



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

The City of Morro Bay provides essential public services and infrastructure to maintain a safe, clean and healthy place for residents and visitors to live, work and play.

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

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

ESTABLISH QUORUM AND CALL TO ORDER

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

CHAIR, ADVISORY BOARD MEMBER & LIAISON 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 March 2, 2017.
Staff Recommendation: Approve minutes.

B. REPORTS AND APPEARANCES

- B-1 Harbor Department Status Report
Staff Recommendation: Receive and file.
- B-2 Update on the Morro Bay Community Quota Fund
Staff Recommendation: Receive and file.
- B-3 Presentation on City of Morro Bay 10-year Budget Forecast
Staff Recommendation: Receive and file.

C. BUSINESS ITEMS

- C-1 Update from the Marine Services Facility/Boatyard Ad-Hoc Committee on Committee's Recent Activities
Staff Recommendation: Receive and file.
- 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 Sanctuary Ad-Hoc Committee on Committee's Recent Activities
Staff Recommendation: Receive and file.
- C-5 Update from the Working Waterfront Ad-Hoc Committee on Committee's Recent Activities
Staff Recommendation: Receive and file.
- C-6 Review and Input on Proposed 2017/2018 City Council Goals for Joint City Council/Harbor Advisory Board Chair Work Plan Discussion
Staff Recommendation: Staff recommend the Harbor Advisory Board (HAB) review and provide comment and recommendations on the 2017/2018 City Council Goal Objectives and Objective Work Plans, in addition to reviewing the current pertinent goal objectives as they pertain to future activities.

D. DECLARATION OF FUTURE AGENDA ITEMS

- Pending items previously declared:
Goals and Objectives – Working Waterfront Designation Measure D
Back Bay Water Use Forum
Deliberation on Paid Parking on the Embarcadero and Adjacent Vicinities

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.



AGENDA NO: A-1

MEETING DATE: April 6, 2017

CITY OF MORRO BAY

HARBOR ADVISORY BOARD

SYNOPSIS MINUTES

The regular meeting of the City of Morro Bay Harbor Advisory Board was held Thursday, March 2, 2017 at 6:00 PM in the Veteran's Hall, 209 Surf ST, Morro Bay, California.

ESTABLISH QUORUM AND CALL TO ORDER

Present:	Members:	Ron Reisner Neal Maloney Lynn Meissen Jeremiah O'Brien Gene Doughty
	Absent:	Bill Luffee Dana McClish
	Staff:	Eric Endersby, Harbor Director
	Liaison:	Councilmember Matt Makowetski

The meeting was called to order at 6:02 p.m., with all but Board Members Luffee and McClish present.

MOMENT OF SILENCE PLEDGE OF ALLEGIANCE

CHAIR AND ADVISORY BOARD MEMBER ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/u2eDVkOo390?t=2m26s>

Ms. Meissen invited the public watch this weekend the Mustang Regatta which is Cal Poly's sailboat regatta in the bay with registrants coming from up and down the state.

Mr. Reisner announced the 28th annual Dixon's Spaghetti Dinner Fundraiser is March 17th at the Morro Bay Community Center from 5-7 PM. Also, on March 31 through April 2 Morro Bay Beautiful will sponsor the 14th Annual City-wide yard sale. Registration is available at the Morro Bay Chamber of Commerce. During the week following the yard sale, the Morro Bay Garbage Company will pick up 12 extra bags of trash for free. Larger items over 75lbs or items 4ft by 4ft will only cost \$10 each and will need to be scheduled for pick up by calling the Garbage Company at 805-528-7430.

PUBLIC COMMENT

<https://youtu.be/u2eDVkOo390?t=7m26s>

Lexie Bell, Executive Director, Morro Bay National Estuary Program (MBNEP), reminded the board every three years NEP puts on a "State of the Bay" series of events to educate the public on how the bay is doing. The first event starts April 1 which features a talk about clean water and will be held in the conference area above the Libertine Pub at 4-6 PM. Additional information can be obtained at the MBNEP website at <http://www.mbnep.org/>.

Ms. Bell also provided background and commentary regarding the recent report release by the MBNEP regarding the eel grass situation in Morro Bay Harbor.

A. CONSENT CALENDAR

<https://youtu.be/u2eDVkOo390?t=12m26s>

MOTION: Mr. Doughty moved the February 2, 2017 Harbor Advisory Board minutes be approved as submitted. The Motion was seconded by Mr. Maloney and carried unanimously.

HAB Chair Reisner requested item C-3 be moved to the beginning of the Business item agenda and be heard after the consent calendar and with all board members in agreement.

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

<https://youtu.be/u2eDVkOo390?t=13m28s>

Ms. Meissen stated the committee had a meeting, where Mr. Maloney brought a report from Mr. Bob Fowler and asked Mr. Maloney to discuss the report.

Mr. Maloney gave an oral presentation on a report that was provided by Mr. Fowler who is currently the leaseholder of a water lease on the Embarcadero and just completed a construction project that required eel grass studies. The interesting highlights of the report were a paragraph in the 2016 survey which states:

An important additional finding from the projects surveys is eelgrass being found to be significantly more abundant than 10 years ago, in the same area. Different mapping method were used across surveys but the results indicate eelgrass underwent an approximate 250% increase in abundance between 2006 and 2016, in comparing the same areas between years. The increase in the dock area, relative to the same control areas surveyed in 2006 and 2016, represents well over 600% increase over the past 10 years. Eelgrass increased more in the dock area than in the control areas on a relative basis.

Mr. Maloney further stated this report is not a representation of the entire bay.

Mr. Doughty explained that Mr. Fowler's eelgrass mitigation was under the original under the Eelgrass Mitigation Policy, since then we are now under the Southern California Eelgrass Mitigation Policy which now prohibits any mitigation measures.

Ms. Meissen added that the City would like to create their own eelgrass policy and there is one already in place in Newport Beach which is only used for that area. The Committee encourages the City to move forward toward developing a formal eelgrass policy Morro Bay, a plan possibly much like the Newport plan for future project going before regulatory agencies.

Mr. Doughty added the Committee intends to expand its membership to include academics and professionals that can assist in this effort.

Discussion by the Staff and the Board.

Public Comment: MBNEP Director Bell expressed MBNEP's willingness to assist in the development of a local eel grass mitigation plan, and mentioned that Cal Poly personnel may be able to assist as well. Ms. Bell agrees to facilitate contact between the Committee, the MBNEP, and Cal Poly.

Additional discussion by Staff and the Board.

B. PUBLIC HEARINGS, REPORTS, AND APPEARANCES

B-1 Harbor Department Status Report

<https://youtu.be/u2eDVkOo390?t=30m9s>

Mr. Endersby briefed the Board on the following topics:

Recent Harbor Department Activity

Harbor Dredging

Recent City Council Activity

Beach Lifeguards

Women for Fisheries Enchilada Sale 2/4

Big Bad & Ugly Surf Invitational 2/18 & 2/19 – Canceled due to weather

Maritime Institute Captain's License Course 3/6-3/17

Rescue Watercraft Conference 3/13-3/14

Update of Pending HAB Recommendations

C. BUSINESS ITEMS

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

<https://youtu.be/u2eDVkOo390?t=1h3m15s>

No current report was offered by the Committee.

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

<https://youtu.be/u2eDVkOo390?t=1h4m20s>

Mr. Maloney provided a committee report, including comments regarding the City Council work session where Bob Leland with Management Partners Consulting presented the City's 10-year budget forecast.

Discussion by staff, Councilman Makowetski and Board.

Mr. Maloney pointed out that projected revenue/over expenses figures only include capital projects and expenses already approved in the City's budget, and do not include future capital needs of Harbor related infrastructure.

Mr. Endersby stated that while the current forecast model tool is essentially accurate, a few additional minor adjustments are necessary. Further, he stated, that is Department policy to keep Department operating expenses separate from accumulated Tidelands revenue funds.

Councilman Makowetski offered comments regarding the City's deficit budget forecast, stating that he is optimistic that the City has sufficient time prior to the forecasted deficit year of 2020 to make necessary adjustments in expenses, and generate additional revenue. The deficit projection is primarily the result of CalPERS adjusting its fund earnings downward.

Discussion by Board.

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

<https://youtu.be/u2eDVkOo390?t=1h42m37s>

Mr. Reisner spoke stated the San Luis Obispo County Board Supervisors voted on February 7, 2017 to issue a resolution opposing creation of the proposed Chumash Heritage National Marine Sanctuary. Reasons given, by the Board of Supervisors, included the existence of numerous Federal, State and local prohibitions relative to offshore oil and gas exploration;

which proponents of the proposed Chumash Sanctuary offered as a primary reason for needing such a National Marine Sanctuary on the local coast. Additionally, the County Board expressed concern over a loss of local control should the Federal sanctuary come into existence.

Mr. Reisner presented a list of existing Federal, State and local protections relative to marine resources, marine heritage, and marine life.

Mr. O'Brien read Measure A, as amended language was inserted into the resolution which reads, "the Board of Supervisors reaffirm its commitment to Measure A as passed by the voters." Mr. O'Brien also read the City of Morro Bay's municipal code 17.30.060 regarding the prohibition of new off-shore drilling.

Discussion by the Board.

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

<https://youtu.be/u2eDVkOo390?t=1h53m11s>

Mr. Reisner pointed out this agenda item contains two separate elements. One relating to the Committee's consideration of Morro Bay self-designating a Morro Bay "Working Waterfront". The other relating to Measure D, its apparent uncertainties, and whether Measure D should be tied to the City's current update of its General Plan and Local Coastal Plan.

Mr. Doughty representing the committee spoke to the first element stating that the HAB should recommend City Council to adopt a Resolution designating the waterfront area from Target Rock to the State Park Marina (including the Triangle Lot), as Morro Bay's "Working Waterfront".

Discussion by the Board.

Mr. Reisner spoke to second element regarding Measure D. He read into the record the text of Measure D, which was passed by the citizens as a ballot measure in 1981. Because Measure D was passed as a ballot measure, it cannot be altered or modified without a public ballot measure.

Mr. Reisner pointed out that the two most commonly identified apparent ambiguities in the language of Measure D are: 1. the reference to "primarily" as it relates to uses of the Measure D waterfront for "purposes of serving or facilitating licensed commercial fishing activities or non-commercial recreational activities . . ."; and 2., the reference to "clearly incidental thereto" as it relates to consideration of waterfront land use in terms of being for "purposes of serving or facilitating licensed commercial fishing activities or non-commercial recreational activities . . ."

Discussion by staff, Liaison and the Board.

MOTION: Mr. O'Brien moved to request the City Council involve the Harbor Advisory Board directly in the consideration and incorporation of Measure D into the General Plan and Local Coastal Plan update. The Motion was seconded by Ms. Meissen and carried unanimously.

Discussion by staff and the Board.

C-6 Status of City-Required Revetment Inspections on Various City Waterfront Lease Sites

<https://youtu.be/u2eDVkOo390?t=2h21m12s>

Mr. Endersby presented his staff report.

Mr. Endersby provided background relative to requirements in Tidelands leases that lease-holder inspections of waterside building foundation elements, and the revetment within a lease site, be inspected at a reasonable interval, by a qualified professional, and the inspection results provided to the City.

Discussion by staff and the Board.

C-7 Review and Amendment of Existing Future Agenda Items List

<https://youtu.be/u2eDVkOo390?t=2h36m39s>

MOTION: Mr. Reisner moved to accept the recommendations for items 1 through 8 on this agenda item. The Motion was seconded by Mr. Doughty and carried unanimously.

Discussion by staff and the Board.

D. DECLARATION OF FUTURE AGENDA ITEMS

<https://youtu.be/u2eDVkOo390?t=2h38m19s>

Mr. Reisner requested a future agenda item to receive an updated report from the Executive Director of the Morro Bay Community Quota Fund.

Discussion by the Board, with consensus to have the update.

E. ADJOURNMENT

This meeting was adjourned at 8:50 PM.

Submitted by,



Lori Stilts, Harbor Business Coordinator



AGENDA NO: B-1

MEETING DATE: April 06, 2017

Staff Report

TO: Harbor Advisory Board
FROM: Eric Endersby, Harbor Director
SUBJECT: Harbor Department Status Report

DATE: March 30, 2017

RECOMMENDATION

Receive and file.

BACKGROUND

Recent Department Activity:

Harbor Patrol statistics for the month of March 2017 to date were 9 emergency responses and 93 calls for service, 58 assists of other agencies, 20 enforcement contacts, and 11 weather hazards.

On March 12th, joint efforts from MBPD, State Parks, and HPO's Jacobs and Muff responded to a missing a 6-year-old child at the Rock. The child was found unharmed. Later on that same day, HPO Jacobs and Green assisted 3 young females, without lifejackets, blown off-shore wind that were aboard a SUP, back to shore. Their parents were advised of PFD regulations.

On March 23rd, Officers Kelly and Mather responded to a fall victim on the rocks while walking down to the beach on the south side of the Rock. The adult female subject was transported to Sierra Vista for treatment. On that same day, HPO's Kelly, Mather, Green and Endersby responded to two people swept off a dredge tender vessel outside the harbor. The dredger crew was able to successfully recover the two, and the Harbor Patrol escorted them back into harbor where MBFD paramedics on scene for further evaluated the two victims.

The FLIR thermal imaging units acquired through DBW Boating Safety and Enforcement Equipment grant funding were successfully installed. Not only do we anticipate the FLIR thermal imagers to improve our response time and ability for emergencies at night or foul weather, we will also use the units for hazmat detection in the bay.

Harbor Dredging:

Work continues on the 280,000-cubic yard project after several challenges facing the contractor Ahtna, including two significant incidents and their pipeline outlet getting sanded-in and blocked at its terminus in the Nearshore disposal area. The pipeline is now laid out the harbor entrance to the nearshore disposal site approximately 1 mile south in about 40 feet of water. As of this writing, it is cleared and they are continuing work.

As of 3/28/17, work completed in the "Morro" and "Navy" channels is estimated at 85%. The schedule to finish this part of the dredging shows approximately three more days' work in the area near Tidelands dock and to the south (Morro channel) plus time for mobilizing and demobilizing. An

Prepared By: EE

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____

additional 3 days is scheduled in the Navy channel to remove the remaining 14,000 cubic yards of material there.

The Sand Trap area of the harbor between the South Jetty and Inner Groin Jetty is listed with 19 days of scheduled dredging, with the completion of the entire project on April 26th.

On May 1, the dredge ship *Yaquina* will be back for approximately 30 days of dredging the harbor entrance and transition areas.

Recent City Council Activity:

At their regular March 14th meeting, the Council, City Manager and Harbor Director recognized City Harbor Department employees Becka Kelly, Jeremiah Jacobs, Marcos Green, and Fire Department employee Michael Talmadge, for their recent "Wake of Fame" recognition for excellence in personal watercraft rescue at the 2017 Rescue Water Craft Conference held in Morro Bay March 10-17.

At their regular March 28th meeting, the Council adopted Resolution 13-17, authorizing the City of Morro Bay to enter into a \$250,000 boat launching facility grant agreement with the Division of Boating and Waterways. Your Harbor Director is scheduled to present to the DBW Commission on April 5, 2017 in Wilmington for approval of that grant.

Also at the March 28th meeting, Council adopted resolution 14-17, authorizing the Mayor to execute a Deed of Trust for lease site 144/144W with Morro Bay Oyster Company and Cihan Corporation.

Fishing Front:

Recreational rockfish season opens April 1, and closes December 31.

Recreational salmon season opens April 1, and commercial salmon opens May 1.

Past Events:

Maritime Institute Captain's License Course March 6-17

Rescue Water Craft Conference March 10-17

28th annual Dixon's Spaghetti Dinner Fundraiser March 17

14th Annual City Wide Yard Sale April 1-2

Upcoming Events:

Morro Bay National Estuary Program State of the Bay, various events in the month of April

Spring Clean Up Week April 10-14

Easter at the Rock Services April 16

Morro Bay Kite Festival April 29-30

Status of Pending HAB Recommendations:

HAB Recommendation	Date	Status
Staff draft letter to Council encouraging the City to pursue negotiating with State Parks the City assume both marina and café concessions.	5/7/15	Staff's last contact with Parks indicated no Parks interest in giving up the café concession. Since that time, all of Parks' key personnel on the SPM have either retired or positions turned over. Staff's current thinking is we're at a "start-over" point with Parks to begin talks anew, and are acting accordingly before taking anything back to the Council.

<p>Staff provide Council with modified sections of MBMC 15.24 (harbor sanitation) and develop environmental BMP's.</p>	<p>7/22/15</p>	<p>Staff have incorporated this BMP effort into the ongoing Rules & Regs/MBMC updating project.</p>
<p>Council direct staff to engage consultancy relative to obtaining regulatory approval for cost-effective ocean disposal of SPM dredge material, and/or determine the practical and economic feasibility of using same as landfill.</p>	<p>1/7/16</p>	<p>Staff did engage consultancy and the Corps to investigate regulatory permit approval of SPM material disposal in the Nearshore Disposal area. With consultant cost estimate to <i>attempt</i> this approval of \$178,000, and no guarantee of success, staff ceased pursuing. In discussions with the EPA, permitting success seemed not likely. City also seeking (along with CMANC) regulatory relief of the "80-20" dredge material disposal rule, which could change the playing field.</p>
<p>City Council to approve issuance of the final draft Marine Services Facility/Boatyard Request for Qualifications document.</p>	<p>2/2/17</p>	<p>2/14/17 Council approved the release of a Request for Qualifications (RFQ) document as-proposed.</p>
<p>City Council to involve the Harbor Advisory Board directly in the consideration and incorporation of Measure D into the General Plan and Local Coastal Plan update.</p>	<p>3/2/17</p>	



AGENDA NO: B-2

MEETING DATE: April 06, 2017

Staff Report

TO: Harbor Advisory Board

DATE: March 31, 2017

FROM: Eric Endersby, Harbor Director

SUBJECT: Update on the Morro Bay Community Quota Fund

RECOMMENDATION

Receive and File.

DISCUSSION

Dwayne Oberhoff, the Executive Director of the Morro Bay Community Quota Fund (MBCQF), will be presenting an oral update of the Fund's activities, issues and future plans.

A link to the Fund's website is here:

<http://www.morrobaycommunityquotafund.org/>

Prepared By: EE

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____



AGENDA NO: B-3

MEETING DATE: April 06, 2017

Staff Report

TO: Harbor Advisory Board

DATE: March 31, 2017

FROM: Eric Endersby, Harbor Director

SUBJECT: Presentation on City of Morro Bay 10-year Budget Forecast

RECOMMENDATION

Receive and File.

DISCUSSION

Dave Buckingham, Morro Bay City Manager, will be presenting on the City's current 10-year budget forecast.

A link to that forecast is here:

<http://www.morro-bay.ca.us/DocumentCenter/View/10546>

Prepared By: EE

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____



AGENDA NO: C-1

MEETING DATE: April 06, 2017

Staff Report

TO: Harbor Advisory Board

DATE: March 27, 2017

FROM: Eric Endersby, Harbor Director

SUBJECT: Update from the Marine Services Facility/Boatyard Ad-Hoc Committee on Committee's Recent Activities

RECOMMENDATION

Receive and file.

BACKGROUND

The Marine Services Facility/Boatyard Ad-Hoc Committee will be presenting an oral update on their activities, if any.

The Boatyard Request for Qualifications (RFQ) was issued on March 16, 2017, with a closing date of July 14, 2017. A link to the RFQ on the City's website is here:

<http://www.morro-bay.ca.us/DocumentCenter/View/10569?bidId=65>

This is a standing committee report agenda item.

Prepared By: EE

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____



AGENDA NO: C-2

MEETING DATE: April 06, 2017

Staff Report

TO: Harbor Advisory Board

DATE: March 30, 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

City Manager Review: _____

City Attorney Review: _____



AGENDA NO: C-3

MEETING DATE: April 06, 2017

Staff Report

TO: Harbor Advisory Board

DATE: March 30, 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

City Manager Review: _____

City Attorney Review: _____



AGENDA NO: C-4

MEETING DATE: April 06, 2017

Staff Report

TO: Harbor Advisory Board **DATE:** March 30, 2017

FROM: Eric Endersby, Harbor Director

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

RECOMMENDATION

Receive and file.

DISCUSSION

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

Prepared By: EE

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____



AGENDA NO: C-5

MEETING DATE: April 06, 2017

Staff Report

TO: Harbor Advisory Board **DATE:** March 30, 2017
FROM: Eric Endersby, Harbor Director
SUBJECT: Update from the Working Waterfront Ad-Hoc Committee on Committee's Recent Activities

RECOMMENDATION

Receive and file report.

BACKGROUND

The Working Waterfront 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

City Manager Review: _____

City Attorney Review: _____



AGENDA NO: C-6

MEETING DATE: April 06, 2017

Staff Report

TO: Harbor Advisory Board **DATE:** March 30, 2017

FROM: Eric Endersby, Harbor Director

SUBJECT: Review and Input on Proposed 2017/2018 City Council Goals for Joint City Council/Harbor Advisory Board Chair Work Plan Discussion

RECOMMENDATION

Staff recommend the Harbor Advisory Board (HAB) review and provide comment and recommendations on the 2017/2018 City Council Goal Objectives and Objective Work Plans, in addition to reviewing the current pertinent goal objectives as they pertain to future activities.

BACKGROUND

At the December, 2016 HAB meeting, the board reviewed the current 2016/2017 HAB Goal Objective Work Plans for input to the City Council in consideration of the 2017/2018 Goal, Objective and Work Plan setting process. Two Council goal study sessions were conducted in January, 2017.

In February, 2017, the Council considered the draft 2017/2018 Goals and Objectives created out of those study sessions. On February 28, while the Council considered adopting its final goals and objectives, they were not approved and adopted as the Council wished further staff work done on Goal #1, specifically, that steps within each goal objective be brought to Council to analyze which provide more return for investment of staff time.

The Council is slated to consider for approval the final draft goals and objectives on a Tuesday, April 4, 2017 special study session. The draft 2017/2018 Goals and Objectives as of the February 28, 2017 Council meeting are included to this staff report as Attachment 1.

Additionally, the Council is scheduled on April 11, 2017 to conduct joint public meetings with each of the city's advisory body chairs to begin working on advisory body work plans.

DISCUSSION

In preparation for the joint Council/Chair meeting, it is necessary for the HAB to review the current draft 2017/2018 Goals and Objectives, and to provide comment and/or create a list of HAB work plan elements to assist in implementation of each objective for discussion between the City Council and the HAB Chairman.

Only pertinent harbor-related goals and objectives are included, with staff input provided as appropriate:

Prepared By: EE

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____

Goal #1 (Essential Goal) – Achieve Economic and Fiscal Sustainability

Description: This essential goal recognizes the City is not currently able to fund all basic services and requirements at the level our community expects, along with the importance of strengthening and maintaining strong financial management practices. As of January, 2017, our General Fund revenues are around 25% below requirements to deliver services the community deserves. This goal centers around economic development and fiscal actions (revenue enhancement, public funding measures, cost control and sound fiscal practices) that target a 25% increase in revenues, while ensuring sound fiscal management practices are in place.

Duration: This is an 8-year goal – the City intends to achieve fiscal sustainability by 2025.

Focus: This goal includes objectives related to revenue enhancement, general economic development, cost control, and assurance that sound fiscal management practices are in place.

- b. Pursue opportunities and relationships that may result in building demolition/reuse, remediation and complete redevelopment of the Morro Bay Power Plant in a way that will increase TOT, property tax, and sales tax revenue, while converting a portion of the existing property for public use such as recreation areas, cultural and educational amenities, parks and paths. Advocate for appropriate specialty uses such as an ambulatory medical plaza.
- g. Research and bring to Council for consideration of various approaches for parking management, including paid parking, in downtown and/or Embarcadero areas; include consideration of one or more parking structures.

Staff input: the HAB on February 2, 2017 declared the following Future Agenda item: “Deliberation on paid parking on the Embarcadero and adjacent vicinities.”

- h. Evaluate opportunities for new revenue sources and present to Council for consideration; include possible marijuana tax measures, other tax measures, and cost control approaches that include staffing review.

Staff input: regarding possible new revenue sources, the HAB on September 1, 2016, as a part of the existing goal objective work plan elements, considered and recommended the following revenue-generating ideas:

- *Pursue moving for-profit events and activities from the Public Area Use Permit process (no revenue generation) to a License Agreement process (with revenue generation).*
- *Contract with a concessionaire or concessionaires to provide food truck and/or other basic beach need sales/rentals at the Rock parking lot and other city locations.*
- *License Agreements with base and/or percent rents collected from various for-profit “freelance” business operations being conducted on and around the bay that are not operating as approved subleases from our lease sites.*
- *Increase slip, pier and dock fees to fully recover the amounts spent by the City for electrical and water usage.*

Other ideas for possible consideration:

- *RV and trailer boat storage in a portion of the Triangle Lot until some permanent use is allocated to that location.*
- *Concerts venue in the Triangle Lot.*

- *More outdoor drive/walk-in “movie nights” at the Rock and/or Tidelands.*
- *Limited RV parking on the Embarcadero/Rock.*

Goal #3 (Important Goal) – Improve Infrastructure and Public Spaces

Description: This important goal centers around substantially improving the City’s streets, multi-modal transportation infrastructure, facilities and public spaces. The City does not currently have sufficient revenues to fund the capital improvement program required to make substantial and necessary infrastructure improvements and, therefore, this goal is contingent on making significant progress on Goal #1 – Achieve Fiscal Sustainability.

Duration: This is, at a minimum, an 8-year goal.

Focus: This goal includes objectives related to streets, bike / pedestrian / parking improvements, City facilities, and beautification of public spaces.

- b. Budget for and complete planning for rebuilding of the City-owned access alley to the commercial fish dock between the USCG station and Morro Bay Landing (ex-Virg’s) lease site, work toward synchronizing City improvements with possible USCG station and Morro Bay Landing lease site development.
- c. Bring to Council for information, consideration and possible implementation a review of parking management plans and options in the downtown and waterfront districts; seek, and bring to Council for consideration, partnerships that will result in the construction of one or two moderately sized parking facilities in waterfront / downtown areas of the City.
- e. Complete the approved RFQ process and, if required, a feasibility study, for a marine services facility (boatyard) and bring to Council for information and consideration of next steps.

Staff input: current, uncompleted boatyard goal objective work plan elements are:

WPE2 – with Boatyard/Marine Services Facility Ad-Hoc Committee participation and input, develop RFP for financial feasibility study for Council approval.

WPE3 – With Boatyard/Marine Services Facility Ad-Hoc Committee participation and input, evaluate RFP responses, get consultant under contract and complete study.

WPE4 – With Boatyard/Marine Services Facility Ad-Hoc Committee evaluation and recommendations, bring completed study to HAB for recommendations, and to Council for consideration and direction on next steps and possible site commitment.

At the December 1, 2016 HAB review of current goals, objectives and work plans for consideration of 2017/2018 Goals and Objectives, the HAB recommended and the City is currently pursuing an RFQ process for design / build / operate interest in the project prior to pursuing a financial feasibility study. Responses to the RFQ are due July 14, 2017.

Goal #4 (Important Goal) – Review and Update Significant City Land Use Plans

Description: This important goal centers around completion of the City’s General Plan (GP) / Local Coastal Plan (LCP) rewrite, and update of other essential land use documents. While the General

Plan is the important task, update of other essential land use plans and master plans is also a priority.

Duration: This is a 2-year goal that should be complete by summer 2019.

Focus: This goal includes objectives related to completion of the GP / LCP and other important planning documents.

a. Complete the GP / LCP rewrite approved and started in FY16.

Staff input: current, uncompleted goal objective work plan elements are:

WPE1 – Provide staff input to consultants as-required.

WPE2 – Obtain HAB review / input on work products as-required.

Staff, the HAB and Working Waterfront Ad-Hoc Committee have provided input to the plan update consultants, a process that is ongoing. In addition, there is HAB consensus the Working Waterfront Ad-Hoc Committee continue to provide input to the consultants, GPAC and City staff as it relates to “working waterfront” and Measure D matters.

At the December 1, 2016 HAB review of current goals, objectives and work plans for consideration of 2017/2018 Goals and Objectives, the HAB recommended retaining this approach.

Existing goal objectives on the current year’s list, not included above items but warranting consideration, include:

Goal 6 Support Economic Development, Objective (g) Aquarium Project, Objective (j) Maritime Museum and Objective (k) Marine Services Facility

Staff input: Objective (k) under this goal is on the proposed 2017/2018 goals as previously discussed. It is staff’s opinion the aquarium and maritime museum objectives, could be work plan elements of Objective (a) under the proposed 2017/2018 Goal #1, “working with local and regional business groups, promote a balanced economic approach consistent with our Economic Development Strategic Plan that retains, expands, and attracts businesses for a strong, stable, complementary, and diverse business environment, including tourism, coastal resources, development, redevelopment, and conservation that honors the character of our community and is consistent with our Community Vision.”

Other Items, (a) Human Observer Requirement in Groundfish Fishery, (b) Working Waterfront, and (c) Eelgrass Mitigation

Staff input: to date, staff continue to work with the Morro Bay Community Quota Fund (MBCQF) for a regulatory solution to the observer problem, however, no definitive path or options have yet come to light for possible City support. Staff intend to continue working with and the MBCQF for viable solutions. Like the aquarium and maritime museum, this item could be considered another work plan element of proposed Goal #1 Objective (a).

Working Waterfronts was addressed above in discussion of proposed Goal #4.

The eelgrass issue, like the aquarium, maritime museum and human observer items, could be considered for a work plan element as an important economic development strategy to continue

pursuing under proposed 2017/2018 Goal #1 Objective (a), since the current situation is an impediment to economic development.

CONCLUSION

Staff and the HAB Chair are seeking HAB input and recommendation on the draft 2017/2018 City Council Goals and Objectives in order that the Council can develop and adopt the HAB Work Plans for the 2017/2018 Goals, in addition to input on the existing applicable goal objective work plans.

It is recommended the HAB deliberate the items outlined and recommend work plan elements for each. The HAB Chair will then be able to bring direction to the City Council on April 11 for consideration of approval of final goal objective work plans.

ATTACHMENT

1. Draft 2017/2018 Goals and Objectives as of the February 28, 2017 City Council meeting.



CITY OF MORRO BAY

CITY HALL
595 Harbor Street
Morro Bay, CA 93442

AGENDA NO: A-4
ATTACHMENT: 1
MEETING DATE: February 28, 2017

Memorandum For City Council, Staff and the Public

Date: February 28, 2017

Subject: FY2017-2018 Goals and Objectives

1. **Purpose.** The purpose of this document is to identify City of Morro Bay Goals and Objectives for the Budget Year July 2017 – June 2018.
 - a) The City of Morro Bay strategic planning framework, adopted by the City Council on December 8, 2015, directs the timing for development of City Goals and Objectives.
 - b) In accordance with that policy, the City conducted a goal setting process in January and February 2017 that included Council Study Sessions, a Community Goals Forums and a Council meeting discussion to develop a new set of long term goals and budget year objectives. The 2017-18 Goals and Objectives were approved by Council on February 28, 2017.
 - c) The objectives under each goal identify a number of specific objectives the City intends to accomplish in the July 2017 to June 2018 budget year. Accomplishing these objectives, however, is dependent on adequate resourcing – both staff time and money. Thus, some objectives may not be completed if adequate resources are not allocated during the fiscal year 2017/2018 budget process.
2. **Goals and Objectives.** Following are the City of Morro Bay's four long-term goals and subordinate program objectives for budget year 2017-18:

Goal #1 (Essential Goal) – Achieve Economic and Fiscal Sustainability

Description: This essential goal recognizes the City is not currently able to fund all basic services and requirements at the level our community expects, along with the importance of strengthening and maintaining strong financial management practices. As of January 2017, our General Fund revenues are around 25% below requirements to deliver services the community deserves. This goal centers around economic development and fiscal actions (revenue enhancement, public funding measures, cost control, and sound fiscal practices) that target a 25% increase in revenues, while ensuring sound fiscal management practices are in place.

Duration: This is an 8-year goal - the City intends to achieve fiscal sustainability by 2025.

Focus: This goal includes objectives related to revenue enhancement, general economic development, cost control, and assurance that sound financial management practices are in place.

- a. Working with local and regional businesses and groups, promote a balanced economic development approach consistent with our Economic Development Strategic Plan that retains, expands, and attracts businesses for a strong, stable, complementary, and diverse business environment, including tourism, coastal resources, development, redevelopment, and conservation that honors the character of our community and is consistent with our Community Vision.
- b. Pursue opportunities and relationships that may result in building demolition/reuse, remediation and complete redevelopment of the Morro Bay Power Plant in a way that will increase TOT, property tax, and sales tax revenue, while converting a portion of the existing property for public use such as recreation areas, cultural and educational amenities, parks, and paths. Advocate for appropriate specialty uses such as an ambulatory medical plaza.
- c. Take appropriate action, including implementation of specific programs, to increase shoulder-season and off-season TOT-producing visitor nights by 10 % over FY17 levels.
- d. Research and bring to Council for decision incentive programs, including a TOT rebate program, that would reasonably result in the renovation of some existing hotel stock and deliver higher average daily rates and thus higher TOT revenues.
- e. Facilitate private revitalization / redevelopment activities that will result in planning approval for a 3% increase in number of hotel rooms in the City, with priority placed on 3 and 4-star properties to better balance our hotel stock.
- f. Take proactive action to facilitate the revitalization of underused and vacant parcels in commercial districts, including encouraging ~~sales tax producing~~ digital or other “green” industries and businesses providing multiple head of household jobs.
- g. Research and bring to Council consideration of various approaches for parking management, including paid parking, in downtown and/or Embarcadero areas; include consideration of one or more parking districts.
- h. Evaluate opportunities for new revenue sources and present to Council for consideration; include possible marijuana tax measures, other tax measures, and cost control approaches that include a staffing review.

Goal #2 (Essential Goal) – Complete WRF Project and “OneWater” Program

Description: This essential City goal centers around completion of the City’s Water Reclamation Facility (WRF) and includes implementation of a fiscally conservative, comprehensive water resource policy, program and infrastructure to ensure a sustainable water future. Key items include building the WRF and associated reclamation system, developing a “OneWater” policy, and diversifying our water supply toward achieving water independence.

Duration: This is a 6-year goal that we intend to complete by July 2023.

Focus: This goal includes objectives related to the Water Reclamation Facility, and “OneWater” planning and implementation.

- a. Complete water/sewer rate study and bring to Council for Prop 218 process consideration any rate increase requirements to fund the proposed WRF.
- b. Following CEQA guidelines, bring the WRF Environmental Impact Report (EIR) to Council for approval and certification.
- c. Complete and submit the State Revolving Fund loan application with the State Water Control Board for the WRF project, to secure funding for the project.
- d. Complete the acquisition of the preferred site for the WRF project.
- e. Take appropriate selection action and bring to Council for approval, a contract for the design-build construction delivery of the new WRF.
- f. Take all appropriate actions, and bring to Council for information/approval, as required, information that will allow the City to make a decision to achieve water independence - including weaning off State Water and appropriately disposing of (likely leasing) our State water allocation.
- g. Budget for, select a consultant, complete, and bring to Council for initial consideration, a “OneWater” plan for the City that considers all water resources - from storm water to groundwater to waste water - as a single “water resource.”

Goal #3 (Important Goal) - Improve Infrastructure and Public Spaces

Description: This important goal centers around substantially improving the City’s streets, multi-modal transportation infrastructure, facilities and public spaces. The City does not currently have sufficient revenues to fund the capital improvement program required to make substantial and necessary infrastructure improvements and, therefore, this goal is contingent on making significant progress on Goal #1 – Achieve Fiscal Sustainability.

Duration: This is, at minimum, an 8-year goal.

Focus: This goal includes objectives related to streets, bike / pedestrian / parking improvements, City facilities, and beautification of public spaces.

- a. Bring to Council for decision an item to consider adding a street improvement tax measure to the November 2018 ballot.
- b. Budget for and complete planning for rebuilding of the City-owned access alley to the commercial fish dock between the USCG station and Morro Bay Landing (ex-Virg’s) lease site, work toward synchronizing City improvements with possible USCG station and Morro Bay Landing lease site development.
- c. Bring to Council for information, consideration and possible implementation a review of parking management plans and options in the downtown and waterfront districts; seek, and bring to Council for consideration, partnerships that will result in the construction of one or two moderately sized parking facilities in waterfront / downtown areas of the City.

- d. Bring to Council for decision proposals that result in a public/private partnership redevelopment of the City-owned “Market Plaza” property consisting of the DiStasios’s parcel, and, if appropriate to be included in redevelopment, the “Front Street” parking lot (below DiStasio’s), and the parking lot at Pacific and Market.
- e. Complete the approved RFQ process and, if required, a feasibility study, for a marine services facility (boatyard) and bring to Council for information and consideration of next steps.
- f. Inventory, evaluate and refresh existing programs for volunteer groups to provide routine maintenance in the City (such as adopt-a-park programs); while soliciting and facilitating additional volunteer group support for routine maintenance (such as park beautification) and small capital projects (such as park bathroom reconstruction).

Goal #4 (Important Goal) - Review and Update Significant City Land Use Plans

Description: This important goal centers around completion of the City’s General Plan (GP) / Local Coastal Program(LCP) rewrite, and update of other essential land use documents. While the General Plan is the important task, update of other essential land use plans and master plans is also priority.

Duration: This is a 2-year goal that should be complete by summer 2019.

Focus: This goal includes objectives related to completion of the GP/ LCP and other important planning documents.

- a. Complete the GP/ LCP rewrite approved and started in FY16.
- b. Complete the zoning code update approved and started in FY17.
- c. Ensure affordable housing and vacation rental challenges are addressed in the GP/LCP process and all land use planning.
- d. Bring to Council for consideration the results of Code Enforcement outreach on existing codes related to fences and hedges, and boat, RV and trailer parking / storage on City streets and neighborhoods to determine whether to keep, or modify, related existing ordinances.
- e. Bring to Council for adoption a rewrite of the secondary unit ordinance (updated in FY16) based on changes in State law.
- f. Begin community outreach and Council discussion on future use of the 26-acre Atascadero Road site (location of the existing WWTP) to be prepared to begin master planning that site in FY19.

Jamie Irons
Mayor

David W. Buckingham
City Manager