisheries, these efforts are not coordinated on the national level.

Reportedly, the Coastal Zone Management Act’s requirement that States give priority consideration to “coastal-dependent uses” is a national planning mandate, but State coastal management programs reportedly have significant flexibility in implementing this mandate, and the protections afforded working waterfronts reportedly vary considerably from State to State. The “Keep America’s Waterfronts Working Act” of 2011 (H.R. 3109), introduced in the 112th Congress by Representative Chellie Pingree (D-ME), sought to address this lack of Federal attention by authorizing the National Oceanic and Atmospheric Administration to establish a Working Waterfront Grant Program. As introduced, States with approved working waterfronts plans would be eligible to compete, through established mechanisms under the Coastal Zone Management Act, for grants to “preserve and expand access to coastal waters for persons engaged in commercial fishing, recreational fishing businesses, aquaculture, boatbuilding, or other water- dependent coastal-related business.”

Whether the State of California does or does not have programs targeted on working waterfronts, and/or the drivers of change impacting or potentially impacting working waterfronts, is not at this time known to the Ad Hoc Committee. This is a matter for research by the City of Morro Bay.

City of Morro Bay Measure D

Any consideration of a working waterfront in Morro Bay must incorporate the City’s Measure D, which was passed by voters in 1981, and states:

“The City shall not grant any permit, authorization or other approval of any state owned tidelands subject to city lease between Beach Street and Target Rock, unless such development or use is primarily for the purpose of serving or facilitating licensed commercial fishing activities or noncommercial recreational fishing activities, or is clearly incidental thereto. For purposes of illustration only, and not by way of limitation, no approval shall be granted for any new passenger-for-hire boats or supporting facilities, or for any new restaurant, café, gift shop or other retail establishments serving the general public, and any existing such uses shall hereafter be considered nonconforming and shall not be expanded or enlarged.”

Initial Steps to Creating a Morro Bay Working Waterfront Policy

The *Sustainable Working Waterfronts Toolkit* (*Toolkit*) noted above provides a useful template for identifying key elements to the development of a Working Waterfront policy. For instance, the *Toolkit* identifies five principal themes that can be applied to the process of Morro Bay creating its own Working Waterfront policy:

- Trends
- Economics
- Financing
- Law and Policy
- Tools in Action.

Historic, Current, and Future Trends

Historic trends would explore the history and evolution of Morro Bay’s working waterfront, the drivers of change to its working waterfront, the current status of key waterfront industry and business, and the history of the public access component. For instance, what role has Morro Bay’s working waterfront played in the creation, growth, and prosperity of the Morro Bay community? Current trends would focus on possible significant factors that could affect Morro Bay’s waterfront in the future. What forces might be at work that could alter the community’s goals, assets, and opportunities around Morro Bay’s working waterfront – be those forces demographic, economic, environmental, regulatory, and/or technical?

In considering both current and future trends, focus needs to be placed on key water-dependent industries such as marine construction, living marine resources and the marine environment, onshore and offshore energy production, marine service facilities, coastal tourism and recreation, marine transportation, and the like. These waterfront interests, businesses and industries are important not only for their economic contribution, but also for their cultural and societal impact

on Morro Bay.

Consideration of potential future trends could include successes and failures in the commercial fishing industry resulting from regulatory and environmental factors; impacts of climate change, including sea level rise; increases in recreational boating and the tourism-based economy; and potential growth of the renewable energy industry.

Economics

In the economics element, consideration needs to be given to quantifying, to the greatest degree possible, the present financial contribution to Morro Bay, as well as the potential future contribution to Morro Bay economics, of: harboring vessels; marine service facilities; marine construction; coastal tourism and recreation; marine living resources and the marine environment; the commercial fishing industry; onshore and offshore energy production; marine transportation; etc.

Financing

The Financing element focuses on identifying economic resources that may be available to support a Working Waterfront in Morro Bay. Such resources include, but are not limited to: local taxation; State resources, Federal resources, foundations, etc. For instance, State resources are reported to include working waterfront funding mechanisms for thirty coastal states, and Federal resources are reported to include a compilation of federal programs and independent sources with national scope that qualify to be used on working waterfront issues. Additionally, there are reportedly philanthropic foundations that have either funded working waterfront projects or have focused on the economic aspects of coastal communities.

Law and Policy

Reportedly, with the exception of a few States such as Maine and Florida, working waterfronts have not been a primary focus for policymakers, and very few legal tools and policy approaches have reportedly been developed specifically with working waterfronts in mind. There reportedly are, however, tools available to help formulate working waterfront policy in the context of Morro Bay. These tools include: information on how local policymakers can apply water-dependent use definitions; addressing land use and tax policy; considerations of historic preservation laws; and addressing land conservation and acquisition programs relative to a Morro Bay working waterfront. Key components of Morro Bay developing a Working Waterfront policy include identifying existing policy-making tools, assessing those tools for relevance and sufficiency, developing and/or accessing additional tools as may be needed, and then developing and executing a policy-making plan utilizing appropriate tools.

Tools in Action

This theme item from the *Toolkit* relates to Morro Bay utilizing Working Waterfront policy-making models from other locales and jurisdictions, and studying how they addressed and resolved

their working waterfront issues. The *Toolkit* and other resources provide policy-making model information in a variety of forms, including case studies. These case studies demonstrate the implementation of a variety of tools; contain direct links to other sections of the *Toolkit* to provide more detailed information; highlight transferability, best practices, issues and challenges; and include local contacts and additional resources.

Per the *Toolkit*, working waterfront preservation efforts in other communities have been advanced by the use of existing resources and “how-to” guides, or, in some cases, new resources may have been developed to meet a specific community-based need. The *Implementation Resources* section of the *Toolkit* website compiles key resources related to working waterfront case studies, in order to provide guidance to those seeking to launch new initiatives.

An additional action of this theme item would be for the City of Morro Bay to research whether the State of California does or does not have programs targeted on working waterfronts, and/or the drivers of change impacting or potentially impacting working waterfronts.

Tools for Implementing a Working Waterfront Initiative

The *Sustainable Working Waterfronts Toolkit* contains a significant number of “tools” specifically created with working waterfronts in mind. Taken directly from the *Toolkit*, “Tables” of these tools are included below. It is incumbent upon Morro Bay, in its Working Waterfront policy development, to assess this information, and determine which is of value and utility to the work. Having done so, it is also incumbent upon Morro Bay to develop and apply any other tools necessary to the development of a well-conceived Work Waterfront policy.

Table 1. Working Waterfront Tools

Category	Tools
Policy and Regulation	Building Code; Coastal Zone Management Program; Design Standards; Exaction; Historic Preservation; Litigation; Moratorium; No Net Loss Policy; Police Power; Public Trust Doctrine; Real Estate Disclosure; Special Purpose Political Subdivision; User Fee; Visual Access
Financing	Appropriation, Bond Financing, Dedicated Revenue, Economic Development Entity, Foundation, Grant, Loan, Loan Guarantee Subsidy, Tax Increment Financing, Trade Association
Planning	Action Planning, Business Recruitment Plan, Comprehensive Plan, Disaster Recovery Planning, Growth Management, Harbor Management Plans, Historic Resources Survey, Land Use Planning, Marine Spatial Planning, Six Hats Exercise, Smart Growth, Special Area Management Plan, SWOT Analysis; Waterfront Master Plan
Zoning	Contract Zoning, Form-based Code, Impact Fees, Incentive Zoning, Overlay Zoning, Private Zoning, Shoreland Zoning, Water Dependent Use, Water Dependent Use Zoning, Zoning, Zoning Ordinance
Taxation	Ad Valorem Tax, Current Use Taxation, Excise Tax, Income Tax, Property Tax, Real Estate Transfer Tax, Sales Tax; Special Assessment, Special Taxing Districts Tax, Tax Abatement/Deferral, Tax Incentives
Community/Stakeholder Engagement	Branding, Coalition, Conflict Resolution, Focus Group, Initiative, Partnerships, Stakeholder Analysis, Technical Assistance, Visioning Exercise

Mapping, Inventory, Study	Build Out Analysis, Coastal Access Site Inventory, Community Assets, Mapping/Inventory, Economic Analysis/Assessment, Force Field Analysis, Legal Tools Inventory, Legislative Task Force, Marketing Study, Natural Resource Inventory, Needs Assessment Repository, Visual Preference Survey, Working Waterfront Inventory
Land Conservation, Transfer, Acquisition	Acquisition; Compensation, Conservation Easement, Conveyance, Covenant, Deed Restriction, Easement, Eminent Domain, Land Bank, Land Trust, Lease, Liability Waiver, Purchase of Development Rights, Right-of-Way, Transferable Development Rights, Transferable Slip Rights, Working Waterfront Conservancy
Private Agreements	Consideration, Contracting for Access, Installment Contract, Lease-Option Contract, Private Use Agreements, Use Permitting

A. Decision and Policymakers

Individuals responsible for formulating policies or making official decisions at the local, state, and federal government level, referred to collectively as “Decision and Policymakers,” have the widest range of tools available to them to address critical working waterfront infrastructure needs. Decision and Policymakers have the legal authority to implement sustainable working waterfront policies through laws, regulations, and government programs. The list below illustrates how Decision and Policymakers can utilize the various categories of tools to achieve working waterfront objectives.

Table 2: Working Waterfront Tools for Decision and Policymakers

Category	Tools
Policy and Regulation	Decision and Policymakers may adopt formal policies or regulations to address discrete working waterfront issues. Building and development codes, for example, may impose water-dependent use requirements. Permitting programs can be designed to require consideration and mitigation of the impact of a working waterfront conversion on water-dependent business or uses.
Financing	Many states have created special funding programs to preserve working waterfront access. Money for such programs can come from a variety of sources, including grants, general fund revenue, and the issuance of state and municipal bonds. Indirectly, taxes can also be used by a government entity as a means of raising funds the public can invest in the acquisition of public access or working waterfronts. A land gains tax, real estate transfer tax, impact fees, or tax increment financing can all be explored for these purposes.
Planning	Local governments can use comprehensive plans, including waterfront master plans, harbor management plans, and special area management plans, to incorporate provisions to preserve and plan for the needs of working waterfronts.
Zoning	Zoning may be used to help fully realize any working waterfront goals, especially if those goals have been clearly articulated in local comprehensive plans. For example, zoning may help ensure that water-dependent uses, such as marinas, maintain priority and that other authorized uses, such as commercial spaces, are compatible. For example, Portland, Maine has worked hard to preserve its working waterfronts through zoning that ensures compatibility of uses located on the piers and the city waterfront, while being sensitive to the long-term operation and maintenance needs of pier owners as fishing in the Gulf of Maine has declined. (www.wateraccessus.case_study.cfm?ID=32)

Taxation	Impacts of high waterfront taxes can be mitigated through changes in tax policy that provide incentives for maintaining working waterfront access or protection. For example, a change in tax policy to an ad valorem, or “current use,” tax that assesses working waterfront property based on the value of land as it is currently being used can help communities retain water-dependent business that may be struggling to pay property taxes assessed on the fair market value or “highest and best use” of the property.
Community/Stakeholder Engagement	Working waterfront stakeholders in any given community are those who are most affected by changes to the waterfront. As such, their engagement and participation is critical in visioning, planning, and implementing actions along the waterfront. Without the stakeholders at the table, initiatives are much less likely to succeed. The Middle Peninsula Planning District Commission in Virginia, for example, established the York River Use Conflict Committee to gain a better understanding of existing uses and conflicts along the York River and inform the development of policy recommendations.
Category	Tools
	www.wateraccessus/case_study.cfm?ID=38
Mapping, Inventory, Study	To clearly delineate their programs and policies, Decision and Policymakers must gather information about their working waterfronts. North Carolina and Alabama, for example, established legislative study committees in response to public concerns regarding loss of traditional working waterfronts. Maine and other states have inventoried and mapped working waterfront land (including ownership patterns), providing for the first time a comprehensive understanding of the status of working waterfront access and a baseline for tracking change.
Land Conservation, Transfer, Acquisition	Sometimes the most effective means of protecting or enhancing a working waterfront is to buy the property. A local government, for instance, may choose to purchase a dock or marina to ensure continued public use and access. Private owners, nonprofit organizations, and government agencies can form public/private partnerships to pursue the purchase and acquisition of working waterfront property and interests.
Private Agreements	Although a government decision-making body cannot require private entities to enter into contracts, policy can be crafted providing incentives for agreements that support working waterfronts. These can be implemented through other tools identified above, such as zoning. Additionally, local and state governments also own working waterfront infrastructure and can enter into private agreements like any other private land owner.

A. Waterfront Landowners

Waterfront landowners fall into two categories: (1) those that personally use their property to access the water for business or recreation; and (2) those that provide access to other water-dependent businesses or users. Given the high cost of waterfront land and rising property taxes, most private waterfront landowners are under tremendous pressure to either sell or convert their property to facilitate seemingly more lucrative and different uses. However, waterfront landowners around the country are taking advantage of a variety of tools to preserve working waterfronts. In addition, waterfront landowners can encourage local, state, and federal governments to address working waterfront issues through legislative study committees, comprehensive planning, and funding programs.

Table 3: Working Waterfront Tools for Waterfront Landowners

Category	Tools
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Policy and Regulation	Although waterfront landowners do not have the authority to enact laws, regulations, or policies, they are key stakeholders directly impacted by such enactments. As such, they are in a position to influence the decision and policymaking process. The public support of waterfront landowners is often essential to securing the passage of legislation to provide incentives to maintain the working status of waterfront lands.
Financing	Waterfront landowners can take advantage of grant programs and loan funds dedicated to preserving their lands as working waterfronts, or for specific waterfront uses, such as commercial fisheries.
Planning	Planning processes are dependent on the input of stakeholders and waterfront landowners, who have an important stake in the outcome of comprehensive plans, harbor management plans, marine spatial plans, and other plans. Although decision-making
Category	Tools
	authority resides with governmental bodies, waterfront landowners can raise issues of concern and offer potential solutions by actively participating in planning processes.
Zoning	The ability of waterfront landowners to adapt to changing conditions is often constrained by zoning laws. Some constraints, such as water-dependent use requirements, might be viewed as positive from a working waterfront perspective. Other constraints can work at cross-purposes with working waterfront initiatives, for example, when property is zoned residential and commercial activities are considered non-conforming uses. Although decision-making authority rests with governmental entities, working waterfront landowners can seek changes in zoning laws that negatively impact their ability to maintain their businesses. For example, waterfront, marine use, and other forms of zoning have been used in many communities to ensure that certain sections of a community are specifically identified as working waterfront areas. This approach encourages new waterfront landowners to locate their water-dependent businesses in appropriate districts, and protects existing businesses from conversion.
Taxation	Waterfront landowners may be able to reduce their tax burden by allowing access (working waterfront and otherwise) to their land. Tax incentives may include income tax deductions, reduced property taxes, reduced estate taxes, avoidance of capital gains taxes, and gained investment interest. In some states, incentives might also include a current use taxation structure for open space, or for working waterfronts that provide access for commercial fishing activities. Landowners also stand to gain income and receive tax reductions when land trusts or public entities purchase easements on their lands (such as if a land trust or other entity purchases a parcel's working waterfront access rights from a landowner). Tax incentives may also be available to help waterfront landowners cope with rising property values.
Community/Stakeholder Engagement	Waterfront landowners are critical stakeholders in discussions related to the protection of working waterfronts, including planning efforts, zoning decisions, mapping and inventory efforts, and other projects. Decisions made as a result of these discussions can affect property values and tax rates, the viability of business, traditional way of life, and other high-stakes issues. Waterfront landowners should be encouraged to actively engage in the policy process.
Mapping, Inventory, Study	Although private waterfront landowners generally do not conduct mapping inventories or studies of waterfront property, they and their property feature prominently on maps and in studies. Having an understanding of the scale of private waterfront ownership in a region gives owners clout, and helps municipalities plan for potential conversions. Waterfront landowners can therefore benefit from actively participating and cooperating in data collection efforts.

Land Conservation, Transfer, Acquisition	Waterfront landowners can place easements on their land that provide for working waterfront access; they can transfer access rights to specific user groups; or they can engage in acquisition of new lands, specifically for working waterfront uses. Waterfront landowners and developers can utilize financial incentives built into permitting programs that transfer access rights to users or other waterfront developments. In some states, like Maine, landowners have used conservation easements to maintain docks and prevent conversion to non-water-dependent uses.
Private Agreements	Private waterfront landowners can enter into various kinds of agreements with water-dependent users to provide access. Through such agreements users secure rights of access, while the landowner gains some kind of benefit or compensation. These arrangements can take the form of informal agreements, (e.g., when a clammer is granted a verbal agreement by a waterfront landowner to cross private land to access clam flats), or through written contracts, (e.g., where the agreement is stipulated in a lease). The landowner may receive a financial benefit or simply enjoy a feeling of goodwill.

B. Waterfront Users

Many who rely on access to working waterfronts for their livelihood or other activities do not have a guaranteed right to that access. Working waterfronts can be publicly owned, managed by a quasi-public entity like a port authority, or privately owned. Competing, and at times conflicting, demands on waterfront space can result in the loss of access for traditional waterfront activities and water-dependent uses. Loss of access frequently impacts the user more than the landowner. Lacking ownership interest in their working waterfront and the direct ability to make laws, change zoning, or other regulatory decisions means that waterfront users have the fewest tools at their disposal. However, they are often key partners in the implementation of working waterfront initiatives. Displacement of waterfront users is frequently the catalyst for communities to come together and figure out how to protect land usage and access.

Table 4: Working Waterfront Tools for Waterfront Users

Category	Tools
Policy and Regulation	Working waterfront users can have considerable influence on local and state policies and regulations like tax or policy incentives for waterfront landowners that grant preferences to working waterfronts. In addition, many waterfront users are businesses that require access to the water, and often make important contributions to the local economy and character of coastal communities.
Financing	For many users of working waterfront infrastructure, tools for financing capital improvements or ongoing operations and maintenance costs are not directly applicable. Users, for instance, cannot get a loan or a grant to make an investment on somebody else's property. Working waterfront users, however, frequently help finance the ongoing viability of the infrastructure they use through the payments of taxes, fees, and rent. By entering into leases or other business arrangements, waterfront users may be able to help provide the financing needed to keep the infrastructure operational. In addition, many public financing programs require a commitment from the waterfront landowner to support water-dependent uses for a specific period of time. Users may also influence the funding for public financing through the provision of stakeholder input, or by advocating for a specific appropriation, bond financing, or dedicated revenue.

Planning	Waterfront users can be important participants in planning processes. This is true whether policymakers are developing comprehensive land use plans, harbor management plans, special area management plans, or engaging in marine spatial planning. Some strategies, like development of business recruitment and growth management plans, can be quite focused on the needs of working waterfront users. Concerns about losing a historic industry often drive these planning processes. For example, in Gloucester, Massachusetts, the comprehensive planning process helped identify issues facing waterfront users and provided a forum for negotiating compromises that allow continued access to the working waterfront.
Zoning	Waterfront users are often impacted by zoning decisions. Changes in the economic condition of the working waterfront can cause waterfront landowners to seek changes to or exemptions from zoning ordinances that may shift or displace traditional uses. The public process around zoning decisions gives waterfront users a chance to participate in the decision-making process and contribute to the development of solutions that work for the community, users, and landowners.
Taxation	Waterfront users often indirectly benefit from tax incentives for working waterfronts. Tax programs, including current use taxation, property tax abatement and other tax incentives,
Category	Tools
	can help landowners maintain working waterfronts on their property. This in turn ensures continued access for water-dependent uses. Waterfront users also support working waterfronts through tax payments, which are often the revenue source for public financing of working waterfront initiatives.
Community/Stakeholder Engagement	Waterfront users are often the most identifiable stakeholder in a community's working waterfront. Users can influence the local and state decision-making and policy processes by utilizing community and stakeholder engagement tools like coalition-building and forming partnerships.
Mapping, Inventory, Study	Some inventories, mapping projects, or studies may come from and be conducted by users or groups working closely with working waterfront users. Others may emerge as part of a public process. Participation in mapping, working waterfront inventories, and other studies can be an extremely important way to influence decisions being made by others about working waterfronts.
Land Conservation, Transfer, Acquisition	Waterfront users in some communities have purchased development rights, easements, covenants, or otherwise placed restrictions on properties they rely on to increase the likelihood of continued water access. Waterfront users are at a high risk for displacement around the time a working waterfront is being transferred or sold. They can work with the sellers, land trusts, and the community to acquire the property for the benefit of the broader community.
Private Agreements	Private arrangements between the landowner and user can help ensure that specific users or a community of working waterfront users maintains water access. Formal private agreements like leases, private use agreements, or other contracts, can provide revenue for the landowner and certainty for the user. Informal arrangements that allow access across private property can also be important; however, many coastal communities have seen that, as pressures on landowners increase, users of working waterfronts are likely to see changes to or the ending of these informal arrangements. Users with informal agreements are particularly at risk for displacement when a property is transferred, particularly if the new owner does not have a connection to those working waterfront users. In any private agreement, a tangible benefit to the landowner will help fortify the agreement, should it need to go before the court.

Morro Bay Working Waterfront Initiative
Harbor Advisory Board WPE2 Project Report
Working Waterfront Ad Hoc Committee
January 26, 2017

Executive Summary

During the October 6, 2016 Harbor Advisory Board (“HAB”) meeting, and in response to the Morro Bay City Council’s WPE2 assignment relative to a Working Waterfront initiative in Morro bay, the HAB voted unanimously to recommend the following to the City Council:

Recommended to the City Council that in order to ensure a vibrant waterfront, the City of Morro Bay self-designate a working waterfront area from Morro Rock to the State Park Marina with follow-on policies, perhaps zoning, and other land and water use implementation strategies and/or measures.

This recommendation was transmitted to the City Council in a letter from the HAB dated October 10, 2016.

On December 12, 2016, the HAB’s Working Waterfront Ad Hoc Committee met with Councilman Makowetski, the Morro Bay City Manager, and at the beginning of the meeting Councilman-elect Davis. During that meeting, the City Manager discussed issues relative to the HAB’s October 6 recommendation, suggesting that the concept of a Working Waterfront in Morro Bay be concentrated on the area presently delineated by Measure D.

The Ad Hoc Committee responded to the City Manager’s suggestion by reiterating its reasoning behind the October 6, 2016 recommendation. However, toward the end of the meeting, the Committee suggested the possibility of designating three separate Working Waterfront sectors for Morro Bay:

- A Working Waterfront Fisheries Sector, extending from Beach Street north to the exiting northern boundary of Measure D. This sector would also include the “Triangle Lot”, given that it is the most viable site identified for a boatyard/marine services facility.
- A Working Waterfront Visitors Sector, extending from Beach Street south to Mariner’s Park.
- A Working Waterfront Commercial Sector, extending from Mariner’s Park south to the State Park Marina.

Delineating these three Working Waterfront sectors, should the City determine to self-designate a Working Waterfront, provides opportunity for each of the sectors to be defined separately.

- The Fisheries Sector incorporates the existing land use protections provided to commercial

and recreational fisheries by Measure D, and provides: a discrete portion of the waterfront for fisheries related facilities and services; and a discrete portion of the waterfront for fisheries related commercial activities and opportunities – some of which could readily enhance tourism.

- The Visitors Sector allows the City to define this area in ways that optimize the existing Tidelands Trust enterprise zone to the advantage of enterprise zone lease holders and to the City. This in turn provides optimal opportunities and advantages for visitors, as well as for the community at large, and the City that exists to serve the community.
- The Commercial Sector allows the City to define this area to the advantage of existing commercial lease holders; to the advantage of existing and future commercial enterprise; to the advantage of the community; and to the potential advantage of the City’s management arrangement with the State of California for the State Park Marina.

To achieve the goal of WPE2, the Ad Hoc Committee concludes that development of a Morro Bay Working Waterfront Policy, including Morro Bay’s definition of “Working Waterfront”, best occurs in concert with the current update of the City’s General Plan and Local Coastal Plan. Further, the committee concludes that Morro Bay is in a position to self-designate its Working Waterfront, developing Working Waterfront definitions that are of greatest advantage and opportunity.

It should be noted that at present, the Ad Hoc Committee has no definitive information as to whether the concept of a Morro Bay Working Waterfront has, or has not, been incorporated into the current update of the City’s General Plan and Local Coastal Plan. The Ad Hoc Committee strongly recommends that the HAB satisfy itself on this point.

Background

In August 2016, the Morro Bay City Council tasked the HAB to, “. . . begin a “Working Waterfront” policy-making process for Morro Bay”. The HAB in turn created a Working Waterfront Ad-Hoc Committee (Committee) to pursue that task.

Per the relevant City Staff Report in August, the HAB and the Committee were requested to address three Working Waterfront “Work Plan Elements” (WPE) to “. . . guide the process and help achieve the goal”.

The first of those WPE’s (WPE1) was to be addressed by the HAB and the Committee during the first quarter (Q1) of the current City fiscal year – July 2016 through September 2016. WPE1 calls for the HAB and the Committee to, “Research ‘Working Waterfronts’, their designations, guidelines and other information pertinent to Morro Bay for consideration of a Morro Bay policy and possible designation”.

In September 2016, after considerable research into Working Waterfronts in the U.S., as well as research into and consideration of the Working Waterfront concept as it relates to Morro Bay, the Committee provided the HAB with a written report, highlighting a number of key points, relevant data, and imperatives. This report was subsequently enhanced in an updated Committee reported

dated November 10, 2016.

Through those Committee reports and the HAB's subsequent deliberations relative to the concept of Morro Bay's working waterfront, the HAB clearly determined that such concept must be integrated into the City's General Plan, the Local Coastal Plan, and the Waterfront Master Plan. Further, such integration must include the City's Measure D. Additionally, development of a Morro Bay working waterfront policy should take place in light of waterfront related business and land use projects that are underway, or are being contemplated.

The second WPE (WPE2) was to be addressed during the second quarter (Q2) of the current City fiscal year – October through December. WPE2 called for the HAB and the Ad Hoc Committee to: "Develop draft Morro Bay "Working Waterfront" policy for City Council consideration (FY Q2)".

Toward that end, the Committee offers to the HAB the three-sector Working Waterfront plan described in the Executive Summary above. Additionally, the Committee refers the HAB to the definition of working waterfront as adopted by the State of Florida.

Florida's Working Waterfront Protection Act [Fla. Const. art. VII (amended 2008); Fla. Stat. § 342.201 (2009); and Fla. Stat. § 342.07 (2009)] incorporates a broad definition of working waterfront, a definition that may be useful in the development of a Morro Bay Working Waterfront policy. The Florida Act describes and protects "recreational and commercial working waterfront," including boatyards, marinas, and, since 2006, resort hotels.

In Florida's Act, the term "recreational and commercial working waterfront" means a parcel or parcels of real property that provide access for water-dependent commercial activities, including hotels and motels...or provide access for the public to the navigable waters of the state. Recreational and commercial working waterfronts require direct access to or a location on, over, or adjacent to a navigable body of water. The term includes water-dependent facilities that are open to the public and offer public access by vessels to the waters of the state or that are support facilities for recreational, commercial, research, or governmental vessels. These facilities include public lodging establishments, docks, wharfs, lifts, wet and dry marinas, boat ramps, boat hauling and repair facilities, commercial fishing facilities, boat construction facilities, and other support structures over the water.

Developing a Working Waterfront Policy

To achieve the goal of WPE2, the Ad Hoc Committee concludes that development of a Morro Bay Working Waterfront Policy best occurs in concert with the current update of the City's General Plan and its Local Coastal Plan.

Borrowing from the *Sustainable Working Waterfronts Toolkit* developed by the Economic Development Administration division of the U.S. Department of Commerce, the following applies to the City of Morro Bay's process of developing definitions for self-designated Working Waterfront Sectors:

Economics

In the economics element, consideration needs to be given to quantifying, to the greatest degree possible, the present financial contribution to Morro Bay, as well as the potential future contribution to Morro Bay economics, of: harboring vessels; marine service facilities; marine construction; coastal tourism and recreation; living marine resources and the marine environment; the commercial fishing industry; onshore and offshore energy production; marine transportation; etc.

Financing

The Financing element focuses on identifying economic resources that may be available to support a Working Waterfront in Morro Bay. Such resources include, but are not limited to: local taxation; State resources, Federal resources, foundations, etc. For instance, State resources are reported to include working waterfront funding mechanisms for thirty coastal states, and Federal resources are reported to include a compilation of federal programs and independent sources with national scope that qualify to be used on working waterfront issues. Additionally, there are reportedly philanthropic foundations that have either funded working waterfront projects or have focused on the economic aspects of coastal communities.

Law and Policy

Reportedly, with the exception of a few States such as Maine and Florida, working waterfronts have not been a primary focus for policymakers, and very few legal tools and policy approaches have reportedly been developed specifically with working waterfronts in mind. There reportedly are, however, tools available to help formulate working waterfront policy in the context of Morro Bay. These tools include: information on how local policymakers can apply water-dependent use definitions; addressing land use and tax policy; considerations of historic preservation laws; and addressing land conservation and acquisition programs relative to a Morro Bay working waterfront. Key components of Morro Bay developing a Working Waterfront policy include identifying existing policy-making tools, assessing those tools for relevance and sufficiency, developing and/or accessing additional tools as may be needed, and then developing and executing a policy-making plan utilizing appropriate tools.

Taken directly from the *Sustainable Working Waterfronts Toolkit*, the two tables below lists a number of “Tools” useful to the development of Working Waterfront policy. It would be incumbent upon Morro Bay to use these tools, and to develop and apply any other tools necessary to the development of a well-conceived Working Waterfront policy.

Table 1. Working Waterfront Tools

Category	Tools
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Policy and Regulation	Building Code; Coastal Zone Management Program; Design Standards; Exaction; Historic Preservation; Litigation; Moratorium; No Net Loss Policy; Police Power; Public Trust Doctrine; Real Estate Disclosure; Special Purpose Political Subdivision; User Fee; Visual Access
Financing	Appropriation, Bond Financing, Dedicated Revenue, Economic Development Entity, Foundation, Grant, Loan, Loan Guarantee Subsidy, Tax Increment Financing, Trade Association
Planning	Action Planning, Business Recruitment Plan, Comprehensive Plan, Disaster Recovery Planning, Growth Management, Harbor Management Plans, Historic Resources Survey, Land Use Planning, Marine Spatial Planning, Six Hats Exercise, Smart Growth, Special Area Management Plan, SWOT Analysis; Waterfront Master Plan
Zoning	Contract Zoning, Form-based Code, Impact Fees, Incentive Zoning, Overlay Zoning, Private Zoning, Shoreland Zoning, Water Dependent Use, Water Dependent Use Zoning, Zoning, Zoning Ordinance
Taxation	Ad Valorem Tax, Current Use Taxation, Excise Tax, Income Tax, Property Tax, Real Estate Transfer Tax, Sales Tax; Special Assessment, Special Taxing Districts Tax, Tax Abatement/Deferral, Tax Incentives
Community/Stakeholder Engagement	Branding, Coalition, Conflict Resolution, Focus Group, Initiative, Partnerships, Stakeholder Analysis, Technical Assistance, Visioning Exercise
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