

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – MAY 23, 2017
VETERAN'S MEMORIAL HALL – 6:00 P.M.

AGENDA NO: A-4

MEETING DATE: June 13, 2017

PRESENT:	Jamie Irons	Mayor
	Robert Davis	Council Member
	John Headding	Council Member
	Matt Makowetski	Council Member
	Marlys McPherson	Council Member
STAFF:	Craig Schmollinger	Acting City Manager
	Joe Pannone	City Attorney
	Dana Swanson	City Clerk
	Ikani Taumoepeau	Deputy City Manager
	Rob Livick	Public Works Director
	Scot Graham	Community Development Director
	Cindy Jacinth	Associate Planner
	Joan Gargiulo	Assistant Planner
	Jody Cox	Acting Police Chief
	Steve Knuckles	Fire Chief
	Eric Endersby	Harbor Director

ESTABLISH QUORUM AND CALL TO ORDER

The meeting was called to order at 6:02 p.m., with all members present.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

RECOGNITION - None

CLOSED SESSION REPORT – No Closed Session Meeting was held.

MAYOR AND COUNCIL MEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS
CITY MANAGER REPORTS, ANNOUNCEMENTS & PRESENTATIONS

PRESENTATIONS - None

PUBLIC COMMENT

https://youtu.be/--JQ_vZ9xIU?t=11m43s

Dr. Morenike Oshi-Ojuri, a Clinical Psychologist who recently opened an office at 485 Morro Bay Blvd., provided the business spot. Dr. Morenike specializes in multicultural issues as well as treating individuals who experience overwhelming emotions, including panic disorder, major depression, bipolar, PTSD, or borderline personality disorder.

Dave Albrecht, President of SLO Bicycle Club, shared a photo of the gift presented to Peter Sagan, winner of the Stage 3 finish in Morro Bay. He thanked the Council, staff and many volunteers for supporting this great event.

Meredith Bates, Morro Bay, expressed concern about the effect fireworks may have on wildlife in the bay, and suggested the event be moved to another location, such as the high school. She also asked for an update regarding the sink hole on Highway 1.

The public comment period was closed.

- A. CONSENT AGENDA
https://youtu.be/--JQ_vZ9xIU?t=17m28s

Unless an item is pulled for separate action by the City Council, the following actions are approved without discussion.

- A-1 APPROVAL OF REVISED MINUTES FOR THE APRIL 25, 2017 CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-2 APPROVAL OF MINUTES FOR THE APRIL 26, 2017 SPECIAL CLOSED SESSION CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-3 APPROVAL OF MINUTES FOR THE MAY 9, 2017 SPECIAL CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-4 APPROVAL OF MINUTES FOR THE MAY 10, 2017 SPECIAL CLOSED SESSION CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-5 APPROVAL OF MINUTES FOR THE MAY 12, 2017 SPECIAL CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-6 WATER RECLAMATION FACILITY (WRF) PROGRAM UPDATE; (PUBLIC WORKS)

RECOMMENDATION: Receive and file.

- A-7 REAPPOINTMENT OF VALERIE SEYMOUR TO THE VISIT SAN LUIS OBISPO COUNTY (VSLOC) BOARD OF DIRECTORS; (ADMINISTRATION)

RECOMMENDATION: Council reappoint Valerie Seymour as the City's representative on the VSLOC Board of Directors for a 3-year term ending June 20, 2020.

- A-8 ADOPTION OF RESOLUTION NO. 25-17 APPROVING THE RECORDS RETENTION SCHEDULE; (ADMINISTRATION)

RECOMMENDATION: Council adopt Resolution No. 25-17 rescinding Resolutions No. 37-83 and 03-02 and approving the City of Morro Bay Records Retention Schedule.

- A-9 AUTHORIZATION TO SIGN A LETTER TO SAN LUIS OBISPO COUNTY BOARD OF SUPERVISORS REGARDING PROPOSED COUNTY FORMATION OF A GROUNDWATER SUSTAINABILITY AGENCY (SUSTAINABLE GROUNDWATER MANAGEMENT ACT); (PUBLIC WORKS)

RECOMMENDATION: Council authorize the Mayor, on behalf of the City Council, to sign a letter to the San Luis Obispo County Board of Supervisors opposing the use of County General Funds for the proposed County Groundwater Sustainability Agency (Sustainable Groundwater Management Act – SGMA).

Mayor Irons pulled Item A-3 and noted a corrected version of the Minutes was available. Council Member Davis pulled Item A-5. Council Members Heading and McPherson pulled Item A-6.

MOTION: Council Member McPherson moved the Council approve Items A-1, A-2, A-4, and A-7 through A-9 on the Consent Agenda. The motion was seconded by Council Member Davis and carried unanimously, 5-0.

A-3 APPROVAL OF MINUTES FOR THE MAY 9, 2017 SPECIAL CITY COUNCIL MEETING;
(ADMINISTRATION)
https://youtu.be/--JQ_vZ9xIU?t=18m24s

Copies of revised Minutes showing the corrected start time were provided to the Council and made available for public review.

MOTION: Mayor Irons moved for approval of Item A-3, as revised. The motion was seconded by Council Member Heading and carried unanimously, 5-0.

A-5 APPROVAL OF MINUTES FOR THE MAY 12, 2017 SPECIAL CITY COUNCIL MEETING; (ADMINISTRATION)
https://youtu.be/--JQ_vZ9xIU?t=18m52s

Council Member Davis commented he missed the May 12 meeting as noted in the Minutes, but received Emergency Operation Center (EOC) Policy Makers training from Chief Knuckles on Monday, May 22.

MOTION: Council Member Heading moved for approval of Item A-5. The motion was seconded by Council Member Davis and carried unanimously, 5-0.

A-6 WATER RECLAMATION FACILITY (WRF) PROGRAM UPDATE; (PUBLIC WORKS)
https://youtu.be/--JQ_vZ9xIU?t=19m38s

Staff responded to Council inquiries regarding the timing and reason the wastewater treatment plant project transitioned from a remodel at the current site to building a new plant about 100 yards away. Staff also provided a verbal report on WRF next steps as directed by Council at its April 25, 2017 meeting. Residents can send suggestions and concerns regarding the WRF to Mr. Livick at rlivick@morrobayca.gov.

MOTION: Council Member Heading moved for approval of Item A-6. The motion was seconded by Council Member McPherson and carried unanimously, 5-0.

There was Council consensus to hear Item C-1 next.

C. BUSINESS ITEMS

C-1 APPROVAL OF PURCHASE AND SALE AGREEMENT FOR REAL PROPERTY IDENTIFIED AS 1 JORDAN TERRACE (CERRITO PEAK); APN: 066-221-001; (COMMUNITY DEVELOPMENT)
https://youtu.be/--JQ_vZ9xIU?t=30m29s

Community Development Director Graham presented the staff report and responded to Council inquiries.

The public comment period for Item C-1 was opened.

Susan Heinemann, Morro Bay, spoke in support of Item C-1 and thanked the Council for working to permanently preserve Cerrito Peak.

Michael Lucas, Morro Bay, supported Item C-1 as an amazing opportunity to preserve this distinctive geographic feature.

Eric Meyer, San Luis Obispo resident and Morro Bay property owner, supported the purchase of Cerrito Peak.

Ken Green, Morro Bay, thanked the Council and Mrs. Reddell for making this possible and supported keeping Cerrito Peak in its natural state with continued public access.

Stu Skiff, Morro Bay, opposed using City funds to purchase the property when there are other projects and issues that need to be addressed.

Anita Judd, Morro Bay, supported the City's purchase of Cerrito Peak and requested there not be fireworks this year.

John Thompson, Morro Bay, read a statement by Francis Villablanca, Professor of Biology Sciences at Cal Poly, supporting the purchase of Cerrito Peak and efforts to preserve the Western Monarch butterfly population.

Nicole Dorfman, Morro Bay, thanked the Council and Mrs. Reddell for the opportunity to purchase the property and committed to help fundraise to repay the City's General Fund Emergency Reserve.

Jeff Heller, Morro Bay, opposed using City funds to purchase the property long-term. He suggested the conservancy groups be allowed two years to purchase the property; if not sold by then, put it on the market.

Tim Crowley, Morro Bay, supported the purchase of Cerrito Peak and suggested it was a good location for additional bike trails.

Linda Donnelly, Morro Bay, opposed using emergency funds to purchase the property.

Glenn Silloway, Morro Bay, spoke on behalf of the Morro Bay Open Space Alliance (MBOSA), a 501(c)(3) organization dedicated to preserving open space in and around Morro Bay. MBOSA supports the City's plan to purchase Cerrito Peak with the intent of selling to conservancy group, and offered to be part of the effort to raise funds for this project.

The public comment period for Item C-1 was closed.

The Council understood budget concerns that had been raised and the importance of fiscal responsibility, but agreed it was in the best interest of the community to purchase Cerrito Peak with the intent for it to be preserved as open space.

MOTION: Council Member Headding moved the Council authorize the purchase of property located at 1 Jordan Terrace, (APN 066-221-001), the expenditure of \$350,000 from the City's General Fund Emergency Reserve, and to consider a future agenda item to discuss the disposition of subject property. The motion was seconded by Council Member McPherson and carried unanimously, 5-0.

The Council took a short recess at 7:22 p.m. The meeting reconvened at 7:30 p.m.

There was Council consensus to hear Item B-2 next.

B. PUBLIC HEARINGS

B-2 ADOPTION OF RESOLUTION NO. 23-17 APPROVING MAJOR MODIFICATION TO CONDITIONAL USE PERMIT NO. UP0-359 FOR ROSE'S LANDING, 725 EMBARCADERO. PROJECT INCLUDES A 10-UNIT HOTEL WITH CONVERSION OF SECOND-FLOOR AND FIRST-FLOOR HOTEL LOBBY. PROJECT INCLUDES PREVIOUSLY APPROVED PUBLIC ACCESS IMPROVEMENTS AND 7 NEW FLOATING DOCK SLIPS AND GANGWAY; (COMMUNITY DEVELOPMENT)
https://youtu.be/--JQ_vZ9xIU?t=1h23m3s

Associate Planner Jacinth presented the staff report and responded to Council inquiries.

Council Members McPherson, Heading, Makowetski & Davis each disclosed having ex parte conversations with the applicant.

The public hearing was opened and the Council invited Steve Puglisi to speak on behalf of applicant, Doug Redican. He described project improvements in the area of lateral public access and accessibility, seating in the plaza area, and reconfiguration of the hotel check in area and number of rooms. He asked the Council to weigh in on visitor serving accommodations and parking issues. He requested 10 reserved parking spaces for guests located as close to the site as possible, available for as many hours as possible. He suggested the Council consider and provide input to the Coastal Commission on low cost visitor accommodations. He also noted trash receptacles with self-closing doors are not available so they will provide enclosures with lockable lids to meet the intent of that permit condition.

The public comment period for Item B-2 was opened.

Cherise Hansson, Morro Bay resident and business owner, suggested parking spaces in front of each building on the Embarcadero be reserved for loading and unloading passengers and that employees park farther away, perhaps in the Market / Pacific Street lot. She also encouraged future discussion of paid parking using smart meters. She commented that reserved parking from 3:00 to 6:00 p.m. for hotel guests would support local retail and restaurants.

The public comment period for Item B-2 was closed.

The Council was troubled by the affordable accommodation requirement imposed by the Coastal Commission and preferred the Commission take a more holistic view of affordable rooms available throughout the City. The Council directed staff to send a message to that effect to the Coastal Commission.

There was Council consensus to lease 10 parking spaces across from the hotel for reserved guest parking from 3:00 p.m. to 11:00 a.m., with a commitment to participate in future parking initiatives; provide 10-foot access on the south side, maintaining the planters, seating and fountain; and that no docks be allowed in the eelgrass area.

MOTION: Mayor Irons moved the Council adopt Resolution No. 23-17 making the necessary findings for the approval of Major Modification to Conditional Use Permit No. UP0-359 Concept Plan Approval, with the stated findings listed by Council to address low cost rooms; commitment to leasing parking spaces from 3:00 p.m. to 11:00 a.m.; 10' access corridor with planters, seating and fountain; and no docks on eelgrass area. The motion was seconded by Council Member Heading.

Staff requested clarification regarding the number of tables noted in Planning Commission Condition #12, and participation in future parking solutions.

AMENDED MOTION: Mayor Irons moved the Council adopt Resolution No. 23-17 making the necessary findings for the approval of Major Modification to Conditional Use Permit No. UP0-359 Concept Plan Approval, with the stated findings listed by Council to address low cost visitor accommodations; commitment to leasing the parking spaces reserved from 3:00 p.m. to 11:00 a.m.; 10' access corridor with planters, seating and fountain, as recommended by the Planning Commission; no docks on eelgrass area; and participation in future parking solutions. The amended motion was seconded by Council Member Heading.

There was further discussion regarding the preferred location for leased parking. It was agreed that close proximity was best and the City lot across the street was identified.

The amended motion carried 5-0.

The Council took a brief recess at 9:05 p.m. The meeting reconvened at 9:14 pm.

There was Council consensus to hear Item B-3 next.

B-3 APPEALS OF THE PLANNING COMMISSION APPROVAL OF CONDITIONAL USE PERMIT NO. UP0-468 FOR CONTINUED OPERATION OF AN EXISTING AUTO-BODY REPAIR AND PAINT SHOP IN OPERATION SINCE 1981 AND LOCATED WITHIN THE R-1/S.1 RESIDENTIAL ZONING DISTRICT AT 340 JAMAICA STREET. (APPELLANTS: ROY CINOWALT, EVANS COWAN, DANIEL KNIGHT, DARYL DOBSON) (APPLICANT: JASON PALL); (COMMUNITY DEVELOPMENT)
https://youtu.be/--JQ_vZ9xIU?t=2h59m52s

Assistant Planner Gargiulo presented the staff report and responded to Council inquiries.

Council Member Davis disclosed having a conversation with Jason Pall at a recent Chamber mixer where he explained he could not have further discussion with him as the appeal would come before the City Council. Council Member Heading disclosed he had silently wandered the surrounding neighborhood to assess the smell and noise issues then went into shop, introduced himself as a Council Member and asked if he could walk through. He did not have a discussion with the employees who were present.

The public hearing period was opened.

Appellant Roy Cinowalt, owner of the apartment building adjacent to the business, stated the apartments nearest the auto body business have the highest turnover rate. He believes this can be attributed to noise from the compressor which is located 20 feet from the bedrooms. Five of his tenants are shift workers and have a need to sleep during the day. He requested the Council deny the Conditional Use Permit.

Appellant Evans Cowan, Morro Bay, has lived near the body shop for 17 years and noticed a significant increase in production of services since the recent change in ownership. He is offended by the noise and toxins, and concerned by the lack of monitoring in the 32 years since the permit expired. He urged the Council to deny the Conditional Use Permit.

Appellant Daniel Knight spoke on behalf of the interest of the C. Knight Trust, urging the Council to deny the Conditional Use Permit (CUP), fast track and prioritize building permits to relocate the

business to the proper C-2 zoning district, and apply fees for the CUP application and reports to that building permit.

Britany Lee read a statement on Appellant Daryl Dobson's behalf, requesting the Council deny the Conditional Use Permit.

Applicant Jason Pall responded to questions that had been raised and provided information regarding APCD and hazardous waste reporting requirements and compliance. He expressed willingness to spend money on further improvements to meet the permit conditions upon approval.

The public comment period for Item B-3 was opened.

Michael Garcia, Morro Bay, spoke in support of Auto-body Builders. He lives across the street from the business and has no issues with parking, noise or smell. He appreciated Mr. Pall's offer for residents to park in front of the business after hours.

Rick Young, Morro Bay, spoke in support of the auto body business and believes it is an asset to the community.

Diane Playan, Morro Bay, supported the staff recommendation to keep the auto body shop at this location. She lives next door to the business and has never had a problem with smells, extra dust, asthma or other health issues.

William Koskie, Morro Bay, supported the continued use at this location.

Caleb Blasingame, Morro Bay, has lived in the area for 1 ½ years and has no complaints about the auto body shop. He fully supported the business in north Morro Bay.

Ken Stollmeyer, Morro Bay, owned property in that neighborhood and found the location next to Highway 1 is louder than any business. He urged the City to approve the Planning Commission recommendation and allow Mr. Pall to continue doing business.

Mik Foley, Morro Bay, spoke in support of Jason Pall and Auto-body Builders.

The public comment period for Item B-3 was closed.

The Council was understanding of the concerns that had been raised but found much of the information to be anecdotal and the direct opposite to statements by others living in the neighborhood. As the appellants did not clearly present a case to grant the appeals, the Council supported staff recommendation to deny the appeals.

Mayor Irons suggested a condition be added for the permit would sunset in five years or some limited timeframe, to allow time for the business to relocate to a location where there's room to grow.

There was Council support to revisit the permit, rather than sunset, in five years.

MOTION: Council Member Heading moved the Council deny all appeals and uphold the approval of Conditional Use Permit UP0-468 for Auto-Body Builders at 340 Jamaica Street by adopting Resolution No. 24-17 with the associated findings and conditions of approval, with the addition of reevaluation by the Planning Commission in five years of the business and its compliance with standards and regulations. The motion was seconded by Council Member Makowetski.

Mayor Irons stated he was not in support of the motion as stated, as he believes the permit should sunset in five years.

The motion passed 4-1 with Mayor Irons voting no.

B-1 ADOPT RESOLUTION NO. 22-17 CONTINUING THE PROGRAM AND LEVYING THE ASSESSMENTS FOR THE 2017/18 FISCAL YEAR FOR THE MORRO BAY TOURISM BUSINESS IMPROVEMENT DISTRICT (MBTBID); (DEPUTY CITY MANAGER)
https://youtu.be/--JQ_vZ9xIU?t=4h30m29s

Deputy City Manager Taumoepeau presented the staff report and responded to Council inquiries.

Acting City Manager Schmollinger clarified the Council will ultimately adopt the budget for TBID and therefore staff requests the Council adopt Resolution No. 22-17 without Exhibit A.

The public comment period for Item B-1 was opened. Seeing none, the public comment period was closed.

City Attorney Pannone clarified the resolution would need to be corrected by revising the 8th Whereas clause to remove reference to Exhibit A and instead state, "as established by the budget adopted for FY 2017-18."

MOTION: Council Member Davis moved the Council adopt resolution No. 22-17 continuing MBTBID activities for FY 17/18, excluding Exhibit A, and to include the corrections as stated by the City Attorney in the 8th Whereas sentence. The motion was seconded by Council Member Makowetski and carried unanimously, 5-0.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS
https://youtu.be/--JQ_vZ9xIU?t=4h39m32s
None.

E. ADJOURNMENT

The meeting adjourned at 10:54 p.m. The next Regular Meeting will be held on Tuesday, June 13, 2017, at 6:00 p.m. at the Veteran's Memorial Hall located at 209 Surf Street, Morro Bay, California.

Recorded by:



Dana Swanson
City Clerk