



CITY OF MORRO BAY CITY COUNCIL AGENDA

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 - Tuesday, September 12, 2017 Veterans Memorial Hall - 6:00 P.M. 209 Surf St., Morro Bay, CA

ESTABLISH QUORUM AND CALL TO ORDER
MOMENT OF SILENCE
PLEDGE OF ALLEGIANCE
RECOGNITION
CLOSED SESSION REPORT
MAYOR & COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS
CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS
PRESENTATIONS

- Chamber of Commerce Quarterly Presentation
- Peter Williamson – Rideshare Week

PUBLIC COMMENT PERIOD

Members of the audience wishing to address the Council on City business matters not on the agenda may do so at this time. For those desiring to speak on items on the agenda, but unable to stay for the item, may also address the Council at this time.

To increase the effectiveness of the Public Comment Period, the following rules shall be followed:

- When recognized by the Mayor, please come forward to the podium and state your name and city of residence for the record. Comments are to be limited to three minutes.
- All remarks shall be addressed to Council, as a whole, and not to any individual member thereof.
- The Council respectfully requests that you refrain from making slanderous, profane or personal remarks against any elected official, commission 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 City Council to carry out its meeting will not be permitted and offenders will be requested to leave the meeting.
- Your participation in City Council meetings is welcome and your courtesy will be appreciated.

A. CONSENT AGENDA

Unless an item is pulled for separate action by the City Council, the following actions are approved without discussion. The public will also be provided an opportunity to comment on consent agenda items.

A-1 APPROVAL OF MINUTES FOR THE AUGUST 8, 2017 CITY COUNCIL MEETING;
(ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE AUGUST 22, 2017 SPECIAL CLOSED SESSION
CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 ADOPTION OF RESOLUTION NO. 48-17 APPROVING THE ASSIGNMENT AND
ASSUMPTION AND CONDITIONALLY AUTHORIZING THE MAYOR TO EXECUTE
DOCUMENTS NECESSARY THERETO FOR A NEW LOAN FOR THE LEASE
AGREEMENT AND ACCEPTING A DEED OF TRUST AT LEASE SITE 53-56/53W-56W
(ESTERO INN, 501 EMBARCADERO ROAD); (HARBOR)

**RECOMMENDATION: Council adopt Resolution No. 48-17 authorizing the Mayor to
execute the assignment and assumption and documents necessary for a new loan
regarding the leasehold interest at Lease Site 53-56/53W-56W and accepting a
deed of trust related thereto, both subject to approval of the City Attorney.**

A-4 ADOPTION OF RESOLUTION NO. 49-17 AUTHORIZING THE CITY OF MORRO BAY
TO ENTER INTO A 2017/2018 SURRENDERED AND ABANDONED VESSEL
EXCHANGE GRANT CONTRACT WITH THE STATE OF CALIFORNIA DIVISION OF
BOATING AND WATERWAYS IN THE AMOUNT OF \$25,000 FOR REMOVAL OF
ABANDONED/SURRENDERED VESSELS AND HAZARDS TO NAVIGATION;
(HARBOR)

**RECOMMENDATION: Council adopt Resolution No. 49-17 authorizing the Harbor Director
to execute the attached Surrendered and Abandoned Vessel Exchange (SAVE)
Grant Contract Agreement #C17S0602 with the California Division of Boating and
Waterways (DBW) for \$25,000 for the funding of removal of
abandoned/surrendered vessels and hazards to navigation.**

A-5 ADOPTION OF RESOLUTION NO. 50-17, APPROVING REQUEST TO NAME
FRANKLIN RILEY PARK; (DEPUTY CITY MANAGER)

**RECOMMENDATION: The Recreation and Park Commission and staff recommend City
Council adopt Resolution No. 50-17, approving the open space next to the Morro
Cove Development be named the Franklin Riley Park.**

B. PUBLIC HEARINGS - NONE

C. BUSINESS ITEMS

C-1 DIRECTION REGARDING STREET SWEEPING AND GARBAGE COLLECTION
NOISE AS RELATED TO THE CITY'S "NOISE ORDINANCE" MBMC §9.28; (PUBLIC
WORKS)

**RECOMMENDATION: Staff recommends no changes to the time of garbage collection or
street sweeping.**

C-2 REVIEW REPORT REGARDING IMPACTS/POTENTIAL REVENUE TIMING OF SB-1
AND PROVIDE DIRECTION AS APPROPRIATE; (PUBLIC WORKS)

**RECOMMENDATION: Receive and file report and provide input and direction as deemed
appropriate.**

C-3 ADOPTION OF DOWNTON WATERFRONT STRATEGIC PLAN FOR THE GENERAL
PLAN/LOCAL COASTAL PROGRAM UPATE; (COMMUNITY DEVELOPMENT)

RECOMMENDATION: Council review the presentation by staff, receive public comment and adopt the Downtown Waterfront Strategic Plan (DWSP) prepared as part of the General Plan/Local Coastal Program Update.

C-4 ADOPTION OF THE ECONOMIC DEVELOPMENT STRATEGY PLAN; (DEPUTY CITY MANAGER)

RECOMMENDATION: Council approve and adopt the Economic Development Strategic Plan (EDSP) and appoint two Council Members to a subcommittee for the EDSP.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

E. ADJOURNMENT

The next Regular Meeting will be held on **Tuesday, September 26, 2017 at 6:00 p.m.** at the Veteran's Memorial Hall located at 209 Surf Street, Morro Bay, California.

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 CITY HALL FOR ANY REVISIONS OR CALL THE CLERK'S OFFICE AT 772-6205 FOR FURTHER INFORMATION.

MATERIALS RELATED TO AN ITEM ON THIS AGENDA SUBMITTED TO THE CITY COUNCIL AFTER DISTRIBUTION OF THE AGENDA PACKET ARE AVAILABLE FOR PUBLIC INSPECTION AT CITY HALL LOCATED AT 595 HARBOR STREET; MORRO BAY LIBRARY LOCATED AT 625 HARBOR STREET; AND MILL'S COPY CENTER LOCATED AT 495 MORRO BAY BOULEVARD DURING NORMAL BUSINESS HOURS.

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN A CITY MEETING, PLEASE CONTACT THE CITY CLERK'S OFFICE AT LEAST 24 HOURS PRIOR TO THE MEETING TO INSURE REASONABLE ARRANGEMENTS CAN BE MADE TO PROVIDE ACCESSIBILITY TO THE MEETING.

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MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – AUGUST 8, 2017
VETERAN'S MEMORIAL HALL – 6:00 P.M.

AGENDA NO: A-1
MEETING DATE: September 12, 2017

PRESENT:	Jamie Irons	Mayor
	Robert Davis	Council Member
	John Headding	Council Member
	Matt Makowetski	Council Member
	Marlys McPherson	Council Member
STAFF:	Martin Lomeli	Interim City Manager
	Chris Neumeyer	Assistant City Attorney
	Dana Swanson	City Clerk
	Ikani Taumoepeau	Deputy City Manager
	Craig Schmollinger	Finance Director
	Rob Livick	Public Works Director
	Scot Graham	Community Development Director
	Greg Allen	Police Chief
	Steve Knuckles	Fire Chief
	Eric Endersby	Harbor Director

ESTABLISH QUORUM AND CALL TO ORDER

The meeting was called to order at 6:01 p.m., with all members present.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

RECOGNITION

https://youtu.be/vu46mrJ_FuA?t=2m8s

- Introduction of new Fire Marshal, Matt Viera
- Officer Luke Riddering, Recipient of Mothers Against Drunk Driving (MADD) Award for DUI Enforcement

CLOSED SESSION REPORT – No Closed Session Meeting was held.

MAYOR AND COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS
CITY MANAGER REPORTS, ANNOUNCEMENTS & PRESENTATIONS

PRESENTATIONS

https://youtu.be/vu46mrJ_FuA?t=22m59s

- Monday Night Dinner Report (Linda Fidell)

There was Council consensus to hear Item C-3 before Items C-1 and C-2.

PUBLIC COMMENT

https://youtu.be/vu46mrJ_FuA?t=28m58s

Jeff Heller, Morro Bay, urged the Council to hire consultants rather than fill current engineering vacancies to reduce the cost of employee compensation and benefits. He also requested the WRF public outreach plan be provided at the next meeting.

Kerrigan Mahan, Morro Bay, expressed concern regarding city attorney expenses and consultant costs for Mike Nunley & Associates and the OneWater plan.

David Nelson, Morro Bay, suggested the City needs an innovative wastewater treatment plant with toilet to tap technology and to investigate EPA low interest loans.

Erica Crawford, Morro Bay Chamber of Commerce, announced upcoming events including employer roundtables with Cuesta College to discuss skills needed in the hospitality industry, a Chamber mixer on August 30 at Foster's Freeze and Jim's Automotive, and the AvoMarg Festival on Saturday, September 9.

Ken Vesterfelt, Morro Bay, expressed concern about the growing trash pile near the north Main Street offramp, and shared the story of a young woman who lost her wallet in north Morro Bay. The wallet was later turned in to the Harbor Department with the money intact.

The public comment period was closed.

The Council and staff responded to issues raised during the public comment period.

A. CONSENT AGENDA
https://youtu.be/vu46mrJ_FuA?t=42m53s

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

A-1 APPROVAL OF MINUTES FOR THE JUNE 13, 2017 CITY COUNCIL MEETING;
(ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE JUNE 27, 2017 CITY COUNCIL MEETING;
(ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF MINUTES FOR THE JULY 7, 2017 SPECIAL CLOSED SESSION CITY
COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-4 APPROVAL OF MINUTES FOR THE JULY 11, 2017 SPECIAL CITY COUNCIL
MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-5 APPROVAL OF MINUTES FOR THE JULY 11, 2017 CITY COUNCIL MEETING;
(ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-6 ADOPTION OF RESOLUTION NO. 43-17 APPROVING A REVISED AND RESTATED
AMENDMENT NO. 1 TO THE 2016-2017 MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF MORRO BAY AND THE MORRO BAY FIREFIGHTERS
ASSOCIATION, IAFF LOCAL 3725, INCORPORATING WORK SCHEDULE AND LEAVE
ACCUMULATIONS FOR THE FIRE MARSHAL POSITION; (ADMINISTRATION)

RECOMMENDATION: Council adopt Resolution No. 43-17 approving a Revised and Restated Amendment No. 1 to the 2016-2017 Memorandum of Understanding Between the City of Morro Bay and the Morro Bay Firefighters Association, IAFF Local 3725.

A-7 APPROVAL OF LEASE AGREEMENTS WITH ESTERO BAY COMMUNITY RADIO AND THE MORRO BAY HISTORICAL SOCIETY (695 HARBOR STREET); (DEPUTY CITY MANAGER)

RECOMMENDATION: Council approve lease agreements with the Estero Bay Community Radio and the Morro Bay Historical Society.

A-8 ADOPTION OF RESOLUTION NO. 44-17, APPROVING AMENDMENT #3 TO THE MASTER LEASE AT LEASE SITE 71-74/71W-74W, AND AMENDMENT #2 TO THE MASTER LEASE AT LEASE SITE 75-77/75W-77W (BOTH WITH MORRO BAY MARINA, INC., LOCATED AT 601 EMBARCADERO), REFORMATTING THE METHOD BY WHICH THE LEASE RENT CPI ADJUSTMENT IS CALCULATED, AND APPROVING LEASE OWNERSHIP CHANGE ON BOTH SITES FROM A GENERAL PARTNERSHIP TO A LIMITED LIABILITY COMPANY; (HARBOR)

RECOMMENDATION: Council adopt Resolution No. 44-17, directing the Mayor to sign amendments to both Morro Bay Marina leases to reformat the manner in which CPI rent adjustments are calculated, and approving the ownership of the two leases from General Partnerships to Limited Liability Companies.

A-9 AWARD OF CONTRACT TO D.O.D. CONSTRUCTION, LTD. OF BAKERSFIELD, CA, FOR PROJECT NO. MB2017-ST02: SIDEWALK GAP CLOSURES & PEDESTRIAN ACCESSIBILITY PROJECT; (PUBLIC WORKS)

RECOMMENDATION: City Council (1) allocate \$18,440 from Transportation Impact funds in addition to the \$299,437 received from Community Development Block Grant for a total of \$317,877 to compensate the bid amount of \$302,740, plus \$15,137, a 5% contingency, (2) award an Indefinite Delivery, Indefinite Quantity (IDIQ) contract with an initial two-year term and two additional option periods of up to two years each to D.O.D. Construction, LTD and (3) authorize the Public Works Director to execute the final contract for the Initial Period.

The public comment period for the Consent Agenda was opened; seeing none, the public comment period was closed.

Council Member McPherson requested a correction on Item A-5, Minutes for the July 11, 2017, City Council Meeting, noting the next scheduled meeting date should be August 8, 2017.

Council Member McPherson announced she would recuse herself on Item A-7, Approval of a Lease Agreement with the Morro Bay Historical Society, as the President of the Board is her significant other. While there is no direct conflict of interest since he is an unpaid volunteer, she wanted to avoid the appearance of a conflict.

MOTION: Council Member Heading moved the Council approve all Items on the Consent Agenda with the exception of Item A-7, including the correction on Item A-5. The motion was seconded by Council Member McPherson and carried unanimously, 5-0.

Council Member McPherson left the dais.

A-7 APPROVAL OF LEASE AGREEMENTS WITH ESTERO BAY COMMUNITY RADIO AND THE MORRO BAY HISTORICAL SOCIETY (695 HARBOR STREET); (DEPUTY CITY MANAGER)

MOTION: Council Member Makowetski moved the Council approve Item A-7. The motion was seconded by Council Member Headding and carried 4-0-1 with Council Member McPherson having recused herself to avoid a perceived conflict of interest.

Council Member McPherson rejoined the meeting.

B. PUBLIC HEARINGS - NONE

C. BUSINESS ITEMS

As previously discussed, there was Council consensus to hear Item C-3 next.

C-3 REVIEW OF MARIJUANA COUNCIL SUBCOMMITTEE RECOMMENDATIONS AND CONSIDERATION OF AND DIRECTION FOR FUTURE LOCAL MARIJUANA REGULATIONS; (ADMINISTRATION)
https://youtu.be/vu46mrJ_FuA?t=45m

Assistant City Attorney Neumeyer provided a summary of the presentation made during the 4:00 p.m. Special Meeting, and responded to Council inquiries. (The presentation can be found [here](#).)

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

Adam Pinterits, Marina, CA resident and Director of Government and Community Relations for Ethnobotanica, urged the Council to consider the potential revenue increase if adult use dispensaries are allowed in the City.

Cynthia Gonzalez, Elite Care California, stated their goal is to provide safe access for their patients. She is confident the State regulatory agencies will ensure safe products and encouraged the Council to vote to help their contingency.

Tami Peluso, Elite Care California, suggested no more than two dispensaries are needed to start for a community of approximately 10,000, and urged the Council to not tie delivery to a storefront. She also suggested dispensaries not be restricted to an industrial zone.

David Nelson, Morro Bay, spoke in support of outdoor cultivation and urged the Council to avoid overregulating cannabis.

Tony Keith, CEO of Greenroad, suggested the Council consider cannabis industry from an economic development standpoint, noting every legal business will require licensed professionals, such as architects, carpenters and contractors; and will fill empty storefronts and industrial spaces.

Tabitha Ozaki, President of Hwy. 1 Organics Medical Delivery Service, shared the importance of delivery services to provide for those with chronic illness and unable to leave their home.

Marie Roth, President of SLO County Cannabis Business Association (SLOCCBA), suggested the City not delay discussion of taxes and fees, begin cultivating relationships with brick and mortar dispensaries, and continue to nurture mobile dispensaries who can operate independently

with a separate license type. She noted those new businesses will need CPAs, attorneys, bookkeepers and professional representatives.

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

Council Members McPherson and Davis led discussion as subcommittee members.

PUBLIC USE / SMOKING REGULATIONS

There was Council consensus to clarify and strengthen the existing ordinance to include vaping and address potential health concerns related to secondhand smoke in public places that aren't currently covered by the ordinance. Staff suggested establishing a minimum distance in proximity to churches, schools, restaurants, etc., and will return with draft language for consideration.

PERSONAL CULTIVATION – OUTDOOR

There was Council consensus to allow a total of six plants at a personal residence, limiting the number of plants grown outdoors with the rest to be grown indoors. The ordinance should include appropriate screening from public view (consistent with State law), adequate security to prevent theft, growth in proximity to churches and schools, and require a permit.

PERSONAL CULTIVATION – INDOOR

The Council discussed establishing reasonable low-cost permit requirements that would potentially include the following criteria: non-transferable, no unnecessary inspections, odor control and security requirements, electricity use restrictions, property owner consent, restrictions for cultivation in accessory buildings and garages, and penalties for unpermitted use.

DISPENSARIES – MEDICAL

There was Council consensus to allow up to two medical dispensaries using a screening and selection process and seeking development agreements with those entities. While there were concerns about allowing edibles, it was agreed there wasn't a need to establish local regulations so long as packaging is consistent with State law. Regarding zoning, the Council wishes to restrict proximity to churches, schools, etc., and was open to discussing C-1, C-2 and industrial areas.

ADULT USE DISPENSARIES

The Council majority opposed adult use dispensaries at this time.

COMMERCIAL CULTIVATION

The Council opposed commercial cultivation due to space limitations and environmental concerns.

MANUFACTURING / TESTING

The Council requested draft language regulating testing and manufacturing, perhaps limiting manufacturing to those with non-volatile licenses.

DELIVERIES - MEDICAL

There was Council consensus to support the subcommittee recommendation to allow medical marijuana delivery services subject to a regulatory permit. The Council requested staff input regarding insurance requirements, background checks, and number of delivery services to be allowed.

DELIVERIES – ADULT USE

Following discussion, the Council majority supported allowing adult use delivery services.

General discussion included the importance of consistency with State law and neighboring cities / agencies, opportunities for taxation, and the need for public input on the draft ordinance. Council Member Heading suggested the Council receive information on the cannabinoid market and consider banning the sale of those agents.

MOTION: Council Member Heading moved to direct staff to take the inputs that were given tonight from Council and return with a proposed ordinance after meeting with the subcommittee and appropriate staff, no later than the first meeting in October of the City Council. The motion was seconded by Council Member McPherson and carried unanimously, 5-0.

The Council took a brief recess at 8:05 p.m. The meeting reconvened at 8:16 p.m.

C-1 RECEIVE THE WATER RECLAMATION FACILITY PROGRAM UPDATE AND PROVIDE COMMENTS AND DIRECTION DEEMED APPROPRIATE; (PUBLIC WORKS)
<https://youtu.be/tjMxie4M0Ng?t=10s>

Public Works Director Livick, Deputy Program Manager Rickenbach and Program Manager Nunley presented the staff report and responded to Council inquiries.

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

Tom Rost, Morro Bay, expressed concern about the potential cost of the water reclamation facility and urged the Council to join with the Cayucos project.

Ken Green, Morro Bay, suggested the current approved rates be considered the upper limit for project costs and urged the Council to consider using residents with consulting experience.

Jeff Heller, Morro Bay, asked why the South Bay Blvd. site is still being considered after the peer review recommended building a plant at or near the existing site. He will submit a timeline for managing the project, including cost estimates, in early November.

Karen Beckman, Morro Bay, urged the Council to seek the most cost-effective solution and supports a design/build project west of Highway 1.

David Nelson, Morro Bay, was surprised the City would consider building a plant in the flood zone.

Tina Metzger, Morro Bay, urged the Council to remove Righetti from the list of viable sites.

Terry Simons, Morro Bay, suggested pursuing the site behind the current plant with facility costs added to the tax rolls so the burden is on the property owners, not users.

Alice Kolb, Morro Bay, requested the Council not consider Righetti as a possible site for the WRF as it would unfairly devalue neighboring properties.

Bob Church, Morro Bay, supported going out to bid for a basic plant that treats to a level it can be perked back into our aquifer.

Steve Stevens, Morro Bay, expressed frustration the agenda had been rearranged, supported comments made by Mr. Rost and Mr. Green, and suggested a public ombudsman would be helpful to point out if the budget were exceeded.

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

Staff responded to issues raised during public comment and further questions from the Council.

The Council subcommittee shared staff will return in a month with cost estimates for site alternatives and the feasibility of each and will involve Coastal Commission in its review before bringing a site selection recommendation to the Council.

No formal action was taken by the City Council.

C-2 RECEIVE WATER RECLAMATION FACILITY FISCAL YEAR 2016-17 3RD QUARTER PROGRAM BUDGET UPDATE AND PROVIDE COMMENTS AND DIRECTION AS DEEMED APPROPRIATE; (PUBLIC WORKS)
<https://youtu.be/tjMxie4M0Ng?t=1h54m39s>

Finance Director Schmollinger presented the staff report and responded to Council inquiries.

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

Carole Truesdale, Morro Bay, read a letter into the record expressing concern about information provided in the staff report regarding the 2015 rate increase and how those funds are being used.

David Nelson, Morro Bay, stated costs are out of control.

Terry Simons, Morro Bay, was concerned funds spent for the facilities master plan may not be of value if the plant site is moved closer to the existing plant. He suggested adding a staff person to ride herd on consultants.

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

Staff responded to issues raised during the public comment period.

No formal action was taken by the City Council.

MOTION: Council Member McPherson moved the meeting go past 11:00 p.m. to at least hear just the Trident Wind item. The motion was seconded by Council Member Makowetski.

AMENDED MOTION: Council Member McPherson amended the motion to go until 11:15 p.m. The amended motion was seconded by Council Member Makowetski and passed 4-1 with Council Member Davis opposed.

C-4 APPROVAL OF A COMMUNITY BENEFIT AGREEMENT BETWEEN THE CITY OF MORRO BAY AND TRIDENT WINDS, LLC; (ADMINISTRATION)
<https://youtu.be/tjMxie4M0Ng?t=2h38m8s>

Mr. Schmollinger presented the staff report and introduced Alla Weinstein of Trident Winds, LLC, who provided a project update and responded to Council inquiries.

John Pierce, legal counsel for Trident Winds, LLC, responded to Council questions regarding the exclusivity language in the Community Benefit Agreement.

MOTION: Council Member Headding moved the meeting go to 11:25 p.m. The motion was seconded by Council Member McPherson.

AMENDED MOTION: Council Member Headding amended the motion to continue this on until completed. The motion was seconded by Council Member McPherson and carried 4-1 with Council Member Davis voting no.

The public comment period for Item C-4 was opened.

Terry Simons, Morro Bay, expressed concern the turbines would be visible from Hearst Castle and suggested the area near Diablo Canyon would be a better location.

David Pierce, representing Trident Winds, LLC, responded to Mr. Simons' comment stating the turbines would only be visible on a very clear night and that Morro Bay is the only viable location.

The public comment period for Item C-4 was closed.

The Council expressed concern about the proposed exclusivity language and had difficulty seeing the community benefit. Following discussion there was Council consensus to delay action until the commercial fishermen are back and have the opportunity to provide input.

MOTION: Council Member Headding moved the Council not approve the Community Benefit Agreement, as proposed, but continue with the existing Memorandum of Cooperation with Trident Wind, and at a further date after obtaining further information from our fishing community and other information, this be brought back for consideration in the future. The motion was seconded by Council Member McPherson and carried unanimously, 5-0.

C-5 ADOPTION OF RESOLUTION NO. 45-17 AMENDING THE COUNCIL POLICIES AND PROCEDURES TO ELIMINATE THE 7:00PM START TIME FOR PUBLIC HEARINGS, AND CONSIDERATION OF A COUNCIL SUBCOMMITTEE TO REVIEW THE COUNCIL POLICIES AND PROCEDURES AND ADVISORY BOARD BY-LAWS; (MAYOR/CITY CLERK)

This item was continued to a future meeting.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS
None

E. ADJOURNMENT

The meeting adjourned at 11:42 p.m. The next Regular Meeting will be held on Tuesday, August 22, 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

MINUTES – MORRO BAY CITY COUNCIL
SPECIAL CLOSED SESSION MEETING –
AUGUST 22, 2017
CITY HALL CONFERENCE ROOM–3:00 P.M.

AGENDA NO: A-2
MEETING DATE: September 12, 2017

PRESENT: Jamie Irons Mayor
Robert Davis Council Member
John Heading Council Member
Matt Makowetski Council Member
Marlys McPherson Council Member

STAFF PRESENT: Martin Lomeli Interim City Manager
Joe Pannone City Attorney
Colin Tanner Special Labor Council (*via teleconference*)
Dana Swanson City Clerk
Eric Endersby Harbor Director
Scot Graham Community Development Director

ESTABLISH QUORUM AND CALL TO ORDER – A quorum was established and the meeting was called to order at 3:00 p.m., with all members present.

SUMMARY OF CLOSED SESSION ITEMS - The Mayor read a summary of Closed Session items.

CLOSED SESSION PUBLIC COMMENT - Mayor Irons opened the meeting for public comment for Items CS-1 and CS-5; seeing none, the public comment period was closed.

The City Council moved to Closed Session and heard the following items:

CS-1 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Paragraph (1) of subdivision (d) of Section 54956.9
Name of Case: Enrique Cantu vs. City of Morro Bay – EAMS No. ADJ9725118, ADJ9735483 and ADJ9725119

CS-5 CONFERENCE WITH LABOR NEGOTIATORS

City Designated Representative: Colin Tanner, Special Labor Counsel
Employee Organizations: Morro Bay Firefighters' Association; Morro Bay Police Officers Association; and, Service Employee's International Union - SEIU Local 620

RECONVENE IN OPEN SESSION – The Council reconvened in Open Session at 3:35 p.m. and opened public comment for the remaining items on the agenda.

Cliff Branch presented site plans for the proposed renovation of Lease Site 90/90W and a proposed master lease with rent concessions. He requested the City amend the existing Conditional Use Permit for the Boatyard to include this project.

The public comment period was closed.

The City Council reconvened in closed session and heard the following items:

CS-2 GOVERNMENT CODE SECTION 54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATOR:

Property: Lease Site 90/90W, Otter Rock, 885 Embarcadero
Property Negotiators: Cliff Branch and Paul Parker

Agency Negotiators: Eric Endersby, Harbor Director; Joseph Pannone, City Attorney
Negotiation: Price and Terms of Payment

CS-3 GOVERNMENT CODE SECTION 54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATOR:

Property: Lease Site 89/89W, The Boatyard, 845 Embarcadero

Property Negotiators: Cliff Branch and Paul Parker

Agency Negotiators: Martin Lomeli, Interim City Manager, Eric Endersby, Harbor Director, Joseph W. Pannone, City Attorney

Negotiation: Price and Terms of Payment

CS-4 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:

Paragraph (2) of subdivision (d) of Section 54956.9: One Matter, relating to lease site 89/89W

RECONVENE IN OPEN SESSION - The City Council reconvened in Open Session. The Council did not take any reportable action pursuant to the Brown Act.

ADJOURNMENT

The meeting adjourned at 5:07 p.m.

Recorded by:

Dana Swanson
City Clerk



AGENDA NO: A-3

MEETING DATE: September 12, 2017

Staff Report

TO: Honorable Mayor and City Council

DATE: August 28, 2017

FROM: Eric Endersby, Harbor Director

SUBJECT: Adoption of Resolution No. 48-17 Approving the Assignment and Assumption and Conditionally Authorizing the Mayor to Execute Documents Necessary Thereto for a New Loan for the Lease Agreement and Accepting a Deed of Trust at Lease Site 53-56/53W-56W (Estero Inn, 501 Embarcadero Road)

RECOMMENDATION

Staff recommend the City Council adopt Resolution No. 48-17 authorizing the Mayor to execute the assignment and assumption and documents necessary for a new loan regarding the leasehold interest at Lease Site 53-56/53W-56W and accepting a deed of trust related thereto, both subject to approval of the City Attorney.

ALTERNATIVES

Do not approve Resolution No. 48-17.

FISCAL IMPACT

There is no fiscal impact to this action.

BACKGROUND

This site originally operated as a base for tugboat operations since the 1950's, initially as Sylvester's Tug Service, and then was assigned to Estero Landing in February 2003. The site consisted of a small one-story office and shop building, storage space and a wharf to serve the tugboat landing.

Ken Scott, President of Estero Landing, Inc., completely redeveloped the site in ~2009, and based on his significant investment was granted a 40-year lease with an inauguration date of July 1, 2008, and expiring on June 30, 2048.

In 2016, Mr. Scott requested a lease extension based on ~\$306,000 of additional lease site improvements completed since 2009 that were not a part of the original site redevelopment. That work consisted of a new dock, gangway and associated equipment, piling replacements, and significant wharf maintenance, repair and upgrades. In February of this year, Council granted a 10-year extension with a new expiration of June 30, 2058, with all remaining terms of the lease in effect.

DISCUSSION

Ken Scott, Estero Landing LLC, has applied for an Assignment and Assumption of his lease agreement to Chris and Cynthia Kostecka, operating as Estero Inn LLC, as both parties are

Prepared By: EE

Dept Review: EE

City Manager Review: MRL

City Attorney Review: JWP

currently in escrow for the sale of the site. The application fee and all documents necessary for the assignment were submitted and financial review is complete. The current lease agreement for lease site 53-56/53W-56W stipulates any assignment of the lease must be approved by Resolution of the City Council.

Esterio Inn, LLC is requesting City Council approval of recordation of a Deed of Trust with CoastHills Credit Union against only the leasehold interest, which will generate capital for the required leasehold repair/maintenance and improvements. That capital will also be used to finance the purchase of the lease site. The Harbor Department Lease Management Policy stipulates the City will not approve financing related to the lease site, unless such financing is for sole investment upon the lease site or for City requested public improvements. Resolution No. 48-17 will authorize the Mayor to allow Esterio Inn, LLC to encumber the leasehold with a deed of trust.

CONCLUSION

Staff have reviewed the application for assignment, and the qualification, financial and other information submitted by the Kosteckas, and believe they have sufficiently demonstrated their ability and experience to successfully operate the site. In addition, Mr. Scott is a tenant in good standing with a proven record of successful site operation and will remain a tenant of the site.

Staff, therefore, recommend the City Council adopt Resolution No. 48-17, approving the assignment and assumption and authorizing the Mayor to execute all necessary documents for the deed of trust and loan to Esterio Inn, LLC, as approved by the City Attorney.

ATTACHMENTS

1. Resolution No. 48-17

RESOLUTION NO. 48-17

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
APPROVING THE ASSIGNMENT AND ASSUMPTION OF THE LEASE FOR LEASE
SITE 53-56/53W-56W TO AND BY ESTERO INN, LLC AND CONDITIONALLY
AUTHORIZING THE MAYOR TO EXECUTE DOCUMENTS NECESSARY THERETO
FOR A NEW LOAN FOR THE LEASE AGREEMENT AND ACCEPTING
RECORDATION OF A DEED OF TRUST AT LEASE SITE 53-56/53W-56W WITH
ESTERO INN, LLC, LOCATED AT 501 EMBARCADERO ROAD, MORRO BAY**

**THE CITY COUNCIL
City of Morro Bay, California**

WHEREAS, the City of Morro Bay is the lessor of certain properties on the Morro Bay Waterfront described as City Tidelands leases and properties; and

WHEREAS, since 2003, Ken Scott, Estero Landing, LLC, has been the lessee of Lease Site 53-56/53W-56W, located at 501 Embarcadero, and is a tenant in good standing; and

WHEREAS, Ken Scott is selling the leasehold interest and improvements to Christopher and Cynthia KostECKa of the newly formed Estero Inn, LLC; and

WHEREAS, Estero Inn, LLC, has satisfactorily submitted the necessary documents for Assignment and Assumption: and

WHEREAS, Estero Inn, LLC's lender, Coast Hills Credit Union, is requesting approval of a deed of trust to secure financing of capital for purchase and improvement of Lease Site 53-56/53W-56W and using the lease as security.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, as follows:

1. The City Council approves Assignment and Assumption of the leasehold interest to and by Estero Inn, LLC.
2. The Mayor is hereby authorized to execute said assignment, as approved by the City Attorney.
3. The Mayor is hereby directed to execute, as necessary, any and all documents, as approved by the City Attorney, necessary to record the deed of trust desired by Estero Inn, LLC and related to a loan for which the leasehold interest in Lease Site 53-56/53W-56W will be security.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 12th day of September 2017 on the following vote:

AYES:
NOES:
ABSENT:

Jamie L. Irons, Mayor

ATTEST:

Dana Swanson, City Clerk



AGENDA NO: A-4

MEETING DATE: September 12, 2017

Staff Report

TO: Honorable Mayor and City Council

DATE: August 21, 2017

FROM: Eric Endersby, Harbor Director

SUBJECT: Adoption of Resolution No. 49-17 Authorizing the City of Morro Bay to Enter into a 2017/2018 Surrendered and Abandoned Vessel Exchange Grant Contract with the State of California Division of Boating and Waterways in the Amount of \$25,000.00 for Removal of Abandoned/Surrendered Vessels and Hazards to Navigation

RECOMMENDATION

Staff recommend the City Council adopt Resolution No. 49-17 authorizing the Harbor Director to execute the attached Surrendered and Abandoned Vessel Exchange (SAVE) Grant Contract Agreement #C17S0602 with the California Division of Boating and Waterways (DBW) for \$25,000.00 for the funding of removal of abandoned/surrendered vessels and hazards to navigation.

ALTERNATIVES

There are no alternatives being offered.

FISCAL IMPACT

Approval of this \$25,000.00 grant agreement will provide funding for demolition and removal of abandoned or surrendered vessels and hazards to navigation. City is required to provide a 10% funding match, or \$2,500.00, which will come from existing budgeted funds.

BACKGROUND

The Vessel Turn-In Program (VTIP) was established by DBW from enabling Legislation in 2009. It provides a funding mechanism for local agencies to identify vessels in danger of being abandoned (generally older vessels at or beyond their useful life and falling into dereliction) and accepting ownership of those vessels from willing owners for demolition prior to them being abandoned and becoming a hazard to navigation or the environment. The City has accepted three prior grants from DBW under the VTIP program.

The Abandoned Water Abatement Fund (AWAF) was established in 1997 and provides funds to public agencies to remove, store, and dispose of abandoned, wrecked, or derelict vessels or other submerged objects from navigable waterways which pose a hazard to navigation or the environment. To date, the Harbor Department has received and expended over \$92,500 in seven separate AWAFF fund grants.

In recent years, the two grants were combined to create a single grant, entitled "Surrendered and

Prepared By: LS

Dept Review: EE

City Manager Review: MRL

City Attorney Review: JWP

Abandoned Vessel Exchange” (SAVE), which will allow the City the ability to utilize the funds as deemed necessary for both AWAFF and VTIP grant purposes.

In April of 2017, the Harbor Department applied and was recently approved for a \$25,000.00 SAVE Grant from DBW.

DISCUSSION:

As stewards of the harbor and ocean environment, this grant would enable the Harbor Department to accept surrendered vessels for demolition prior to them becoming abandoned and posing hazards to navigation or the environment.

In addition, the Harbor Department will identify vessels in danger of abandonment and prioritize removal of them by working with willing owners, as well as prioritize vessels in need of abatement. Projects will be put out to bid if necessary, as they arise, and the City will remove as many vessels as possible within the scope of the grant agreement.

Currently, the department has a Columbia 30 sailboat and a Carver power boat awaiting demolition under the turn-in program. In addition, two other abandoned vessels are slated for action; one ready for demolition with the other awaiting a lien auction scheduled for the beginning of September. Finally, the department foresees at least two or three other vessels likely candidates for future demolition.

CONCLUSION

Staff recommend the City Council adopt Resolution No. 49-17, accepting a \$25,000.00 SAVE grant from the California DBW for demolition and removal of abandoned/surrendered vessels and hazards to navigation in Morro Bay.

ATTACHMENTS

1. Resolution 49-17
2. SAVE Grant Contract Agreement

RESOLUTION NO. 49-17

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
AUTHORIZING THE CITY OF MORRO BAY TO ENTER
INTO A 2017/2018 SURRENDERED AND ABANDONED VESSEL EXCHANGE
CONTRACT WITH THE DIVISION OF BOATING AND WATERWAYS**

**THE CITY COUNCIL
City of Morro Bay, California**

WHEREAS, City of Morro Bay (City) applied for a Surrendered and Abandoned Vessel Exchange (SAVE) Grant from State of California Division of Boating and Waterways (DBW) in the Amount of \$25,000.00; and

WHEREAS, DBW awarded the City of Morro Bay a SAVE grant in the amount of \$25,000.00, which will allow the City the ability to utilize the funds as deemed necessary for removal of abandoned and surrendered vessels and hazards to navigation; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California as follows:

1. The City is hereby authorized to enter into a SAVE grant agreement, #C17S0602, in the amount of \$25,000.00 for removal of abandoned/surrendered vessels and hazards to navigation.
2. Harbor Director Eric Endersby is hereby authorized to act as the City's agent in regard to all aspects of the grant agreement.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 12th day of September 2017 on the following vote:

AYES:
NOES:
ABSENT:

Jamie L. Irons, Mayor

ATTEST:

Dana Swanson, City Clerk

State of California – Natural Resources Agency
 DEPARTMENT OF PARKS AND RECREATION
 DIVISION OF BOATING AND WATERWAYS
GRANT AGREEMENT - CERTIFICATE OF FUNDING

GRANTEE: City of Morro Bay Harbor Department
GRANT TITLE: SURRENDERED AND ABANDONED VESSEL EXCHANGE (SAVE)
GRANT AMOUNT: \$25,000.00
GRANT NUMBER: C17S0602
GRANT TERM: Effective: Date Fully Executed* through March 1, 2019
FULLY EXECUTED: To be advised

The Grantee agrees to the terms and conditions of this contract, hereinafter referred to as Agreement, and the State of California, acting through its Director of the Department of Parks and Recreation, and pursuant to the State of California agrees to fund the total State grant amount indicated below. The GRANTEE agrees to complete the SCOPE OF WORK as defined in the Agreement.

The General and Special Provisions attached are made a part of and incorporated into the Agreement.

Grantee: City of Morro Bay Harbor Department Address: 1275 Embarcadero, Morro Bay, CA 93422 Authorized Signature: Printed Name: Title of Authorized Representative: Date:	Agency: Department of Parks and Recreation Division of Boating and Waterways ATTN: Ron Kent Address: One Capitol Mall, Suite 500 Sacramento, CA 95814 Authorized Signature: Printed Name: Ramona Fernandez Title: Chief of Operations Date:
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**CERTIFICATE OF FUNDING
(FOR STATE USE ONLY)**

GRANTEE: City of Morro Bay Harbor Department
GRANT TITLE: FY 2017/18 Surrendered and Abandoned Vessel Exchange (SAVE)
GRANT AMOUNT: \$25,000.00
GRANT NUMBER: C17S0602
GRANT TERM: Effective: Date Fully Executed* through March 1, 2019
FULLY EXECUTED: To be advised

CONTRACT NO C17S0602	AMENDMENT NO	CALSTARS VENDOR NO 4000000048-02		PROJECT NO
AMOUNT ENCUMBERED BY THIS DOCUMENT \$25,000.00	FUND TITLE Abandoned Watercraft Abatement Fund 0577		AGENCY BILLING CODE NO 053706	
PRIOR AMOUNT ENCUMBERED BY THIS DOCUMENT \$0	ITEM 3790-101-0577	CHAPTER 14	STATUTE 2017	FISCAL YEAR 2017/18
TOTAL AMOUNT ENCUMBERED TO DATE \$25,000.00	INDEX 1706	OBJECT CODE 702	PCA CODE 69008	PROJECT/WORK PHASE N/A
T.B.A. NO	I hereby certify upon my own personal knowledge that the budgeted funds are available for this encumbrance.			
B.R.NO 77-1	ACCOUNTING OFFICER'S SIGNATURE		DATE	

STATE OF CALIFORNIA

Department of Parks and Recreation, Division of Boating and Waterways
One Capitol Mall, Suite 500
Sacramento, CA 95814

EXHIBIT A
SURRENDERED AND ABANDONED VESSELS EXCHANGE (SAVE)
FISCAL YEAR 2017/18
SCOPE OF WORK

Grantee agrees to provide to the Division of Boating and Waterways (DBW) as described herein:
See Grant Application: Letter of Intent, Scope of Work and Work Plan of Exhibit G.

The services shall be performed in the jurisdiction of: City of Morro Bay Harbor Department

State Agency: Division of Boating and Waterways	Grantee (Agency Name): City of Morro Bay Harbor Department
Name: Ron Kent	Grantee Representative*: Lori Stilts
Title: Program Administrator	Title: Grants Administrator
Address: One Capitol Mall, Suite 500 Sacramento, CA 95814	Address: 1275 Embarcadero, Morro Bay, CA 93422
Phone: (916) 327-1825	Phone: (805) 772-6254 x 256
Fax:	Fax: (805) 772-6258
Email: ron.kent@parks.ca.gov	Email: lstilts@morrobayca.gov

* Grantee representative information may only be changed by giving 30 days written notice to DBW.

EXHIBIT B

Surrendered and Abandoned Vessels Exchange (SAVE) Grant Program

1. NEEDS AND OBJECTIVES OF DBW

- a. Pursuant to its authority under Harbors and Navigation Code section 525, the Division of Boating and Waterways (DBW) wishes to contract with Grantee for the removal and disposal of abandoned, wrecked or dismantled vessels, or parts thereof, or any other partially submerged objects (hereinafter “eligible water hazards”) which pose a substantial hazard to navigation within Grantee’s jurisdiction as listed on the Questionnaire, found in Exhibit A.
- b. Pursuant to its authority under Harbors and Navigation Code Section 525, the Division of Boating and Waterways (DBW) wishes to contract with Grantee for the removal and disposal of surrendered vessels, or parts thereof, which are in danger of being abandoned and has a likelihood of causing environmental degradation or becoming a hazard to navigation within Grantee’s jurisdiction as specified according to the Grantee’s Work Plan, found in Exhibit A.

2. WATER HAZARDS ELIGIBLE FOR REMOVAL AND DISPOSAL

The funds provided under this Agreement shall be used for the combined purposes of Surrendered and Abandoned Vessels Exchange (SAVE) as follows:

- a. **Abatement, removal, storage and/or disposal of eligible water hazards.** For purposes of this Agreement, “abandoned” is defined in Harbors and Navigation Code section 522(a):

“Any hulk, derelict, wreck, or parts of any ship, vessel, or other watercraft sunk, beached, or allowed to remain in an unseaworthy or dilapidated condition upon publicly owned submerged lands, salt marsh, or tidelands within the corporate limits of any municipal corporation or other public corporation or entity having jurisdiction or control over those lands, without its consent expressed by resolution of its legislative body, for a period longer than 30 days without a watchman or other person being maintained upon or near and in charge of the property, is abandoned property”.

Harbors and Navigation Code, Section 525 (1)(A):

“...the Abandoned Watercraft Abatement Fund, which is hereby created as a special fund. Moneys in the fund shall be used exclusively, upon appropriation by the Legislature, for grants to be awarded by the department to local agencies for the abatement, removal, storage, and disposal as public nuisances of any abandoned property as described in Section 522 or for the disposal of surrendered vessels as defined in Section 526.1, wrecked or dismantled vessels, or parts thereof, or any other partially submerged objects that pose a substantial hazard to navigation, from navigable waterways or adjacent public property or private property with the landowner’s consent.
- b. The funds provided under this Agreement shall not be utilized for abatement, removal, storage, or disposal of commercial vessels. Commercial vessels include those vessels for which the most recent registration or documentation was commercial, even though that registration or documentation may have lapsed.
- c. If Grantee is reimbursed for the costs related to the abatement, removal, storage, and/or disposal of an eligible water hazard by the registered or legal owner or other

person or entity known to have an interest in the water hazard, then the water hazard shall no longer be eligible for funding under this Agreement. Grantee shall notify DBW in writing of such reimbursement and shall return all funds disbursed by DBW to Grantee with respect to such water hazard immediately.

- d. **Abatement, removal, storage and disposal of eligible surrendered vessels.** For purposes of this Agreement, “surrendered” is defined in Harbors and Navigation Code section 526.1(a):
- e. “surrendered vessel” means a recreational vessel that the verified titleholder has willingly surrendered to a willing agency under both of the following conditions:
 - (1) The public agency has determined in its sole discretion that the vessel is in danger of being abandoned, and therefore has a likelihood of causing environmental degradation or becoming a hazard to navigation.
 - (2) The decision to accept a vessel is based solely on the potential of the vessel to likely be abandoned and cause environmental degradation or become a hazard to navigation.”
- f. The funds provided under this Agreement shall not be utilized for surrender, abatement, removal, storage, or disposal of commercial vessels. Commercial vessels include those vessels for which the most recent registration or documentation was commercial, even though that registration or documentation may have lapsed.
- g. If Grantee is reimbursed for the costs related to the removal, storage, and/or disposal of a surrendered vessel by the registered or legal owner or other person or entity known to have an interest in the vessel, then the vessel shall no longer be eligible for funding under this Agreement. Grantee shall notify DBW in writing of such reimbursement and shall return all funds disbursed by DBW to Grantee with respect to such vessel immediately.

3. RIGHT OF INSPECTION

Grantee shall allow DBW and other state agency representatives, at any reasonable time, to inspect any site where Grantee or its subcontractors are performing work under this Agreement.

4. ANNUAL MEETING

Grantee’s representative or alternate shall participate in an annual one-day video or phone conference conducted by DBW during the term of this agreement. Should the Grantee or representative be unable to attend the meeting and cannot provide a substitute from the agency, the Grantee must forward a letter to DBW stating the reason why they cannot attend. DBW must grant approval in writing in order for the Grantee not to be in breach of this Agreement for failure to attend.

5. ACTIVITY/NON ACTIVITY: REPORTING REQUIREMENTS

- a. Grantee shall provide quarterly reports to DBW describing the status of existing issues known, pending, or in progress.
- b. Lack of quarterly reporting and/or removal activity within any twelve month period during the term of this agreement is subject to possible revocation of grant.

6. **OVERLAPPING ANNUAL GRANT AWARDS**

A minimum of fifty percent (50%) of an existing SAVE grant must be utilized and reported for reimbursement to DBW by the new grant application deadline to qualify for a new fiscal year grant. Only one overlapping grant per fiscal year will be allowed.

7. **HAZARDOUS MATERIALS**

Grantee shall be responsible for securing any necessary or prudent studies, permits, or authorizations associated with treatment, removal, storage, or any other handling of hazardous substances including, but not limited to, toxic waste, petroleum waste, asbestos, and similar substances, prior to the removal of any vessel and water hazard pursuant to this Agreement.

Grantee shall be responsible for the proper and lawful handling, abatement, removal, storage, and/or disposal of any hazardous substances encountered in the execution of this Agreement.

8. **TITLES AND LIENS**

a. **Abandoned vessels:** Grantee shall comply with all relevant provisions of the Harbors and Navigation Code regarding notices, hearings and liens in the performance of this Agreement. Grantee (in conjunction with local law enforcement) shall conduct a title search for all vessels presumed to be abandoned, as provided by Harbors and Navigation Code section 526.

b. **Surrendered vessels:** Grantee shall comply with all relevant provisions of Harbors and Navigation Code section 526.1 in the performance of this Agreement, requiring that a surrendered vessel be that of the "verified titleholder."

9. **MEDIA**

Grantee agrees to acknowledge DBW's financial support whenever work funded by this Agreement is publicized in any news media, brochures, or other type of promotional material.

10. **MEDIA MATERIALS RELEASE**

Grantee agrees to irrevocably grant to California State Parks, Division of Boating and Waterways, its employees, officers, agents, and assigns (hereinafter referred to as "DBW"), the non-exclusive, royalty-free, perpetual and worldwide right and permission to use, reproduce, publish, copy, distribute, alter, license, adapt, and display the photographs, motion pictures, caption information, and/or written quotes (hereinafter referred to collectively as "Photographs"), that the Grantee has submitted to DBW for art, editorial, advertising, marketing, trade, broadcast, print, educational programs, or any other lawful purpose whatsoever, in any and all media. In connection with the foregoing license, the Grantee agrees not to use, reproduce, adapt, or display the Photographs, or allow others to do so, in a manner that tends to subject DBW or its AWAFF, VTIP and/or SAVE programs to ridicule, disparagement, mockery, satire, or that could tarnish the image of the DBW's AWAFF, VTIP, and/or SAVE programs. Grantee hereby releases and discharges DBW from any and all claims and demands arising out of or in connection with the use of the Photographs, including without limitations, any and all claims for libel, defamation, invasion of privacy, and/or publicity rights. DBW assumes no responsibility for lost or damaged Photographs or for the use of same. DBW may sell, assign, license, or transfer all rights granted to it hereunder.

Grantee also grants DBW and its licensees the unrestricted right to use and disclose its

name in connection with use of the Photographs. The Grantee understands that it will not be paid for any use or right granted herein.

The Grantee understands and agrees that the Photographs may be used in whole or in part, at any time. The license granted herein to DBW includes the right and permission to conduct or have conducted such alterations to the Photographs as DBW deems necessary. Grantee releases and discharges DBW and agrees to indemnify and hold DBW harmless from any liability by virtue of any blurring, distortion, alteration, optical illusion or use in composite form, loss or damage, whether intentional or otherwise, that may occur in the use of the Photographs. The Grantee waives any right to inspect or approve any finished product, advertising or other copy that may be used in connection therewith or the use to which it may be applied.

The Grantee declares and avows that the Photographs it is submitting to DBW are its own original work in all respects. The Grantee is the sole and exclusive owner of the Photographs; they are free, clear, and unencumbered. No part of them is taken from or based on any other work; no part infringes the copyright or any other right of any person; and the reproduction, publication, exhibition, or any other use by DBW of the Photographs in any form whatever will not in any way, directly or indirectly, infringe on the rights of any person. The Grantee agrees to indemnify and hold DBW harmless from and against any and all loss, damage, costs, charges, legal fees, recoveries, judgments, amounts paid in settlement, penalties, and expenses that may be obtained against, imposed on, or suffered by DBW by reason of (1) any violation or infringement of any proprietary right or copyright; or (2) any libelous or unlawful matter contained in the Photographs. Grantee also agrees to indemnify and hold DBW harmless for any such amounts arising from its breach of any covenant, representation, or warranty of this agreement.

11. PERMITS AND DOCUMENTATION

Prior to the removal of any abandoned vessel, eligible water hazard, or surrendered vessel, the Grantee shall obtain all necessary permits, authorizations, and documentation necessitated by any applicable provision of law.

12. SECURING OF BIDS

Grantee shall comply with any applicable laws and regulations governing the competitive bidding process when awarding subcontracts to marine salvage companies under this Agreement.

13. SUBCONTRACTORS

Grantee agrees that it shall guarantee and shall be responsible for ensuring that any and all of its contractors and subcontractors holds a valid business license and carries general commercial liability insurance coverage sufficient to fully insure against any and all risks of hazardous activities associated with the work to be performed under this Agreement; and Grantee agrees that if any of Grantee's contractors or subcontractors fail to fulfill any of these requirements, that Grantee itself carries general commercial liability insurance coverage sufficient to fully insure against any and all risks of hazardous activities associated with the work to be performed under this Agreement, whether performed by the Grantee, Grantee's contractor(s), or Grantee's subcontractor(s). Grantee shall provide DBW with a certificate of insurance from any contractor(s) and subcontractor(s) prior to the commencement of any work under this Agreement.

14. TRAFFIC CONTROL AND TRAFFIC SAFETY

The Grantee shall provide for adequate traffic control and safety measures at any site where Grantee and its subcontractors will perform any work under this Agreement.

15. AIR OR WATER POLLUTION VIOLATION

Grantee warrants that it is not (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to any cease and desist order not subject to review issued pursuant to Water Code section 13301 for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

16. ENTIRE AGREEMENT

This Agreement consists of the terms of this Agreement and all attachments, which are expressly incorporated herein. No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required.

17. APPROVAL OF AGREEMENT AND AMENDMENTS

This Agreement and any variation thereto is of no force or effect until signed by both parties and approved by the Department of General Services, if required. Commencement of performance prior to approval of this Agreement will be at the Grantee's own risk.

18. DISABLED VETERAN BUSINESS ENTERPRISE (DVBE) PARTICIPATION REQUIREMENT

There are no Disabled Veteran Business Enterprise participation requirements with this agreement.

19. AUTHORITY TO CONTRACT

Grantee must provide DBW with evidence of its authority to enter into this Agreement. Grantee may provide a delegation of contracting authority from its local governing body that by law has authority to contract. Alternatively, Grantee shall provide DBW with a resolution, order, motion, or ordinance of its local governing body that by law has authority to contract, authorizing execution of this Agreement.

20. COMPLIANCE WITH LAW AND REGULATIONS

Grantee and its subcontractor(s) shall comply with all applicable laws and regulations of the State of California for all work to be performed under this Agreement. By signing this Agreement, Grantee certifies its compliance and the compliance of all subcontractors with: (a) applicable provisions of the California Environmental Quality Act; (b) Nondiscrimination Program requirements of Government Code section 12990 (a-f) and Title 2, California Code of Regulations, section 8103 (and section 8113 in contracts over \$5,000) along with section 7285 et. seq. of the Fair Employment and Housing Act; (c) Drug-Free Workplace requirement of Government Code section 8350 et seq.; (d) National Labor Relations Board Certification of Public Contract Code section 10296; (e) Workers' Compensation requirement of Labor Code section 3700; and (f) Americans with Disabilities Act regulations issued pursuant to 42 U.S.C. section 12101 et seq.

21. INDEPENDENT CONTRACTOR

Grantee and its employees are independent contractors and shall not be considered officers or employees of DBW or agents of the State of California.

22. INSURANCE REQUIREMENTS

The abatement, removal, storage, and /or disposal of vessels under this Agreement is a hazardous activity. Grantee therefore must maintain commercial general liability insurance in an amount and of a type acceptable to DBW and to the Department of General Services/ Office of Risk and Insurance Management (ORIM).

1. **GENERAL PROVISIONS APPLYING TO ALL POLICIES**

a. Coverage Term

Coverage needs to be in force for the complete term of the Agreement. If insurance expires during the term of the grant, a new certificate must be received by the Division at least ten (10) days prior to the expiration of this insurance. Any new insurance must still comply with the original terms of the grant.

b. Policy cancellation or termination & notice of non-renewal

Insurance policies shall contain a provision stating coverage will not be cancelled without 30 days prior written notice to the Division. In the event Grantee fails to keep in effect at all times the specified insurance coverage, the Division may, in addition to any other remedies it may have, terminate this Agreement upon the occurrence of such event, subject to the provisions of this Agreement.

c. Deductible

Grantee is responsible for any deductible or self-insured retention contained within their insurance program.

d. Primary clause

Any required insurance contained in this Agreement shall be primary, and not excess or contributory, to any other insurance carried by the State.

e. Insurance carrier required rating

All insurance companies must carry a rating acceptable to ORIM. If the Grantee is self-insured for a portion or all of its insurance, review of financial information including a letter of credit may be required by DBW or ORIM.

f. Endorsements

Any required endorsements requested by the Division must be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.

g. Inadequate Insurance

Inadequate or lack of insurance does not negate the Grantee's obligations under the Agreement.

h. Use of Subcontractors

In the case of Grantee's utilization of subcontractors to complete the contracted scope of work, Grantee shall include all subcontractors as insured's under Grantee's insurance or supply evidence of subcontractor's insurance to the State when requested equal to policies, coverages, and

limits required of Grantee.

2. **INSURANCE REQUIREMENTS**

a. Commercial General Liability

The Grantee shall maintain general liability on an occurrence form with limits of not less than \$1,000,000 per occurrence for bodily injury and property damage liability combined with a \$2,000,000 annual policy aggregate. The policy shall include coverage for liabilities arising out of premises, operations, independent subcontractors, products, completed operations, personal and advertising injury, and liability assumed under an insured contract. This insurance shall apply separately to each insured against whom claim is made or suit is brought subject to the Grantee's limit of liability. The policy must include:

"The State of California, its officers, agents, employees and servants as additional insureds, but only with respect to work performed under the contract."

This **endorsement** must be supplied under form acceptable to the Office of Risk and Insurance Management.

In the case of Grantee's utilization of subcontractors to complete the contracted scope of work, Grantee shall include all subcontractors as insured's under Grantee's insurance or supply evidence of insurance to the State equal to policies, coverages and limits required of Grantee.

b. Automobile Liability

The Grantee shall maintain motor vehicle liability with limits not less than \$1,000,000 combined single limit per accident. Such insurance shall cover liability arising out of a motor vehicle including owned, hired and non-owned motor vehicles.

c. Watercraft Liability

The Grantee shall maintain watercraft liability insurance with limits not less than \$1,000,000 combined single limit per accident. Such insurance shall cover liability arising out of the maintenance and use of any watercraft (owned, hired or non-owned). The policy must include:

"The State of California, its officers, agents, employees and servants as additional insureds, but only with respect to work performed that is connected with or related to the activities contemplated in this Agreement."

This **endorsement** must be supplied under form acceptable to the Office of Risk and Insurance Management.

d. Workers Compensation and Employers Liability

The Grantee shall maintain statutory worker's compensation and employer's liability coverage for all its employees who will be engaged in the performance of the Agreement. Employer's liability limits of \$1,000,000 are required. The insurer waives any right of recovery the insurer may have against the State because of payments the insurer makes for injury or damage arising out of the work done under contract with the State. A Waiver of Subrogation or Right to Recover endorsement in favor of the

State must be attached to certificate.

If applicable, Grantee shall provide coverage for all its employees for any injuries or claims under the U.S. Longshoremen's and Harbor Workers' Compensation Act, the Jones Act or under laws, regulations, or statutes applicable to maritime employees. By signing this contract, Grantee acknowledges compliance with these regulations.

e. Environmental/Pollution Liability

Grantee shall maintain Pollution Liability for limits not less than \$1,000,000 occurrence covering the Grantee's liability for bodily injury, property damage and environmental damage resulting from pollution and related cleanup costs incurred arising out of the work or services to be performed under this contract. The policy must include:

"The State of California, its officers, agents, employees and servants as additional insureds, but only with respect to work performed under the contract."

This **endorsement** must be supplied under form acceptable to the Office of Risk and Insurance Management.

Coverage shall be provided for both work performed on site and during transportation as well as proper disposal of hazardous materials.

3. **Self-Insurance**

If the Grantee is self-insured for a portion or all of its insurance, the Grantee shall provide evidence of self-insurance when requested by DBW. Review of financial information including a letter of credit may be required. The Division reserves the right to request financial information.

4. **Statement of Insurance Coverage:**

Grantee certifies and agrees that they have all required insurance coverages as stated in the grant agreement, which will be in effect for the entire term of the agreement.

Approver initials :

Date:

Name:

Title:

23. **TERMINATION**

- a. DBW may terminate this Agreement for any reason upon thirty (30) days written notice to Grantee.
- b. If the Grantee fails to keep the required insurance in effect at all times during the term of this agreement, DBW may, in addition to other remedies it may have, terminate this agreement upon two days written notice.
- c. DBW may, by two-day written notice to Grantee and without any prejudice to its other remedies, terminate this agreement because of failure of Grantee to fulfill any of the requirements of this agreement.
- d. Upon receipt of any notice terminating this Agreement, Grantee shall immediately

discontinue all removal and disposal activities affected, unless the notice directs otherwise. In such event, DBW shall pay Grantee only for removal and disposal activities completed prior to the termination date.

- e. Upon termination of this agreement, Grantee shall promptly return all advanced funds. At DBW's sole discretion, DBW may offer an opportunity to cure any breach prior to terminating for default.

24. ASSIGNMENT

This Agreement is not assignable by the Grantee, either in whole or in part, without the consent of the State in the form of a formal written amendment.

25. MATCHING 10% REQUIREMENT

- a. Section 525(C) of the Harbors and Navigation Code states, "A grant awarded by the department pursuant to subparagraph (A) shall be matched by a 10-percent contribution from the local agency receiving the grant."
- b. The 10-percent contribution is in addition to funds awarded in the grant and may be made by cash and/or in-kind contributions which may include personnel hours (net hourly rate only with no benefits included) excessive removal and/or storage fees, and other expenses with advance DBW approval.
- c. If using personnel hours for in-kind match, only net, raw hours will be accepted and verification of in-kind contribution is required with reimbursement request(s). The statement of in-kind hours must include:
 - a. Activity date
 - b. Vessel/issue name or description
 - c. Personnel name
 - d. Description of service provided
 - e. Number of hours provided by each person
 - f. Hourly rate and total value

Use the [form](#) provided on DBW's website at www.dbw.ca.gov under Grants & Loans, or the online grant system, OLGA, available on DBW's website.

- e. The burden of proof in complying with the 10-percent contribution requirement is the responsibility of the grantee. Grant funds will not be disbursed until the grantee has provided DBW with acceptable documentation that it complied with the 10-percent contribution requirement for each disbursement.

26. BUDGET DETAIL AND PAYMENT PROVISIONS

Covered Expenses and Reimbursement Claims Processes

- a. DBW will reimburse the following expenditures provided by Grantee's service providers, contractors and/or subcontractors, within the scope of the SAVE program for AWAFF and/or VTIP issues:
 - 1. Raising of submerged vessels and/or hazardous marine debris
 - 2. Vessel and/or hazardous marine debris removal from accessible locations
 - 3. Hazardous materials (hazmat) removal and disposal
 - 4. Towing
 - 5. Storage:

- i. Without lien sale: 60 days maximum
 - ii. With lien sale: 90 days maximum with justification
 - iii. If stored onsite at Grantee's facility, 50% of the normal rate of charge to the public will be reimbursed, and fee schedule is required for verification.
- 6. Lien sale expenses: fees charged by lien sale service companies, postage, DMV fees, and advertising costs
 - 7. Public notice advertising
 - 8. Vessel appraisal
 - 9. Salvage and demolition

Other expenses may be considered with advance approval from DBW. Please inquire in advance of completing work.

b. Reimbursement claim forms:

Forms are available on DBW's website under the Grants & Loans tab under the appropriate link for SAVE. One (1) hard copy and one (1) electronic (PDF, CD or DVD) copy of all documents are required. Grantee must sign and date each reimbursement claim form in blue ink and submit with the following documents to DBW:

c. Invoices from service providers, contractors and/or subcontractors to Grantee:

Invoices must contain the following:

- 1. Name and address of Grantee
- 2. Contract or invoice number
- 3. Description of service performed
- 4. Date the service was performed
- 5. Location of each service
- 6. Vessel name, CF# or HIN# if available; otherwise, description of vessel

d. Proof of payment for all invoices.

The following acceptable forms of proof are:

- 1. Cancelled check (with bank's cancelled stamp on back of check copy)
- 2. Credit card statement with charge and payment posted, along with copy of charge slip
- 3. Receipt from service provider showing payment received
- 4. Receipt from service provider posted as "Paid" with authorized signature or indicating a zero balance.

e. 10% in-kind match contribution statement:

- 1. If Grantee is matching the 10% requirement with in-kind services, complete the following form located on DBW's website and submit with each claim: <http://www.dbw.ca.gov/PDF/Funding/DPR265.pdf>
- 2. Net, hourly rates only will be accepted. Grantee must include verification of net rates with first claim and each time rates are changed.

f. Photos of vessels (with CF numbers visible if available).

g. (VTIP ONLY) Statement of Vessel Release of Interest and Ownership:

To be completed and signed by owner(s). Grantee may provide their own release form to vessel owners for completion. A sample of this release form is located on our website:

http://www.dbw.ca.gov/PDF/Funding/SAMPLE_Release_of_Interest_and_Liability_Form.pdf

NOTE: (VTIP ONLY) Vessel ownership verification is required; however, it is not required that boat owners bring their registration up to date in order to surrender their vessel through the VTIP.

- h. Reimbursement claims and support documents (as indicated above) are to be submitted to DBW at:

Division of Boating and Waterways

One Capitol Mall, Suite 500

Sacramento, CA 95814

Attention: SAVE Unit

- i. Submission of fraudulent invoices or other claim documentation is a breach of this Agreement, which shall result in forfeiture of all funds advanced and provided under this Agreement.
- j. All requests for payment must be submitted to DBW no later than 30 days after the expiration date of the agreement. DBW is not obligated to make payment on any reimbursement request(s) received or for any services completed after this date.

27. BUDGET CONTINGENCY CLAUSE

- A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program; this Agreement shall be of no further force and effect. In this event, DBW shall have no liability to pay any funds whatsoever to Grantee or to furnish any other considerations under this Agreement and Grantee shall not be obligated to perform any provisions of this Agreement.
- B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, DBW shall have the option to either cancel this Agreement with no liability occurring to DBW, or offer an agreement amendment to Grantee to reflect the reduced amount.

28. INDEMNIFICATION

Grantee shall be responsible for, and DPR shall not be answerable or accountable in any manner for, any loss or expense by reason of any damage or injury to person or property, or both, arising out of or related in any way to activities carried out by Grantee, its agents, officers, contractors, subcontractors and/or employees, under this Agreement Grantee shall protect, hold harmless, indemnify and defend DPR, its agents, officers, and/or employees against any and all actions, claims, and damages to persons or property, penalties, obligations and liabilities that may be asserted or claimed by any person, firm, association, entity, corporation, political subdivision, or other organization or person arising out of or in connection with Grantee or Grantee's contractor's or subcontractor's activities hereunder, whether or not there is concurrent passive negligence on the part of DPR, its agents, officers, and/or employees.

29. **FUNDS ASSIST**

The Funds Assist process has been developed by DBW as a method for grantees with excessive, unused funds to assist other participating SAVE agencies in need. Funds Assist is a voluntary action (by both agencies) until within three (3) months of the expiration date of the grant at which time it will become a required action of those agencies with remaining grant balances, at DBW's discretion.

The Funds Assist process works as follows:

- 1) An introduction is made by DBW between the agency with excessive funds (Agency A) and the agency in need (Agency B).
- 2) A deadline shall be imposed by DBW for the work to be completed by Agency B.
- 3) Agency B pays for all contractor invoices, as is required with the SAVE grant.
- 4) The 10% required match is the obligation of Agency B and may be met with cash, in-kind services, or a combination of both.
- 5) To obtain reimbursement, Agency B will required to supply the following to Agency A:
 - a. A Tax Identification Form (W-9)
 - b. All requirements/documents apply as outlined in this agreement under #26
 - c. A statement on Agency B's letterhead invoicing Agency A for the total reimbursement request.
 - d. Copies of completed forms and support documents to DBW for pre-approval.
- 6) Agency A completes the following actions:
 - a. Upon approval by DBW, pay Agency B the invoiced amount within 30 days and record as a pass-through grant (or use your accounting method preference).
 - b. Complete DBW's AWAFF and/or VTIP Reimbursement Claim Form and attach all supporting documents as listed in item b, c & d above, including the verification of payment to Agency B i.e., cancelled check or statement from Agency B of payment received.
 - c. Email the documents to the DBW program administrator for review. Once reviewed and approved, send finalized claim forms to DBW for payment processing.

DBW will act as a courtesy liaison between the agencies to ensure (as much as possible) that documents are correctly processed.

INDEMNIFICATION

Grantee and sub grantee (hereafter known as Agency A and Agency B) shall be responsible for, and DPR shall not be answerable or accountable in any manner for, any loss or expense by reason of any damage or injury to person or property, or both, arising out of or related in any way to activities carried out by Agency A and B, its agents, officers, contractors, subcontractors and/or employees, under this Agreement Agency A and B shall protect, hold harmless, indemnify and defend DPR, its agents, officers, and/or employees against any and all actions, claims, and damages to persons or property, penalties, obligations and liabilities that may be asserted or claimed by any person, firm, association, entity, corporation, political subdivision, or other organization or person arising out of or in connection with Agency A and B's contractor's or subcontractor's activities hereunder, whether or not there is concurrent

passive negligence on the part of DPR, its agents, officers, and/or employees.

If Agency B is a recipient of a current Save grant, as depleted or with insufficient funds for removal project, and receives assistance through the Funds Assist process, all provisions of the SAVE grant applies.

Approver initials: _____ Date: _____

Name: _____

Title: _____

30. 90-DAY RETURN OF GRANT DOCUMENTS TO DBW

Grant agreements issued to the awarded agency must be completed and returned within 90 days of the date of issuance according to the instructions issued by DBW with the grant agreement. If extenuating circumstances prevent the ability of the agency to meet this deadline, approval from DBW must be obtained in writing. DBW retains the right to determine approval or denial of extensions.

31. ANTI-CORRUPTION

SAVE grantees are required to report to DBW any written, suggested, or verbally implied cases whereby a contractor, subcontractor or other service provider increases their fee(s) due to the existence of a Grantee's SAVE grant, or inquires about the amount/balance of a SAVE grant in order to increase their fee(s), for possible investigation of price gouging. A two year history of charges applied to work of all known SAVE grant work by that contractor will be required by DBW for review.

EXHIBIT C

GENERAL TERMS AND CONDITIONS

1. **APPROVAL:**

This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. Grantee may not commence performance until such approval has been obtained.

2. **EFFECTIVE DATE:**

Effective date means either the start date or the approval date by the Department of General Services (DGS), whichever is later. In cases where DGS approval is not required, this Agreement is of no force or effect until the date of the last DBW signature. No work shall commence until the effective date.

3. **AMENDMENT:**

No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.

4. **ASSIGNMENT:**

This Agreement is not assignable by the Grantee, either in whole or in part, without the consent of the State in the form of a formal written amendment.

5. **AUDIT:**

Grantee agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. **Grantee agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated.** Grantee agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Grantee agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).

6. **INDEMNIFICATION:**

Grantee agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by the subcontractor or Grantee in the performance of this Agreement.

7. **DISPUTES:**

Grantee shall continue with the responsibilities under this Agreement during any dispute.

8. **TERMINATION FOR CAUSE:**

The State may terminate this Agreement and be relieved of any payments should the Grantee fail to perform the requirements of this Agreement at the time and in the manner

herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Grantee under this Agreement and the balance, if any, shall be paid to the Grantee upon demand.

9. RECYCLING CERTIFICATION:

The Grantee shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of post consumer material as defined in the Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether the product meets the requirements of Public Contract Code Section 12209. With respect to printer or duplication cartridges that comply with the requirements of Section 12156(e), the certification required by this subdivision shall specify that the cartridges so comply (Pub. Contract Code §12205).

10. NON-DISCRIMINATION CLAUSE:

During the performance of this Agreement, Grantee and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (e.g., cancer), age (over 40), marital status, and denial of family care leave. Grantee and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Grantee and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Grantee and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

11. CERTIFICATION CLAUSES:

The GRANTEE CERTIFICATION CLAUSES contained in the document CCC 307 are hereby incorporated by reference and made a part of this Agreement by this reference as if attached hereto.

12. TIMELINESS:

Time is of the essence in this Agreement.

13. COMPENSATION:

The consideration to be paid Grantee, as provided herein, shall be in compensation for all of Grantee's expenses incurred in the performance hereof, as outlined in Exhibit B, item #1.

14. GOVERNING LAW:

This Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

15. ANTITRUST CLAIMS:

The Grantee by signing this agreement hereby certifies that if these services or goods are obtained by means of a competitive bid, the Grantee shall comply with the requirements of the Government Codes Sections set out below.

- a. The Government Code Chapter on Antitrust claims contains the following definitions:
 - 1) "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code.
 - 2) "Public purchasing body" means the State or the subdivision or agency making a public purchase. Government Code Section 4550.
- b. In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder. Government Code Section 4552.
- c. . If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Government Code Section 4553.
- d. Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. See Government Code Section 4554.

16. CHILD SUPPORT COMPLIANCE ACT:

For any Agreement in excess of \$100,000, the Grantee acknowledges in accordance with Public Contract Code 7110, that:

- a. The Grantee recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
- b. The Grantee, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees

to the New Hire Registry maintained by the California Employment Development Department.

17. UNENFORCEABLE PROVISION:

In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

18. PRIORITY HIRING CONSIDERATIONS:

If this Agreement includes services in excess of \$200,000, the Grantee shall give priority consideration in filling vacancies in positions funded by the agreement to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.

19. SMALL BUSINESS PARTICIPATION AND DVBE PARTICIPATION REPORTING REQUIREMENTS:

- a. If for this Agreement Grantee made a commitment to achieve small business participation, then Grantee must within 60 days of receiving final payment under this Agreement (or within such other time period as may be specified elsewhere in this Agreement) report to the awarding department the actual percentage of small business participation that was achieved. (Govt. Code § 14841.)
- b. If for this Agreement Grantee made a commitment to achieve disabled veteran business enterprise (DVBE) participation, then Grantee must within 60 days of receiving final payment under this Agreement (or within such other time period as may be specified elsewhere in this Agreement) certify in a report to the awarding department: (1) the total amount the prime Grantee received under the Agreement; (2) the name and address of the DVBE(s) that participated in the performance of the Agreement; (3) the amount each DVBE received from the prime Grantee; (4) that all payments under the Agreement have been made to the DVBE; and (5) the actual percentage of DVBE participation that was achieved. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. (Mil. & Vets. Code § 999.5(d); Govt. Code § 14841.)

20. LOSS LEADER:

If this agreement involves the furnishing of equipment, materials, or supplies then the following statement is incorporated: It is unlawful for any person engaged in business within this state to sell or use any article or product as a "loss leader" as defined in Section 17030 of the Business and Professions Code. (PCC 10344(e).)

EXHIBIT D

CERTIFICATION

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Grantee to the clause(s) listed below. This certification is made under the laws of the State of California.

Grantee Agency Name (Printed)		Federal ID Number
City of Morro Bay Harbor Department		95-2308629
By (Authorized Signature)		
Printed Name and Title of Person Signing		
,		
Date Executed	Executed in the County of	
	San Luis Obispo	

GRANTEE CERTIFICATION CLAUSES

1. STATEMENT OF COMPLIANCE:

Grantee has, unless exempted, complied with the nondiscrimination program requirements. (Gov. Code §12990 (a-f) and CCR, Title 2, Section 8103) (Not applicable to public entities.)

2. DRUG-FREE WORKPLACE REQUIREMENTS:

Grantee will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

- a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
- b. Establish a Drug-Free Awareness Program to inform employees about:
 - 1) the dangers of drug abuse in the workplace;
 - 2) the person's or organization's policy of maintaining a drug-free workplace;
 - 3) any available counseling, rehabilitation and employee assistance programs; and,
 - 4) penalties that may be imposed upon employees for drug abuse violations.
- c. Every employee who works on the proposed Agreement will:
 - 1) receive a copy of the company's drug-free workplace policy statement; and,
 - 2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Grantee may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: the Grantee has made false certification, or violated the certification by failing to

carry out the requirements as noted above. (Gov. Code §8350 et seq.)

3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION:

Grantee certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Grantee within the immediately preceding two-year period because of Grantee's failure to comply with an order of a Federal court, which orders Grantee to comply with an order of the National Labor Relations Board. (Pub. Contract Code §10296) (Not applicable to public entities.)

4. CONTRACTS FOR LEGAL SERVICES \$50,000 OR MORE- PRO BONO REQUIREMENT:

Grantee hereby certifies that Grantee will comply with the requirements of Section 6072 of the Business and Professions Code, effective January 1, 2003.

Grantee agrees to make a good faith effort to provide a minimum number of hours of pro bono legal services during each year of the agreement equal to the lessor of 30 multiplied by the number of full time attorneys in the firm's offices in the State, with the number of hours prorated on an actual day basis for any contract period of less than a full year or 10% of its agreement with the State.

Failure to make a good faith effort may be cause for non-renewal of a state agreement for legal services, and may be taken into account when determining the award of future contracts/agreements with the State for legal services.

5. EXPATRIATE CORPORATIONS:

Grantee hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with the State of California.

6. SWEATFREE CODE OF CONDUCT:

a. All Grantees contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the contract have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The Grantee further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at www.dir.ca.gov, and Public Contract Code Section 6108.

b. The Grantee agrees to cooperate fully in providing reasonable access to the Grantee's records, documents, agents or employees, or premises if reasonably required by authorized officials of the contracting agency, the Department of Industrial Relations, or the Department of Justice to determine the Grantee's compliance with the requirements under paragraph (a).

7. DOMESTIC PARTNERS:

For contracts over \$100,000 executed or amended after January 1, 2007, the Grantee certifies that Grantee is in compliance with Public Contract Code section 10295.3.

EXHIBIT E

DOING BUSINESS WITH THE STATE OF CALIFORNIA

The following laws apply to persons or entities doing business with the State of California.

1. CONFLICT OF INTEREST:

Grantee needs to be aware of the following provisions regarding current or former state employees. If Grantee has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

Current State Employees (PCC 10410):

- 1) No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
- 2) No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (PCC 10411):

- 1) For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.
- 2) For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Grantee violates any provisions of above paragraphs, such action by Grantee shall render this Agreement void. (PCC 10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (PCC 10430 (e))

2. LABOR CODE/WORKERS' COMPENSATION:

Grantee needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Grantee affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700)

3. AMERICANS WITH DISABILITIES ACT:

Grantee assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

4. GRANTEE NAME CHANGE:

An amendment is required to change the Grantee's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment. Any changes of the Grantee's representative shall be notified to DBW within 30 days written notice on Grantee's letterhead.

5. CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA:

- a. When agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the Grantee is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.
- b. "Doing business" is defined in R&TC Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate Grantee performing within the state not be subject to the franchise tax.
- c. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

6. RESOLUTION:

A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

7. AIR OR WATER POLLUTION VIOLATION:

Under the State laws, the Grantee shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

8. PAYEE DATA RECORD FORM STD. 204:

This form must be completed by all Grantees that are not another state agency or other governmental entity.

EXHIBIT F

Bid/Proposal Attachment regarding the Darfur Contracting Act of 2008

Effective January 1, 2009, all Invitations for Bids (IFB) or Requests for Proposals (RFP) for goods or services must address the requirements of the Darfur Contracting Act of 2008 (Act). (Public Contract Code sections 10475, et seq.; Stats. 2008, Ch. 272). The Act was passed by the California Legislature and signed into law by the Governor to preclude State agencies generally from contracting with “scrutinized” companies that do business in the African nation of Sudan (of which the Darfur region is a part), for the reasons described in Public Contract Code section 10475.

A scrutinized company is a company doing business in Sudan as defined in Public Contract Code section 10476. Scrutinized companies are ineligible to, and cannot, bid on or submit a proposal for a contract with a State agency for goods or services. (Public Contract Code section 10477(a)).

Therefore, Public Contract Code section 10478 (a) requires a company that currently has (or within the previous three years has had) business activities or other operations outside of the United States to certify that it is not a “scrutinized” company when it submits a bid or proposal to a State agency. (See # 1 on the sample Attachment).

A scrutinized company may still, however, submit a bid or proposal for a contract with a State agency for goods or services if the company first obtains permission from the Department of General Services (DGS) according to the criteria set forth in Public Contract Code section 10477(b). (See # 2 on the sample Attachment).

The following sample Attachment may be included in an IFB or RFP to satisfy the Act’s certification requirements of bidders and proposers.

EXHIBIT F – DARFUR CONTRACTING ACT

Pursuant to Public Contract Code section 10478, if a bidder or proposer currently or within the previous three years has had business activities or other operations outside of the United States, it must certify that it is not a “scrutinized” company as defined in Public Contract Code section 10476.

Therefore, to be eligible to submit a bid or proposal, please complete only one of the following three paragraphs (via initials for Paragraph # 1 or Paragraph # 2, or via initials and certification for Paragraph # 3):

1. _____ We do not currently have, or we have not had within the previous three years, business activities or other operations outside of the United States.

OR

2. _____ We are a scrutinized company as defined in Public Contract Code section 10476, but we have received written permission from the Department of General Services (DGS) to submit a bid or proposal pursuant to Public Contract Code section 10477(b). A copy of the written permission from DGS is included with our bid or proposal.

OR

3. _____ We currently have, or we have had within the previous three years, business activities or other operations outside of the United States, but we certify below that we are not a scrutinized company as defined in Public Contract Code section 10476.

CERTIFICATION For # 3.

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective proposer/bidder to the clause listed above in # 3. This certification is made under the laws of the State of California.

Grantee Agency Name (Printed)		Federal ID Number
City of Morro Bay Harbor Department		95-2308629
By (Authorized Signature)		
Printed Name and Title of Person Signing		
,		
Date Executed	Executed in the County of	
	San Luis Obispo	

YOUR BID OR PROPOSAL WILL BE DISQUALIFIED UNLESS YOUR BID OR PROPOSAL INCLUDES THIS FORM WITH EITHER PARAGRAPH #1 OR #2 INITIALED OR PARAGRAPH #3 INITIALED AND CERTIFIED

General

1. Applicant Information

- a. Applicant Name City of Morro Bay Harbor Department
- b. Organizational Unit
- c. Address 1275 Embarcadero
- d. Address 2
- e. City Morro Bay State CA Zip 93442
- f. Federal ID Number 95-2308629 Reference No.
- g. Agency Type
 - City County
 - Federally Recognized Native American Tribe District

2. Project Information

- a. Project Name Surrendered and Abandoned Vessel Exchange (SAVE) Fiscal Year 2017/2018
- b. Is implementing agency same as Applicant Yes No
- c. Implementing Agency Name
- d. Project Start Date Oct-01-2017 End Date Mar-01-2019
- e. Amount of Funds Requested \$25,000.00 Project Cost \$27,500.00

3. Contacts

a. Project Administrator

Name	Eric Endersby				
Title	Director				
Mailing Address	1275 Embarcadero				
City	Morro Bay	State	CA	Zip	93442
Telephone	(805) 772-6254			Fax	(805) 772-6258
E-mail Address	eendersby@morro-bay.ca.us				

1. Agency Type and Area of Responsibility (AOR)

The City of Morro Bay Harbor Department (CMBHD) is an executive-level department of the City of Morro Bay charged and entrusted with management of the City approximate 3,300 acres of State-owned and granted waterfront with submerged tidelands. This area was granted first to the County of San Luis Obispo by the State Legislature in 1947 by amendment of Section 1 of Chapter 1076 of the Statutes of 1947, and then conveyed to the City of Morro Bay upon its incorporation in 1964, to be operated as an enterprise zone for the establishment, improvement and conduction of a harbor.

Morro Bay, the only all-weather harbor of safe refuge between Monterey and Santa Barbara, is a recreational and commercial port with roughly 350 recreational vessels, 60-70 commercial fishing vessels, six sport fishing charter vessels, four heavy service vessels, 15,000-18,000 annual trailer boat launches and hundreds of transient yachts calling port annually. In addition, Coast Guard Station Morro Bay with two motor lifeboats and the California Department of Fish and Wildlife patrol vessel BLUEFIN call Morro Bay home.

In addition to management of the City's waterfront, bay and beaches, the department operates a harbor patrol whose patrol area included Morro Bay proper, and in mutual aid to other agencies in the ocean areas of Estero Bay from Point Estero to Point Buchon. The Morro Bay Harbor Patrol's duties include general patrol and law enforcement, search and rescue, courtesy and emergency towing, firefighting, animal and environmental/pollution response, and general water and beach safety and education.

2. Statement of Need

The CMBHD is requesting funding for participation in the Surrendered and abandoned Vessel Exchange program which has successfully combined the AWAFF and VTIP granting into one funding opportunity.

Morro Bay is home port to approximately 450 vessels, a percentage of which exceed their useful life each year and fall into dereliction. Since vessels are not like motor vehicles in the sense that it's not a simple matter to dispose of them, many owners have expressed an interest to us in turning in their vessels for demolition due to both the financial inability to continue ownership or to dispose of them on their own. In addition, the vessels that slowly fall into dereliction, often become abandoned and left as a hazard.

Our department currently has one impending VTIP recreation vessel on a mooring and an AWAFF vessel approaching lien sale.

The CMBHD is requesting \$25,000.00 in SAVE grant funds in anticipation of historic turn in trends, and identified "derelict" vessels.

EXHIBIT G - Grant Application: Letter of Intent, Scope of Work and Work Plan

1. California State Senate Districts

Select one or more of the California State Senate Districts where the proposed project activities will occur. Copy and Paste the URL (http://www.legislature.ca.gov/legislators_and_districts/districts/districts.html) in your browser to determine the State Senate district(s).

- State Senate 01
- State Senate 02
- State Senate 03
- State Senate 04
- State Senate 05
- State Senate 06
- State Senate 07
- State Senate 08
- State Senate 09
- State Senate 10
- State Senate 11
- State Senate 12
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- State Senate 38
- State Senate 39
- State Senate 40

2. California State Assembly Districts

Select one or more of the California State Assembly Districts where the proposed project activities will occur. Copy and Paste the URL (http://www.legislature.ca.gov/legislators_and_districts/districts/districts.html) in your browser to determine the State Assembly district(s).

- State Assembly 01
- State Assembly 02
- State Assembly 03
- State Assembly 04
- State Assembly 05
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- State Assembly 80

3. California Congressional Districts

Select one or more of the California Congressional Districts where the proposed project activities will occur. Copy and Paste the URL (<https://www.govtrack.us/congress/members/CA>) in your browser to determine the Congressional district(s).

EXHIBIT G - Grant Application: Letter of Intent, Scope of Work and Work Plan

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| <input type="checkbox"/> Congressional District 1 | <input type="checkbox"/> Congressional District 2 | <input type="checkbox"/> Congressional District 3 | <input type="checkbox"/> Congressional District 4 |
| <input type="checkbox"/> Congressional District 5 | <input type="checkbox"/> Congressional District 6 | <input type="checkbox"/> Congressional District 7 | <input type="checkbox"/> Congressional District 8 |
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| <input type="checkbox"/> Congressional District 49 | <input type="checkbox"/> Congressional District 50 | <input type="checkbox"/> Congressional District 51 | <input type="checkbox"/> Congressional District 52 |
| <input type="checkbox"/> Congressional District 53 | | | |

4. County

Select one or more of the California Counties where the proposed project activities will occur.

- | | | | | | |
|---------------------------------------|--|--------------------------------------|---|-------------------------------------|---|
| <input type="checkbox"/> Alameda | <input type="checkbox"/> Alpine | <input type="checkbox"/> Amador | <input type="checkbox"/> Butte | <input type="checkbox"/> Calaveras | <input type="checkbox"/> Colusa |
| <input type="checkbox"/> Contra Costa | <input type="checkbox"/> Del Norte | <input type="checkbox"/> El Dorado | <input type="checkbox"/> Fresno | <input type="checkbox"/> Glenn | <input type="checkbox"/> Humboldt |
| <input type="checkbox"/> Imperial | <input type="checkbox"/> Inyo | <input type="checkbox"/> Kern | <input type="checkbox"/> Kings | <input type="checkbox"/> Lake | <input type="checkbox"/> Lassen |
| <input type="checkbox"/> Los Angeles | <input type="checkbox"/> Madera | <input type="checkbox"/> Marin | <input type="checkbox"/> Mariposa | <input type="checkbox"/> Mendocino | <input type="checkbox"/> Merced |
| <input type="checkbox"/> Modoc | <input type="checkbox"/> Mono | <input type="checkbox"/> Monterey | <input type="checkbox"/> Napa | <input type="checkbox"/> Nevada | <input type="checkbox"/> Orange |
| <input type="checkbox"/> Placer | <input type="checkbox"/> Plumas | <input type="checkbox"/> Riverside | <input type="checkbox"/> Sacramento | <input type="checkbox"/> San Benito | <input type="checkbox"/> San Bernardino |
| <input type="checkbox"/> San Diego | <input type="checkbox"/> San Francisco | <input type="checkbox"/> San Joaquin | <input checked="" type="checkbox"/> San Luis Obispo | <input type="checkbox"/> San Mateo | <input type="checkbox"/> Santa Barbara |
| <input type="checkbox"/> Santa Clara | <input type="checkbox"/> Santa Cruz | <input type="checkbox"/> Shasta | <input type="checkbox"/> Sierra | <input type="checkbox"/> Siskiyou | <input type="checkbox"/> Solano |
| <input type="checkbox"/> Sonoma | <input type="checkbox"/> Stanislaus | <input type="checkbox"/> Sutter | <input type="checkbox"/> Tehama | <input type="checkbox"/> Trinity | <input type="checkbox"/> Tulare |
| <input type="checkbox"/> Tuolumne | <input type="checkbox"/> Ventura | <input type="checkbox"/> Yolo | <input type="checkbox"/> Yuba | | |

1. Legal authority to remove abandoned vessels

As the primary uniformed public safety agency on Morro Bay waters, the Morro Bay Harbor Patrol is authorized to and tasked with enforcement of Morro Bay Municipal Code Chapter 15, Morro Bay Harbor Department Rules and Regulations and State of California Harbor and Navigation Code. The authority is codified in Morro Bay Municipal Code and Penal Section 836.5

Abandoned vessels are removed specifically under California Harbors and Navigation Code Sections 500-526 and 551.

2. Agency Experience

CMBHD began participation in the AWAFF program in 2008, and have efficiently executed six AWAFF grants, three VTIP grants and two SAVE grants to disposed of derelict and abandoned vessels, including some use out of its own limited funding prior to the AWAFF program. For vessels that are not trailer-able, they are dragged by heavy equipment up our public launch ramp during the off-season and low-use times. All vessels are disposed of legally with heavy equipment contractors under a competitive bid process, using Best Management Practices and with the oversight of Harbor Patrol Officers. Materials, parts and metals are recycled to the fullest extent possible.

3. Adjudication Process

Abandoned and derelict vessels with identified owners and/or registration numbers at some point become delinquent in their City slip or other fees, where by CMBHD impounds them under Morro Bay Municipal Code Chapter 15.56 and Harbors and Navigation Code Section 522-509. This generally results in lien sale of the vessels, through a commercial lien sale service, with no buyers due to the dilapidated condition of them. These vessels are then scheduled for disposal.

4. Agency prevention efforts of abandoned vessels

1. Identification and monitoring of at-risk vessels by Harbor Patrol on a daily basis, and closed collaboration with waterfront leaseholders who manage slips and marinas in Morro Bay.
2. Education and outreach to all and especially at-risk vessels owners
3. Enforcement of local and State laws, rules and regulations pertaining to such vessels such as registration and operational requirements, pollution discharge issues and applicable permit requirements.
4. Citation of offenders and aggressive delinquent fee collection, impoundment and liens as a deterrent.

5. Application Questionnaire

1. Does your agency have an active local enforcement program tasked with addressing abandoned vessels in your jurisdiction? Yes No

If yes, explain in detail. If no, elaborate on your agency's efforts to create a program or if you utilize enforcement services from another agency and how.

The Morro Bay Harbor Patrol as identified and outlined in the Letter of Intent section of this grant application.

2. Does your agency have a submerged navigational hazard abatement plan (SNHAP)? Yes No
- This may include: 1) An established internal process outlining procedures to prevent, mitigate and process abandoned vessels; 2) Bylaws, regulations, or ordinances that help prevent or mitigate abandoned vessels.

If Yes, provide plan documentation on the next page (Submerged Navigational Hazard Abatement Plan (SNHAP) documentation).

EXHIBIT G - Grant Application: Letter of Intent, Scope of Work and Work Plan

If No, explain your agency's efforts to create a SNHAP and anticipated date of effect.

3. At-risk vessels: Explain if/how your agency identifies at-risk vessels (what indicators do you look for). Do you identify and document existing owners/occupants, and do you work with owners to prevent vessels from being abandoned?

- A. What is the vessel's general outward appearance and does it appear properly maintained?
- B. Does the vessel regularly or ever get underway?
- C. Does the vessel require regular assistance such as towing, pumping, or other measures?
- D. Does the vessel get periodically hauled-out?
- E. Is the vessel owner's slip or mooring account current?
- F. Is the vessel's registration current?
- G. What is the history of the vessel and/or vessel's owner?

Identified vessels/owners and contact or dealings with them are documented in Harbor Patrol daily logs. Should issues arise and/or be resolved, documentation via letters and/or citations are employed.

From initial contact, CMBHD works with vessel owners to attempt to resolve the issues first through outreach, education and assistance, including identification of potential resources. Then to documentation of continued issues and eventually enforcement should the issues continue.

4. Does your agency regularly check vessels in your AOR for current registrations? Yes No

If Yes, What is your process?

Visually with displayed vessel registration numbers, through slip and rental agreements, and via our marina operators' responsibilities under their respective leases.

5. List by name and size the bodies of water or waterways in your agency's area of responsibility. If you wish to add maps or photos, please click on the BLUE arrow below to upload.

Name	Size	Attachment
Map of our area of Responsibility		18181_0_Morro Bay 3300 acres.pdf

6. Local agencies are required to make a 10 percent match by cash, or in-kind. Is your agency able to comply with the 10 percent match in advance before any grant money is reimbursed? Yes No

7. To provide additional information, please click on the Blue Arrow to add an attachment

6. Submerged Navigational Hazard Abatement Plan (SNHAP) documentation

Attachment Title	Attachment
SNHAP	SNHAP.pdf

1. Outreach / Advertising plan for implementing a Vessel Turn-In Program

1. Turn-in vessels will be accepted on a first-come, first-serve basis, with additional priority being placed on those vessels that in the opinion of Harbor Department staff, pose the greatest environmental and/or navigational hazards to Morro Bay waters. Vessels will be accepted in the number that VTIP funding allows, and the City is prepared to provide the 10% in-kind funding match.
2. Vessel owners must show proof of ownership confirmable with DMV records. Owners will be required to sign their vessel title over to the City of Morro Bay, complete the Release of Liability form, and sign the City's vessel turn-in agreement.
3. Vessels will be accepted during normal business hours Monday through Friday.
4. The public will be notified of the program via the City of Morro Bay website, Facebook, launch ramp and T-pier kiosk, and flyers placed in pertinent local businesses and the Harbor Department office.
5. The City of Morro Bay has demonstrated ample ability to dispose of various sizes and types of vessels over the years through participation in the Abandoned Watercraft Abatement Fund grant program, and our own lien sale and demolition program. A competitive bid process is used, open to qualified vendors. Vessels will be disposed of in an environmentally sound and legal manner per the bid process as the individual bidders propose.

Attachments:

[VTIP Brochure and Facebook post](#)

2. Administrative Information

1. Please state if you will accept surrendered vessels only within Area of Responsibility (AOR) or if you will accept outside Area of Responsibility requests

Within AOR Within and Outside AOR

2. Identify schedule for accepting surrendered vessels

Daily Weekly Monthly As Needed

3. Location where vessels will be accepted

Agency Office Local Landfill Pickup by Agency or Salvager As Needed

4. Storage area: Does your agency have a storage area for surrendered vessels pending destruction? Yes No

If Yes, identify the type of storage area

Water Land

1. Applicant Certification

Per Harbors and Navigation Code 525 (C) "A grant awarded by the department pursuant to subparagraph (A) shall be matched by a 10% contribution from the local agency receiving the grant." This matching fund may be rendered in cash, or through in-kind contributions which must be verified, and are at the discretion of DBW. These contributions may include (but are not limited to) the following: administrative costs, personnel hours, removal, and/or storage.

Grant monies WILL NOT be reimbursed by DBW unless 10% of each reimbursement claim is met.

- a. Under penalty of perjury, I certify that I have examined this application and the document(s), proposal(s), and statement(s) submitted in conjunction herewith, and that to the best of my information and belief, the information contained herein is true, accurate, correct, and complete.
- b. I certify that I am the person authorized to submit this application on behalf of the applicant.

Prepared by: Name: Lori Stilts Date: 04/05/2017

Reviewed by: Name: Eric Endersby Date: 04/06/2017

Approving Name: Eric Endersby Date: 04/06/2017
Officer:

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AGENDA NO: A-5

MEETING DATE: September 12, 2017

Staff Report

TO: Honorable Mayor and City Council **DATE:** September 5, 2017

FROM: Ikani Taumoepeau, Deputy City Manager

SUBJECT: Adoption of Resolution No. 50-17, Approving Request to Name Franklin Riley Park

RECOMMENDATION:

The Recreation and Park Commission (RPC) and staff recommend City Council adopt Resolution No. 50-17, approving the open space next to the Morro Cove Development be named the Franklin Riley Park.

FISCAL IMPACT:

Minimal staff time will be required to install new signage paid for by the Historical Society of Morro Bay (HSMB).

BACKGROUND:

The City-owned parcel under consideration, lies within the Morro Cove development on the bluff overlooking Tidelands Park, located on the west side of and adjacent to Morro Avenue between South and Olive Streets. The parcel has natural vegetation with areas of grasses and scattered bushes and trees. City staff members Rob Livick (Public Works Director), Scot Graham (Community Development Director), and Kirk Carmichael (Recreation Services Manager) have reviewed the application and concur with the RPC’s recommendation.

The Historical Society of Morro Bay (HSMB) proposes the park be named after Franklin Riley, who is considered the founder of modern Morro Bay. Mr. Riley arrived in Morro Bay in 1864 and homesteaded land next to the estuary. In 1870, Mr. Riley and Captain Williams built a wharf below the embankment on the estuary to convey goods to and from visiting schooners. Difficult tides and currents made the wharf necessary. . In 1872, Mr. Riley laid out the street grid that remains in Old Town, with his partner and surveyor, Carolan Mathers. Mr. Riley also planted blue gum eucalyptus trees to create windbreaks on the edge of the estuary. Franklin Riley died in 1897 and is buried in the Cayucos Cemetery on the south end of town, adjacent to Highway 1.

The HSMB presented the application to name the park to the RPC on August 17, 2017. The RPC supported the application proposal with a 5-0 vote.

Prepared By: <u> IT </u>	Dept Review: <u> </u>
City Manager Review: <u> MRL </u>	City Attorney Review: <u> JWP </u>

HSMB will raise funds to pay for new signage and interpretive panels, as well as the installation of the signs. The group has identified an estimated project cost of \$1,500 to \$2,000, plus installation. HSMB proposes to install the interpretive panel with the City's approval.

Policy has been set forth by City Council Resolution No. 32-16 regarding public property naming and the processes involved. Per the policy (Section 2.A.3), public property can be named after a person, if City Council determines the person's contribution to the City merits the honor. In addition, any person considered for this honor should have been deceased at least two years.

CONCLUSION:

The Recreation and Park Commission (RPC) and staff recommend City Council adopt Resolution No. 50-17, approving the open space next to the Morro Cove development be named the Franklin Riley Park.

ATTACHMENTS:

1. Resolution No. 50-17 To Name Franklin Riley Park
2. HSMB Naming Application
3. Resolution No. 32-16_Public Property Naming
4. HSMB Franklin Riley Information

RESOLUTION NO. 50-17

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY,
CALIFORNIA NAMING "FRANKLIN RILEY PARK"**

**THE CITY COUNCIL
City of Morro Bay, California**

WHEREAS, the City owns the open space adjacent to the Morro Cove development on Morro Avenue between South and Olive Streets; and

WHEREAS, on August 17, 2017, representatives of the Historical Society of Morro Bay requested consideration that open space be named "Franklin Riley Park;" and

WHEREAS, that application was unanimously supported by the Recreation and Park Commission (RPC); and

WHEREAS, on September 12, 2017, the Morro Bay City Council considered that application and RPC recommendation, the related staff report and supporting documents on the proposed naming of "Franklin Riley Park:"

NOW, THEREFORE, BE IT RESOLVED, by the Morro Bay City Council as follows:

1. The City Council does hereby name the open space adjacent to the Morro Cove development the "Franklin Riley Park."
2. The cost for the signage needed to identify that naming and for the installation of that signage shall be at the expense of the Historical Society of Morro Bay, as reasonably determined by the Public Works Director.
3. This Resolution shall be effective immediately.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 12th day of September 2017 on the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Jamie L. Irons, Mayor

ATTEST:

Dana Swanson, City Clerk

7 July 2017

To: Morro Bay Recreation and Parks Commission

Robert Swain, Chair	Drew Sidaris, Vice-Chair
Kevin Carroll	Jeffrey Cox
Skip Sorich	Michele Morosin

From: Historical Society of Morro Bay
 695 Harbor Street, Suite D
 Morro Bay, CA 93442

Glenn Silloway, Chair	Cathy Ryan, Vice-Chair
Lisa Winn, Secretary	Roger Castle, Treasurer
Victoria Berry	Joan Solu
Lou Tornatzky	

Subject: Request to Name a Public Park

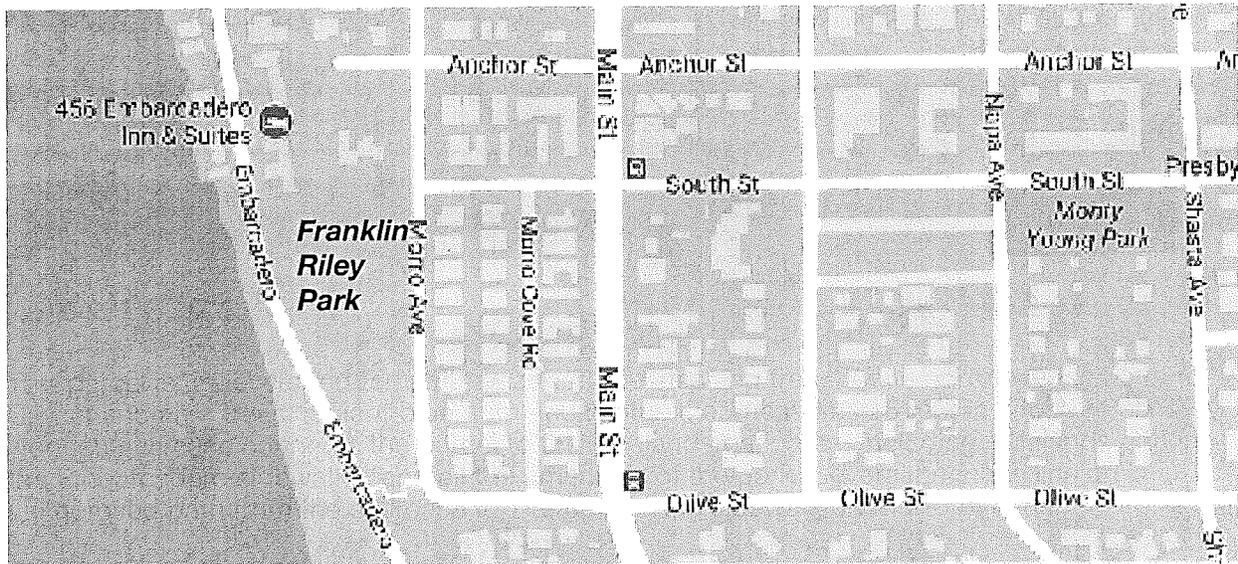
The Board of the Historical Society of Morro Bay submits a request to name a public park after Franklin Riley. Franklin Riley Park would be a small publicly accessible open space that honors the man who is widely considered the founder of modern Morro Bay. We submit this request in compliance with the Public Property Naming Policy as defined in Resolution 32-16. Specifically, we seek an exception to the standard naming policy under Section 2.A.3.

Description

The public land proposed to be Franklin Riley Park is a small elongated parcel (unnamed) on the top of the bluff between Tideland Park and the Morro Cove development. The parcel is on the west side of and adjacent to Morro Avenue between South and Olive streets.



This parcel is undeveloped turf, with scattered bushes and trees. At its north end is one of the City's Landmark trees, a giant blue gum eucalyptus that measures 26 feet in circumference. A wooden staircase connects the parcel to the Tidelands park area, including Tidelands parking, the Embarcadero sidewalks, and all the amenities of the park. Several benches line an unimproved path from the staircase top landing to the sidewalk on Morro Avenue.



The parcel may have been a part of Franklin Riley's original homestead, though research has not yet confirmed that. Certainly, it is on the southern end of the bluff overlooking the estuary that marked the western boundary of old Morro Bay.

About Franklin Riley

Franklin Riley was born in Indiana in 1824, migrated west during the gold rush, and eventually moved to Morro Bay in 1864 to homestead a piece of land between the bluff over the estuary and the boundaries of Rancho San Bernardo and Rancho Morro-Cayucos, which contained most of the good agricultural land in the area. The homestead land had not been included in the ranchos for unknown reasons, but possibly due to its sandy composition and lack of grazing vegetation. Riley's good fortune was to find available land here.



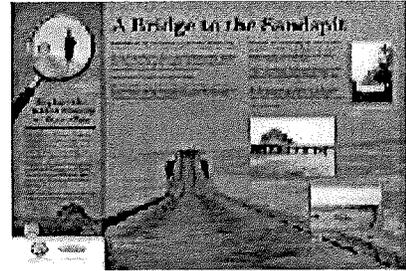
He built his first house on the homestead in the vicinity of what is now Main Street between Morro Bay Boulevard and Harbor Street. One of his first acts was to plant blue gum eucalyptus using Australian seed he purchased from a dealer in San Francisco to begin to tame the sandy soil and the wind that blew it.

Riley was the first developer in modern Morro Bay. He sold pieces of his land to some of the City's oldest families, like the Stockings, and tried to encourage more businesses and families to move here. In 1872, with a partner named Carolan Mathers, he laid out the street grid that

defines downtown Morro Bay (Old Town) to this day. Riley died in 1897 and is buried in the Cayucos cemetery along Highway 1.

Signage

The Historical Society of Morro Bay is committed to help raise funds to pay for new signage on the park. The Society has research that can be used to create an interpretive panel about Riley as part of the Hidden History series. From experience, including the design and manufacture of the panel to the right about the WW2 trestle bridge, we know that this will cost between \$1500 and \$2000, plus installation. The Society proposes to install the interpretive panel at some place to be determined through discussions with the City. In addition, the Society will assist in raising funds to cover the City's expense for conforming signs to name the park. Finally, the Landmark tree at the north end of the property should be marked, possibly including the story about Riley's early contributions to the urban forest.



RESOLUTION NO. 32-16

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
APPROVING THE PUBLIC PROPERTY NAMING POLICY
AND ESTABLISHING AN APPLICATION PROCESS;
AND RESCINDING RESOLUTION NO. 88-80**

**THE CITY COUNCIL
City of Morro Bay, California**

WHEREAS, the City Council adopted a Park Naming Policy via Resolution 88-80; and

WHEREAS, a Park Naming Policy, or Public Property Naming Policy, is intended to provide structure and guidance for the naming of parks, public buildings, park amenities and other public facilities (“Public Property”); and

WHEREAS, in general, the current adopted policy provides public buildings will be named by their function, and parks will be named by their location; and

WHEREAS, the current policy provides for exceptions related to the naming of public parks that allows a location to be named after a person for a variety of reasons; and

WHEREAS, the current policy makes it unclear if a person must qualify for by meeting all criteria, or simply one, and it is appropriate to update the policy to clarify that for the public; and

WHEREAS, it is also appropriate to establish an application process to provide clarity for the community and for the orderly requesting of naming Public Property after a person.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, as follows:

- 1) Resolution 88-80 is hereby rescinded, and the Public Park Naming Policy is replaced with the Public Property Naming Policy.
- 2) An application process to request the naming of Public Property after a person is established as outlined in Exhibit A.
- 3) The Public Property Naming Policy shall be as follows:

Section 1: Naming of Public Property.

- A) Public Properties will be named according to the following guidelines:

- 1) **Public Buildings/Facilities.** Public buildings will be named by their function. For example, City Hall will be called city hall and a recreation building will be called a recreation building.
- 2) **Public Park Amenities.** Park amenities will not be named; however, donors of amenities may be recognized through some form of signage or plaque, to be considered by the Recreation and Parks Commission and other appropriate advisory bodies.
- 3) **Public Parks.** Parks will be named by their location in the City; either by proximity to a geological feature, location in a subdivision tract, or fronting on a street, such as Morro Rock Park, Del Mar Park, or Hemlock Park.

Section 2. Exceptions.

- A) Public Property can be named after a person for any of the following reasons:
- 1) The person has been primarily instrumental in obtaining donation of funds or land for the Public Property and desires to have the property named in his/her honor; or
 - 2) The person donates the land (or funds to purchase the land) and desires to have the Public Property named in his/her honor; or
 - 3) A person has been deceased for more than two years and the City Council believes the person's contribution to the aspect of the City, which the Public Property represents, were of such a value to the City the person's memory should be honored by the naming of the Public Property.
- B) Public Property can be named after a governmental fund or grant if the circumstances are deemed appropriate by City Council (example, the Veterans Memorial Building).

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on this 26th day of April, 2016 on the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

JAMIE L. IRONS, Mayor

ATTEST:

DANA SWANSON, City Clerk

Exhibit A

**CITY OF MORRO BAY
PUBLIC PROPERTY NAMING POLICY**

PURPOSE

The purpose of these guidelines and the application process is to set forth standardized policies and procedures for the naming of public property.

PUBLIC PROPERTY NAMING POLICY

City staff shall review applications for the naming of a piece of public property pursuant to the adopted Public Property Naming Policy.

REVIEW PROCEDURE

- A. Any person wishing to name a piece of public property must submit an application to the Recreation Services Department in the form below:
 - 1. A description of the request.
 - 2. If the request includes the naming of a piece of property after a person, an explanation of why that person is being submitted for consideration.
 - 3. If the request includes the name of a person, an explanation of how that person qualifies for consideration pursuant to the adopted Public Property Naming Policy.
 - 4. Identification of, and commitment to, providing funding to update any existing signage or purchase new signage that conforms to the City's existing signs on the property to reflect the new name.

- B. City staff shall review the application and supporting documentation for the proposed name. An application is only complete if it answers all relevant questions identified in Section A above. Upon finding that the application is complete, City staff shall place the application on the agenda of the Recreation & Parks Commission and any other relevant advisory board for their comments. Input shall be encouraged from the public at large. It shall then go to the City Council for final approval or denial.

SELECTION CRITERIA

- A. The City Council will consider the guidance as adopted by the Public Property Naming Policy when making a selection. Advisory bodies that review the application shall also make their recommendation to City Council based on the adopted policy.

ACCEPTANCE

- A. If the City Council votes to accept the name for the public property, the applicant shall then provide appropriate funding to the City for new or replacement signage for the property. The facility name shall not be changed until appropriate signage is acquired at the expense of the applicant for the name change.

- B. The City Council in its sole discretion may rename a piece of public property, and a previous applicant for a name change acknowledges that any signage funding they provided is not reimbursable to the applicant.

HISTORICAL SOCIETY OF MORRO BAY



Historical Society of Morro Bay



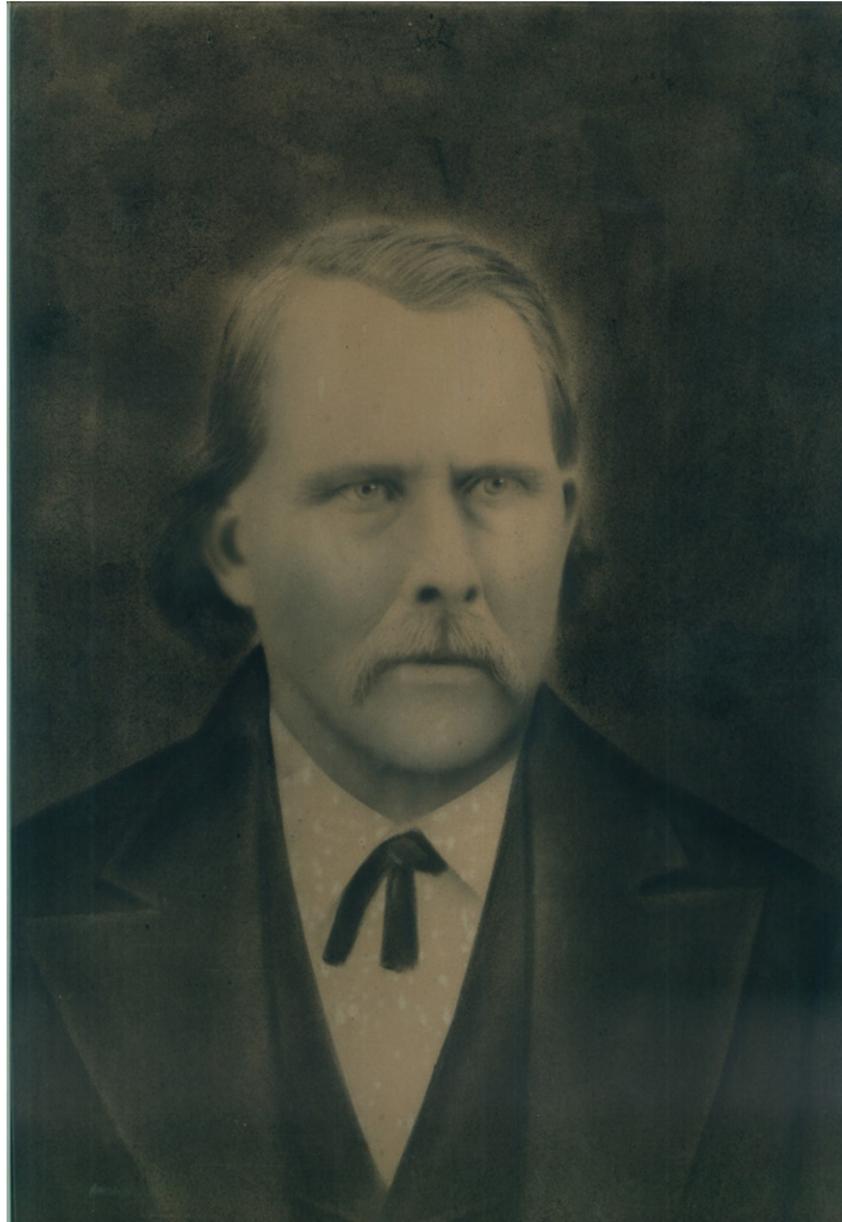
Franklin Riley Park?

Community members and the HSMB are interested in recognizing Riley's role in building Morro Bay by naming a park after him. This view is from an open area on the bluff above Tidelands Park that was near to or actually part of Riley's original homestead.

Historical Society of Morro Bay

Who is Franklin Riley, Founder of Morro Bay

- Born 1824 in Ohio
- Arrived on the estuary 1864 as homesteader
- Died 1897
- In between, a serial entrepreneur: our first developer
- Adopted 3 children, but had none of his own
- A bit of a mystery



Historical Society of Morro Bay



The Riley House, circa 1870

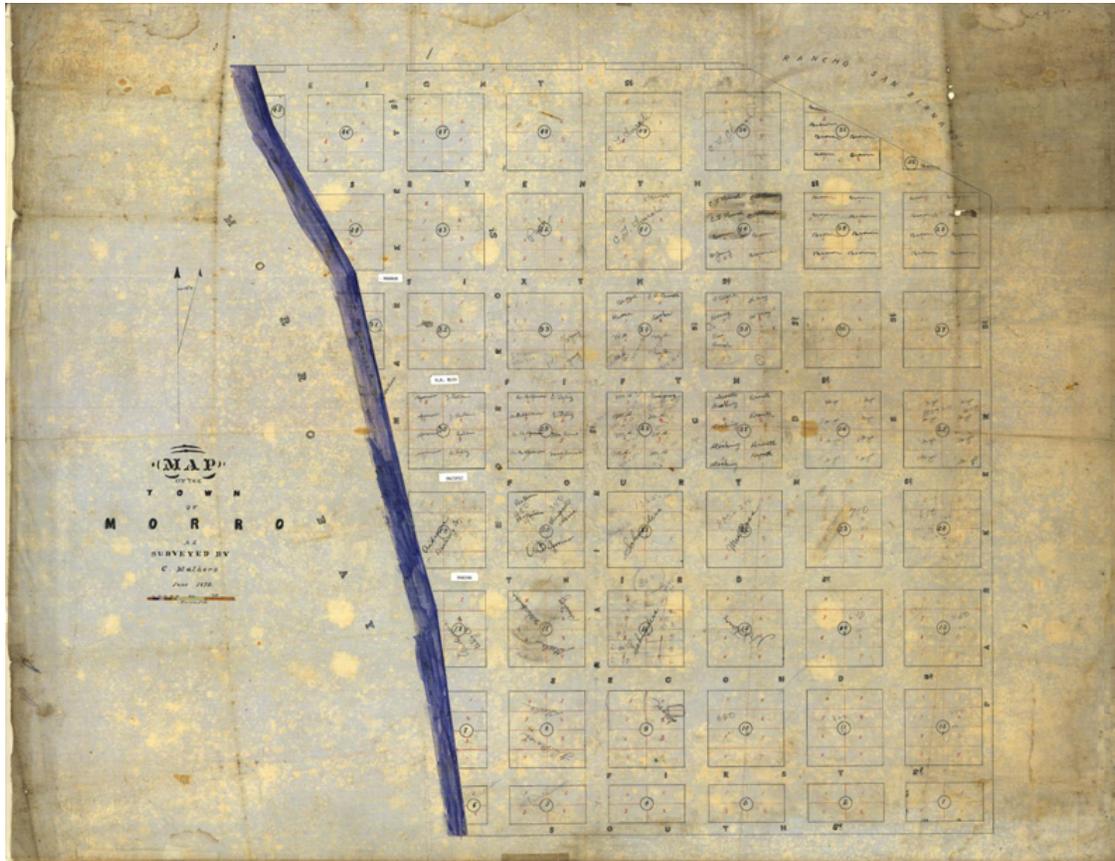
The line drawing is from Debi Dismer's project, the Olde Moro Sewing Society, taken from a very poor photographic image of Riley's house. Historical Society of Morro Bay



Riley & Williams' Wharf?

In 1870, Riley and one Captain Williams built a wharf below the embankment on the estuary to convey goods to and from visiting schooners. Difficult tides and currents made the wharf necessary.

Historical Society of Morro Bay



A New Town: Riley as MB's First Developer

With his partner Carolan Mathers, a surveyor, Riley laid out the shape of early Morro Bay, which is now the downtown area, in 1872.

Historical Society of Morro Bay

MB's First Urban Forest

Riley purchased Blue Gum eucalyptus seeds to use to create windbreaks on the edge of the estuary. Early settlers complained that nothing could grow in the wind and shifting sand.

Why Blue Gum?

- It can grow 6 to 12 feet per year
- The tree is well adapted to local conditions
- Eucalyptus withstands wind extremely well
- Animals don't like to munch on it

The champion tree at the foot of South on Morro Ave may be one of Riley's original trees: Blue Gum can reach over 200 years of age.



Historical Society of Morro Bay



Tribute to a Riley Tree

Thanks to Neil Farrell, we were alerted to this plaque that was set at the foot of a giant eucalyptus on the north side of Morro Bay Boulevard, near the mobile home park.

Historical Society of Morro Bay



The Riley Tree Stump

The car wash is in the background.

Historical Society of Morro Bay

Franklin & Hannah in Cayucos

You can visit Franklin and Hannah Riley's gravesite in the Cayucos Cemetery on the north side of Highway 1 at the southern entrance to the town.



Historical Society of Morro Bay



5th & Main – Circa 1900

All these buildings were built between 1870 and 1900. Note the tall eucalyptus in the background would have easily reached this height based on Riley planUng in the late 1860's.

Historical Society of Morro Bay



5th & Main: 1920's

Some buildings have changed since 1900, but the general merchandise store in the center is the same. This view is looking north, with Main Street running south to north.

Historical Society of Morro Bay

The New Riley Tree?

This enormous eucalyptus is at the foot of South Street, on the north end of the proposed Riley Park.

Its location is just outside the area of Riley's homestead. Could he have planted it?

In any case it is a good place to replace the plaque commemorating Riley's tree-planting efforts, with necessary explanation.



Historical Society of Morro Bay



Grace Kline on the "Trestle Across the Bay" November 1946 Photo: Neil R. Kline

Explore the Hidden History of Morro Bay

The **Hidden History Project** tells stories of Morro Bay's past, often revealing truths that are right in front of our eyes if we only knew what to look for.

Discover additional interpretive panels with descriptive Hidden History stories of **Morro Bay** at various locations throughout the city.

Visit www.historicalmorrobay.org (the HSMB website) for more information about trestle bridge.



The remaining peninsula end of the trestle Circa 1900 Photo: Neil R. Kline



Created by Hidden History under a grant from the Historical Society of Morro Bay and Morro Bay in Bloom




historicalmorrobay.org morrobayinbloom.org

A Bridge to the Sandspit

Look across the Bay. Can you see the tiny remnants of a wooden trestle bridge that once connected the place where you are standing to the sandspit?

The Navy built the bridge in 1942 as part of its efforts to create a functional Navy base in Morro Bay harbor. The harbor was rebuilt as a Navy Section Base to support small deepwater "mosquito" patrol boats, with a safer entrance, better docks, and a more usable staging area.

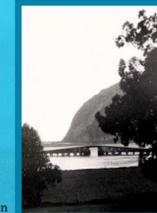
Exactly why the Navy built the bridge is a mystery.

The trestle bridge was a handy asset when the Section Base was converted to an Amphibious Training Base in early 1944. It allowed soldiers and small vehicles to cross easily to the sandspit for training, and was used by the Coast Guard for nighttime beach patrols.

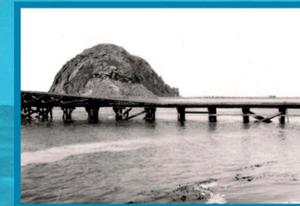
Photographs show that the bridge was originally a sturdy flat surface, but was too low to allow boats into the south bay. Probably within a year, the U.S. Army Corps of Engineers modified the bridge to allow small boats—possibly landing craft—to pass under.

The Navy permitted civilians to use the bridge beginning in 1943. Local residents recall crossing the bridge in a pickup after the war ended to go clamming—the pickup allowed them to carry more clams.

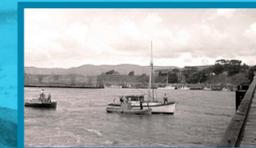
After the war, the new safer harbor built by the military attracted commercial fishing boats in large numbers. These bigger boats could not pass under the trestle bridge, so it was taken down to allow access to the southern portion of the Embarcadero.



View from the bluff above what is now the Embarcadero Circa 1945 Photo: Historical Society of Morro Bay



View from shore looking west showing added ramp to raise height November 1946 Photo: Neil R. Kline



View looking towards shore as the ferry boat Lady approaches the trestle Circa 1946 Photo: Neil R. Kline

Trestle Bridge to Peninsula November 1946 Photo: Neil R. Kline

The Hidden History Project

Some of Morro Bay's history is hiding in plain sight, like the wooden trestle bridge—shown in this panel—that was built during WWII. HSMB is planning a similar panel to honor Riley. The Project is intended to bring "hidden" pieces of the City's history to light, and connect the panels in a walking tour for the entertainment of residents and visitors.

Historical Society of Morro Bay

**We are asking for
your support to
recognize our founder
and establish a City
park named after
Franklin Riley**

Your participation and support would help us highlight MB history for residents and visitors alike.

Some of our activities and plans:

- **Franklin Riley park?**
- Downtown walking tour
- Hidden History panels all over town
- An inventory of historic buildings and sites
- On-going series of educational events open to both members and the public



Historical Society of Morro Bay

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AGENDA NO: C-1

MEETING DATE: September 12, 2017

Staff Report

TO: Honorable Mayor and City Council **DATE:** September 4, 2017

FROM: Rob Livick, PE/PLS Public Works Director/City Engineer

SUBJECT: Direction Regarding Street Sweeping and Garbage Collection Noise as Related to the City's "Noise Ordinance" MBMC §9.28

RECOMMENDATION

Staff recommends no changes to the time of garbage collection or street sweeping.

ALTERNATIVES

Provide input and direction as deemed appropriate.

FISCAL IMPACT

There is no fiscal impact because of this item.

BACKGROUND

This item is being presented at the request of the Council, based on noise complaints from several members of the community due to either the timing of street sweeping or refuse collection. The City of Morro Bay provides for the collection of refuse and recycling for the community through a contract with Morro Bay Garbage Company. Additionally, street sweeping is provided by SP Maintenance. The term of SP Maintenance's contract has expired and has reverted to a "Month to Month" basis.

The contract with Morro Bay Garbage Company states: *"To preserve peace and quiet, no Garbage or Recyclable Materials shall be Collected from or within two-hundred (200) feet of residential Premises between 5:00P.M. and 7:00A.M. on any day. Residential Garbage and Recyclable Materials shall be Collected, Monday through Friday on the same day. Commercial Garbage and Recyclable Materials shall be Collected, Monday through Sunday on the same day."*; regarding time of collection.

The contract with SP Maintenance states *"Sweeping will be done after 7 a.m. during daylight hours in all residential areas. Downtown and other commercial areas will be swept in morning hours, no earlier than 4 a.m."*; regarding time of sweeping of streets.

City of Morro Bay Noise regulations:

MBMC section 9.28.010 - Necessity for antinoise regulations.

A. *The making and creation of loud, unnecessary or unusual noises within the limits of the city is a condition which has existed for some time and the extent and volume of such noises is increasing.*

Prepared By: rl

Dept Review: RL

City Manager Review: MRL

City Attorney Review: JWP

- B. *The making, creation or maintenance of such loud, unnecessary, unnatural or unusual noises which are prolonged, unusual and unnatural in their time, place and use affect and are a detriment to public health, comfort, convenience, safety, welfare and prosperity of the residents of the city; and*
- C. *The necessity in the public interest for the provisions and prohibitions contained and enacted in the ordinance codified in this chapter, is declared as a matter of legislative determination and public policy, and it is further declared that the provisions and prohibitions contained and enacted in the ordinance codified in this chapter are in pursuance of and for the purpose of securing and promoting the public health, comfort, convenience, safety, welfare and prosperity and the peace and quiet of the city and its inhabitants.*

MBMC section 9.28.020 - Prohibited conduct.

It is unlawful for any person to make, continue, or cause to be made or continued any loud, unnecessary or unusual noise which either annoys, disturbs, injures or endangers the comfort, repose, health, peace or safety of any reasonable person of normal sensitiveness residing in the neighborhood. The standards which shall be considered in determining whether a violation of the provisions of this section exists shall include, but not be limited to, the following:

- A. *The audible volume of the noise;*
- B. *The intensity of the noise;*
- C. *Whether the nature of the noise is usual or unusual;*
- D. *Whether the origin of the noise is natural or unnatural;*
- E. *The volume and intensity of the background noise, if any;*
- F. *The proximity of the noise to residential sleeping facilities;*
- G. *The nature and zoning of the area within which the noise emanates;*
- H. *The density of the inhabitation of the area within which the noise emanates;*
- I. *The time of the day or night the noise occurs;*
- J. *The duration of the noise;*
- K. *Whether the noise is recurrent, intermittent, or constant; and*
- L. *Whether the noise is produced by a commercial or noncommercial activity.*

MBMC section 9.28.030 - Description of representative offensive conduct.

The following acts, among others, are declared to be loud, disturbing and unnecessary noises in violation of this section, but said enumeration shall not be deemed to be exclusive, namely:

- A. *Horns, Signaling Devices, Etc. The sounding of any horn or signaling device on any automobile, motorcycle, or other vehicle on any street or public place of the city except as a danger warning; the creation by means of any such signaling device of any unreasonably loud or harsh sound; and the sounding of any such device for an unnecessary and unreasonable period of time. The use of any signaling device except one operated by hand or electricity; the use of any horn, whistle or other device operated by engine exhaust; and the use of any such signaling device when traffic is for any reason held up.*
- B. *Radios, Phonographs, Etc. The using, operating, or permitting to be played, used or operated any radio receiving set, television set, musical instrument, phonograph or other machine*

or device for the producing or reproducing of sound in such a manner as to disturb the peace, quiet and comfort of the neighboring inhabitants or at any time with louder volume than is necessary for convenient hearing for the person or persons who are in the room, vehicle or chamber in which such machine or device is operating and who are voluntary listeners thereto. The operation of any such set, instrument, phonograph, machine or device between the hours of seven p.m. and seven a.m. in a residential district or between two a.m. and seven a.m. in a business or commercial district in such a manner as to be plainly audible at a distance of fifty feet from the building, structure or vehicle in which it is located shall be prima facie evidence of a violation of this section.

C. *Live Music.* Amplified music, being performed by any live band of two or more persons or by any solo performer between the hours of seven p.m. and seven a.m. in a residential district or between two a.m. and seven a.m. in a business or commercial district, in such a manner as to be plainly audible at a distance of fifty feet from the building or structure in which it is located shall be prima facie evidence of a violation of this section.

D. *Loud Speakers, Amplifiers for Advertising.* The using, operating or permitting to be played, used or operated of any radio receiving set, musical instrument, phonograph, loudspeaker, sound amplifier, or other machine or device for the producing or reproducing of sound which is cast upon the public streets for the purpose of commercial advertising or attracting the attention of the public to any building or structure for commercial purposes.

E. *Yelling, Shouting, Etc.* Yelling, shouting, hooting, whistling or singing on the public streets between the hours of two a.m. and seven a.m. in a business or commercial district or at any place in a residential district between the hours of seven p.m. and seven a.m. for an unnecessary, unreasonable period of time so as to annoy or disturb the quiet, comfort or repose of persons in any dwelling, hotel or other type of residence or of any persons in the vicinity.

F. *Steam Whistles.* The blowing of any locomotive steam whistle or steam whistle attached to any stationary boiler except to give notice of the time to begin or stop work or as a warning of fire or danger, or upon request of proper city authorities.

G. *Exhausts.* The discharge into the open air of the exhaust of any steam engine, stationary internal combustion engine, motor boat, or motor vehicle except through a muffler or other device which will effectively prevent loud or explosive noises therefrom.

H. *Loading, Unloading, Opening Boxes.* The creation of a loud and excessive noise in connection with loading or unloading any vehicle or the opening and destruction of bales, boxes, crates and containers.

I. *Construction or Repairing of Buildings.* The erection (including excavating), demolition, alteration or repair of any building or general land grading and contour activity using equipment in such a manner as to be plainly audible at a distance of fifty feet from the building other than between the hours of seven a.m. and seven p.m. on weekdays and eight a.m. and seven p.m. on weekends except in case of urgent necessity in the interest of public health and safety, and then only with a permit from the community development department, which permit may be granted for a period not to exceed three days or less while the emergency continues and which permit may be renewed for a period of three days or less while the emergency continues. If the building inspector should determine that the public health and safety will not be impaired by the erection, demolition, alteration and repair of any building or the excavation of streets and highways within the hours of seven p.m. and seven a.m. on weekdays and seven p.m. and eight a.m. on weekends and if he

further determines that loss or inconvenience would result to any party in interest, he may grant permission for such work to be done within the hours of seven p.m. and seven a.m. on weekdays and seven p.m. and eight a.m. on weekends upon application being made at the time the permit for the work is awarded or during the progress of the work.

J. *Schools, Courts, Churches and Hospitals.* The creation of any excessive noise other than that resulting from construction or excavation work on any street adjacent to any school, institution of learning, church or court while the same are in use, or adjacent to any hospital, which unreasonably interferes with the workings of such institution, or which disturbs or unduly annoys patients in the hospital, provided conspicuous signs are displayed in such streets indicating that the same is a school, hospital or court street.

K. *Pile Drivers, Hammers, Etc.* The operation between the hours of seven p.m. and seven a.m. of any pile driver, steam shovel, pneumatic hammer, derrick, steam or electric hoist or other appliance, the use of which is attended by loud or unusual noise except in case of urgent necessity in the interest of public health and safety, and then only with a permit from the building inspector or the director of public services authorizing such devices to be operated during the otherwise prohibited hours while the emergency continues.

L. *Blowers and Motor-driven Cycles.* The operating of any noise-creating blower or power fan or any cycle powered by an internal combustion engine, the operation of which causes noise due to the explosion of operating gases or fluids, unless the noise from such blower or fan is properly muffled and such engine is equipped with a muffler device sufficient to reduce such noise to a level which will not disturb the surrounding neighborhood. The noise limits set forth in Section 23130 of the California Vehicle Code shall be deemed to be the applicable standard for noise emissions; provided, however, the basis for measuring such limits for devices operated on private property shall be a distance of fifty feet from the property line of the parcel of real property on which the device is located or where the neighboring property is lawfully devoted to residential complies with the required yard setbacks as established in the zoning regulations for the applicable district.

DISCUSSION

While the City receives occasional complaints regarding both street sweeping and garbage collection, it has been deemed neither unusual nor unexpected nor recurrent, intermittent, or constant. None of the complaints have required any action by City staff. Both street sweeping and garbage collection are a part of living in an urban environment. Both activities are required to protect either public health and safety or the natural environment. Through the removal of refuse from the City the threat to public health from vectors and vermin is reduced. Street sweeping removes pollutants from the streets that can migrate to the streams, bay and open ocean and cause environmental damage. Street sweeping is required of us by the Regional Water Quality Control Board as part of the City's NPDES Stormwater Permit.

Typically, garbage collection in the commercial districts takes place in early hours as to not interfere with commerce that occurs later in the day, while, in the residential districts that can occur later in the day. The City has occasionally allowed garbage collection to occur earlier than normal, as not to conflict with road maintenance projects.

The same is true for street sweeping with the added issue of parking. Street sweeping works most effectively when there are no vehicles parked along the road edge. With a prohibition of parking on the street in the central business district between 0200 and 0600, this is the ideal time for sweeping the commercial areas. Sweeping of the residential areas is more effective later in the day when

residents leave for work or other tasks that take them away from home and parking along the streets.

Typically, the complaints received are from those areas that are mixed commercial/residential or on the fringe of commercial areas. The complaints have not been so pervasive the activity of either street sweeping or garbage collection has been deemed a nuisance pursuant to the MBMC.

CONCLUSION

Both refuse collection and street sweeping are required in an urban environment to protect both public health and the environment. The timing of these activities is a compromise between effectively performing the required tasks and not causing a major public inconvenience, recognizing that some inconvenience is unavoidable and a part of living in a developed society.

Since both these activities are based on contractual agreements between the service provider and the City, Council could direct negotiated changes. Another option would be to restrict parking so that sweeping could occur during later hours.

ATTACHMENTS

1. Excerpt from Contract with Morro Bay Garbage Company – Refuse and Recycling
2. Excerpt from Expired Contract with SP Maintenance – Street Sweeping

5.5 **Marketing and Sale of Recyclable Materials**

Contractor shall be responsible for the marketing and sale of all Recyclable Materials Collected pursuant to this Agreement. Revenues from the sales of these materials shall be applied to the cost of service under the Agreement to reduce Contractor's compensation. Contractor shall sell all Recyclable Materials Collected pursuant to this Agreement at not less than fair market value as described in Article 8, Contractor's Compensation and Rates.

5.6 **Operations**

5.6.1 Schedules

To preserve peace and quiet, no Garbage or Recyclable Materials shall be Collected from or within two-hundred (200) feet of residential Premises between 5:00 P.M. and 7:00 A.M. on any day. Residential Garbage and Recyclable Materials shall be Collected, Monday through Friday on the same day. Commercial Garbage and Recyclable Materials shall be Collected, Monday through Sunday on the same day. The one exception is the Contractor may elect to collect motor oil and filters with a separate vehicle using an on-call program. When the regularly scheduled Collection day falls on a holiday, Collection shall take place on the following regularly scheduled collection day. In the event the Contractor misses the collection of set out Garbage or Recyclables, the Contractor shall collect the missed pickups within one (1) business day of notification.

5.6.2 Vehicles

A. General. Contractor shall provide a fleet of Collection vehicles sufficient in number and capacity to perform the work required by this Agreement and proposed in Exhibit "A" and in strict accordance with its terms. Vehicles shall be as shown in the Exhibit "A" and can only be substituted by Contractor with prior written approval of the City. No vehicle shall be more than 7 years old. Contractor shall have available on Collection days sufficient back-up vehicles in order to respond to complaints and emergencies.

B. Specifications. All vehicles used by Contractor in providing Garbage and Recyclable Materials Collection services under this Agreement shall comply with all federal, state, and local requirements for such vehicles as they now exist or may be amended in the future, and be registered with the California Department of Motor Vehicles. All such vehicles shall have watertight bodies designed to prevent leakage, spillage or overflow. All such vehicles shall comply with U.S. Environmental Protection Agency noise emission regulations and other applicable noise control regulations.

C. Condition

1) Contractor shall maintain all of its properties, facilities, and equipment used in providing service under this Agreement in a safe, neat, clean and operable condition at all times.

2) Contractor shall inspect each vehicle daily to ensure that all equipment is operating properly. Vehicles which are not operating properly and represent a safety hazard shall be taken out of service until they are repaired and do operate properly and safely. Contractor shall perform all scheduled maintenance functions in accordance with the manufacturer's specifications and schedule. Contractor shall keep accurate records of all vehicle maintenance, recorded according to date and mileage and shall make such records available to City upon request.

SPECIAL TERMS, CONDITIONS, AND PROVISIONS

SECTION I

Purpose of Street Sweeping Contract

To provide a street sweeping service to the City of Morro Bay on a regularly scheduled basis, by removing litter, leaves, sand, dirt, and debris from streets and alleys. This program shall leave the streets with a presentable appearance and free from dust created by traffic.

It shall be the Contractor's responsibility to furnish at his/her own expense all tools, equipment, labor, and material and services necessary for the satisfactory performance of the work set forth in these specifications.

SECTION II

Contract Period

Any contract entered into shall be for a period of four (4) years commencing January 1, 2011 and continuing through January 31, 2015. A notice to proceed will be issued upon award of the contract by the City. The City of Morro Bay reserves the right to terminate or suspend this contract at any time as stipulated in Section XV. The City of Morro Bay reserves the right to extend the contract period, provided that the Contractor and the City mutually agree to the extension.

SECTION III

Standards of Service

- A. The Contractor agrees to comply with all applicable provisions of federal, state and or local laws governing the duties and obligation of businesses and employers.
- B. The standards of performance, which the Contractor is obligated to perform hereunder, are standards considered by the City to be good street sweeping practices. Reference: Street Cleaning Practice, Third Edition, January 1978 by American Public Works Association.
- C. Street sweepers will operate at or below suggested manufacturers sweeping speeds in order to remove all litter, leaves, sand, dirt, and debris, from the entire surface being swept, in accordance with local conditions which shall dictate the travel speed necessary to obtain the results desired by the City.
- D. The Contractor shall so conduct their operations as to cause the least possible obstruction and inconvenience to public traffic. Street sweeping equipment used in the performance of this contract will be equipped with right hand mounted gutter brooms in order to sweep streets in the same direction of travel as the normal traffic flow.
- E. Sweeping will be done after 7 a.m. during daylight hours in all residential areas. Downtown and other commercial areas will be swept in morning hours, no earlier than 4 a.m.

- F. Contractor shall be responsible for removing all litter, leaves, sand, dirt, and debris from streets and alleys covered within the scope of this contract as a part of the normally scheduled sweeping route schedule, including material deposited as a result of inclement weather and wind, without additional compensation.
- G. Contractor shall, at their own expense, be responsible for properly disposing of all litter, leaves, sand, dirt, and debris removed from streets and alleys covered within the scope of this contract. Contractor shall be responsible for disposing of materials in accordance with the regulations of all legally constituted authority.
- H. Contractor shall provide the City with written documentation including:
 - 1. Weight tickets from dumping facilities, to be submitted with each billing showing the amount of debris removed from the City's streets and alleys.
 - 2. Contractor shall provide the Maintenance Superintendent with the equipment manufactures recommended maintenance schedule and specifications upon request.
 - 3. Contractor shall keep all equipment maintained per the manufactures specifications and provide documentation for said maintenance in a form acceptable to the City.
 - 4. Contractor shall arrange with the Maintenance Superintendent for quarterly equipment inspections to take place at the City's corporation yard.
 - 5. The Contractor shall log the mileage of all work performed and provide the City with a monthly mileage report specifying route totals and beginning and ending mileage.
 - 6. The Contractor shall provide the City with a GPS log of each route showing the time, mileage and location of the sweeper.
 - 7. The Contractor shall provide Police Dispatch with the driver's cell phone number so that the driver can be reached while on duty.
 - 8. All required documentation must be submitted with invoicing for progress payments to be issued.

SECTION IV Work Performance

The City of Morro Bay will monitor the work performance of the Contractor by randomly choosing ten (10) streets of a regular scheduled route to spot check upon completion of that route. It is understood that if three (3) of the streets within any given route do not meet acceptable City standards, the Contractor will be required to sweep the entire route again, at no cost to the City. If the deficiencies are in route 1, 2, or 3, then the route must be swept again within 48 hours or within 4 hours if the deficiencies are in route #4.



AGENDA NO: C-2

MEETING DATE: September 12, 2017

Staff Report

TO: Honorable Mayor and City Council **DATE:** August 31, 2017

FROM: Rob Livick, PE/PLS Public Works Director/City Engineer

SUBJECT: Review Report Regarding Impacts / Potential Revenue Timing of SB-1 and Provide Direction as Appropriate

RECOMMENDATION

Receive and file report and provide input and direction as deemed appropriate.

ALTERNATIVES

There are no alternatives being offered.

FISCAL IMPACT

It is expected Morro Bay will receive approximately an additional \$60,000, which would be required to be spent on local street and road maintenance in revenue for FY17/18 a partial year of SB-1 implementation. For the first full year of SB-1 implementation, FY18/19, it is anticipated the City will receive approximately \$200,000 in additional revenue for street maintenance. Additionally, the City is expected to receive approximately \$1,500 in FY18/19 for public transit purposed through SB-1.

SB-1 contains provisions for local Maintenance of Effort (MOE) Requirements and requires cities and counties to maintain their existing commitment to transportation funding. The required commitment for Morro Bay is \$299,642, based on the average General Fund streets expenditures for FY 9/10 through 11/12. SB-1 payments may be withheld to cities and counties that do not comply with the request for information, or that provide incomplete data.

In addition to the formula based revenue provided for in SB-1, there is also the ability for the City to apply for and compete for additional funds through the Active Transportation Program for the funding of non-motorized transportation related projects and programs. That, along with other competitive programs, typically require the grantee to provide match funding. That required match is likely to be 50-percent of the project cost.

BACKGROUND

(Note: Staff Report based on Report to the SLOCOG Board, August 2, 2017)

On April 6th, the legislature approved SB 1 (Beall), the Road Repair and Accountability Act of 2017, a \$5.24 Billion annual transportation funding package. Governor Brown signed the landmark legislative bill on April 28th. The transportation funding package is aimed at fixing the state's local roads, freeways and bridges and investing more funding toward transit and safety projects.

Over 80% of the program is focused on "Fix-it-First," local street, road, highway, and transit rehabilitation, and maintenance. The remaining 20% of funding is designated for transportation

Prepared By: <u>rl</u>	Dept Review: <u>RL</u>
City Manager Review: <u>MRL</u>	City Attorney Review: <u>JWP</u>

improvements (congestion relief, *et al*):

- State Transportation Improvement Program (STIP, \$100M/yr, formula and competitive)
- Trade corridors (\$300 Million, competitive).
- Solutions for Congested Corridors Program (\$250 Million, competitive)
- Local Partnership Program (\$200 Million, formula allocation for Self Help Counties, *et al*)
- Planning Grants (\$25 Million and up to \$20 Million more for climate change planning).

DISCUSSION

SB-1 provides approximately \$1.5 Billion annually from the Road maintenance and Rehabilitation Account (RMRA) and is distributed via monthly allocations by formula to cities and counties through the State Controller's Office (SCO). Funds made available from SB-1 (which include local streets and roads allocations) have several requirements.

Funds made available by the program can be used (1) to satisfy match requirements of a state or federal program, or (2) for projects that include, but are not limited to, the following:

- Road maintenance and rehabilitation
- Safety projects
- Railroad grade separations
- Complete streets components, including active transportation purposes, pedestrian and bicycle safety projects, transit facilities, and drainage and storm-water capture projects in conjunction with any other allowable project
- Traffic control devices
- If a city's or county's pavement condition index meets or exceeds 80, they may use the funds for other transportation purposes (which is not defined).

It is the intent of the Legislature the Department of Transportation and local governments are held accountable for the efficient investment of public funds to maintain the public highways, streets, and roads, and are accountable to the people through performance goals that are tracked and reported.

SB-1 Reporting Requirements for Locally allocated SB-1 funds.

Prior to receiving an apportionment of funds under the program from the SCO in a fiscal year, Morro Bay is required to provide a report to the CTC with a list of projects proposed to be funded with those funds pursuant to an adopted city or county budget.

To the extent beneficial, cost effective, and practicable in the context of facility type, right-of-way, project scope, and quality of nearby alternative facilities, and where feasible, agencies must incorporate "complete streets" elements into projects funded by the SB-1 program, including, but not limited to, elements that improve the quality of bicycle and pedestrian facilities and that improve safety for all users of transportation facilities.

ATTACHMENTS

1. SLOCOG Staff Report Dated August 2, 2017
2. Excerpt from the City's FY17/18 Budget identifying Street Expenditures

SAN LUIS OBISPO COUNCIL OF GOVERNMENTS

STAFF REPORT

MEETING DATE August 2, 2017	ITEM: B-3
SUBJECT: SB 1 Guidelines and Status of Program	

SUMMARY

This staff report provides the SLOCOG Board with an update on SB 1 (Beall), the Road Repair and Accountability Act of 2017. SB 1 program guidelines development is currently underway which requires accountability measures be included in all guidelines.

The SLOCOG region is anticipated to receive an additional \$15.6 million in FY 18/19 during the first full year of new funding for:

- local streets and roads maintenance (\$10.06M)
- highway projects (\$4.1M)
- public transit (\$1.46M)

Jurisdictions will see some partial benefit in FY 17/18, but not realize their full allocation level until FY 18/19 as tax increases go into effect in November, and the registration fee goes into effect in January.

FY 18/19 SB 1 Local & Regional Allocation (first full year of new funding)			
Streets & Roads Maintenance		Public Transit	
Arroyo Grande	\$324,873	Operator	SB 1 \$
Atascadero	\$565,774	Atascadero Transit	\$2,955
Grover Beach	\$245,464	Morro Bay Transit	\$1,525
Morro Bay	\$196,452	Paso Express*	\$0
Paso Robles	\$575,284	SLO Transit	\$25,802
Pismo Beach	\$149,895	County Services*	\$0
San Luis Obispo	\$844,971	SLO RTA	\$57,091
SLO County	\$7,155,354	South County Transit	\$5,522
	\$10,058,067		\$92,895
Highway Improvements		Discretionary	
SLOCOG Region	\$4,100,000	Regional	\$1,371,065
Annual Total	\$14,158,067	Annual Total	\$1,463,960
Estimated Grand Total for SLOCOG Region = \$15.6M			

This Bill provides significant funding, \$15.6m/yr, by formula, to the region!

This funds 1/2 of the region's unfunded maintenance needs, provides another \$4m/yr in new funding for the STIP (highway improvements) and restores \$8m that was deleted and uncommitted.

Source: Department of Finance, League of California Cities, CSAC, and CTA.
 * SB 1 transit allocation included with SLO RTA.

SB1 provides new and increased competitive funding:

- Solutions for Congested Corridors (potential funding for Highway 101 in Shell Beach),
- Planning grants (potential funding for circulation studies, corridor studies, RTP development)
- Caltrans Interregional Transportation Improvement Program (ITIP, potential for Highway 46),
- Active Transportation Program (ATP, bike and pedestrian grants)
- Trade Corridors Enhancement (goods movement grants, potential for Highway 46, Wellsona)

RECOMMENDATIONS

- Staff:**
- Continue participating in SB1 Fund Program Guideline development.
 - Encourage member agencies to budget allocated funding, and assure awareness of all new requirements (Page B-3-10).
 - Approve up to \$40,000 for consultant services to assist in securing competitive grants (\$25k for application development, \$15k for project advocacy).

SSTAC: Support Staff recommendation
TTAC: Support Staff recommendation
CTAC: Support Staff recommendation
SLO Co Managers: Support approach

BACKGROUND

On April 6th, the legislature approved SB 1 (Beall), the Road Repair and Accountability Act of 2017, a \$5.24 billion annual transportation funding package. Governor Brown signed the landmark legislative bill on April 28th. The transportation funding package is aimed at fixing the state's local roads, freeways and bridges and investing more funding toward transit and safety projects.

At the June 7th SLOCOG Board meeting staff presented a preliminary overview of SB 1. The \$5.24B annual transportation funding package generates \$52.4B in new revenue over 10 years, institutes new reforms and accountability measures for Caltrans, and provides for early environmental mitigation. SB1 is designed to repair and maintain our state highways and local roads (i.e. "Fix-it-First"), improve trade corridors, and support public transit and active transportation (i.e. bicycle/pedestrian). The funds will be split equally between the state & local investments.

Unlike previous funding proposals, the package includes the restoration and indexing of the State Transportation Improvement Program (STIP funding is typically used for highway congestion relief), as well as funding for public transit, and intercity passenger rail. These were important programs advocated by the Central Coast Coalition and other smaller regional agencies.

Over 80% of the program is focused on "Fix-it-First", local street, road, highway, and transit rehabilitation, and maintenance. The remaining 20% of funding is designated for transportation improvements (congestion relief, et al):

- State Transportation Improvement Program (STIP, \$100m/yr, formula and competitive).
- Trade corridors (\$300 million, competitive).
- Solutions for Congested Corridors Program (\$250 million, competitive).
- Local Partnership Program (\$200 million, formula allocation for Self Help Counties, et al).
- Planning Grants (\$25 million and up to \$20 million more for climate change planning).

Annual SB 1 Programs:

- Active Transportation Program (ATP) - **\$100M**
- Local Partnership Program - **\$200M**
- Local Streets and Roads Program - **\$1.5B**
- Solutions for Congested Corridors - **\$250M**
- State Highway Operation and Protection Program (SHOPP) - **\$1.9B**
- State Transportation Improvement Program (STIP) - **\$1.1M** (Annual increase begins 2021)
- Trade Corridor Enhancement Program - **\$300M**
- State Transit Assistance (STA) Program - **\$405M** (State Transit Assistance formula)
- Transit and Intercity Rail Capital Program (TIRCP) - **\$245M**
- Commuter and Intercity Rail Funding Program - **\$37M**

SB 1 Guidelines Development

The CTC's and CalSTA's tentative schedule for workshops is as follows:

- June 9th – Sacramento (CTC)
- June 26th – Southern California (CalSTA)
- June 27th and 28th – Sacramento (CalSTA and CTC)
- July (Week of 17th) – Southern California (CTC)
- August (Week of 1st) – Bay Area (CTC)
- September (Week of 4th) – Sacramento (CTC)

- September (Week of 18th) – Sacramento (CTC)
- October (Week of 2nd) – Southern California (CTC)
- November (Week of 13th) – Northern and Southern California (CTC)

Staff has already participated in a number of SB 1 workshops providing early input:

- On June 8th the California Transportation Commission (CTC) hosted an SB 1 implementation kickoff forum. The 4 hour webinar outlined the CTC's SB 1 implementation responsibilities, as well as regional transportation agency and city and county perspectives, among others.
- On June 9th the CTC held an 8 hour implementation workshop on multiple SB 1 programs which consisted of preliminary guidelines development currently underway. SB 1 requires accountability measures be included in all program guidelines. This includes adopting performance criteria and ensuring efficient use of funds. The Inspector General shall report annually on investigations, audit findings and recommendations. The CTC shall provide project update reports on the development and implementation of the program.
- On June 26th staff attended an SB 1 Transit Investment Workshop hosted by the California Transit Association (CalSTA) in Los Angeles. The workshop provided members with the opportunity to provide early input to our state partners as they move through the guidelines process with the overarching goal of making SB 1 investments in a timely manner.
 - The State Transit Assistance (STA) Program funded from the newly created Transportation Improvement Fee (TIF)
 - The Transit and Intercity Rail Capital Program (TIRCP) funded from Cap and Trade and the newly created TIF
 - The Commuter and Intercity Rail Funding Program funded from 0.5 percent of the increased sales tax on diesel

This workshop also provided an opportunity for input on the 2017/18 Low Carbon Transit Operations Program (LCTOP) guidelines. LCTOP is an existing program funded through Cap and Trade and is not the result of the passage of SB 1.

- On June 27th staff participated in a Caltrans sponsored workshop on planning grants. This was an exploratory session for securing public input and Q&A. We found the planning grants must have a transportation nexus. A community general plan or zoning update is not applicable, but a circulation element update is. Staff argued, with a lot of nodded agreement, that COGs should receive a formula allocation, with the balance allocated competitively.
- On June 28th staff attended a CTC SB 1 Guidelines Development Workshop in Sacramento on the Solutions for Congested Corridors grant program. The first workshop focused primarily on defining "highly traveled" corridors and the corridor planning that needs to occur to qualify for funds. SLOCOG's US 101 Mobility Plan, approved in 2014, meets the planning pre-requisites for this funding program. The managed-lane concept in the south-bound through the Pismo Beach area will qualify for funding. Additional workshops are scheduled to further develop guidelines, performance metrics, and application process.

The general process for guideline development and adoption involves the following for each program:

- Workshop(s)
- Draft guidelines

- Workshop(s)
- Proposed final guidelines
- Hearings at CTC meetings
- Final guidelines

In addition to formula funding, the SLOCOG region could benefit from additional competitive grants and other programs included in SB 1:

- Transit and Intercity Rail Capital Program (TIRCP) - \$245M
- Bicycle and Pedestrian Access Improvements - \$100M
- Local Planning Grants - \$25M
- Congested Corridors Program - \$250M
- Trade Corridors - \$300M
- State Local Partnership - \$200M.

DISCUSSION

Details On Annual SB 1 Programs

Transit and Intercity Rail Capital Program (TIRCP) - \$245M

SB 1 provides additional one-time and ongoing funding to the TIRCP, a heavily oversubscribed program, which provides funding for transit capital, rolling stock, and rail improvements that is currently reliant upon somewhat unpredictable Cap-and-Trade funds and administered by the California State Transportation Agency (CalSTA). The TIRCP would receive a one-time infusion of at least \$236 million as a result of a General Fund loan repayment as well as an additional \$245 million annually from the Transportation Improvement Fee (TIF) starting in FY 2018/19. This amount is set forth in the statute and will not escalate even though the TIF rate is indexed to inflation. In FY 2017/18, the TIRCP should receive approximately half the annual amount (\$123 million) from the TIF since the new fee is not effective until January 1, 2018. A 5-year program of projects will be developed (like the STIP), and \$1.5-\$2 billion may be available. As a result, it is crucial to apply for funding now.

Local Implications: The TIRCP program requires quantifiable air quality emissions benefits for transit. Replacement of "clean-diesel" buses compete poorly against cleaner fueling technologies and larger passenger loads in other areas of the state.

For rail, staff is closely following the State Rail Plan to advocate for Coast Rail improvements, but other areas have more legislative influence and extremely large capital needs. However, some rail capital funding may be possible if agreements can be reached with the railroad.

Commuter and Intercity Rail Funding Program - \$37M

The bill also creates dedicated funding for intercity rail and commuter rail programs by the imposition of a new 0.5 percent diesel sales tax. Similar to the TIRCP, projects would be selected by CalSTA. Of the approximately \$37.5 million available each year, funds would be distributed as follows:

- 50 % to CalSTA for "state-supported intercity rail services." Of that amount, at least 25 percent shall be allocated to each of the state's three intercity rail corridors that provide regularly scheduled intercity rail service (the Capitol Corridor, San Joaquin, Pacific Surfliner routes).
- 50 % to CalSTA to be allocated to public agencies responsible for commuter rail service. For FY 2018/19 and FY 2019/20, each of the state's five commuter rail agencies (such as

Metrolink) would receive 20 percent. Subsequent to that, CalSTA would allocate funds pursuant to guidelines to be adopted by July 1, 2019.

- Funds may be spent for operations or capital.
- Similar to the State Transit Assistance (STA) program, the actual amount of revenue each year will depend on diesel prices and sales.

Local Implications: Staff worked closely with LOSSAN, the Capitol Corridor, and San Joaquin to create this fund in the legislation. Twenty-five percent (~\$5M/year) is intended to be used for “emerging corridors” such as the Coast Daylight service, Capitol Corridor extension to Salinas, or the Coachella Valley service. The Coast Rail Coordinating Council (CRCC) is contemplating organizational changes to ensure that it directly receives a fair share portion of the \$5M/year.

State Transportation Improvement Program (STIP) – \$1.1B (over 10 years)

While there are no specific provisions for the STIP, effective July 1, 2019, it boosts funding for the STIP by virtue of eliminating the annual adjustment pegged to the price of fuel for what is known as the “price-based excise tax.” Instead, SB 1 sets the rate at 17.3 cents/gallon on July 1, 2019, plus an annual adjustment to keep pace with inflation that will begin in July 1, 2020. This tax is a major source of STIP funding, receiving 44 percent of its revenue after backfilling the SHOPP for the loss of weight fees. Since the existing rate of 9.8 cents/gallon already offsets weight fees, any increase above that is distributed directly according to a 44/44/12 percent formula where the other 44 percent goes to cities and counties for local streets and roads, and the 12 percent goes to Caltrans for highway maintenance and rehabilitation.

While it’s challenging to predict exactly how this will affect STIP funding in the future relative to what would have occurred if the rate were pegged to the price of fuel, the Department of Finance (DOF) has estimated a net benefit to the STIP over 10 years of \$1.1 billion, or \$825 million for the Regional Transportation Improvement Program (\$82.5m/yr.) statewide. SLOCOG is expected to receive \$1.1m/yr increase.

Assuming the price-based excise tax (PBET) would not go above the 11.7 cents/gallon rate in effect on July 1, 2017 then the 17.3 cents/gallon rate amounts to a 5.6 cents/gallon increase – equating to \$840 million more per year statewide, including approximately \$370 million per year in new STIP funding statewide. Note this increase will not begin until the FY 2019/20 year. The net effect of addressing the PBET, plus the additional STIP revenue, will stabilize regional STIP funding for SLOCOG at approximately \$7M per year beginning in 2021.

STIP Programming Schedule:

- Approval of fund estimate assumptions – May 17, 2017
- **Presentation of draft guidelines and draft fund estimate – June 28, 2017**
- **Adoption of guidelines and fund estimate – August 16-17, 2017**
- Submittal of draft Interregional Transportation Improvement Program – October 15, 2017
- Interregional Transportation Improvement Program Hearings – October 2017
- Submittal of Regional Transportation Improvement Programs and the final Interregional Transportation Improvement Programs – December 15, 2017
- STIP Hearings – January-February 2018
- Program adoption – March 2018

Local Implications: Staff is expecting all prior unprogrammed and deleted STIP shares be made available to SLOCOG for programming in the 2018 fund cycle (See Agenda Item B-2). Staff also expects additional STIP shares be provided to SLOCOG for programming in the fifth year of the STIP

(FY 2023). The CTC will develop draft funding targets as early as late June, and no later than August. The CTC has identified \$8.3M of unprogrammed and deleted share balance be made available for highway improvements through 2020, in addition to approximately \$12M of new capacity for FY 21 and FY 22, for a total of \$20M. The CTC has also identified \$3.3M for the programming of “Advance Project Development”. These early projections will be finalized by the CTC August 16th.

State-Local Partnership Program for “Self-Help” Counties - \$200M

SB 1 authorizes \$200 million per year to be continuously appropriated for a new program for counties that have dedicated transportation funding from uniform developer fees or voter-approved taxes. The program is similar to the State-Local Partnership Program established by Proposition 1B except it is limited to counties, so unfortunately transit agencies with voter-approved taxes are not eligible. The bill requires the CTC to adopt guidelines for the program on or before January 1, 2018.

CTC staff recommends the following timeline for implementing the Local Partnership Program:

- Workshops to develop guidelines – June through September 2017
- **Presentation of draft guidelines – August 16-17, 2017**
- **Adoption of guidelines – October 18-19, 2017**
- Applications due – March 2018
- Adopt Program – June 2018

Local Implications: If SLOCOG had passed Measure J, the County of San Luis Obispo could receive approximately \$1.5m/yr. for street and road maintenance and repair. The region may still receive some funding based on county collected developer fees, the amount is unknown at this time and subject to the Guidelines.

Congested Corridors Program - \$250M

The bill establishes a new “Solutions for Congested Corridors Program” and authorizes \$250 million per year for annual appropriation in the budget act from revenue generated by the TIF. The program, to be administered by the CTC, focuses on multi-modal solutions to the most congested corridors in the state and takes a performance-based approach.

To qualify for funding a project must be included in a “comprehensive corridor plan designed to reduce congestion in highly traveled corridors by providing more transportation choices for residents, commuters and visitors to the area of the corridor while preserving the character of the local community and creating opportunities for neighborhood enhancement projects.”

Eligible projects for this program include improvements to state highways, public transit facilities, local streets/roads, bicycle and pedestrian facilities, and restoration/preservation work that protects critical local habitat or open space. Highway capacity expansion projects are not eligible, with the exception of high-occupancy vehicle lanes (HOV) and high-occupancy toll (HOT) lanes or non-general purpose lane improvements designed primarily to improve safety for all modes of travel, such as managed lanes (defined GC Sec 141206), auxiliary lanes, truck-climbing lanes or dedicated bicycle lanes.

CTC staff recommends the following timeline for implementation:

- Workshops to develop guidelines – June through October 2017
- **Presentation of draft guidelines – October 18-19, 2017**
- **Adoption of guidelines – December 6-7, 2017**
- Applications due – February 2018
- Program adoption – May 2018

SLOCOG staff raised concerns that this section limits managed lanes to toll road related lanes and would not pertain to the managed shoulder being advocated by Caltrans on Highway 101 in Pismo Beach. Staff has received assurances that the “managed” shoulder is consistent with the intent of the

legislation and would be eligible.

The bill requires the CTC to score each project on the following criteria:

- Safety
- Congestion
- Accessibility
- Economic development and job creation and retention
- Furtherance of state and federal air quality and greenhouse gas emission reduction
- Efficient land use
- Matching funds
- Project deliverability

Either Caltrans or agencies responsible for developing the Regional Transportation Improvement Program (RTIP) can nominate projects, but a maximum of 50 percent can be awarded to projects nominated only by Caltrans. With respect to how projects will be scored, the bill emphasizes that preference will be given to projects that are developed as a result of collaboration between Caltrans and regional or local agencies “that reflect a comprehensive approach to addressing congestion and quality-of-life issues within the affected corridor through investment in transportation and related environmental solutions.”

As for the mechanics of the program, the CTC is required to develop guidelines for the program in consultation with the Air Resources Board (ARB) and after conducting at least one hearing in northern California and one hearing in southern California. The CTC is also required to provide draft guidelines to the Joint Legislative Budget Committee and the transportation policy committees in each house and adopt the guidelines no sooner than 30 days after that submission to the Legislature.

The bill requires the CTC to adopt an initial program based on the first appropriation of funds, but such program may cover a multiyear programming period. Subsequently, the program shall be adopted on a biennial basis. Beginning in March 2019, the CTC is required to provide project updates in its annual report to the Legislature, including an assessment of how each project is performing relative to the quantitative and qualitative measurements outlined in its application.

Local Implications: The US 101 congestion relief project proposed in Pismo Beach is directly consistent with this program but our region would be in stiff competition with the major urban areas of our state.

Bicycle and Pedestrian Access Improvements - \$100M

In addition to augmenting the Active Transportation Program (ATP) by \$100 million per year, SB 1 requires that Caltrans update the Highway Design Manual to incorporate the “complete streets” design concept. SLOCOG staff notes SB 1 also allows for “complete streets” components, including active transportation purposes, pedestrian and bicycle safety projects, transit facilities, and drainage and storm-water capture projects in conjunction with any other allowable local road maintenance and rehabilitation project. No other limitations or conditions on the use of funds are included in the bill.

CTC staff recommends the following timeline for implementation of the augmentation to Cycle 3:

- Workshops to develop guidelines – June 2017
- **Adoption of guidelines – June 28-29, 2017**
- Applications due – August 1st, 2017
- CTC staff funding recommendations - August 31st, 2017
- Program adoption, statewide and small urban & rural components – October 18-19, 2017

A Call for Projects for the next full ATP Cycle 4 (2019) is anticipated in February or March of 2018.

Local Implications: SB 1 provides increased dedicated funding which should enhance successful grants. The 2017 ATP Augmentation may provide an opportunity to fund local projects that did not secure funding during the CTC Cycle 3 programming. Any application resubmitted for Cycle 3 Augmentation will identify the same SLOCOG match included with their original applications. The CTC's funding awards will be announced before SLOCOG finalizes the 2018 RTIP. This will allow the Board an opportunity to evaluate potential fiscal impacts before adoption of 2018 RTIP.

Local Planning Grants - \$25M (up to \$20M more from PTA loan repayment for climate change planning)

The bill provides \$25 million to be available to Caltrans for local planning grants on an annual basis, subject to appropriation. The bill states that the purpose of the grants is to “encourage local and regional planning that furthers state goals as provided in the regional transportation guidelines” adopted by the CTC.

The bill requires Caltrans to develop a grant guide in consultation with the ARB, the Governor’s Office of Planning and Research and the Department of Housing and Community Development. In addition, up to \$20 million is available on a one-time basis from FY 2018 through FY 2020 for local and regional agencies for climate change adaptation planning. This is funded from the Public Transportation Account as a result of a General Fund loan repayment.

Local Implications: New competitive funding source for SLOCOG planning efforts (such as the RTP) and for local agencies to update and adopt transportation-related plans, such as Corridor Studies, Circulation Elements, etc.

Trade Corridors - \$300M

SB 1 creates a new Trade Corridor Enhancement Account, and allocates to this account 50 percent of the diesel excise tax increase, or approximately \$300 million annually. In an unusual move, the bill provides the Legislature with full discretion over project selection for this program specifying only that funds shall be available for “corridor-based freight projects nominated by local agencies and the state.”

The revised timeline for the California Freight Investment Program is:

- Workshops to develop guidelines – June through November 2017
- **Presentation of draft guidelines – December 6-7, 2017**
- **Adoption of guidelines – January 2018**
- Applications due – March 2018
- Program adoption – May 2018

Local Implications: Staff will monitor this program closely. SLOCOG will continue to advocate for funding to complete the SR 46 East improvements (“Wye”) and seek to initiate improvements via a project initiation document (PID) at the US 101/Wellsona at-grade intersection.

Advance Mitigation - \$30M

SB 1 requires \$30 million to be set aside annually from FY 2017 through FY 2020 from funding appropriated for the STIP and the SHOPP for an Advance Mitigation Program to protect natural resources through project mitigation, accelerate project delivery and to fully mitigate environmental impacts of transportation projects. The bill provides that the annual budget act or subsequent legislation may provide additional provisions for the program.

Local Implications: This may provide an opportunity for land acquisition and habitat restoration for larger requests such as widening Highway 46 or congestion relief on Highway 101.

Job Training/Contracting Provisions - \$25M

SB 1 requires that Caltrans develop a plan by January 1, 2020 to increase by up to 100 percent the dollar value of contracts and procurements awarded to small business, disadvantaged business enterprises, and disabled veteran business enterprises.

The bill also requires the Legislature appropriate \$5 million per year for five years starting in FY 2017/18 to the California Workforce Development Board to assist local agencies with promoting pre-apprenticeship programs. As noted above, SB 1 also requires Caltrans and cities and counties to follow guidelines to be developed by the California Workforce Development Board regarding pre-apprenticeship training programs no later than January 1, 2023.

Caltrans Capital Outlay Support and SHOPP Oversight Strengthened - \$1.9B

SB 1 adds approximately \$1.9 billion per year to accomplish maintenance and SHOPP performance objectives and requires the CTC to conduct public hearings prior to each biennial SHOPP adoption. The bill adds additional transparency requirements with respect to Caltrans support funding for projects in the SHOPP (highway maintenance and rehabilitation), requiring that such costs be identified up front for every SHOPP project by project phase and a delivery date for each project phase, including "project approval," be provided.

CTC staff recommends the following timeline for development of interim SHOPP guidelines:

- Presentation of Draft Interim Guidelines – May 17, 2017
- **Adoption of Interim SHOPP Guidelines and Asset Management Plan Guidelines – June 28-29, 2017**

Local Implications: SLOCOG staff notes Caltrans is now required to make a draft of its proposed program available to transportation planning agencies for review and comment and shall include the comments in its submittal to the CTC. COG Directors have expressed concerns that Caltrans has pushed back on regional agencies' requests for Complete Streets and operational improvements. CALCOG and many COG Directors will work to assure these are covered in guideline development and discussions with Caltrans Headquarters and legislative leadership.

Starting July 1, 2017, the bill requires that the CTC allocate the Caltrans' capital outlay support resources by project phase to provide greater transparency in the development of the Caltrans budget.

Local Streets and Roads - \$1.5B

SB 1 provides approximately \$1.5 billion annually from the Road maintenance and Rehabilitation Account (RMRA) and is distributed via monthly allocations by formula to cities and counties through the State Controller's Office (SCO). Funds made available from SB 1 (which includes local streets and roads allocations) have several requirements (see below) cities should be aware of. Funds made available by the program can be used (1) to satisfy match requirements of a state or federal program, or (2) for projects that include, but are not limited to, the following:

- Road maintenance and rehabilitation
- Safety projects
- Railroad grade separations
- Complete streets components, including active transportation purposes, pedestrian and bicycle safety projects, transit facilities, and drainage and storm-water capture projects in conjunction with any other allowable project
- Traffic control devices

If a city's or county's pavement condition index meets or exceeds 80, they may use the funds for other

transportation purposes (which is not defined).

SB 1 Streets and Roads Requirements

It is the intent of the Legislature that the Department of Transportation and local governments are held accountable for the efficient investment of public funds to maintain the public highways, streets, and roads, and are accountable to the people through performance goals that are tracked and reported.

SB1 Reporting Requirements for Locally allocated SB 1 funds.

Prior to receiving an apportionment of funds under the program from the SCO in a fiscal year, an eligible city or county shall:

- Submit to the CTC a list of projects proposed to be funded with these funds pursuant to an adopted city or county budget.
- All projects proposed to receive funding shall be included in a city or county budget that is adopted by the applicable city council or county board of supervisors at a regular public meeting.
- The list of projects proposed to be funded with these funds shall include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement.

The CTC shall report to the SCO the cities and counties that have submitted a list of projects and that are eligible to receive an apportionment of funds under the program for the applicable fiscal year. The SCO, upon receipt of the report, shall apportion funds to eligible cities and counties. For each fiscal year, each city or county receiving an apportionment of funds shall, upon expending program funds:

- Submit documentation to the CTC that includes a description and location of each completed project.
- The amount of funds expended on the project.
- The completion date.
- The estimated useful life of the improvement.

Local Maintenance of Effort Requirements:

- Cities and counties must maintain their existing commitment to transportation funding.
- The commitment must not be less than the average expenditures in 2009/10, 2010/11, and 2011/12 fiscal years.
- The SCO may request fiscal data from cities and counties in addition to data provided, for the 2009/10, 2010/11, and 2011/12 fiscal years.
- Each city and county shall furnish the data no later than 120 days after receiving the request.
- Payment may be withheld to cities and counties that do not comply with the request for information, or that provide incomplete data.

Local Audit Potential.

- The SCO may perform audits to ensure compliance when deemed necessary.
- Any city or county that has not complied shall reimburse the State for the funds it received during that fiscal year.
- Any funds withheld or returned as a result of a failure to comply shall be reapportioned to the other counties and cities whose expenditures are in compliance.

Complete Streets Requirements:

- To the extent beneficial, cost effective, and practicable in the context of facility type, right-of-way, project scope, and quality of nearby alternative facilities, and where feasible, agencies must incorporate "complete streets" elements into projects funded by the SB 1 program, including, but not limited to, elements that improve the quality of bicycle and pedestrian facilities and that improve safety for all users of transportation facilities.

Local Streets and Roads Program draft schedule:

- Workshops to develop guidelines – June and July 2017
- Adoption of guidelines – August 16-17, 2017
- Call for Projects: August 18, 2017
- **Candidate Projects List, locally approved, due to CTC October 16, 2017**
- CTC adopts projects list: December 6, 2017

Accountability, Efficiency And Related Provision

New Caltrans Audit Office Established

The bill requires the creation of an Independent Office of Audits and Investigations within Caltrans. The director of the office (Inspector General) would be appointed by the Governor and confirmed by the Senate for a six-year term. The Inspector General would be responsible for ensuring compliance by Caltrans and all entities receiving state and federal transportation funds with state and federal requirements; and ensuring Caltrans follows accounting standards and practices and manages its programs in a financially responsible manner. The Inspector General is required to report annually on any audit or investigation findings and recommendations.

Caltrans Requirement to Implement Efficiency Measures

The bill requires Caltrans to implement efficiency measures with a goal of saving \$100 million/year in savings to invest in maintenance and rehabilitation of the state highway system. No specific efficiency measures are suggested in the bill.

**CITY OF MORRO BAY
CAPITAL PROJECT SHEET
FOR THE 2017/18 FISCAL YEAR**

**Pavement Management Plan
Summary Sheet (1 of 2)**

Section 1	Description of Capital Item
	This project provides pavement preservation, renovation & reconstruction, storm drainage work and associated ADA sidewalk to achieve and maintain an average Pavement Condition Index of 70.

Section 2	Maps/Charts/Tables/Pictures
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CITY OF MORRO BAY
 CAPITAL PROJECT SHEET
 FOR THE 2017/18 FISCAL YEAR

Pavement Management Plan
 Detailed Sheet (2 of 2)

Section 1 Project Overview						
Department(s)	Non-Departmental	Contact	Rick Sauerwein, 805-772-6266	Functional Unit	Street Infrastructure	
Total Project Cost		Total Appropriations to Date	Current Budget Year 2017/18	Unappropriated Subsequent Year Needs		
				Budget Year 2018/19	Budget Year 2019/20	Future Years
\$	10,203,917	\$ -	\$ 926,917	\$ 750,000	\$ 925,000	\$ 7,602,000
Type of Project	New	Replacement	Land/ROW Acq. Req'd	Expansion	Renovation	Safety Concern
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	YES
Completion Date	Q2 2018	Percentage Complete	0%	Mandate	State/Fed Greenhouse Gas reduction	
Section 2 Justification; Linkage to Council Goals, Plans, or other Objective						
City Council adopted the 2012 Pavement Management Plan which sets the goal to achieve a PCI of 70. Citizens regularly reinforce this need through Q-Alert notifications. The importance of this effort is reflected in the Councils goal to improve Infrastructure and Public Spaces. Project is currently limited by funding availability which is principally from Measure Q. These revenues alone generally only provide 25% of the \$2M budget necessary to achieve our PCI goal of 70.						
Section 3 History and Current Status; Impact if Canceled or Delayed						
Streets are selected annually based on current pavement assessment using the Street Saver software and public input obtained during the City's annual Street Summit. Condition reassessment proceeding as work from the 2017 project is wrapping up. An updated 5-year project list has been prepared based on this update and the 2018 street list will be presented at the 2018 Street Summit.						
Section 4 Project Costs						
Activity	Appropriations to Date	FY 2017/18	FY 2018/19	FY 2019/20	Future Years	Total
Environmental & Design	\$ -	\$ 40,000	\$ 42,000	\$ 44,100	\$ 145,976	\$ 272,076
Construction	\$ -	\$ 886,917	\$ 708,000	\$ 880,900	\$ 7,456,024	\$ 9,931,841
Total Capital Cost Est.	\$ -	\$ 926,917	\$ 750,000	\$ 925,000	\$ 7,602,000	\$ 10,203,917
Total Operating Cost Est.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures Est.	\$ -	\$ 926,917	\$ 750,000	\$ 925,000	\$ 7,602,000	\$ 10,203,917
Section 5 New or Additional Impact on Operating Budget						
Type of Expenditure	Appropriations to Date	FY 2017/18	FY 2018/19	FY 2019/20	Future Years	Total
Staff Costs (In-Kind Match)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Section 6 Method(s) of Financing						
Funding Source(s)	Revenue Rec'd to Date	FY 2017/18	FY 2018/19	FY 2019/20	Future Years	Total
SB1 - RMRA	\$ -	\$ 61,000	\$ 200,000	\$ 325,000	\$ 975,000	\$ 1,561,000
Measure Q	\$ -	\$ 530,000	\$ 550,000	\$ 600,000	\$ 1,362,000	\$ 3,042,000
CalRecycle Grant	\$ -	\$ 90,917	\$ -	\$ -	\$ -	\$ 90,917
USHA	\$ -	\$ 245,000	\$ -	\$ -	\$ 5,265,000	\$ 5,510,000
Total	\$ -	\$ 926,917	\$ 750,000	\$ 925,000	\$ 7,602,000	\$ 10,203,917
Section 7 Comments/Impacts for Other Departments						
Street maintenance input is welcomed at anytime through the Q-Alert Public notification system and annually during the Street Summit Pavement Management Program review						
Section 8 Long Term Savings						
All motorists will benefit from improved payment through reduce annual vehicle maintenance.						
Section 9 Non-Secured Financing/Reimbursements						
SLOCOG is reevaluating another voter initiative to pass the Self-Help initiative in 2018. Council will consider additional street funding mechanisms in 2018. All transportation funding is allocated on a reimbursable basis.						

CITY OF MORRO BAY

2-Year Prospective Street Pavement List

Street ID	Pavement Condition	Start	End	Region	Street Type	Area	Treatment	Proposed	Full Depth
	Index							Budget	Reclamation
FY 2017-18									
Alder	33	San Joaquin Street	Elena Street	Zone 2	R - Residential/Local	22860	CS	\$14,630.40	\$42,291.00
Alder	41	Sequoia Street	San Jacinto Street	Zone 2	R - Residential/Local	21420	CS	\$13,708.80	\$39,627.00
Alder	44	San Jacinto Street	San Joaquin Street	Zone 2	R - Residential/Local	22680	3CS	\$20,638.80	\$41,958.00
Atascadero	40	Embarcadero	Park Street	Zone 3	C - Collector	40320	3CS	\$36,691.20	\$36,691.20
Barlow	44	Main Street	End	Zone 4	R - Residential/Local	14690	CS	\$9,401.60	\$9,401.60
Bayview	38	Hill Street	Hillview Street	Zone 2	R - Residential/Local	21390	3CS	\$19,464.90	\$19,464.90
Beachcombe	15	Yerba Buena Street	North End	Zone 1	R - Residential/Local	4840	DCS	\$7,211.60	\$7,211.60
Birch	28	San Jacinto Street	San Joaquin Street	Zone 2	R - Residential/Local	22320	3CS	\$20,311.20	\$20,311.20
Birch	38	Sequoia Street	San Jacinto Street	Zone 2	R - Residential/Local	23560	3CS	\$21,439.60	\$43,586.00
Cedar	35	San Jacinto Street	San Joaquin Street	Zone 2	R - Residential/Local	22320	3CS	\$20,311.20	\$41,292.00
Cedar	45	San Joaquin Street	Elena Street	Zone 2	R - Residential/Local	18290	CS	\$11,705.60	\$33,836.50
Cedar	47	Sequoia Street	San Jacinto Street	Zone 2	R - Residential/Local	22500	3CS	\$20,475.00	\$41,625.00
Coral	19	Paul Creek	Java Street	Zone 1	R - Residential/Local	4860	DCS	\$7,241.40	\$7,241.40
Damar	50	Sandalwood Avenue	End	Zone 1	R - Residential/Local	11900	3CS	\$10,829.00	\$22,015.00
Dogwood	37	San Joaquin Street	Elena Street	Zone 2	R - Residential/Local	20700	3CS	\$18,837.00	\$38,295.00
Ironwood	44	Elena Street	Avalon Street	Zone 2	C - Collector	66780	3CS	\$60,769.80	\$60,769.80
Ironwood	45	Avalon Street	Mimosa Street	Zone 2	C - Collector	29580	3FCS	\$29,580.00	\$54,723.00
Island	43	Sandalwood Avenue	Coral Avenue	Zone 1	R - Residential/Local	7000	3CS	\$6,370.00	\$12,950.00
Jamaica	40	Panorama Drive	Main St	Zone 1	R - Residential/Local	21040	3CS	\$19,146.40	\$19,146.40
Juniper	27	Elena St	Avalon St	Zone 2	R - Residential/Local	51030	3CS	\$46,437.30	\$46,437.30
Juniper	43	North End	Elena Street	Zone 2	R - Residential/Local	68080	CS	\$43,571.20	\$43,571.20
Kings	32	Balboa Street	Pacific Street	Zone 4	C - Collector	7200	CS	\$4,608.00	\$4,608.00
Kodiak	39	Beachcomber Drive	End	Zone 1	R - Residential/Local	13755	3CS	\$12,517.05	\$25,446.75
Kodiak	42	Panorama Drive	Main St	Zone 1	R - Residential/Local	19700	3CS	\$17,927.00	\$36,445.00
La Loma	46	Balboa Street	Quintana Road	Zone 4	R - Residential/Local	21450	CS	\$13,728.00	\$13,728.00
LasVegas	47	Elm Avenue	Main Street	Zone 2	R - Residential/Local	16800	CS	\$10,752.00	\$10,752.00
LittleMorr	29	Radcliff Street	City Limits	Zone 3	RL - Rural Local (7)	76000	3CS	\$69,160.00	\$140,600.00
Main	36	Quintana Place	Surf Street	Zone 3	MiA - Minor Arterial (4)	30420	CS	\$19,468.80	\$19,468.80
Main	37	Zanzibar Street	Vashon Street	Zone 1	MiA - Minor Arterial (4)	17150	3CS	\$15,606.50	\$15,606.50
MindoroWay	42	Beachcomber Drive	Mindoro Street	Zone 1	R - Residential/Local	6825	CS	\$4,368.00	\$4,368.00
17/18 Subtotal								\$626,907.35	\$953,468.15

CITY OF MORRO BAY

2-Year Prospective Street Pavement List

Street ID	Pavement Condition		Start	End	Region	Street Type	Area	Treatment	Proposed	Full Depth
	Index								Budget	Reclamation
FY 2018/19										
Allesandro	45	Las Tunas Street	La Loma Avenue	Zone 4	R - Residential/Local	35400	CS	\$22,656.00	\$22,656.00	
Butte	43	Las Tunas Street	End	Zone 4	R - Residential/Local	13300	CS	\$8,512.00	\$8,512.00	
Coral	50	Indigo Cir	San Jacinto St	Zone 1	C - Collector	22275	M2	\$4,009.50	\$4,009.50	
Front	39	Harbor Street	North End (Embarcadero)	Zone 3	R - Residential/Local	18240	M2	\$3,283.20	\$3,283.20	
Front	48	Harbor Street	South End (Embarcadero)	Zone 3	R - Residential/Local	17200	M2	\$3,096.00	\$3,096.00	
Morro	48	Pacific Street	Marina Street	Zone 3	R - Residential/Local	13200	M2	\$2,376.00	\$2,376.00	
Morro	50	Morro Bay Blvd	Pacific Street	Zone 3	R - Residential/Local	13200	M2	\$2,376.00	\$2,376.00	
MorroBayAl	8	Piney Way	Bernardo Ave	Zone 3	R - Residential/Local	8475	CS	\$5,424.00	\$5,424.00	
OrcasST	33	Highway 1	End	Zone 1	R - Residential/Local	10815	3CS	\$9,841.65	\$20,007.75	
OrcasST	34	Panorama Drive	Main St	Zone 1	R - Residential/Local	20400	3CS	\$18,564.00	\$37,740.00	
OrcasWY	46	Orcas Street	End	Zone 1	R - Residential/Local	7560	CS	\$4,838.40	\$13,986.00	
Panay	44	Beachcomber Street	End	Zone 1	R - Residential/Local	9765	3CS	\$8,886.15	\$18,065.25	
Pico	39	East End	Main Street	Zone 2	R - Residential/Local	17325	3CS	\$15,765.75	\$15,765.75	
Preston	17	Main Street	End	Zone 3	R - Residential/Local	15840	DCS	\$23,601.60	\$29,304.00	
Ridgeway	38	Fairview (East End)	Kings Ave	Zone 4	R - Residential/Local	9350	CS	\$5,984.00	\$5,984.00	
Ridgeway	50	Kings Ave	Arbutus Ave	Zone 4	C - Collector	17050	M2	\$3,069.00	\$3,069.00	
SanJacinto	45	Main St	COP at Alder Ave	Zone 2	C - Collector	6900	M2	\$1,242.00	\$1,242.00	
Seaview	32	Hill Street	Avalon Street	Zone 2	R - Residential/Local	22220	3CS	\$20,220.20	\$41,107.00	
Shasta	45	Olive Street	South Street	Zone 4	C - Collector	50050	CS	\$32,032.00	\$32,032.00	
Sicily	32	Beachcomber Drive	End	Zone 1	R - Residential/Local	7350	3CS	\$6,688.50	\$13,597.50	
SouthBay	61	Quintana	Twin Bridges	Zone 4	MiA - Minor Arterial (4)	124845	M2	\$22,472.10	\$22,472.10	
SouthBay	61	Twin Bridges	City Limit	Zone 4	MiA - Minor Arterial (4)	73080	CS	\$46,771.20	\$46,771.20	
Tahiti	32	Beachcomber Drive	End	Zone 1	R - Residential/Local	6000	3CS	\$5,460.00	\$11,100.00	
Terra	34	Sandalwood Avenue	End	Zone 1	R - Residential/Local	14000	3CS	\$12,740.00	\$12,740.00	
Tide	45	Island	Zanzibar	Zone 1	R - Residential/Local	60700	DO	\$42,000.00	\$112,295.00	
Vashon	16	Beachcomber Drive	End	Zone 1	R - Residential/Local	5300	3CS	\$4,823.00	\$9,805.00	
Verdon	32	Sandalwood Avenue	Coral Avenue	Zone 1	R - Residential/Local	8600	3CS	\$7,826.00	\$15,910.00	
West	42	Beach Street	Surf Street	Zone 3	R - Residential/Local	14700	CS	\$9,408.00	\$9,408.00	
18/19 Subtotal								\$353,966.25	\$524,134.25	
Grand total								\$980,873.60	\$1,477,602.40	

1 Need unit prices for dig outs and full depth reclamation.

2 This budget is based on current funding availability. Approval of new funding sources would significantly expedite reconstruction.

3 PMP Street priorities are reevaluated annually during project design to utilize the most appropriate repair method, considering current pavement condition & fund availability.

4 Final street selection will occur after Street Summit with Council approval of award.

5 **Needing full depth reclamation**

**CITY OF MORRO BAY
FIVE YEAR PAVEMENT MANAGEMENT PLAN
COMPLETED PROJECTS BY FISCAL YEAR**

2012	2013	2014	2015	2016/2017	
Bernardo1	Kern1	Alder Avenue	Atascadero Road	Acacia	Panorama
Main8	Beach1	Andros Street	Beachcomber	Avalon	Piney
Kern1	Marina1	Beachcomber Avenue	Blanca	Bali	Ponderosa
Oak1	Pacific1	Bonita Street	Bonita	Bayshore	Prescott
Olive3	Harbor1	Cedar Avenue	Delmar Park Trail & Parking Lot ^{2 3}	Birch	San Juan
Ester01	Mimosa1	Dawson Avenue	Harbor	Bolton	Shasta
Quintana3	"PD Alley"	Dogwood Avenue	Hatteras	Casitas	Sienna
Pecho1		Elm Avenue	Java	Clarabelle	Sunset
Ridgeway1		Fir Avenue	Market	Conejo	Tuscan
Center1		Gilbert Street	Panorama ³	Coral	Vashon
Marengo1		Greenwood Avenue	Quintana Place	Driftwood	Vista
Dana1		Hatteras Street	Quintana Road	Dunes	Walnut
Fresno1		Hemlock Avenue	Radcliffe	Elena	Zanzibar
Marina2		Island Street	Sandalwood	Elm	
Scott1		Java Street	San Jacinto	Fir	
South2		Kings Street	San Joaquin	Greenwood	
Alta1		Nassau Street	Sicily	Harbor	
Tide1 ¹		Nevis Street	South Bay Blvd ³	Hill	
Embarcadero1		Norwich Street	Trinidad	Hillview	
Balboa1		Oahu Street	Whitbey	Kennedy	
Las Tunas		Panay Street	Casitas*	Koa	
Morro2		Quintana Road	Conejo*	Laurel	
		Sequoia Street	Juniper*	Luzon	
		Whidbey Way	Koa*	Mindoro	
		Yerba Buena Street	Laurel*	Monterey	
			Maple*	Napa	
			Nutmeg*	Nutmeg	
			Pacific ²	Pacific	

NOTES:

- ¹ Work done without charge as compensation for contractor delays; value of work = \$61k
- ² Storm Drain Repair
- ³ Pavement Replacement
- * Trench Repair



AGENDA NO: C-3

MEETING DATE: September 12, 2017

Staff Report

TO: Honorable Mayor and City Council

DATE: August 7, 2017

FROM: Scot Graham, Community Development Director
Cindy Jacinth, Senior Planner

SUBJECT: Adoption of Downtown Waterfront Strategic Plan for the General Plan/Local Coastal Program Update

RECOMMENDATION

Staff recommends the Council review the presentation by staff, receive public comment and adopt the Downtown Waterfront Strategic Plan (DWSP) prepared as part of the General Plan/Local Coastal Program Update.

BACKGROUND

The DWSP was created as part of Plan Morro Bay, the City's General Plan/Local Coastal Program update. It is the result of public outreach through workshops and surveys, both on-line and print, as well as three General Plan Advisory Committee meetings and two Planning Commission meetings. The DWSP is a long-range strategic planning document with objectives to connect the downtown and waterfront areas, establish design guidelines, identify opportunity sites and catalyst projects with a 10-year near-term vision.

The Planning Commission first reviewed the Downtown Waterfront Strategic Plan on May 16, 2017, and provided comments to staff. The Planning Commission staff report is provided below as an online link, which includes links to both the DWSP and the revised DWSP in track change format. The revised DWSP was reviewed by Planning Commission on July 18, 2017, which forwarded the final version on to Council for adoption. The Planning Commission did not recommend any substantive changes to the revised DWSP.

Since the July 18, 2017, meeting, staff has received public comments from two local residents included as Attachment 2 of the staff report. Staff recommends the portion of public comment received by Ms. Mandeville, which recommends potential funding sources also include donations, be incorporated into Chapter 2 of the adopted DWSP.

Mayor Irons and Mayor Pro Tem Heading each own property within the Downtown portion of the DWSP. Due to that financial interest, they must recuse themselves from participating in the decision that will affect that portion of the DWSP.

CONCLUSION

Staff recommends adoption of the Downtown Waterfront Strategic Plan with incorporation of the public comment to include adding donations as potential funding sources.

ATTACHMENTS

1. Final Downtown Waterfront Strategic Plan (DWSP)
<http://www.morro-bay.ca.us/DocumentCenter/Home/View/10982>

Prepared By: CJ

Dept Review: SG

2. Public comment received by Ms. Peggy Mandeville received July 27, 2017 and Ms. Barbara Doerr received July 20, 2017

ONLINE LINKS:

May 16, 2017 Planning Commission staff report

<http://www.morro-bay.ca.us/DocumentCenter/View/11056>

May 16, 2017 Planning Commission minutes

<http://www.morro-bay.ca.us/ArchiveCenter/ViewFile/Item/4278>

July 18, 2017 Planning Commission staff report

<http://www.morro-bay.ca.us/DocumentCenter/View/11057>

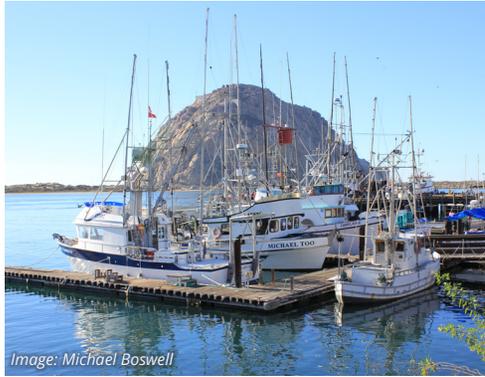
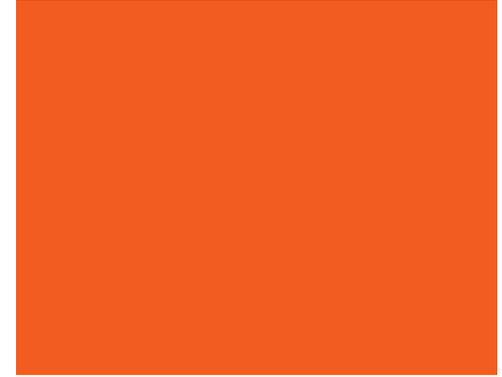


Image: Michael Boswell



DOWNTOWN WATERFRONT STRATEGIC PLAN

City of Morro Bay

July 2017

ACKNOWLEDGMENTS

PROJECT TEAM

City of Morro Bay

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Cindy Jacinth, Senior Planner
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PlaceWorks

Tammy L. Seale, Associate Principal

General Plan Advisory Committee

Robert Tefft, Chairperson
Rich Buquet
Jan Goldman
Susan Schneider
Glenn Silloway
Melani Smith
Susan Stewart
Jeffrey Heller
Robert "Red" Davis (former member)

TABLE OF CONTENTS

1. Introduction	1.1
1.1 Project Area and Purpose	1.2
1.2 Community Conversations	1.7
1.3 Document Organization	1.16
2. Vision Plan	2.1
2.1 Vision Key Themes	2.2
2.2 Opportunity Sites	2.9
2.3 Catalyst Projects	2.15
3. Design Guidelines	3.1
3.1 Introduction	3.3
3.2 General Design Guidelines	3.6
3.3 Downtown Specific Design Guidelines	3.26
3.4 Waterfront Specific Design Guidelines	3.30
4. Implementation	4.1
4.1 Implementation Action Plan	4.2

1 INTRODUCTION

- 1.1 Project Area and Purpose
- 1.2 Community Conversations
- 1.3 Document Organization



CHAPTER 1



1.1 Project Area and Purpose

Project Area

The downtown and waterfront areas comprise the social, economic, and cultural heart of Morro Bay. These areas are the center of commerce, arts, and entertainment for the city and home to a number of community amenities and destinations, including City Park, Bay Theater, the public library, City Hall, and the in-progress Maritime Museum.

The waterfront has a maritime feel, combining a working waterfront for commercial and recreational purposes with tourist-serving retail. It is adjacent to the bay and extends east to a bluff that serves as the dividing line between the waterfront and downtown. Downtown is located uphill from the waterfront and includes a variety of uses such as residential, retail, office, service commercial, and tourist-serving uses. The greatest number of hotels



and motels in Morro Bay are located in this area above the bluff. Restaurants and retail uses are concentrated along Morro Bay Boulevard, particularly near its intersection with Main Street.

The Downtown Waterfront Strategic Plan (Strategic Plan) area is generally defined by the waterfront to the west, Kern Avenue to the east, Beach Street to the north, and Pacific Street to the south. The plan area is illustrated in **Figure 1.1**.

Purpose

The purpose of this Strategic Plan is to connect and enhance Morro Bay's downtown and waterfront areas and provide a more uniform feel to each district. The Strategic Plan summarizes the outcomes of a community-based visioning process and will serve as a guide for private development and public investment and decision-making over the next 5 to 10 years. This plan, in conjunction with the Morro Bay General Plan, Local Coastal

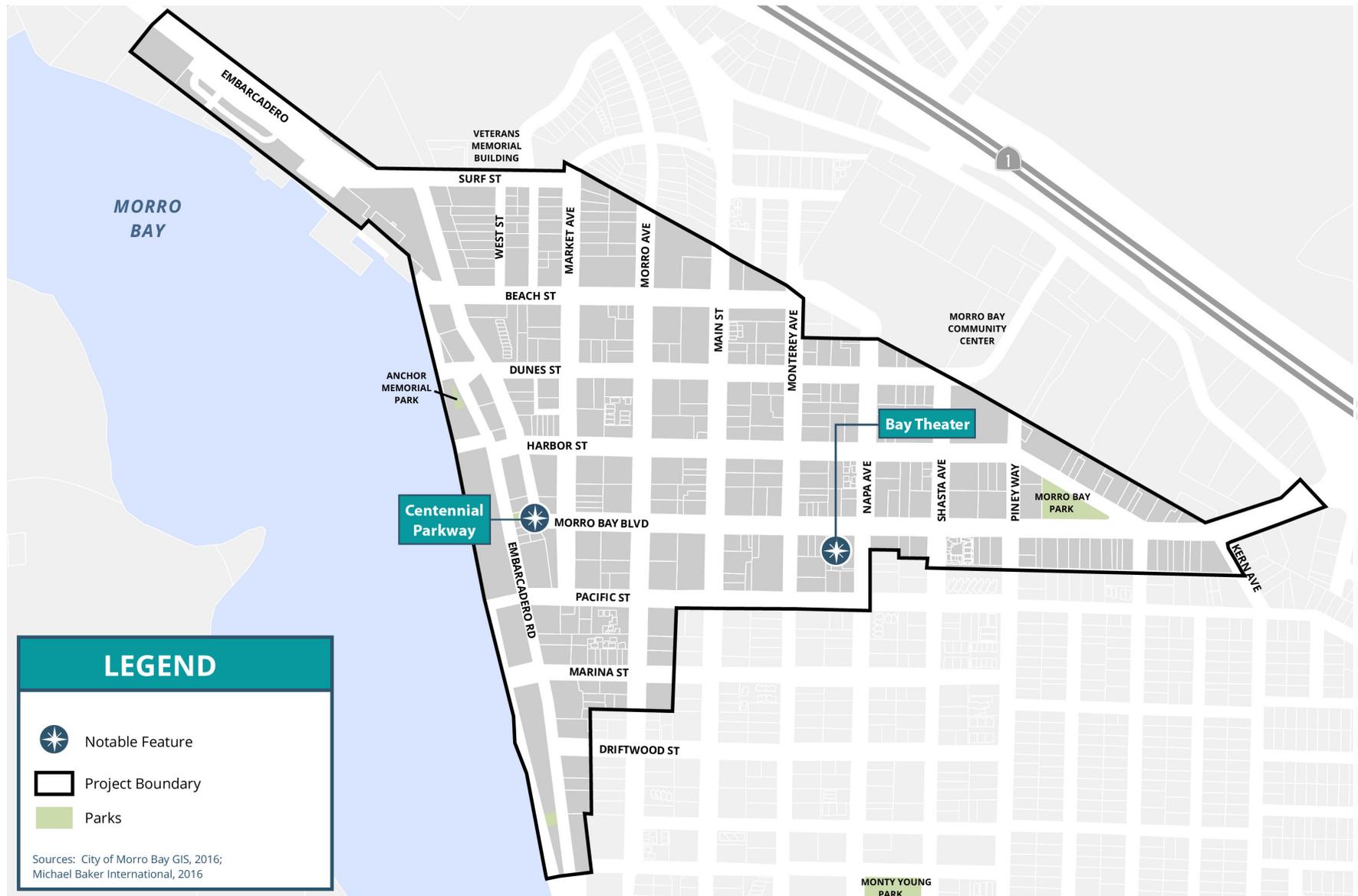
CHAPTER 1



Program, and Zoning Code, provides a framework for property owners, the development community, and City staff to implement projects and develop properties consistent with the vision, goals, and strategies outlined in the document. In addition, portions of this plan that apply to the waterfront area will serve as a guide for the next update of the Waterfront Master Plan.

The Strategic Plan serves as a catalyst for change in downtown and along the waterfront, identifying priorities for public spending and projects needed to improve the community. Community revitalization often begins with public investment in the planning and design process. Changes to both the public realm (e.g., streets and parks) and the private realm (e.g., buildings) are brought about by a commitment to public, private, and public/private partnership projects that lead to area-wide improvements.

Figure 1.1 Project Area



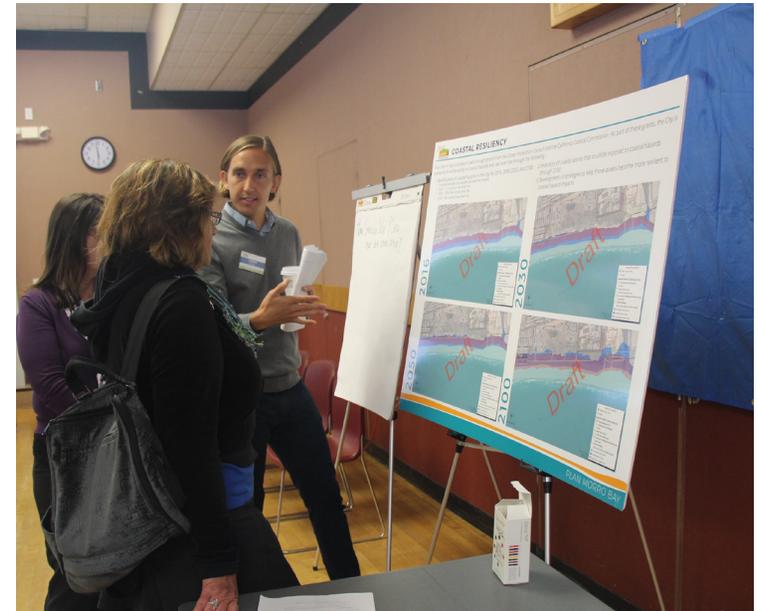
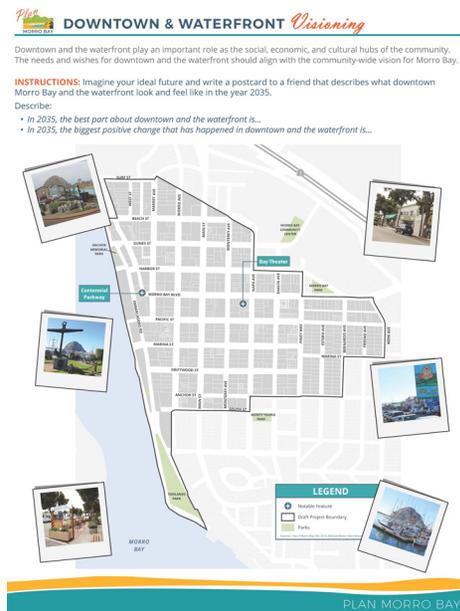
CHAPTER 1



Plan Goals

To guide the development of the Strategic Plan, a set of plan goals were developed at the outset of the project to establish the planning framework and project understanding. These goals created a starting point for development of more detailed strategies found in this Strategic Plan. The plan goals are:

- Provide a vision for the downtown and waterfront areas
- Connect the two areas
- Develop design guidelines to enhance the character and signage of the districts
- Identify policies and projects to achieve the vision
- Create a tool for a clear path to implementation



1.2 Community Conversations

The Downtown Waterfront Strategic Plan project began in April 2016. The project team met with the Morro Bay Community Development Department to create a shared understanding of the project purpose and establish a clear set of objectives. A comprehensive community engagement strategy was carried out to ensure that the Strategic Plan reflects the values and desires of the community, which included:

- Stakeholder interviews
- General Plan Advisory Committee (GPAC) meetings
- Media outreach
- Community workshops

The following summarizes the outreach and engagement efforts, tools, and key themes resulting from outreach activities.

Stakeholder Interviews

In July 2016, the project team met with a number of community members, including residents, business owners, developers, and representatives from community organizations. The purpose of these interviews was to listen to the community members express their views, concerns, and aspirations for downtown and the waterfront. The questions were intended to solicit an understanding of issues and opportunities in each district, and what types of improvements community members would like to see in the area. The primary themes that emerged from the stakeholder interviews included:

- Improve connections, wayfinding, and signage between downtown and the waterfront.
- Improve maintenance in both the public and private realms to show a sense of pride.
- Improve circulation along the waterfront, including wider sidewalks, contiguous lateral access, and multimodal balance.
- Develop vacant parcels between the waterfront and downtown, or convert them into community spaces.
- Add activities and events for a broader range of age groups.
- Support/promote the working waterfront/fishing industry.
- Create a key destination(s) to attract people to Morro Bay. Ideas include the Maritime Museum (currently in progress), an aquarium/research center, and/or an event/meeting facility.
- Install gateway features/signage to draw people in and announce arrival into Morro Bay.
- Introduce mixed-use development in downtown.
- Create additional public spaces, plazas, and outdoor performance venues.
- Add/improve parking and public transit to the waterfront.
- Attract a more varied demographic of visitors with higher-end facilities and retail.

- Install streetscape improvements, including a cohesive look/theme and additional lighting, signage, bulbouts, trash cans, and outdoor seating.

General Plan Advisory Committee Meeting

On July 21, 2016, the project team solicited more detailed direction on priority projects and design guideline topics from the GPAC. The key themes that emerged included the following:

Top private improvements:

- Empty lot across from the Blue Sail Inn
- Empty lots along Morro Bay Boulevard between Morro and Market Avenues
- Empty lot at Beach and Main Streets

Top public improvements:

- Centennial Staircase (including an outdoor performance area)
- Walkability along the water
- Morro Bay Boulevard from Main Street to Centennial Staircase
- Wayfinding signage to and between downtown and the waterfront
- Circulation improvements for all modes along the Embarcadero

Waterfront and Downtown Design Preferences:

	Waterfront	Downtown
Like	<ul style="list-style-type: none"> • Transparency of windows and doors • Increased use of 2nd floor areas as short-term rentals (motel, B&B) • Appropriate and inviting signage • Eclectic architectural styles (including modern elements) • Human scale elements • Bay-oriented landscaping • Nautical/seaside theme 	<ul style="list-style-type: none"> • Human scale elements • Transparency of windows and doors • Mix of uses (including residential) • Absence of chain stores • Outdoor amenities (dining, seating) • Small town “feel” • Older, eclectic buildings • Benches, trees, planters • Generally 2 stories or less
Dislike	<ul style="list-style-type: none"> • Awful signage • Discontinuity of lateral access • Overly modern buildings • Unattractive/poorly maintained parking areas • Narrow walkways 	<ul style="list-style-type: none"> • Two-story limit on buildings • Uneven walkways • Unkempt/poorly maintained look • New buildings out of character with old ones • Lack of landscaping and trees • Too many thrift stores on Morro Bay Boulevard

Workshop 1

The first community-wide visioning workshop for the Downtown Waterfront Strategic Plan was held on June 16, 2016. Approximately 40 participants attended the workshop. The team started the meeting by introducing the community to the project and presenting



key findings from the preliminary analysis. The workshop was highly interactive and included presentations, a visioning activity, a mapping exercise, and facilitated small group discussions.

As a welcome activity, participants were invited to imagine their ideal future, and write a postcard to a friend that described what downtown Morro Bay and the waterfront would look and feel like from this future perspective. There was general agreement among participants that the downtown and waterfront areas should remain affordable, welcoming, and eclectic into the future. In addition, many participants imagined a future that includes improved connectivity between downtown and the waterfront, especially for bicycles and pedestrians, along with additional green space, clean energy, and a vibrant economy.

Next, participants were asked to take part in a small group mapping activity to identify up to three assets and three opportunity sites in the waterfront and downtown areas.

CHAPTER 1

Many common themes emerged regarding aspects of downtown and the waterfront that participants perceived as community assets. Among the most cited assets were existing community character (including the look and feel of the buildings, streets, and businesses), natural beauty (including views of the water and the rock, parks, animals, and recreational activities), and ease of mobility and circulation for pedestrians and transit-users. For opportunity areas, many participants discussed ways that the buildings, streetscapes, and circulation within and between downtown and the waterfront could be improved. Ideas and suggestions included:

- Façade improvements
- Development of vacant lots
- Construction of mixed-use and multistory buildings downtown
- Transforming the power plant into an aquarium or other cultural use
- Pedestrian and bicycle connectivity and safety improvements
- More frequent trolley service
- Improved handicap accessibility
- Reduced traffic/congestion along the Embarcadero
- Better maintenance of public spaces and facilities
- Installation of gateway signage in downtown and at Centennial Staircase
- Construction of a visitors center
- Increased facilities for boating

Workshop 2

A second community-wide workshop for the Downtown Waterfront Strategic Plan was held on October 12, 2016. Approximately 38 participants were present, along with City staff, the project team, GPAC members, and an elected official. The main purpose of this workshop was to gather community input on design preferences for streets and buildings and confirm the list of potential projects to catalyze future improvements and investment in the downtown and waterfront areas.



After a brief presentation summarizing the project and outreach to date, participants were organized into small groups for a design character activity. The lead facilitator presented a series of slides illustrating the design features of buildings, streetscapes, public spaces, and signage. The slideshow then called out potential design themes for design elements such as building characteristics, streetscape furnishings, gateway features, and signage. Participants were provided with a matching large-format activity sheet that asked them to identify which design themes they preferred for various design elements for downtown and the waterfront. The preferred design themes were as follows:

Design Element	Preferred Design Theme	
	<i>Downtown</i>	<i>Waterfront</i>
Character-Defining Building Elements	Eclectic/Quirky	Nautical/Seaside
Streetscape Furnishings	Eclectic/Artsy	Nautical/Seaside
Gateway Features	Archways	Sculptural/Art
Signage	Figurative/Whimsical	Nautical/Rustic

CHAPTER 1

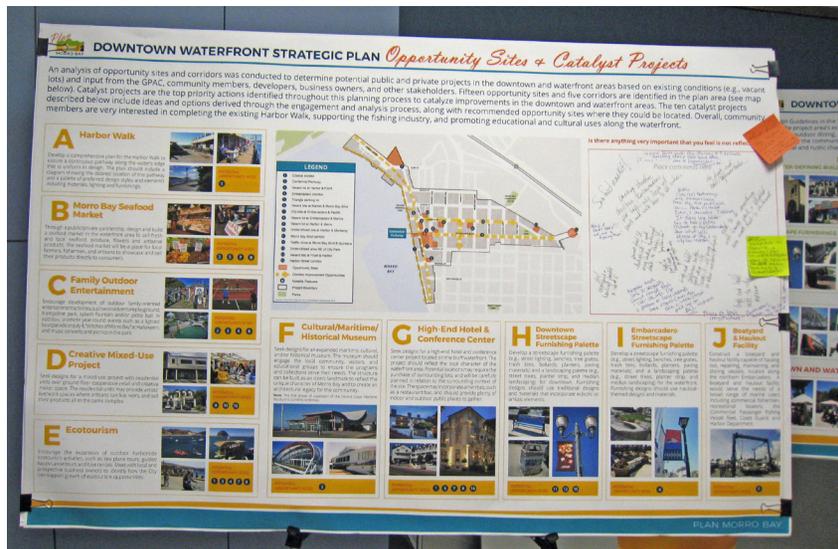
Next, each small group facilitator led an activity to confirm the preliminary list of opportunity sites for potential new development, and participants were asked to provide input on seven potential catalyst projects for the downtown and waterfront areas. Similar to the previous activity, participants were asked to select and discuss preferred option(s) for each project. The preferred options for each catalyst project were as follows:

Catalyst Project	Preferred Option
Project 1: Fishing industry supportive uses and activities	Fresh seafood and local farmers market
Project 2: Harbor Walk	Boardwalk
Project 3: Educational, historical, and cultural uses	Maritime/cultural/historical museum
Project 4: Ecotourism/harbor-side and water-based sports and recreation/waterfront experience	Water-based sports and land-based activities (tie)
Project 5: Family-oriented activities and entertainment	Outdoor activities
Project 6: Full service hotel and meeting facilities	Water/bluff location
Project 7: Mixed use	Residential over retail

In addition, participants were asked to identify priority catalyst projects. Overall, participants were very interested in completing the existing Harbor Walk, supporting the fishing industry, promoting educational and cultural uses along the waterfront, and adding mixed-use residential over retail or community spaces in downtown.

Workshop 3

The third community-wide workshop for the Downtown Waterfront Strategic Plan was held on February 2, 2017. Along with City staff and the project team, approximately 30 participants were present, including GPAC members and two elected officials. The main purpose of this workshop was to gather community input on key components of the draft plan.



The workshop was set up in an open house format in which participants were invited to circulate among four exhibits that presented the key sections of the plan: vision, opportunity sites and catalyst projects, design guidelines, and implementation. Participants were asked to identify any important items or issues that they felt were not reflected in the plan. In general, comments were minimal and suggested support for the catalyst projects and implementation actions identified in the plan. Additional suggestions included:

- Expand the bike path all the way to Tidelands Park.
- Close the Embarcadero to vehicle traffic.
- Focus on maintenance of public spaces/restrooms and the provision of basic infrastructure such as trash cans and bike racks.
- Build a parking structure downtown.
- Ensure that there is consistent wayfinding signage to direct users to coastal access points, public restrooms, and other amenities.
- Place the full service hotel/meeting facilities next to the Maritime Museum.

1.3 Document Organization

This Strategic Plan is an action-oriented document that provides a framework to support the community's vision for downtown and the waterfront. It includes the following chapters:

1. Introduction. This chapter explains the purpose of the Strategic Plan, describes the project outreach process, and includes the project goals.
2. Vision Plan. This chapter establishes the overall vision for design and character within downtown and the waterfront. Included in this chapter are the key vision themes, opportunity sites, and catalyst projects that were identified through the public outreach and engagement process. The vision outlines the community's desired future for these districts; the opportunity sites identify underutilized sites where new development that would further the vision could occur; and the catalyst projects identify activities that would spur positive change and enhance the physical environment.
3. Design Guidelines. This chapter provides guidance for the design of buildings, streets, and public spaces in the plan area.
4. Implementation. The Strategic Plan has many components, and its vision cannot be achieved overnight. This chapter establishes implementation actions, phasing, financing, and other information related to how the Strategic Plan can implement the vision established in Chapter 2. The implementation actions represent the physical improvements, programs, and projects that need to be carried out for the Strategic Plan to be realized.

2 VISION PLAN



- 2.1 Vision Key Themes
- 2.2 Opportunity Sites
- 2.3 Catalyst Projects

CHAPTER 2



2.1 Vision Key Themes

The seven key themes listed below set the foundation and clear direction for the Strategic Plan's vision for the future of Morro Bay's downtown and waterfront.

The future downtown and waterfront of Morro Bay will...

1. Celebrate the town's rich fishing industry history and working waterfront

- Enhance the small beach town character of Morro Bay
- Preserve Morro Bay as a quaint fishing village
- Promote Morro Bay's unique history and cultural heritage
- Support the city's working waterfront and commercial fishing industry



2. Be unique, eclectic, charming, and artistic places that stand apart from other seaside communities

- Support local, independent businesses that preserve the area’s identity as an important and unique shopping destination
- Create a welcoming atmosphere for both residents and visitors
- Promote Morro Bay as a family-friendly destination
- Integrate public art into the physical fabric of the community (e.g., Centennial Staircase)

CHAPTER 2



3. Be vibrant and economically diverse places to live, visit, and work

- Preserve and enhance affordable housing options
- Create a vibrant environment, with activities and uses that will attract residents and visitors during the day and evening hours
- Offer visitor-serving uses that enhance public access to the coastline
- Promote a diverse mix of commercial uses, providing a broad range of goods and services
- Offer numerous creative and unique small-shop choices and dining options at every price point
- Provide a range of employment opportunities



4. Celebrate memorable views and connections from downtown to the beach, waterfront, and Morro Rock

- Provide safe and convenient public access to the beach and waterfront
- Extend the Morro Bay Harbor Walk
- Preserve view corridors to the bay
- Install gateways with signature elements, materials, and plantings to announce arrival and welcome visitors into the downtown and waterfront areas

CHAPTER 2



5. Provide convenient opportunities to walk, trolley, and bike safely

- Create safe, clean, and convenient streets and pathways for both pedestrians and bicyclists
- Encourage pedestrian-only or shared streets
- Promote accessibility for all transportation modes and users, especially pedestrians and bicyclists
- Provide a high-quality, aesthetically pleasing pedestrian environment that encourages walking, featuring trees, benches, lighting, and other amenities, outdoor dining areas, and other open spaces



6. Showcase opportunities to discover and highlight Morro Bay's natural beauty

- Create a network of outdoor spaces to socialize, enjoy quiet and natural serenity, and appreciate views of the bay
- Promote water sport and waterfront activities such as paddle boarding, fishing and kayaking
- Protect natural wildlife, such as sea otters and seals
- Provide activities for people of all ages, from youth to seniors
- Promote exciting cultural venues and family-oriented activities
- Offer community outdoor events that reinforce a shared sense of community and place

CHAPTER 2



7. Support a thriving and robust local economy and tourist industry

- Promote renewable energy sources
- Support a robust fishing industry
- Provide a variety of good paying jobs in clean energy
- Promote ecotourism
- Expand office and technology business opportunities
- Create a business-friendly environment
- Encourage installation of water bottle filling stations
- Install urban greenery and stormwater mitigation in the public realm

2.2 Opportunity Sites

An analysis of opportunity sites was conducted to determine potential public and private projects in the downtown and waterfront areas. These sites synthesize feedback received from the public during community workshops, stakeholder interviews, direct input from the GPAC on private and public opportunity sites, parcels identified by Chabin Concepts in the *Morro Bay Economic Development Roadmap Working Paper*, and information received from City staff. City-owned, underutilized, and vacant parcels were also analyzed to determine sites where new development or public improvements could occur. Vacant parcels may also be appropriate for interim uses such as parking, passive recreation, outdoor family recreation, and community events. Other opportunity sites, including the street ends on the bayside of the Embarcadero, are discussed in the Economic Development Strategic Plan prepared by Chabin Concepts for the City.

Fifteen opportunity sites and five opportunity corridors are identified in the plan area (see **Figure 2-1**). Parcel-specific sites with the potential for public or private development are shown in red. Yellow dashed lines identify corridors where the community indicated a desire for streetscape improvements, such as lighting, bike lanes, or enhanced sidewalks. Most of the opportunity areas are clustered around Centennial Parkway and surrounding City-owned and vacant parcels in order to enhance connections between downtown and the waterfront.

CHAPTER 2

Figure 2-1 Map of Opportunity Sites





1 Coastal access



2 Centennial Parkway



3 Vacant lot at Harbor & Front



4 Embarcadero corridor

CHAPTER 2



5 Triangle parking lot



6 Vacant lots at Market & Morro Bay Blvd



7 City lots at Embarcadero & Pacific



8 Vacant lot at Embarcadero & Marina



9 Vacant lot at Harbor & Morro



10 Underutilized lots at Harbor & Monterey



11 Morro Bay Blvd corridor



12 Traffic circle at Morro Bay Blvd & Quintana

CHAPTER 2



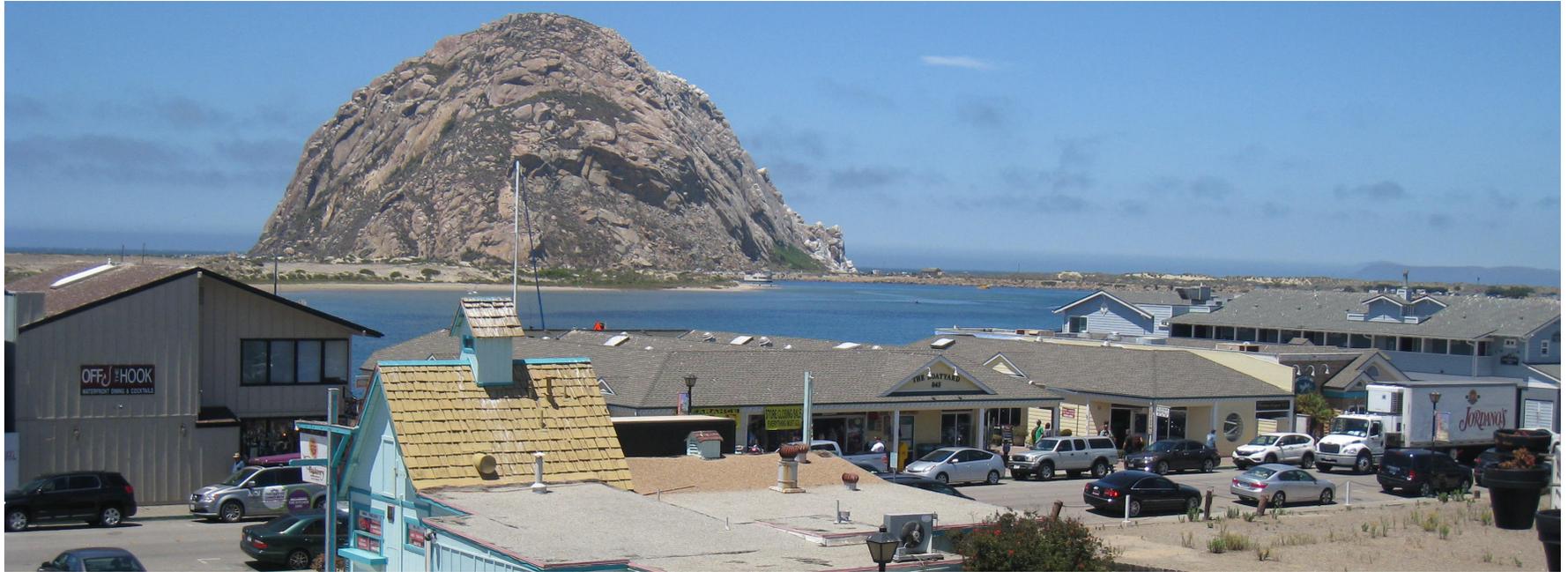
13 Underutilized area NE of City Park



14 Vacant lots at Front & Harbor



15 Harbor Street corridor



2.3 Catalyst Projects

The catalyst projects are the top priority actions identified throughout this planning process to catalyze improvements in the downtown and waterfront areas. These projects are described below in greater detail, including suggested timing of implementation. Many of these projects should be initiated in the near term (within 1 to 3 years) after the adoption of this plan to promote revitalization in downtown and along the waterfront. Opportunity sites are identified for each catalyst project, to indicate potential locations where the project could be successfully implemented. Some sites may not be large enough to accommodate an entire catalyst project and will thus require assembly of surrounding parcels, while other sites may be able to accommodate more than one project. Many of these projects will require public and private collaboration to successfully execute. They are not listed in any particular order, and do not reflect priority of implementation.

PROJECT

POTENTIAL OPPORTUNITY SITES FOR THIS PROJECT

1

Lead Responsibility: Morro Bay Community Development

Support Role: Morro Bay Harbor Department; Morro Bay Public Works Department

Timing: Initiate the planning process by summer 2017.

Catalyst Project A: Harbor Walk

Description:

Develop a comprehensive plan for the Harbor Walk to ensure a continuous pathway along the water's edge that is uniform in design. The plan should include a diagram showing the desired location of the pathway and a palette of preferred design styles and elements including materials, lighting and furnishings. The process to develop the plan should involve the community and reflect community preferences for materials and styles.

Why Is This a Priority?

Morro Bay's waterfront currently lacks a clear and continuous designated pathway along the harbor's edge. There are a few sections of pathway and a number of viewing points and public plazas for visitors and residents to meet, socialize and enjoy the views. Gaps in the pathway should be completed to form a seamless pathway that improves access to the waterfront. The proposed Harbor Walk should be designed to attract visitors and residents to the waterfront to support local businesses. The Harbor Walk should be a signature amenity for the community.

Potential Funding Source: Grant funded



PROJECT B

POTENTIAL OPPORTUNITY SITES FOR THIS PROJECT

3

5

7

8

Potential Funding Source:

Public/private partnership

Lead Responsibility:

Morro Bay Community Development

Support Role:

Developer

Timing: Initiate an RFP process seeking designs and a developer to partner with on this project by 2019.

Catalyst Project B: Morro Bay Seafood and Local Goods Market

Description:

Through a public/private partnership, design and build a seafood and local goods market in the waterfront area to sell fresh and local seafood, produce, flowers, and artisanal products. The seafood and local goods market will be a place for local farmers, fishermen, and artisans to showcase and sell their products directly to consumers. The seafood and local goods market can feature indoor and outdoor vendor stalls, ready-to-eat items, and outdoor dining. It will be a bustling and vibrant venue that attracts both locals and visitors to the area.

Why Is This a Priority?

Currently, there are a couple of places on the waterfront to purchase both fresh and ready-to-eat items directly from local fishermen. However, these places are tucked away and not directly visible from the street. This concept could be expanded to create a larger and more visible operation that features a greater variety of regional products to support local businesses and provides an exciting place to shop and eat.



PROJECT

POTENTIAL
OPPORTUNITY SITES
FOR THIS PROJECT

2

3

4

8

Lead Responsibility: Morro Bay Chamber of Commerce and Developers

Support Role: Morro Bay Community Development, Morro Bay Recreation Services

Timing: Seek and secure funding for a family-oriented activity or event by the middle of 2018.

Catalyst Project C: Family Outdoor Entertainment

Description:

Encourage development of outdoor family-oriented entertainment activities, such as an adventure playground, trampoline park, splash fountain and/or pickle ball. In addition, promote year-round events such as a lighted boat parade on July 4, “Witches of Morro Bay” at Halloween, and music concerts and picnics in the park.

Why Is This a Priority?

The downtown and waterfront area currently lacks sufficient entertainment for people of all ages. Additional outdoor events and activities for families will provide more entertainment opportunities and bring more life to these areas. In addition, these activities will promote healthy living by encouraging play and physical activity.

Potential Funding Sources: Grants; User Fees; Developer Impact Fees; Benefit Assessment Districts; Mello-Roos Community Facilities District; General Fund



PROJECT

POTENTIAL OPPORTUNITY SITES FOR THIS PROJECT

9

10

13

Lead Responsibility: Morro Bay Community Development

Support Role: Developer

Timing: Initiate an RFP process seeking designs and a developer to partner with on this project by 2024.

Catalyst Project D: Creative Mixed-Use Project

Description:

Utilize an RFP process to seek designs for a mixed-use project with residential units over ground floor cooperative retail and creative maker space. The residential units may provide artists-in-residence live/work spaces where artisans can live, work and sell their products all in the same complex. The makerspace can also offer specialized classes to children and adults to grow appreciation for arts and crafts in Morro Bay.

Why Is This a Priority?

The creative mixed-use project will support art and culture in Morro Bay. Smaller unit, multi-family residential units provide more affordable options for artists to live in the area. Makerspace provides opportunities for new and established artists to collaborate and learn from one another, and provides access to specialized tools and resources that are otherwise unattainable.

Potential Funding Source: Public/private partnership, Community Development Block Grants, Low Income Housing Tax Credit, General Fund



PROJECT

POTENTIAL OPPORTUNITY SITES FOR THIS PROJECT

1 3 4 7 8

Lead Responsibility: Morro Bay Community Development, Chamber of Commerce, and local businesses

Support Role: Morro Bay Harbor District, Public Works Department, and Recreation Services

Timing: Meet with existing and potential business owners interested in ecotourism by the middle of 2018.

Catalyst Project E: Ecotourism

Description:

Ecotourism involves visiting pristine, fragile, relatively undisturbed areas. It is a low-impact and small-scale alternative to conventional tourism. Some proceeds may go towards conservation/environmental protection. The City will encourage the expansion of outdoor harborside ecotourism activities, such as surfing, camping, hiking, birdwatching, kayaking, dragon boat races, stand-up paddle boarding, wooden boat shows, tall sailing ships, tours of fishing boats, guided kayak/canoe tours, and bike rentals. Meet with local and prospective business owners to identify how the City can support growth of ecotourism opportunities. Providing infrastructure to facilitate various types of ecotourism is the goal of this catalyst project.

Why Is This a Priority?

The waterfront is and will continue to be a draw for locals and visitors to enjoy the natural beauty around the bay. The harborside walk identified in Project A will create a new opportunity for a continuous path along the waterfront and improved access to the waterfront. These activities will provide more entertainment opportunities for people of all ages, and promote a healthy lifestyle.

Potential Funding Sources: Staff time



PROJECT

POTENTIAL OPPORTUNITY SITES FOR THIS PROJECT



Lead Responsibility: Morro Bay Community Development, Central Coast Maritime Museum

Support Role: Developer/Builder

Timing: The first phase of expansion of the Central Coast Maritime Museum is currently under way. Seek designs for a larger museum facility by the end of 2027.

Catalyst Project F: Cultural/Maritime/Historical Museum

Description:

Work with the Central Coast Maritime Museum to expand upon and build a permanent cultural, maritime and/or historical museum. The museum should engage the local community, visitors, and educational groups to ensure the programs and collections serve their needs. The structure can be built as an iconic landmark to reflect the unique character of Morro Bay and to create an architectural legacy for the community. The development should provide inviting outdoor public spaces where the community can come together.

Why Is This a Priority?

The project will provide opportunities to appreciate, understand, and promote the natural and cultural heritage of Morro Bay. Cultural facilities can be a focal point and center of activity for visitors and residents. They provide opportunities for entertainment, learning, and support new jobs.

Potential Funding Source: Public/private partnership, staff time, General Fund



PROJECT

POTENTIAL OPPORTUNITY SITES FOR THIS PROJECT

1 3 7 8 14

Lead Responsibility: Morro Bay Community Development

Support Role: Developer

Timing: Initiate a marketing campaign seeking designs or a developer and engage a real estate broker to partner with on this project by the end of 2018.

Catalyst Project G: Full Service Hotel & Meeting Facilities

Description:

Utilize an RFQ process to seek designs for a full service hotel and meeting facilities project located on the bluff/waterfront. The project should reflect the local character of the waterfront area, as identified in Chapter 3 Design Guidelines. Potential locations, which may require the purchase of surrounding lots, will be assessed and carefully planned in relation to the surrounding context of the site. The complex should respect local topography and provide expansive views of the bay. The space may incorporate other desirable community amenities, such as a restaurant/bar, and should provide plenty of indoor and outdoor public places to gather.

Why Is This a Priority?

Morro Bay provides a number of affordable hotel options, but there is a gap in the market for a full service hotel. The hotel and meeting facilities will provide much needed meeting space within the community, and an increase in hotel visitors will support local businesses.

Potential Funding Source: Public/private partnership, General Fund



PROJECT

POTENTIAL OPPORTUNITY SITES FOR THIS PROJECT

11 12 15

streetscape amenities can be installed, the City should work with the community and local artists to identify preferred furnishings and develop a uniform palette for downtown.

Potential Funding Source: Benefit Assessment District, Capital Improvement Funds, General Fund

Lead Responsibility: Morro Bay Community Development

Implementation ongoing.

Catalyst Project H: Downtown Streetscape Furnishing Palette

Description:

Develop a streetscape furnishing palette (e.g., street lighting, benches, tree grates, trash bins, bollards, planters, paving materials) and a landscaping palette (e.g., street trees, planter strip, and median landscaping) for downtown. Consider removing some of the unneeded stop signs on Morro Bay Boulevard as they currently act as a deterrent to cars on that street. Integrate landscaping standards appropriate for the local climate, to include consideration of hardy and drought-tolerant species, as well as community design preferences for custom-style furnishings and material. Review the City's street tree list and amend as needed, ensuring that selected trees are complementary. Furnishing designs should reflect the existing character of the downtown by using traditional designs and materials that incorporate eclectic or artistic elements. Traditional streetscape furnishings include wood or metal-slatted benches, gas-lamp or luminaire-shaped streetlamps, streetlight poles with banners and hanging baskets, metal trash receptacles, colorful planters, and simple pole or u-shaped bike racks. However, such furnishings can be custom-made to fit the eclectic identify of Morro Bay, by incorporating bright colors and integrating public art such as tiles/mosaics, sculptural forms, and/or figurative elements that will add a distinctive twist. The following images provide a selection of materials, styles, and other design ideas that can be used to create a custom streetscape furnishing and materials palette for downtown.

Why Is This a Priority?

The downtown area currently lacks amenities needed to create a comfortable and safe environment for pedestrians and cyclists. Attractive and coordinated streetscape furnishings create a uniform street design and contribute to a clear identity. Before



PROJECT

Support Role: Morro Bay Public Works, community members, and local artists

Timing: Complete draft of the Streetscape Furnishing Palette by the end of 2018.

POTENTIAL
OPPORTUNITY SITES
FOR THIS PROJECT

4

Catalyst Project I: Embarcadero Streetscape Furnishing Palette

Description:

Develop a streetscape furnishing



PROJECT

POTENTIAL OPPORTUNITY SITES FOR THIS PROJECT

5

Timing: Complete draft of the Streetscape Furnishing Palette by the end of 2018.

Catalyst Project J: Boatyard & Haulout Facility

Description:

palette (e.g., street lighting, benches, tree grates, trash bins, bollards, planters, paving materials) and a landscaping palette (e.g., street trees, planter strip, and median landscaping) for the Embarcadero. Integrate landscaping standards appropriate for the local climate, to include consideration for protection from wind, as well as community design preferences for custom-style furnishings and materials. Furnishing designs should reflect the existing character of the waterfront area by using nautical-themed designs and materials. Nautical elements include boat shapes, portholes, references to marine wildlife, ropes, anchors, lighthouses, and muted seaside colors. Materials that fit with the bayside character and location of the Embarcadero include rustic and natural wood, glass, and metal. The following images provide a selection of materials, styles, and other design ideas that can be used to create a standard streetscape furnishing and materials palette for the Embarcadero.

Why Is This a Priority?

The waterfront area currently has a number of amenities that create a comfortable and safe environment for pedestrians and cyclists; however, these amenities lack a cohesive design style. Unified streetscape furnishings will beautify the project area and establish a clear and unique sense of place. Before streetscape amenities are installed, the City should work with the community and local artists to identify preferred furnishings and develop a uniform palette for the Embarcadero.

Potential Funding Source: Benefit Assessment District, Capital Improvement Funds, General Fund

Lead Responsibility: Morro Bay Community Development

Support Role: Morro Bay Public Works, community members, and local artists



Photo Credit: Flickr user Venture Minimalists

DESIGN GUIDELINES

3



- 3.1 Introduction
- 3.2 General Design Guidelines
- 3.3 Downtown Specific Design Guidelines
- 3.4 Waterfront Specific Design Guidelines



Image: Michael Boswell

3.1 Introduction

The following design guidelines will help achieve the overarching vision for Morro Bay's downtown and waterfront by perpetuating quality development that will complement and enhance the project area's eclectic style and small, seaside character. The guidelines apply to public improvements as well as all private development that occurs in the project area, addressing the design of both new buildings and renovations to existing structures. Development along the waterfront is required to comply with the Waterfront Master Plan (WMP).

The intent of the design guidelines is to:

- Preserve the eclectic charm and small-town seaside character of Morro Bay.
- Improve connectivity between downtown and the waterfront.
- Encourage high-quality materials and architectural elements that enhance the character and identity of the downtown and waterfront areas.
- Create a coordinated and consistent design theme for public facilities including sidewalks, public restrooms, planters, street furniture, benches, signs, and light poles along the Embarcadero and Morro Bay Boulevard.
- Facilitate continuous lateral access along the waterfront.
- Preserve public view corridors to the harbor, bay sandspit, and Morro Rock.
- Foster a strong sense of community, through functional, safe, and well-designed private and public spaces.

The design guidelines will be a component for development approvals of all public improvement and private development projects in the downtown and waterfront. Plans will be reviewed against these design guidelines to ensure that they meet the intent of the guidelines. Conformance with the guidelines below is encouraged, but not necessarily required. Alternative design solutions are permitted provided that they meet the overall objectives of this document.

CHAPTER 3

These guidelines are organized into: 1) guidelines applicable to both the downtown and waterfront, 2) supplemental guidelines applicable specifically to the downtown, and 3) supplemental guidelines applicable specifically to the waterfront. Projects will be subject to both the general design guidelines and their area-specific guidelines. The boundary between the downtown and waterfront follows the bluff line, as illustrated in **Figure 3-1 Downtown and Waterfront Area Boundaries**. If a parcel is split by the boundary, City staff will exercise discretion to apply either the downtown guidelines or the waterfront guidelines. While the design themes for the downtown and waterfront should complement each other, each area has a distinctive identity and character. The design character of downtown is predominantly traditional, with eclectic and artistic enhancements, whereas the waterfront is celebrated for its nautical and rustic character.

Figure 3-1 Downtown and Waterfront Area Boundaries



3.2 General Design Guidelines

I. Site Design

1. A consistent street frontage should be maintained along the waterfront. Buildings and site design shall provide a continuity of interest and facilitate pedestrian movement along the street frontage.
2. Building frontages facing a street or public space should be located at the corresponding property line and/or sidewalk edge (zero setback), unless space between the building and sidewalk is to be used for outdoor pedestrian spaces such as plazas and forecourts.
3. Buildings should be oriented so that the primary façades and key pedestrian entries face major streets and plazas.
4. Commercial and mixed-use development should occur at the front edge of the property line unless outdoor dining or a recessed entry is proposed.
5. Service facilities such as trash enclosures and mechanical equipment should be located away from public pathways and gathering spaces, and screened from view.

II. Buildings

A. Height, massing, and scale

1. Height
 - a. Downtown: Up to 37 feet. Architectural projections such as towers and turrets may extend an additional 7 feet above the maximum building height.
 - b. Waterfront: Allowed heights in the waterfront are detailed in the Waterfront Master Plan and in the Morro Bay Municipal Code, Title 17 - Zoning.
2. The scale of new infill developments should complement existing structures while providing a sense of human scale and proportion.
3. Transitions in scale and character at the interface between residential and nonresidential land uses that maintain consistency and compatibility in terms of the physical characteristics of the site and structures are encouraged to break up the mass of large-scale (frontage width greater than 50 feet) buildings. This can be accomplished by integrating one or more of the following approaches into a building's design:



I.2



I.3



II.A.2

CHAPTER 3

- a. Use articulation that replicates the area's urban design and traditional narrow storefronts. Articulation includes changes in wall planes, upper-story building stepbacks, and/or projecting or recessed elements.
 - b. Incorporate architectural elements and details such as adding notches, grouping windows, adding loggias, dormers, and balconies, and varying cornices and rooflines.
 - c. Vary materials and colors to break up large wall planes and enhance key components of a building's façade (e.g., window trims, entries, projecting elements).
 - d. Design large buildings to appear as an aggregation of smaller "building blocks" rather than a single large block or box.
 - e. Vary sizes of elements to transition to smaller-scale buildings.
4. The use of upper-story stepbacks is strongly encouraged to reduce the appearance of taller buildings, and increase amount of sunlight access. Consider opportunities to provide balconies and terraces on upper-story stepbacks.
 5. Long horizontal rooflines on buildings with flat or low-pitched roofs should be broken up at intervals of no more than 50 feet. This can be accomplished through the use of architectural elements such as parapets, varying cornices, and roof height and/or form.
 6. Building heights should relate to adjacent sites to allow maximum sun and ventilation as well as provide protection from prevailing winds.
 7. Corners should be accentuated with height, articulation, and unique roof silhouettes to emphasize their presence.

B. Façades

1. Along key commercial corridors (Embarcadero, Morro Bay Boulevard, Main Street), the majority of the street-oriented frontage should be occupied by active uses that are visually and physically accessible from the street.
2. Building walls facing public streets and walkways should provide visual interest to pedestrians. Variations such as display windows, changes in building form, and changes in material, texture, and/or color are encouraged. Blank façades are to be avoided.
3. Façades should be broken down into a series of appropriately proportioned structural bays or components.
4. Where the façade is divided into distinct structural bays (sections defined by vertical architectural elements such as masonry piers), awnings should be placed within the vertical elements rather than overlapping them. The awning design should respond to the scale, proportion, and rhythm created by these structural bay elements, and nestle into the space created by the structural bay.
5. Large, blank façades should be avoided. The use of opaque and highly reflective glass is also discouraged.
6. Designs should use architectural elements to enhance the character of building façades. It is important to note that the architectural elements described should be appropriate to and integrated into the overall design of the building and should not appear to have



II.A.7



II.A.4



II.B.4



II.B.3



II.B.7

CHAPTER 3

been merely added on to the outside. These can include cornices, lintels, sills, balconies, awnings, porches, and stoops.

7. Enliven facades using architectural details such as ornamentation, inset doorways and windows (e.g., transom windows), and projecting elements such as entrance porches, stoops, balconies, porticoes, canopies, awnings, and trellises.
8. Upper stories should include expressive design features such as balconies and bay windows.
9. For infill structures, storefront windows, doors, entries, transoms, awnings, cornice treatments, and other architectural features should complement surrounding existing structures.
10. Commercial entrances should be recessed from the façade, creating a small alcove area.
11. Entries should be clearly visible from the street, accentuated from the overall building façade, and provide visual interest. This can be accomplished through the use of a differentiated roof, awning or portico, trim details, recessed entries, doors and doorways with design details, decorative lighting, or other techniques.
12. Vary materials and colors to enhance key components of a building's façade (e.g., window trims, entries, projecting elements). Material changes should occur preferably at the inside corners of changing wall planes.
13. Glossy finish vinyl or similar awning material is discouraged.
14. Overhead cover should be provided along the sidewalk for pedestrian comfort, especially where there are few mature street trees. Canopies and awnings are encouraged.
15. When the side or rear façades of a building will be visible from any street, walkway, or other public use area, the design, materials, articulation, and detailing of such façades should be equivalent to and consistent with the front façade.

C. Windows/transparency

1. For ground-floor building façades, especially those associated with a storefront, glass should be clear or lightly tinted. Opaque, reflective, and dark-tinted glass is discouraged. Window signs and window displays of merchandise should not be so large or dense as to significantly obstruct views into the interior of the business.
2. For upper-floor uses, balconies should include transparent or semitransparent railings to enhance natural lighting and maximize "eyes on the street."
3. Designs should maximize transparent windows on all sides of buildings, particularly for ground-floor retail uses and at building corners. Views into these spaces should not be obstructed.
4. If protection from glare is necessary at certain times of day, this should be accomplished by means of movable shades, blinds, or shutters, which should remain open at such times that glare is not an issue.



II.B.10, II.B.11



II.B.12



II.B.14



II.C.1, II.C.3



II.D.1

CHAPTER 3

D. Character-defining elements and architectural quality

1. Wall surfaces should be articulated using treatments such as board and batt, engage pilasters, multilevel trim, cornices, and built-up fascia.
2. Building architectural character shall show consideration and recognition of neighboring buildings in the selection of roof forms, wall colors and materials, doors and windows, and basic design character scale and proportion.
3. Adaptive reuse of potentially historic structures is encouraged, in accordance with the Secretary of the Interior's Standards for Rehabilitation.
4. All building materials should be selected with the objectives of quality and durability as well as to produce a positive effect on the pedestrian environment through scale, color, and texture.
5. Design visually attractive buildings that add architectural richness and variety to the downtown and waterfront environments, including creative contemporary architectural solutions.
6. New construction should not mimic previous architectural styles in such a way that creates a false historical appearance.

III. Outdoor Dining

1. Appropriate outdoor dining configurations include ground-floor outdoor spaces along and/or within sidewalks and pedestrian spaces, upper floor balcony areas, and ground-floor indoor spaces located along a building frontage that features a retractable façade.
2. Outdoor dining areas located in side or rear yards may be fenced for security and screened for privacy.
3. Outdoor dining furniture, fencing, and appliances may not be stored within the public right-of-way.
4. Outdoor dining areas should leave at least 4 feet of unobstructed pedestrian circulation space along the sidewalk, walk streets, or pedestrian space. The circulation space must be clear of obstructions caused by trees, tree wells, posts, hydrants, or any other infrastructure.
5. Furniture and fixtures should not be secured to trees, lampposts, street signs, hydrants, or any other street infrastructure by means of ropes, chains, or any other such devices.
6. Umbrellas and sun shades are encouraged to provide shade. Wherever utilized, these devices should incorporate durable, high-quality materials such as cloth, aluminum, wrought iron, fabricated steel, or wood. Vinyl or plastic materials should be avoided. Umbrella stands should be cast aluminum, wrought iron, fabricated steel, wood, or similar materials. Shade devices are to maintain a minimum height clearance of 8 feet.



III.1, III.6



III.2



III.1, III.3



III.9

CHAPTER 3

7. Sheltering for wind protection is encouraged on the waterfront.
8. Outdoor dining areas should incorporate sufficient lighting for safety while maintaining ambiance.
9. Outdoor dining areas should include at least one enclosed trash receptacle.
10. Fencing may be used to demarcate outdoor dining areas. Fencing should comply with the following guidelines:
 - a. Fencing should be decorative.
 - b. Fencing should be constructed from durable, high-quality materials, such as wrought iron and other metals, masonry, or wood. Plastic and resin fencing is discouraged.
 - c. With the exception of masonry construction, solid and/or opaque walls are discouraged.
 - d. Fencing may incorporate planting boxes and pots.

IV. Commercial Signage

1. Small-scale signs and projecting signs oriented toward pedestrians and bicyclists are encouraged.
2. Sign shape, type styles, and color combinations should complement the architectural style of the buildings which they designate.
3. Signs should reflect a crafted, high-quality, detailed design approach and be maintained in good condition.
4. Where permitted, neon/electric signs should be designed to reflect a “retro” or historic style and should be limited to one per building.
5. Signs should be scaled to fit and complement the area’s pedestrian-oriented environment.
6. Large-scale corporate signage should be modified to fit the scale and character of the downtown and waterfront areas.
7. Signs should not obstruct or obscure building architecture, lighting, or view corridors.
8. Signs should reflect the uses that they represent in creative and fun, as well as functional, ways.
9. Pole-mounted signs and can signs are prohibited.

V. Lighting

1. Lighting should be designed to satisfy both functional and decorative needs.
2. All project exterior lighting, with the exception of lighting for public streets, should be consistent with the architectural style of the building. On each site, all lighting fixtures should be from the same family of fixtures with respect to design, materials, color, fixture, and color of light.



IV.1, IV.3, IV.4



IV.7



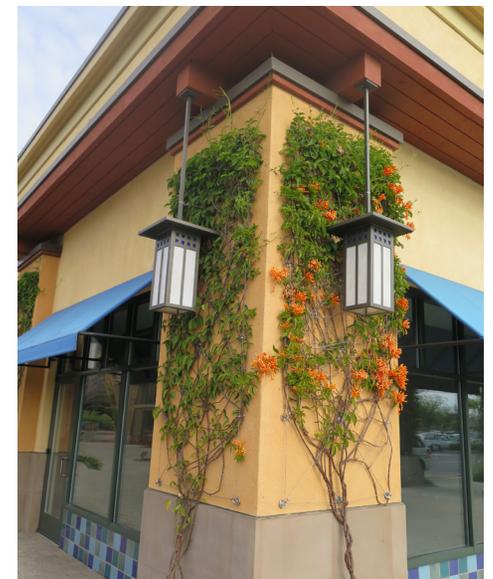
IV.1, IV.2, IV.4, V.2, V.8



IV.1, IV.3, IV.4



V.1, V.2, V.6, V.7



V.1, V.2

CHAPTER 3

3. Incorporate human-scaled fixtures that emit a warm light along pedestrian sidewalks and paths to increase safety and comfort.
4. Lighting fixtures should be dark sky-compliant.
5. The use of energy-efficient light fixtures is strongly encouraged.
6. Lighting sources should be downcast, shielded, diffused, or indirect to avoid glare to pedestrians and motorists.
7. To minimize the total number of freestanding pedestrian-scale lighting fixtures, decorative wall-mounted lights are encouraged.
8. Building entrances should be well lit with appropriately scaled light fixtures that complement the building's architectural style.

VI. Plazas and Outdoor Spaces

1. Larger mixed-use developments should incorporate defined open spaces that are accessible to the public. Appropriate spaces include forecourts, paseos, and plazas.
2. The design of small seating areas, plazas, and outdoor dining is encouraged as an integral component of all new development to enhance the downtown and waterfront environments.
3. Plazas should be provided along streetscapes, on the waterfront, between buildings, and adjacent to active retail and restaurant uses.
4. Solar access should be considered in the design and orientation of plazas and outdoor spaces, so as to avoid creating spaces that are in shadow most of the day.
5. Greening should be considered in plazas and outdoor spaces, including the public right of way and public parking areas. This would include permeable paving as well as capture and infiltration and/or cleaning of stormwater and runoff, thus reducing the heat island effect.
6. Plazas and outdoor spaces should be designed and oriented such that adjacent active ground-floor uses look onto them to activate the space and provide "eyes on the street."
7. Outdoor gathering spaces should offer a number of amenities including seating, landscaping, and features that draw people into the space, such as water features, public art, gathering areas, shade, and drinking fountains.
8. Outdoor gathering spaces should provide a range of seating area options, allowing for both large group socializing and more quiet contemplation.
9. Plaza designs that incorporate special paving materials such as pavers, scored concrete, stone, or other accent materials are encouraged.
10. To ensure safety, all new and existing public spaces should be designed and maintained to be highly visible from the surrounding streets and private properties.



VI.1



VI.10



VI.2, VI.3, VI.5, VI.6, VI.9



VI.2, VI.3, VI.5, VI.6, VI.8



Image: Michael Boswell

VI.2, VI.3, VI.6, VI.7

CHAPTER 3

11. Plazas and outdoor spaces should be designed to be safe, well-lit, and easily accessible by all modes of transportation.
12. Outdoor spaces should be designed to incorporate Crime Prevention Through Environmental Design (CPTED) principles: natural surveillance, natural access control, territorial reinforcement, and maintenance and management. This includes making outdoor spaces visible from the street, providing pedestrian-scale lighting to enhance nighttime security, and encouraging sightlines, ease of wayfinding, and protection from entrapment.

VII. Connectivity

A. Private realm connections

1. Pedestrian passages that enable through-block pedestrian circulation, such as paseos, are encouraged.
2. Paseos should be designed such that:
 - a. They have visibility from one end to the other and are wide enough to be feel comfortable for pedestrian users.
 - b. Buildings facing the paseo have windows and/or side entrances to provide a higher level of visibility on to the paseo.
 - c. Commercial activities, such as outdoor dining and seating, are incorporated but do not disrupt visibility.
 - d. They include site furnishings, landscaping, and lighting as well as banners, fountains, flags, sculptures, or other elements that provide visual interest.
3. The use of plazas, walkways, and sidewalks is encouraged to create a network of spaces that connects downtown to the waterfront and integrates the two districts.
4. Infill development of vacant or underdeveloped land, especially projects that will fill gaps between downtown and the waterfront, should be supported.

B. Visual connectivity

1. View corridors (open linear spaces located between or adjacent to buildings affording views from the street of the harbor, bay sandspit, or Morro Rock) should not have visual obstructions except for low shrubs, seating, benches and other street furniture of 30 inches in height or less. Taller lighting poles or similar fixtures may be allowed.
2. Overhead structures such as canopies, balconies, and pedestrian bridges (other than normal eaves) are discouraged within view corridors unless said structure is offset by additional width of the view corridor equal to the vertical dimension of the overhead structure.
3. The location and orientation of buildings, especially those in clusters, should be carefully designed to preserve and/or create view

DESIGN GUIDELINES



VII.A.1, VII.A.2



VII.A.1, VII.A.2



VII.B.1, VII.B.3



VII.B.1, VII.B.2, VII.B.3

CHAPTER 3

corridors to the bay.

VIII. Parking and Loading

1. Create direct, well-lit walkways and visual connections to parking lots and structures.
2. Parking should be as unobtrusive as possible and not detract from the pedestrian experience.
3. Reduce the bulk of large parking structures by breaking up façades with articulated fronts, architectural details, and upper-story stepbacks.
4. Parking garages should be accessed from side streets or alleys, where possible, rather than from pedestrian-oriented streets.
5. Surface parking lots should be constructed and/or upgraded to meet the design, screening, and landscaping standards specified in the Morro Bay Zoning Ordinance.
6. Adequate loading zones should be provided to ensure that commercial vehicles can be loaded and unloaded without obstructing the flow of vehicular or pedestrian traffic or parking illegally.
7. Enforcement of parking time limits and/or institution of paid parking should be employed to ensure efficient turnover of public parking spaces in high-demand areas.

IX. Public Street Furnishings

1. The type, design, and materials of street furnishings should reflect the local character and context of the area, and contribute to a sense of community identity.
2. Street furnishings (e.g., furniture, light fixtures and poles, tree grates) should fit into a desired theme or unified style for a given thoroughfare or district.
3. Ample shading elements and outdoor furniture such as benches and trash receptacles should occur at regular intervals to improve pedestrian access and comfort.
4. Adequate bicycle parking facilities should be provided along planned bicycle lanes and within major activity centers; new developments should be encouraged to incorporate bicycle amenities such as bicycle racks.
5. Bicycle racks should be placed near activity centers, transit, adjacent to public buildings, adjacent to parks, and in other visible locations as appropriate.
6. Pedestrian comfort should be enhanced with amenities such as drinking fountains, public restrooms, public telephones, newsstands, planters, and kiosks, especially along wide sidewalks with heavy foot traffic.
7. Long-term maintenance and appearance costs should be factored in when choosing design patterns, streetscape furnishings,



VIII.1



IX.10



IX.2, IX.3



IX.9



IX.4, IX.5

CHAPTER 3

and fixtures.

8. On-street parking, raised planters, bulbouts, and landscaped sidewalk planting strips should be used to provide buffers between pedestrians and moving vehicles.
9. Consider installing specially designed light standard banners to highlight and differentiate the downtown and waterfront areas.
10. Incorporate public art into the design of street furnishings, paving, public spaces, and gateways to reflect the local character of Morro Bay.
11. Install electric vehicle charging stations along the waterfront.

X. Landscaping

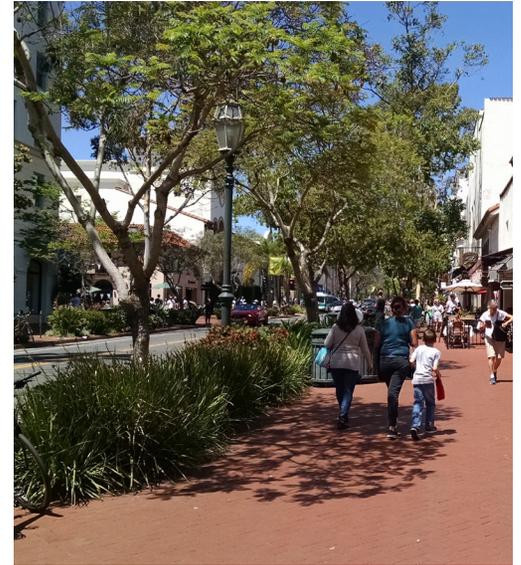
1. Landscape treatment should reflect a village character with the strategic use of planting areas, street trees, planter boxes and pots, hanging baskets, and appropriate foundation plantings where practicable. Hardscaped areas should be softened with the use of plants, shrubs, and trees.
2. Utilize a landscape palette that reflects the history, culture, and climate of the area.
3. The planting of street trees is encouraged to provide overhead cover. Species choices should consider access to both shade and sun along sidewalks. Where appropriate, tree grates should be used in order to facilitate pedestrian movement.
4. Select street trees that hold up to urban and coastal conditions, such as drought-tolerant, hardy, and deep-rooted tree species.
5. For each block on a street, no more than three species are recommended. Mixed species result in better long-term management because they are less prone to diseases and insects than use of a single species. Alternatively, too many species create a lack of visual unity along the street.
6. Where needed and feasible, plant trees or shrubs as windbreaks.
7. Landscaping should be designed to effectively enhance existing views or provide new view corridor opportunities.
8. Landscaping should be used to provide effective screening of parking areas, retaining walls, utility enclosures, utility cabinets, service areas, or service corridors to reduce negative visual impacts.
9. Landscaping should be provided along fences and walls to soften their appearance.
10. The use of landscaping is encouraged to create a buffer between adjacent land uses, provide shade and interest near seating areas, and define outdoor dining zones.
11. Provide opportunities for installation of public art in the landscape; landscape designer/artist collaborations are encouraged.
12. Landscaping should incorporate native and drought-tolerant species to the greatest extent possible.



X.2, X.11



X.1, X.2, X.8



X.1, X.3, X.5



X.14, X.15



X.10

CHAPTER 3

13. The use of recycled water for landscaping is encouraged.
14. Turf areas should be minimized except where recreation areas are required.
15. Stormwater runoff should be detained and retained by maximizing the use of pervious surfaces, vegetated bioswales, and vegetative groundcover to the greatest extent practicable.
16. Landscaping and pervious surfaces should be incorporated into the design of surface parking lots whenever possible to interrupt the pavement expanse, reduce stormwater runoff, reduce the heat island effect, improve the visual appearance, and shade parked cars and pedestrians.
17. The landscaping character of the site should be extended to adjacent parking lots to ensure cohesion between the landscape design of buildings and associated parking areas.
18. Both public and private landscape areas should be maintained by appropriate trimming of plant materials, prompt removal of dead plants, provision (during drought periods and the non-rainy season) of sufficient water to maintain the health of plants, removal of weeds, and such other measures as are needed to ensure the attractiveness and usefulness of the landscaped sites.

XI. Public Sidewalks and Pedestrian Pathways

1. Public walkways should be of sufficient width to accommodate street trees and pedestrian/bike amenities, as well as a zone devoted to clear pedestrian passage.
2. Consider the use of special paving materials, colors, and/or patterns to accentuate walkways, intersections, and crossings.
3. Corner curb extensions, midblock crossings, and/or sidewalk bulbouts should be used where feasible and needed to reduce crossing distances and to calm traffic.
4. Bulbouts that function as small plazas with amenities such as landscaping, seating, trash receptacles, and bicycle racks are encouraged.

XII. Public Signage and Wayfinding

1. Public art should be used to identify areas with a unique identity or celebrate the entrance to a public place; for example, mark gateways and other important public places and buildings with public art.
2. Utilize directional and wayfinding signs to aid pedestrian and vehicular orientation and wayfinding as well as to identify special districts, historical and cultural landmarks, and local attractions.
3. Pedestrian-oriented signs and maps should be located at key pedestrian activity nodes, such as transit stops, plazas, and shopping areas.



XI.2



XI.2, XII.1



XII.2, XII.4, XII.5



XII.1



XII.8



XII.1

CHAPTER 3

4. A coordinated system of signs and maps should be provided to direct visitors to important public services and facilities.
5. Directional and wayfinding signage should be coordinated with other street amenities to unify areas with a distinct identity.
6. Graphic communication on signage should be unambiguous and lettering should be legible.
7. Provide visually attractive, easy-to-read, and well-located signage to direct vehicles to available parking areas.
8. Explore opportunities for educational and interpretive signage to highlight important historic or natural features of the area (e.g., the bay and sandspit).

3.3 Downtown Specific Design Guidelines

I. Buildings

1. In general, the height of new buildings in the downtown area should be consistent with the pattern that currently predominates of one and two-story retail structures. Increased height sufficient to accommodate additional stories should, however, be allowed to facilitate designated types of development which will contribute positively to the vitality and street life of the area, such as residential-above-retail and visitor serving-above-retail uses.
2. Corner towers, turrets, and roof forms above fascia may project up to 7 feet above maximum height.

II. Character-Defining Elements and Architectural Quality

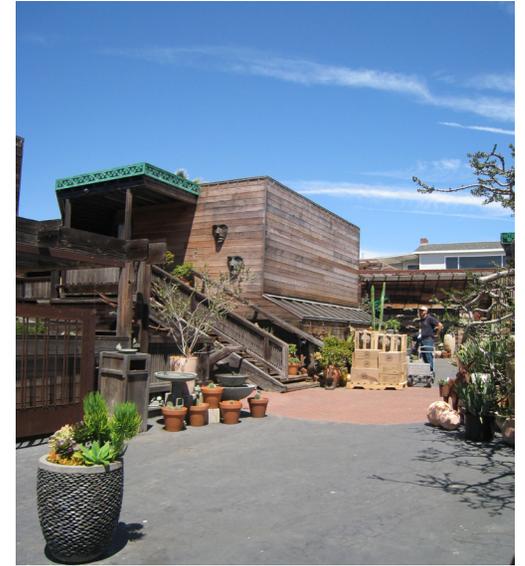
1. The design of buildings in the downtown area should maintain and enhance the eclectic character and architectural diversity of existing structures. Features of the eclectic style in downtown Morro Bay that should be perpetuated include:
 - a. A mix of traditional, retro, and modern building styles and treatments such as art deco, Spanish, Victorian, craftsman, folk, mid-century modern, and contemporary.
 - b. Varied roof forms.
 - c. Bright colors.
 - d. Unusual materials and forms.
 - e. Whimsical and figurative elements (e.g., buildings are shaped to mimic their function or to suggest objects associated with their function).
 - f. Detailing such as columns, ironwork, arches, transom windows, varied roof parapet shapes, projections, rafter tails, shingles, and wood scrollwork. Such elements should be authentic to and incorporated into the architectural style of the building. A



I.1, II.1.a, II.1.b, II.1.d



II.1.c



II.1.e



II.1.a, II.1.b, II.1.d



II.1.a, II.1.b, II.1.f



III.1

CHAPTER 3

'stuck-on' appearance is to be avoided.

- g. Insets and projections such as balconies, porches, porticoes, arcades, overhangs, railings, and awnings.

III. Parking and Loading

1. Where feasible, to support active pedestrian streetscapes, private parking lots, driveways, and loading areas should be located behind buildings and only be accessed from side or rear streets.
2. Wherever possible, loading facilities should not be located at the front of buildings where it is difficult to adequately screen them from view. Such facilities are generally more appropriately located at the rear of the site.
3. Where commercial buildings back up to residential properties, loading and delivery should be planned so that they will occur at the side of the building away from residences.
4. On-site parking should, to the extent feasible, be discouraged in the central core of the downtown area. Parking needs in this area should be addressed throughout downtown through the establishment of parking districts and shared parking. Special attention should be given to finding creative solutions to the need for proximate and accessible overnight parking for guests staying at lodging facilities.
5. Enforcement of parking time limits and/or institution of paid parking should be employed to ensure efficient turnover of public parking spaces in high-demand areas.

IV. Commercial Signage

1. A figurative or whimsical design theme is encouraged for commercial signage in the downtown area. Figurative signs generally use shapes, graphics (e.g., shoes, keys, books), type styles, colors, and materials that reflect the business they identify. Signature elements may include:
 - a. Three-dimensional or projecting shapes.
 - b. An eclectic mix of materials.
 - c. Distinctive font/type styles or hand-lettering.
 - d. Signs painted onto walls.
 - e. Raised lettering.
2. New and replacement signage should be consistent with the specific requirements and overall vision established by the City's Sign Ordinance.



IV.1.a, IV.1.c



IV.1.a, IV.1.b



IV.1.a, IV.1.e



IV.1.d



V.1, V.2

CHAPTER 3

V. Public Signage and Wayfinding

1. Create a sense of entry into the city (e.g., the roundabout at Morro Bay Boulevard and Quintana Road) by using structural elements, public art, signage, and/or special landscaping.
2. Arched gateway elements are encouraged at key entries to downtown. Sculptural archways offer an opportunity to incorporate public art into wayfinding and highlight Morro Bay's unique character. The design of such elements should be original and reflect and highlight Morro Bay's unique character.

VI. Maintenance

1. Maintain properties in an inviting manner for visitors and local customers and pedestrians including upkeep of buildings, landscape, and setbacks.

3.4 Waterfront Specific Design Guidelines

I. Buildings

1. Building massing and design should be guided by the objective of avoiding walling-off public visual access to the water from the Embarcadero and hillside backdrop to the city.
2. Rooftops should be varied to avoid monotonous views from the bluff-top areas.
3. Flat roofs and roof-top decks should be avoided.

II. Character-Defining Elements and Architectural Quality

1. The design of buildings in the waterfront area should maintain and enhance the nautical/fishing village character of existing structures. Features of the nautical/fishing village style of the Morro Bay waterfront that should be perpetuated include:
 - a. Horizontal and boat-shaped forms and elements.
 - b. Preferred siding types include ship lap, board and batten, shingles, and corrugated metal. Architectural elements should be constructed of natural materials, such as steel, wood, stone, tile, or brick.
 - c. Circular/porthole windows, or long horizontal bands of windows.
 - d. Walkways and other pedestrian areas should be surfaced with pressure-treated wood, brick, pavers, or stamped concrete.



II.1.a, II.1.f



II.1.c



II.1.b, II.1.d, II.1.e



II.1.b, II.1.d, II.1.e



III.1, III.7

CHAPTER 3

Significant areas of asphalt or plain-surfaced concrete are discouraged.

- e. Simple or rustic detailing.
 - f. Low-pitched and slanted roof forms.
 - g. Muted, seaside colors.
2. The design of buildings should maintain an architectural style in keeping with a working fishing community with the form and scale typical of the pedestrian-oriented community which has evolved over time.

III. Bluff Development

1. Structures located on steep slopes should incorporate a tiered design approach in order to minimize grading and reduce building massing and visual bulk. Design methods include steps in the building foundations and varied roof heights and planes.
2. Roof ridges should be oriented perpendicular to the direction of the slope.
3. New development should not contribute to bluff erosion.
4. Significant natural features such as drainage courses, rock outcroppings, sensitive biological resources, natural vegetation, and mature trees should be preserved and incorporated into the development design.
5. Retaining walls should be incorporated into the design of the structure so that they become part of the structure.
6. Structures should be nestled in the bluff buffer area, below ridgelines and within the folds of the bluff to help blend the structure into the site.
7. Structures built at the top of the bluff should be low in profile and sufficiently stepped back from the bluff face.
8. Underground, tuck-under, rooftop, and/or integrated structured parking should be used in the design of the structures.
9. The use of overhanging decks, large staircases, balustrades and solid wall railings, and patios formed by retaining walls that make buildings appear more massive should be avoided.
10. Development of properties that are bisected by the bluff should incorporate public pedestrian access from the waterfront elevation to the top of the bluff. Development should be designed and sited in such a manner as to preserve view corridors to the bay/harbor.
11. Public access easements should be incorporated into bluff development to provide direct connections across the bluff and shorten walking distances. Vertical access can be accomplished through the creation of public access stairways between developments, scenic overlooks, and trails. Semi-transparent fencing/walls and landscaping are encouraged along public access stairways.
12. Public connector pathways and stairs traversing the bluff should be well-lit.



III.10, III.11, III.12



IV.1, IV.2, IV.3



IV.2, IV.3



VI.1



V.1



V.1

CHAPTER 3

13. Comprehensive wayfinding signage should be installed to identify public access points along the bluff.
14. No structures or other obstructions that will impede access should be installed within the boundaries of any required easement.
15. Buildings constructed at or near the base of the bluff should be restricted in height and designed to preserve public views from the bluff top to the waterfront, Morro Rock, and pedestrian areas of the Embarcadero.

IV. Connectivity

1. Open view corridors should be incorporated into the design of new or remodeled structures on the west side of the Embarcadero to enhance overall visual access to the water. View corridors can be along property or lease lines, side yard setbacks, or incorporated within the building as open areas or walkways.
2. Encourage every building and/or shop to provide direct pedestrian access to the bay/harbor.
3. Each development located on the west side of the Embarcadero should provide lateral bayside access extending the full width of the site. Such lateral access should connect seamlessly and directly to lateral waterfront access and/or public viewing platforms on adjacent sites.

V. Commercial Signage

1. A nautical design theme is encouraged for commercial signage in the waterfront area. Nautical design features may include:
 - a. Shapes reminiscent of nautical elements such as boats, lighthouses, marine wildlife, ropes, anchors, waves, etc.
 - b. Rustic and wood materials.
 - c. Nautical font/type styles or hand-lettering. Examples of nautical font include Tognazzini's Dockside 3 sign. Boat name lettering on the back of vessels is often nautical in character.

VI. Public Signage and Wayfinding

1. Sculptural and artistic gateway elements are encouraged at key entries into the waterfront area.

VII. Public Street Furnishings

1. Street furnishings in the Embarcadero should be consistent with themes identified in the Embarcadero & Centennial Parkway project.
2. The type, design, and materials of street furnishings in the Embarcadero should reference Morro Bay's heritage as a fishing

community through the use of natural materials typical of maritime construction and through the artistic incorporation of shapes, images, and themes derived from the waterfront and the commercial fishing industry. Such marine materials, shapes, and images should be employed with creativity and originality so that the Embarcadero streetscape projects the unique identity of Morro Bay. An excessive or overly literal use of maritime elements which creates a streetscape undistinguished from other seaside communities should be avoided.

CHAPTER 3

IMPLEMENTATION 4

4.1 Implementation Plan



CHAPTER 4



4.1 Implementation Plan

This chapter provides clear guidance for policymakers to address the programmatic and physical improvements critical to achieve the vision for Morro Bay's downtown and waterfront areas. The implementation plan provides a list of the major actions needed for implementation, as well as the catalyst projects outlined in Chapter 2. Actions are additional implementation steps, programs, or projects identified through the community engagement and visioning process. Actions are not tied to a particular opportunity site, unlike the catalyst projects, which are associated with one or more potential opportunity sites. Actions and catalyst projects should be implemented at the discretion of the City over the 10-year time frame of this plan, as feasible. Table 4-1, Implementation Plan, identifies the responsible party and suggested timing for each action and catalyst project. Priority, or timing, is categorized using the following time frames: short term (0–3 years), mid term (4–6 years), and long term (7–10 years).

The actions and catalyst projects in Table 4-1 are organized into the following categories:

- Funding – actions to identify revenue sources and secure funding for implementation
- Land Use and Design – actions and projects related to private development of land and the physical appearance of downtown and the waterfront
- Circulation – actions and projects to improve vehicle, transit, pedestrian, and bicycle circulation
- Public Realm Improvements and Civic Programs – actions and projects to improve public spaces and provide cultural resources
- Community Events and Activities – actions and projects to increase and promote community events and activities in downtown and the waterfront
- Business Retention and Recruitment – actions to support existing businesses and attract new ones

CHAPTER 4

Table 4-1 Implementation Plan

ID	Chapter 2 Cross Reference	Action or Catalyst Project	Priority:	Responsibility	
			Short Term Mid Term Long Term Ongoing	Lead	Support
Funding					
F-1	NA	Use the City's existing Capital Improvement Plan process to prioritize, identify costs, and secure funding for the public facilities, programs, and infrastructure improvements identified in this chapter.	Short Term, Ongoing	CD	PW, RS
F-2	NA	Seek funding to offer matching grants or revolving loans to commercial buildings for façade improvements. Funding could be used for projects such as painting façades, replacing windows, doors, awnings, and signs, and exterior lighting.	Short Term	CD	beautification committee
F-3	NA	Research and apply for grants to fund streetscape improvements identified in this Strategic Plan.	Short Term, Ongoing	CD	beautification committee
F-4	NA	Seek funding for undergrounding utility lines.	Short Term	PW	CD
Land Use and Design					
Catalyst Project B	pg 2.18	Through a public/private partnership, design and build a seafood and local goods market in the waterfront area to sell fresh and local seafood, produce, flowers, and artisanal products.	Short Term	CD	Developers
Catalyst Project D	pg 2.22	Utilize an RFP process to seek designs for a mixed-use project with residential units over ground floor cooperative retail and creative maker space.	Long Term	CD	Developers
Catalyst Project G	pg 2.28	Utilize an RFQ process to seek designs for a full service hotel and meeting facilities project located on the bluff/waterfront.	Long Term	CD	Developers

ID	Chapter 2 Cross Reference	Action or Catalyst Project	Priority:	Responsibility	
			Short Term Mid Term Long Term Ongoing	Lead	Support
Land Use and Design - continued					
Catalyst Project J	pg 2.34	Assess acquisition and management strategies, identify a site, and utilize an RFP process for construction of a boatyard and haulout facility along the waterfront.	Short Term	H	CD, PW, developers, BHC
LU-1	NA	Establish a local historic preservation program to support preservation of historic structures in the project area. Consider installation of information plaques at historically designated sites.	Long Term	MBHS, CD	Community members, community organizations
LU-2	NA	Establish a beautification committee of volunteers to organize and promote activities to improve the appearance of downtown businesses as public spaces, such as: <ul style="list-style-type: none"> • Park enhancements • Adopt a “___” Program (e.g., bench, planter, gateway) • Regular maintenance of public spaces • Monthly/yearly cleanup events • Paint buildings • Building restoration 	Mid Term, Ongoing	CD, PW, RS	Community members, interested business and property owners, community organizations, youth leaders
LU-3	NA	Promote the use of vacant buildings in downtown for temporary commercial or public uses, such as pop-up retail shops or art exhibits. The City should consider issuing building occupancy permits at a reduced fee or waiving code requirements that are not public safety issues to allow temporary use of the buildings. Temporary signs, such as a banner sign, would be allowed for a temporary period.	Short Term	CD	Chamber

CHAPTER 4

ID	Chapter 2 Cross Reference	Action or Catalyst Project	Priority:	Responsibility	
			Short Term Mid Term Long Term Ongoing	Lead	Support
LU-4	NA	Develop citywide comprehensive commercial design guidelines.	Mid Term	CD	Community members
Circulation					
Catalyst Project A	pg 2.16	Develop a comprehensive plan for the Harbor Walk to ensure a continuous pathway along the water's edge that is uniform in design.	Short Term	CD	H, PW
C-1	NA	Complete construction of the Harbor Walk according to the Harbor Walk comprehensive plan (see Catalyst Project A).	Long Term	PW, CD, H	NA
C-2	NA	Install improvements identified in the Centennial Parkway Redesign. The plan includes a redesign of the staircase and the plazas at either end of the stairway to enhance the public spaces and improve connectivity between downtown and the waterfront (see Opportunity Site 2 and Catalyst Project C).	Mid Term	CD, PW	H, RS
C-3	NA	Install the circulation improvements identified by the Embarcadero Widening Plan, which includes a redesign of the roadway, sidewalk, streetscape furnishings, and parking areas to enhance the aesthetics and the experience for pedestrians, cyclists, and motorists (see Opportunity Site 4 and Catalyst Project I).	Mid Term	CD, PW	H
C-4	NA	Extend the "Molly" trolley route to include a frequent loop through the waterfront and downtown areas during peak times.	Short Term	PW	CD

ID	Chapter 2 Cross Reference	Action or Catalyst Project	Priority:	Responsibility	
			Short Term Mid Term Long Term Ongoing	Lead	Support
Circulation - continued					
C-5	NA	<p>Conduct a parking assessment for downtown and the waterfront and develop a long-term parking strategy. This strategy should address:</p> <ul style="list-style-type: none"> • On-street parking spaces (availability, time limits, etc.) • Opportunities for shared parking and access • Potential for construction of additional public parking lots or structures 	Long Term	CD, PW	H
Public Realm Improvements and Civic Programs					
Catalyst Project F	pg 2.26	Work with the Central Coast Maritime Museum to expand upon and build a permanent cultural, maritime, and/or historical museum.	In progress/ Long Term	CD, Central Coast Maritime Museum	Developer/ Builder
Catalyst Project H	pg 2.30	Develop a streetscape furnishing palette (e.g., street lighting, benches, tree grates, trash bins, bollards, planters, paving materials) and a landscaping palette (e.g., street trees, planter strip, and median landscaping) for downtown.	Short Term	CD	PW, community members, PAC/ local artists
PR-1	NA	Install new/improved streetscape furnishings (e.g., street lighting, banners, benches, tree grates, trash bins, bollards, water filling stations, bike racks, planters, and paving materials) in downtown, according to the Downtown Streetscape Furnishing Palette (see Opportunity Sites 11 and 15 and Catalyst Project H).	Mid Term, Ongoing	CD, PW	Community members, PAC/local artists

CHAPTER 4

ID	Chapter 2 Cross Reference	Action or Catalyst Project	Priority:	Responsibility	
			Short Term Mid Term Long Term Ongoing	Lead	Support
Public Realm Improvements and Civic Programs - continued					
Catalyst Project I	pg 2.32	Develop a streetscape furnishing palette (e.g., street lighting, benches, tree grates, trash bins, bollards, planters, paving materials) and a landscaping palette (e.g., street trees, planter strip, and median landscaping) for the Embarcadero.	Short Term	CD, PW	Community members, PAC/ local artists
PR-2	NA	Install new/improved streetscape furnishings (e.g., street lighting, banners, benches, tree grates, trash bins, bollards, water filling stations, bike racks, planters, and paving materials) in the waterfront area, according to the Downtown Streetscape Furnishing Palette (see Opportunity Site 4 and Catalyst Project I).	Mid Term, Ongoing	CD, PW	Community members, PAC/local artists
PR-3	NA	Establish a public arts committee of local volunteers and create an “Art in Public Places” program. The committee could be tasked with: <ul style="list-style-type: none"> • Organizing public art events and outreach • Drafting guidelines for the Art in Public Places program • Exploring establishment of a percent for the arts ordinance to fund public art • Working with the City to incorporate public art into gateway features, public spaces, and streetscape furnishings 	Mid Term	CD	Local artists, community members, community organizations
PR-4	NA	Increase regular maintenance of public facilities such as restrooms, trash receptacles, parks, plazas, and streets.	Short Term, Ongoing	PW, RS	CD
PR-5	NA	Plant additional street trees and landscaping along key corridors in downtown and along the waterfront.	Ongoing	PW, RS	beautification committee

ID	Chapter 2 Cross Reference	Action or Catalyst Project	Priority:	Responsibility	
			Short Term Mid Term Long Term Ongoing	Lead	Support
Public Realm Improvements and Civic Programs - continued					
PR-6	NA	Develop and implement a wayfinding program that includes both auto-oriented directional signage and pedestrian-oriented maps and signs. Wayfinding signs should be coordinated with other streetscape furnishings and reflect the design theme of the district (downtown or waterfront).	Short Term	CD, PW	Community members, PAC, beautification committee
PR-7	NA	Seek designs for welcome gateway features (e.g., welcome sign, public art monument, pillars, landscaping) through any of the following approaches: <ul style="list-style-type: none"> • RFP process • Local design competition • Student course project • Internship Designs should reflect community design preferences for gateway features identified in Chapter 3.	Mid Term	CD, PW	PAC/local artists, local students
PR-8	NA	Install special gateway features (e.g., welcome sign, public art monument, pillars, landscaping, special paving) at the two major entrances into the project area: <ul style="list-style-type: none"> • Roundabout at the intersection of Morro Bay Boulevard and Quintana Road • Intersection of Beach Street and Main Street Consider special painted crosswalk and intersection markings at key intersections in the waterfront and the downtown including Main and Morro and Embarcadero and Front.	Mid Term	CD, PW	PAC
PR-9	NA	Develop a historic/heritage self-guided walking tour of the downtown/waterfront area.	Mid Term	MBHS	CD

CHAPTER 4

ID	Chapter 2 Cross Reference	Action or Catalyst Project	Priority:	Responsibility	
			Short Term Mid Term Long Term Ongoing	Lead	Support
PR-10	NA	Install play structures and/or other kids' activity zones/ facilities along the waterfront (see Catalyst Project C).	Long Term	CD, PW, RS	NA
PR-11	NA	Install fiber optic infrastructure in the project area.	In progress/ Mid Term	PW	CD
Community Events and Activities					
Catalyst Project C	pg 2.20	Seek and secure funding for outdoor family-oriented entertainment activities, such as an adventure playground, trampoline park, splash fountain, and/or pickle ball.	Short Term	CD, Chamber, developers	RS
Catalyst Project E	pg 2.24	Encourage and promote events, and recruit additional outdoor harborside ecotourism activities and businesses such as: <ul style="list-style-type: none"> • Sea plane tours • Bike tours • Boat/kayak racing offshore • Guided kayak/canoe tours • Surf competitions • Skateboard competitions • Harbor to Point run and/or triathlon • Eco tours 	Short Term, Ongoing	CD, Chamber, local businesses	PW, H, RS
CE-1	NA	Organize and encourage additional events on the water, such as: <ul style="list-style-type: none"> • Boat lighting parade for July 4th • Blessing of the fleet "parade" • "Witches of Morro Bay" on the water at Halloween • Outdoor concerts 	Ongoing	CD, Chamber, local businesses, community organizations	PW, H

ID	Chapter 2 Cross Reference	Action or Catalyst Project	Priority:	Responsibility	
			Short Term Mid Term Long Term Ongoing	Lead	Support
Community Events and Activities - continued					
CE-2	NA	Organize and encourage additional promotions and events downtown that cater to locals and create a sense of community, such as: <ul style="list-style-type: none"> • “First Fridays”/art walk • “Wine and Cheese Night” at local businesses • Tree lighting ceremony during the holidays • Food trucks and pop-up restaurants • Pop-up stages and music in the park • Craft fairs • Flea markets 	Ongoing	CD, Chamber, local businesses, community organizations	PW
Business Retention and Recruitment					
BR-1	NA	Work with businesses to improve their overall physical presentations. <ul style="list-style-type: none"> • Hold a window display contest • Offer visual merchandising assistance • Provide advertising training workshops 	Short Term	Chamber	Local businesses, community organizations
BR-3	NA	Promote the commercial fishing industry by: <ul style="list-style-type: none"> • Advertising/announcing the arrival of commercial fishing vessels • Offering tours of fishing facilities • Providing informational plaques to educate visitors about the industry 	Ongoing	Chamber, local businesses, CD	NA

CHAPTER 4

Key to Table 4-1

Priority Key:

Short Term = 1–3 years

Mid Term = 4–6 years

Long Term = 7–10 years

Responsible Party Key:

Community Development Department – CD

Local Coastal Commission – LCC

Public Works Department – PW

Recreation Services Department – RS

Harbor Department – H

Chamber of Commerce – Chamber

Morro Bay Historical Society – MBHS

Public Arts Committee – PAC



Michael Baker
INTERNATIONAL

Catalyst Project I: Embarcadero Streetscape Furnishing Palette

Description:

Develop a streetscape furnishing palette (e.g., street lighting, benches, tree grates, trash bins, bollards, planters, paving materials) and a landscaping palette (e.g., street trees, planter strip, and median landscaping) for the Embarcadero. Integrate landscaping standards appropriate for the local climate, to include consideration for protection from wind, as well as community design preferences for custom-style furnishings and materials. Furnishing designs should reflect the existing character of the waterfront area by using nautical-themed designs and materials. Nautical elements include boat shapes, portholes, references to marine wildlife, ropes, anchors, lighthouses, and muted seaside colors. Materials that fit with the bayside character and location of the Embarcadero include rustic and natural wood, glass, and metal. The following images provide a selection of materials, styles, and other design ideas that can be used to create a standard streetscape furnishing and materials palette for the Embarcadero.

bike racks 1)

Why Is This a Priority?

The waterfront area currently has a number of amenities that create a comfortable and safe environment for pedestrians and cyclists; however, these amenities lack a cohesive design style. Unified streetscape furnishings will beautify the project area and establish a clear and unique sense of place. Before streetscape amenities are installed, the City should work with the community and local artists to identify preferred furnishings and develop a uniform palette for the Embarcadero.

Potential Funding Source: Benefit Assessment District, Capital Improvement Funds, General Fund

Lead Responsibility: Morro Bay Community Development

Support Role: Morro Bay Public Works, community members, and local artists

Timing: Complete draft of the Streetscape Furnishing Palette by summer-the end of 2018.

RECEIVED

JUL 27 2017

City of Morro Bay
Community Development Dept.

Catalyst Project H: Downtown Streetscape Furnishing Palette

Description:

Develop a streetscape furnishing palette (e.g., street lighting, benches, tree grates, trash bins, bollards, bike racks, planters, paving materials) and a landscaping palette (e.g., street trees, planter strip, and median landscaping) for downtown. Consider the removing of some of the unwarranted needed stop signs on Morro Bay Boulevard as they currently act as a deterrent to cars on that street currently. Integrate landscaping standards appropriate for the local climate, to include consideration of hardy and drought-tolerant species, as well as community design preferences for custom-style furnishings and material. Review the City's street tree list and amend as needed, ensuring .Make sure the that selected trees are complementary. Furnishing designs should reflect the existing character of the downtown by using traditional designs and materials that incorporate eclectic or artistic elements. Traditional streetscape furnishings include wood or metal-slatted benches, gas-lamp or luminaire-shaped streetlamps, streetlight poles with banners and hanging baskets, metal trash receptacles, colorful planters, and simple pole or u-shaped bike racks. However, such furnishings can be custom-made to fit the eclectic identify of Morro Bay, by incorporating bright colors and integrating public art such as tiles/mosaics, sculptural forms, and/or figurative elements that will add a distinctive twist. The following images provide a selection of materials, styles, and other design ideas that can be used to create a custom streetscape furnishing and materials palette for downtown.

Why Is This a Priority?

The downtown area currently lacks amenities needed to create a comfortable and safe environment for pedestrians and cyclists. Attractive and coordinated streetscape furnishings create a uniform street design and contribute to a clear identity. Before streetscape amenities can be installed, the City should work with the community and local artists to identify preferred furnishings and develop a uniform palette for downtown.

Potential Funding Source: Benefit Assessment District, Capital Improvement Funds, General Fund, DOLLATION OF

Lead Responsibility: Morro Bay Community Development

STREET FURNISHINGS.

Support Role: Morro Bay Public Works, community members, and local artists

Timing: Complete draft of the Streetscape Furnishing Palette by summer the end of 2018.

- n.o. Stormwater runoff should be detained and retained by maximizing the use of pervious surfaces, vegetated bioswales, and vegetative groundcover to the greatest extent practicable.
- o.p. Landscaping and pervious surfaces should be incorporated into the design of surface parking lots whenever possible to interrupt the pavement expanse, reduce stormwater runoff, reduce the heat island effect, improve the visual appearance, and shade parked cars and pedestrians.
- g. The landscaping character of the site should be extended to adjacent parking lots to ensure cohesion between the landscape design of buildings and associated parking areas.
- p.r. Both public and private landscape areas should be maintained by appropriate trimming of plant materials, prompt removal of dead plants, provision (during drought periods and the non-rainy season) of sufficient water to maintain the health of plants, removal of weeds, and such other measures as are needed to ensure the attractiveness and usefulness of the landscaped sites.

11. Public Sidewalks and Pedestrian Pathways — *SHOULD THE WEST SIDE OF EMBARCADERO MAINTAIN A WIDER CLEAR PED. PASSAGE (6-8 FT) TO ACCOMMODATE MORE PEOPLE?*
- a. Public walkways should be of sufficient width to accommodate street trees and pedestrian/bike amenities, as well as a zone devoted to clear pedestrian passage.
 - b. Consider the use of special paving materials, colors, and/or patterns to accentuate walkways, intersections, and crossings.
 - c. Corner curb extensions, midblock crossings, and/or sidewalk bulbouts should be used where feasible and needed to reduce crossing distances and to calm traffic.
 - d. Bulbouts that function as small plazas with amenities such as landscaping, seating, trash receptacles, and bicycle racks are encouraged.

12. Public Signage and Wayfinding

- a. Public art should be used to identify areas with a unique identity or celebrate the entrance to a public place; for example, mark gateways and other important public places and buildings with public art.
- b. Utilize directional and wayfinding signs to aid pedestrian and vehicular orientation and wayfinding as well as to identify special districts, historical and cultural landmarks, and local attractions.
- c. Pedestrian-oriented signs and maps should be located at key pedestrian activity nodes, such as transit stops, plazas, and shopping areas.
- d. A coordinated system of signs and maps should be provided to direct visitors to important public services and facilities.
- e. Directional and wayfinding signage should be coordinated with other street amenities to unify areas with a distinct identity.
- f. Graphic communication on signage should be unambiguous and lettering should be legible.
- g. Provide visually attractive, easy-to-read, and well-located signage to direct vehicles to available parking areas.
- h. Explore opportunities for educational and interpretive signage to highlight important historic or natural features of the area (e.g., the bay and sandspit).

Commercial Signage

1. A figurative or whimsical design theme is encouraged for commercial signage in the downtown area. Figurative signs generally use shapes, graphics (e.g., shoes, keys, books), type styles, colors, and materials that reflect the business they identify. Signature elements may include:
 - a. Three-dimensional or projecting shapes.
 - b. An eclectic mix of materials.
 - c. Distinctive font/type styles or hand-lettering.
 - d. Signs painted onto walls.
 - e. Raised lettering.
2. New and replacement signage should be consistent with the specific requirements and overall vision established by the City's Sign Ordinance (Chapter 17.68 of the Morro Bay Municipal Code).

Public Signage and Wayfinding

1. Create a sense of entry into the city (e.g., the roundabout at Morro Bay Boulevard and Quintana Road) by using structural elements, public art, signage, and/or special landscaping.
2. Arched gateway elements are encouraged at key entries to downtown. Sculptural archways offer an opportunity to incorporate public art into wayfinding and highlight Morro Bay's unique character. The design of such elements should be original and should reflect and highlight Morro Bay's unique character.

Maintenance

1. Maintain properties in an inviting manner for visitors and local customers and pedestrians including upkeep of buildings, landscape, and setbacks.

WATERFRONT SPECIFIC DESIGN GUIDELINES

Buildings

1. Building massing and design should be guided by the objective of avoiding walling-off public visual access to the water from the Embarcadero and adjacent bluffs.
2. Rooftops should be varied to avoid monotonous views from the bluff-top areas.
- 2.3. Flat roofs and roof-top decks should be avoided.

WHY? DO THESE NOT REFLECT HISTORIC ARCHITECTURE OR IS THE INTENT TO SCREEN ROOF TOP EQUIPMENT?

Character-Defining Elements and Architectural Quality

1. The design of buildings in the waterfront area should maintain and enhance the nautical/fishing village character of existing structures. Features of the nautical/fishing village style of the Morro Bay waterfront that should be perpetuated include:
 - a. Horizontal and boat-shaped forms and elements.
 - b. Metal, natural wood, board and batten, and shingle siding. Preferred siding types include ship-lap, board and batten, shingles, and corrugated metal. Architectural elements should be constructed of natural materials, such as steel, wood, stone, tile, or brick. Stucco siding should be avoided.

3. Adaptive reuse of potentially historic structures is encouraged, in accordance with the Secretary of the Interior's Standards for Rehabilitation.
4. All building materials should be selected with the objectives of quality and durability as well as to produce a positive effect on the pedestrian environment through scale, color, and texture.
5. Design visually attractive buildings that add architectural richness and variety to the downtown and waterfront environments, including creative contemporary architectural solutions.
6. New construction should not mimic previous architectural styles in such a way that creates a false historical appearance.

3. Outdoor Dining

- a. Appropriate outdoor dining configurations include ground-floor outdoor spaces along and/or within sidewalks and pedestrian spaces, upper floor balcony areas, and ground-floor indoor spaces located along a building frontage that features a retractable façade.
- b. Outdoor dining areas located in side or rear yards may be fenced for security and screened for privacy.
- c. Outdoor dining furniture, fencing, and appliances may not be stored within the public right-of-way. ^{LEFT OR} WHEN OUTDOOR DINING IS NOT BEING OFFERED.
- d. Outdoor dining areas should leave at least 4 feet of unobstructed pedestrian circulation space along the sidewalk, walk streets, or pedestrian space. The circulation space must be clear of obstructions caused by trees, tree wells, posts, hydrants, or any other infrastructure. ~~§~~ MAINTAIN A FORWARD PATH OF TRAVEL
- e. Furniture and fixtures should not be secured to trees, lampposts, street signs, hydrants, or any other street infrastructure by means of ropes, chains, or any other such devices.
- f. Umbrellas and sun shades are encouraged to provide shade. Wherever utilized, these devices should incorporate durable, high-quality materials such as cloth, aluminum, wrought iron, fabricated steel, or wood. Vinyl or plastic materials should be avoided. Umbrella stands should be cast aluminum, wrought iron, fabricated steel, wood, or similar materials. Shade devices are to maintain a minimum height clearance of 8 feet.
- f.g. Sheltering for wind protection is encouraged on the waterfront.
- g.h. Outdoor dining areas should incorporate sufficient lighting for safety while maintaining ambiance.
- h.i. Outdoor dining areas should include at least one enclosed trash receptacle.
- i.j. Fencing may be used to demarcate outdoor dining areas. Fencing should comply with the following guidelines:
 - a) Fencing should be decorative.
 - b) Fencing should be constructed from durable, high-quality materials, such as wrought iron and other metals, masonry, or wood. Plastic and resin fencing is discouraged.
 - c) With the exception of masonry construction, solid and/or opaque walls are discouraged.
 - d) Fencing may incorporate planting boxes and pots.

4. Commercial Signage

- e. Bicycle racks should be placed near activity centers, transit, adjacent to public buildings, adjacent to parks, and in other visible locations as appropriate.
- f. Pedestrian comfort should be enhanced with amenities such as drinking fountains, public restrooms, public telephones, newsstands, planters, and kiosks, especially along wide sidewalks with heavy foot traffic.
- g. Long-term maintenance and appearance costs should be factored in when choosing design patterns, streetscape furnishings, and fixtures.
- ~~h. Streetscape and landscape improvements should communicate a sense of place and arrival.~~
- ~~h.~~ On-street parking, raised planters, bulbouts, and landscaped sidewalk planting strips should be used to provide buffers between pedestrians and moving vehicles.
- ~~j.~~ Consider installing specially designed light standard banners to highlight and differentiate the downtown and waterfront areas.
- ~~i.~~ Consider incorporating public art into the design of street furnishings, paving, public spaces, and gateways to reflect the local character of Morro Bay.
- k. Install electric vehicle EV charging stations ~~along the waterfront.~~ within parking areas. ||

10. Landscaping

- a. Landscape treatment should reflect a village character with the strategic use of planting areas, street trees, planter boxes and pots, hanging baskets, and appropriate foundation plantings where practicable. Hardscaped areas should be softened with the use of plants, shrubs, and trees.
- b. Utilize a landscape palette that reflects the history, culture, and climate of the area.
- c. The planting of street trees is encouraged to provide overhead cover. Species choices should consider access to both shade and sun along sidewalks. Where appropriate, tree grates should be used in order to facilitate pedestrian movement.
- d. Select street trees that hold up to urban and coastal conditions, such as drought-tolerant, hardy, and deep-rooted tree species.
- ~~e.~~ For each block on a street, no more than three species are recommended. Mixed species result in better long-term management because they are less prone to diseases and insects than use of a single species. Alternatively, too many species create a lack of visual unity along the street.
- ~~e-f.~~ Where needed and feasible, plant trees or shrubs as windbreaks.
- ~~f-g.~~ Landscaping should be designed to effectively enhance existing views or provide new view corridor opportunities.
- ~~g-h.~~ Landscaping should be used to provide effective screening of parking areas, retaining walls, utility enclosures, utility cabinets, service areas, or service corridors to reduce negative visual impacts.
- ~~h-i.~~ Landscaping should be provided along fences and walls to soften their appearance.
- ~~i-j.~~ The use of landscaping is encouraged to create a buffer between adjacent land uses, provide shade and interest near seating areas, and define outdoor dining zones.
- ~~j-k.~~ Provide opportunities for installation of public art in the landscape; landscape designer/artist collaborations are encouraged.
- ~~k-l.~~ Landscaping should incorporate native and drought-tolerant species to the greatest extent possible.
- ~~l-m.~~ The use of recycled water for landscaping is encouraged.
- ~~m-n.~~ Turf areas should be minimized except where recreation areas are required.

Cindy Jacinth

From: Cindy Jacinth
Sent: Monday, August 07, 2017 2:54 PM
To: Scot Graham
Subject: FW: Comments about Proposed General Plan/LCP-Agenda for 7-20-17

From: Scot Graham
Sent: Thursday, July 20, 2017 2:33 PM
To: Sinsheimer, Amy <asinsheimer@mbakerintl.com>; Henderson, Jeff <jhenderson@mbakerintl.com>; Miller, Martha L. <mlmiller@rrmdesign.com>
Cc: Cindy Jacinth <cjacinth@morrobayca.gov>
Subject: FW: Comments about Proposed General Plan/LCP-Agenda for 7-20-17

Citizen input emailed to GPAC this afternoon.

Scot

From: B. Doerr [REDACTED]
Sent: Thursday, July 20, 2017 1:57 PM
To: Robert Tefft <rtefft@morrobayca.gov>; Susan Stewart <sstewart@morrobayca.gov>; Glenn Silloway <gsilloway@morrobayca.gov>; Susan Schneider <sschneider@morrobayca.gov>; Rich Buquet <rbuquet@morrobayca.gov>; jgoodman@morrobayca.gov; smelanie@morrobayca.gov; Jeffery Heller <jheller@morrobayca.gov>; Scot Graham <sgraham@morrobayca.gov>; Dana Swanson <dswanson@morrobayca.gov>
Subject: Comments about Proposed General Plan/LCP-Agenda for 7-20-17

Date: 7-20-17

To: GPAC

From: Barbara Doerr, Resident Homeowner

Following are some general comments.

- A. FAR – Please apply to single family residential areas. By limiting build-out of single family lots the City can help assure smaller, more affordable homes are built; and, greater compatibility with existing neighborhoods. In some areas developers are creating subdivisions where housing size is being limited to less than 2,000 sq.ft. It has been very popular, and affordable housing is thereby created. This is done in areas where permitting costs are low.

Report states: "A zoning code deals with two basic concerns:

1. How to minimize the adverse effects that buildings or using one property can have on its neighbors; and
2. How to encourage optimal development patterns and activities within a community, as expressed in planning policies."

Please apply an FAR and help to protect and improve our residential neighborhoods. Do not allow Zoning Administrator to lessen setback requirements for "overhang of eaves and decks ... building separations..." etc. into required setbacks. Especially, allowing decks to be built into setbacks, which is a common practice, and can severely impact neighbors, impact views, privacy, and limit sunshine. These variances totally defeat purposes of required setbacks.

A developable box defined by setbacks can/will naturally limit the size of the new homes. Thereby, helping to provide more affordable homes and protecting neighbors. Enforcing setbacks of livable/habitable space may help to limit negative impacts of new development on adjacent homes, and thereby, stop changing the character of the neighborhoods. Homeowners would be forced to build within the natural limits created by the size of their lot. For example, if the rear yard setback is 20 feet, why do we allow the intrusion of an outside deck into this required setback? The problem in Morro Bay is owners/developers maximizing size of buildings regardless of size of their lot. Pushing the legal limits, and impacting neighbors and the character of neighborhoods. Very intrusive.

I suggest that if you own a larger lot, the larger your home can be, and the smaller the lot, the smaller the home!

B. Nonconforming Uses:

We know there are many nonconforming uses in Morro Bay's single family areas. Can we not establish some specific standards/ solutions to resolve acknowledged frequent problems (i.e. parking/garages). For example, you know current buildings in downtown can't accommodate required parking, so City is looking for specific solutions. For residential nonconforming uses, define the problems and apply specific solutions in the Zoning Code. Not just site by site exceptions. Why not apply similar codified solutions for nonconforming uses in residential areas.

C. Zoning Code: *Report states that the code users interviewed encompassed a variety of people, which included: landowners, developers, architects, real estate professionals, and designers. Define or characterize type of residential "landowners" interviewed. I believe*

local resident/landowners would want to keep strict enforcement of setback requirements.

- D. **Embarcadero STREET-ENDS.** *If City takes away public use (parking) on street ends, then these areas should be maintained for public use only - not to benefit adjacent private businesses. Use only to generally enhance Embarcadero for public pleasure -- don't privatize.*

Embarcadero street ends provide close parking especially for handicapped parking.

- F. **Closed Morro Bay Elementary School Site:**

MB Elementary site is an opportunity site for local active outdoor recreation to compliment the adjacent Recreation Center, library, and City Hall. This is a community oriented Central City area. Open areas are currently used for needed outdoor youth sports and recreation. Keep this area community oriented; don't privatize. Where else will land be available for the residents/family/sports activities. Please keep it public, and work with the School District to protect it.

- G. **Coleman Park:** *Report states: "The Coleman Park site appears to offer a number of important advantages as a potential. near and at the same elevation as developed portions of the Embarcadero • City-owned • Use as a public park pre-dates Measure D Given these characteristics, the Coleman Park site would appear to be a reasonable location for consideration as an opportunity site for the catalyst project "Family Outdoor Entertainment" .*

Please keep Coleman as a public park, but certainly improve it. If repurposed, replace basketball court somewhere else in City as it is used by Morro Bay families. We have a limited amount of city owned land for active sports programs.

Also, keep and enhance area used to launch kayaks, etc. It is an important public access point for visitors and residents. Keep the park as a quite respite for all.

- H. **Dynergy--***Look to Dynergy site for: concert/event venues (not Coleman), and large hotel/conference facilities (not Centennial park).*

Also, strip of land zoned Visitor Serving along the east side of the Embarcadero in front of Power Plant is Night Heron habitat.

Is City going to chop down trees and eliminate habitat to build or take action to protect habitat?

I. Downtown: Keep easy access parking. Get some new types of businesses residents will use. Too many thrift and junk shops and offices. Streetscapes, new landscaping, and furniture cost a lot and need the support of adjacent business to be successful. Planning for future is great, but for now just start cleaning up city owned areas, and start enforcing or encouraging property owners to remove illegal stuff and generally clean up their property (this applies to Embarcadero too).

TOTALLY DISAGREE WITH ELIMINATING REQUIREMENT FOR ONSITE PARKING AND Eliminating onstreet PARKING. Every nonconforming, single family homeowner would like such a gift! Keep onstreet parking, but also provide some shared parking to help local businesses prosper. Also, limit height of the buildings - don't increase.

Thank you for considering my comments.

Barbara Doerr



AGENDA NO: C-4

MEETING DATE: September 12, 2017

Staff Report

TO: Honorable Mayor and City Council

DATE: August 28, 2017

FROM: Ikani Taumoepeau, Deputy City Manager

SUBJECT: Adoption of the Economic Development Strategy Plan

RECOMMENDATION

Staff recommends Council approve and adopt the Economic Development Strategic Plan (EDSP) and appoint two Council Members to a subcommittee for the EDSP.

FISCAL IMPACT

None at this time, however there will be impacts based on the selected economic development projects moving forward.

BACKGROUND

The City experienced a significant economic impact with the closure in 2013 of the Morro Bay Power Plant. The City took a direct financial loss of a reported \$750,000 in revenue in license fees and an estimated \$100K to \$120K in additional property taxes. The economic impact of job loss alone to the region is estimated at \$18-\$20 Million, with an average annual regional household spending reduction of \$3-\$4 Million from direct and indirect job losses. One of the purposes of the EDSP is to provide a guide for thoughtful and incremental economic development activities to help replace this economic loss.

Creating an economic development roadmap focuses on enhancing existing efforts, maximizing assets and opportunities and mitigating or changing perceived and real constraints to business growth. During the EDSP process, 40 one-on-one interviews took place, which involved engaging stakeholders in listening sessions to understand the dynamics of the community, desires, frustrations, visions, ideas and opportunities. In addition, 139 business stakeholders participated in a perception survey focused on Morro Bay's Economic Centers, which helped to determine assets, economic drivers, opportunities and challenges.

The Draft EDSP was presented to Council on April 25, 2017, and minor edits to the document were recommended by Council and staff during the presentation and e-mail correspondence. Since that time, the draft has been finalized and updated reflecting the following changes:

- P. 7 - Spelled out FIRE (Finance, Insurance, Real Estate)
- P. 7 – Deleted the business Quivers from the report, as they moved out of the city
- P. 11 – Deleted *Historical Society Rock. Strategic Plan* substituted for *Specific Plan* and GP/LCP updated for GPU
- P. 12 - 'Strategic' substituted for 'Specific'
- P. 13 – Revised Boat Yard/Haul Out section, updated Water Reclamation Master Plan and Draft EIR, revised to read “..that is planned to include wastewater treatment and

01181.0001/330874.3

Prepared By: IT

Dept Review:

City Manager Review: MRL

City Attorney Review: JWP

- reclamation,” *Strategic* substituted for *Specific*, and RFQ issued
- P. 13 – Footnote. Revised second sentence to read “Several fundamental...”, *Market Plaza* is revised as an actual location
 - P. 19 – Revised section to account for proposed roundabout at Highway 1/41
 - P. 37 – Revised Chevron site section to reflect proper boundaries and area
 - P. 56 – Maritime Museum section revised to reflect 3 boats, with the addition of the ALMA
 - P. 60 – Deleted “North Bay Wild” as they moved out of the city, substituted *Strategic Plan* for *Specific Plan*, mentioned the RFQ for the boat yard and haul out in place of the feasibility study

DISCUSSION

Adoption of the plan by City Council demonstrates the community’s commitment to implementing an economic development strategy and authorizes staff to move forward. Economic development alone cannot close the financial gap created by the loss of the power plant, but a forward-thinking strategic approach, led by public-private champions, to create economic activity will incrementally increase economic growth. The EDSP, along with the General Plan and Local Coastal Plan Update, have been synchronized to work together to build Morro Bay’s economic development roadmap.

Successful economic development programs are based on a “shared-purpose” philosophy with collaboration of stakeholders, organizations and the City. For the next step, staff will work with the Morro Bay Chamber of Commerce to define roles to collaborate and execute on initiatives. A memorandum of understanding may be created to help both organizations during the preliminary planning phase.

Staff also recommend the Council appoint a subcommittee of two Council Members. The purpose of that subcommittee would be to help with the guidance and direction of the EDSP implementation as meetings are convened with the Chamber and local businesses. The frequency of meetings will be determined by the subcommittee and Chamber. The Council subcommittee, Chamber representatives and staff will meet initially to form an action plan, that will be presented to City Council and Chamber Board at a later date.

Staff also recommends an *Ombudsman* position (a point person from the city to work directly with business and engage, as needed, other staff to handle requests from business) be selected internally by the new City Manager once he/she comes on board.

CONCLUSION

Staff recommends Council approve and adopt the EDSP and appoint two of its members as a Council subcommittee. Implementation should be initiated in partnership among the Morro Bay Chamber, Council subcommittee and existing service organizations. The Council subcommittee, the Chamber, Erica Crawford (Chamber CEO/President) and Ikani Taumoepeau (Deputy City Manager) will meet initially to develop an action plan, that will be presented to City Council and the Chamber Board at a later date. Starting with a small group will allow local stakeholders and businesses to participate and have a “shared-purpose” in revitalization.

ATTACHMENTS

1. Morro Bay Economic Development Strategic Plan
2. Link to special meeting <https://youtu.be/fdzN8ZdxRjg>

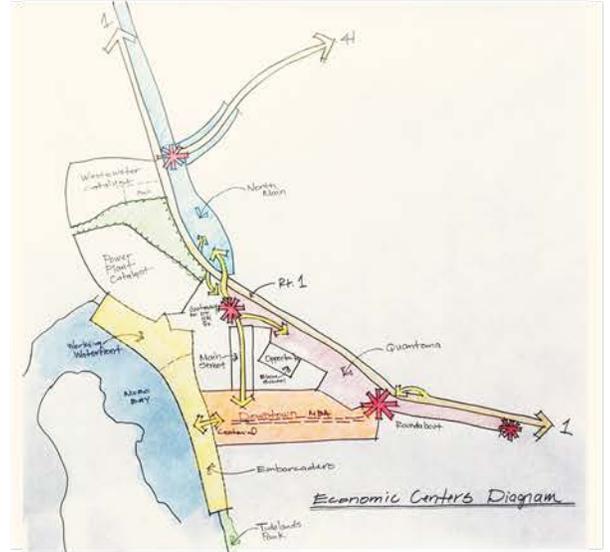
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NORTH MAIN

WATERFRONT

EMBARCADERO

QUINTANA



DOWNTOWN

MORRO BAY ECONOMIC DEVELOPMENT ROADMAP

A roadmap to guide economic development initiatives and actions which could have the most direct impact on improving the City of **Morro Bay's economic growth.**

March 2017



Table of Contents

Executive Summary

Acknowledgement

Chapter 1. Introduction & Background.....	1
Chapter 2. Economic Development Roadmap – Overview	16
Initiative 1. Maintain & Enhance Morro Bay’s Small Town Character.....	19
I.1 Primary Gateways	20
I.2 Creating Sense of Place – Secondary Gateways and Economic Centers.....	22
Initiative 2. Create Vibrant Economic Centers	28
Initiative 2-2.1 North Main Economic Center.....	31
Initiative 2-2.2 Quintana Economic Center	42
Initiative 2-2.3 Embarcadero/Waterfront Economic Center	51
Initiative 2-2.4 Downtown Economic Center	62
Initiative 3. Marketing Catalyst Sites	75
Catalyst Site Pre-Preparation Actions.....	75
Marketing Catalyst Sites	76
Chapter 3. Implementation Recommendations	85

Appendix

- Morro Bay Economic Scan, Update January 2017
- Background Reports Researched/Reviewed
- Project Working Papers
 - Working Paper Phase I-II, 5-30-16
 - Working Paper Economic Development Survey, April 2016
 - Working Paper Business Climate, June 2016
 - Working Paper Property Search, June 2016
 - Working Paper Retail Market Assessment, 2016
- Keyser Marston Associates (KMA) Infrastructure Financing Guide
- Maps/Drawings
- April 25, 2017 City County Work Session Notes – Economic Development Roadmap

Figures

Figure 1 – Assets, Opportunities, Challenges.....	3
Figure 2 – Perception Survey, Ranking of quality and characteristics of Economic Centers	5
Figure 3 – Perception Survey Sample Questions & Answers	6
Figure 4 – Economic Drivers: Traded Sector, Visitor Market, Population Driven.....	6
Figure 5 – Performance of Sectors, Morro Bay 2010-2016 (April)	7
Figure 6 – Inflow/Outflow Job Counts, Morro Bay, 2014	9
Figure 7 – Maya Mexican restaurant concept, landscaping to add curb appeal	39
Figure 8 – Market Plaza Concept.....	78

Maps

Map 1 – Economic Centers Diagram.....	11
Map 2 – Gateways & Economic Centers	21
Map 3 – Economic Centers (4)	25
Map 4 – Economic Centers.....	30
Map 5 – North Main Economic Center (full page).....	32
Map 6 – North Main Economic Center Part I	33
Map 7 – North Main Economic Center Part 2.....	34
Map 8 – North Main Economic Center Part 3.....	35
Map 9 – Business Opportunities, Spencer's Shopping Center.....	37
Map 10 – Quintana Economic Center.....	43
Map 11 – Embarcadero/Waterfront Economic Center	53
Map 12 – Highlights the gateway connection importance between Embarcadero/Waterfront and Downtown	55
Map 13 – Atascadero Road, WWTP, Access to Beach, Access to Embarcadero/Waterfront.....	60
Map 14 – Downtown Economic Center.....	63
Map 15 – Opportunity and Watch Site – Market Plaza	70
Map 16 – Strategic location for redevelopment opportunity, connecting Downtown with Embarcadero/Waterfront including an identified secondary gateway location*.....	77
Map 17 – Power Plant Catalyst Site.....	81
Map 18 – WWTP Catalyst Site.....	83

Photos

Photo 1 – Industrial Arts fence built by High School Industrial Manufacturing class.....	45
Photo 2 – Centennial Parkway.....	54
Photo 3 – Entrance Uptown Morro Bay.....	64

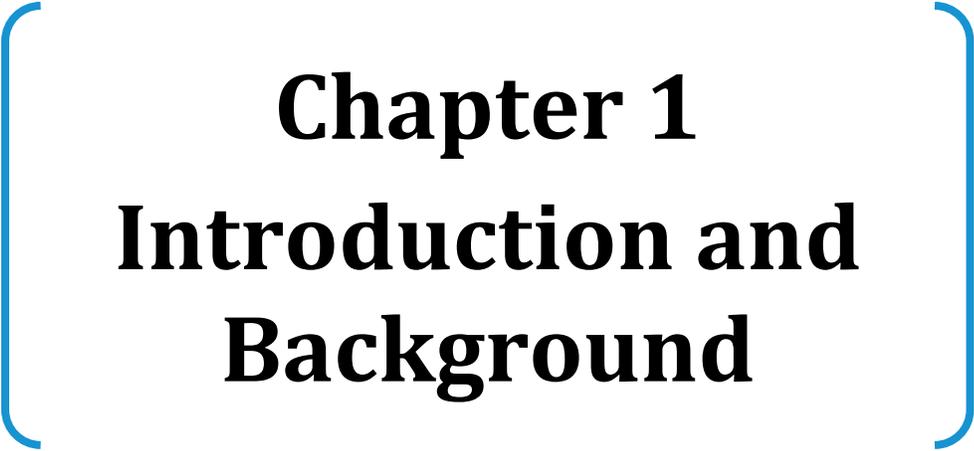
Tables

Table 1 – Actions, Plans and Projects.....	12
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Acknowledgement

On behalf of the city and consulting team, we wish to express our appreciation to the many stakeholders who participated in interviews, meetings and work sessions. The engagement of the community, individuals, and organizations is key to creating collaboration for economic growth.

A.R. & Barbara Baynham	Jeff Anderson	Neal Maloney
Aaron Graves	Jeremiah O'Brien	Noah Smukler
Brant Berger	Jim Wells	Pam Dudley
Bruce and Melina Elster	Joan Solu	Pat "Buzz" Patten
Caroline Duell	Joey Nichols	Patrick Beitz
Christine Johnson	John & Dona Ramos	Rob Kitsman
Chris Dorn	Jon Elliott	Rob & Tiffani Seitz
Chuck Davison	John Franta	Rowan Chase
Cyndee Edwards	John Heading	Sam Taylor
Dan Podesto	Judy Mahan	Scot Graham
Dave Peter	Judy Salamacha	Shannon Rose
David Buckingham	KC Caldwell	Shari McKelvy
Eric Endersby	Kurtis Shipcott	Sophia Tolle
Erica Crawford	Dr. Kyle Pruitt	Stewart & Susan McElhinney
Franky Ciano	Lind Page	Susan Stuart
Gayla Jurevich	Mark Tognazzini	Tammy Aguilera
Greg Barnard	Matt Makowetski	Tom & Mary Hay
Jamie Irons	Michael Manchak	



Chapter 1

Introduction and Background

Chapter 1. Introduction & Background

During 2016/17, City of Morro Bay is updating the General Plan and the Local Coastal Plan. The city also initiated an economic development strategic planning process to create a roadmap for diversifying the economy over the next five years.

Why is an Economic Development Roadmap Important? The city experienced a significant economic impact with the closure in 2013 of the Morro Bay Power Plant. The Power Plant at its peak employed over 100 and near closure 40 high-paying jobs were lost. The economic impact of job loss alone to the region is estimated at \$18-\$20 million with an averaging annual regional household spending of \$3-\$4 million from direct and indirect job losses. The city took a direct financial loss of a reported \$750,000 in revenue in licenses and fees (\$500K to General Fund and \$250K to Harbor Fund) and an estimated \$100-\$120,000 in additional property taxes.

Recovery from an economic hit like this closure is difficult enough to find something that can replace that contribution to the economy and the direct loss of revenue to the city for essential services but it is even more difficult to recover when the city itself has limited opportunities to attract new investment.

One of the purposes of the Economic Development Roadmap is to provide a guide for thoughtful and incremental economic development activities to help replace this economic loss.

The Economic Development road mapping project included three phases:

Phase I – Assets, Challenges, and Opportunities Discovery

Phase II – Stakeholder Engagement

Phase III – Building the Framework for Action

Creating an economic development roadmap focuses on enhancing existing efforts, maximizing assets and opportunities, and mitigating or changing perceived and real constraints to business growth.

Stakeholder engagement was a key part of the Morro Bay economic development process, 40 one-on-one interviews and 139 business stakeholders participated in an online perception survey focused on Morro Bay's Economic Centers.

Throughout the project, Working Papers were completed and posted to the project website, www.MorroBayStrategy.com.

Morro Bay Economic Development Working Papers

- Economic Scan, April 2016
- Perception Survey, April 2016
- Real Estate Property Search, May 2016
- Retail Market Scan, June 2016
- Business Climate, June 2016
- Phase I & II Findings, June 2016

Presentations & Work Sessions

- Task Force, May 2, 2016
- Chamber of Commerce, May 4, 2016
- Task Force, May 5, 2016

www.MorroBayStrategy.com

As Morro Bay moves forward with implementation of initiatives, the following should be kept in mind:

- The Morro Bay Economic Development Roadmap should be a living document that is continually refined through implementation and engagement of business and partners. Things will change, assets, real estate, stakeholder objectives and the economy, so annual reviews are necessary.
- As a built-out city, with limited available commercial properties, to *significantly move the economic needle* will require larger investment-development projects, such as those that can be achieved on *catalyst sites* (e.g. the power plant site, WWTP sites), or assembly of underutilized sites for new investment-development which could be long-term in nature (10-15-20 years).
- This roadmap focuses on incremental, steady economic growth within the existing Economic Centers, by identifying businesses and opportunity sites for infill development – enhancing existing business growth while marketing and negotiating development on the catalytic projects.
- Successful economic development efforts are based on a “shared-purpose” philosophy with the collaboration of stakeholders, organizations and the city.

Assets – Opportunities – Challenges

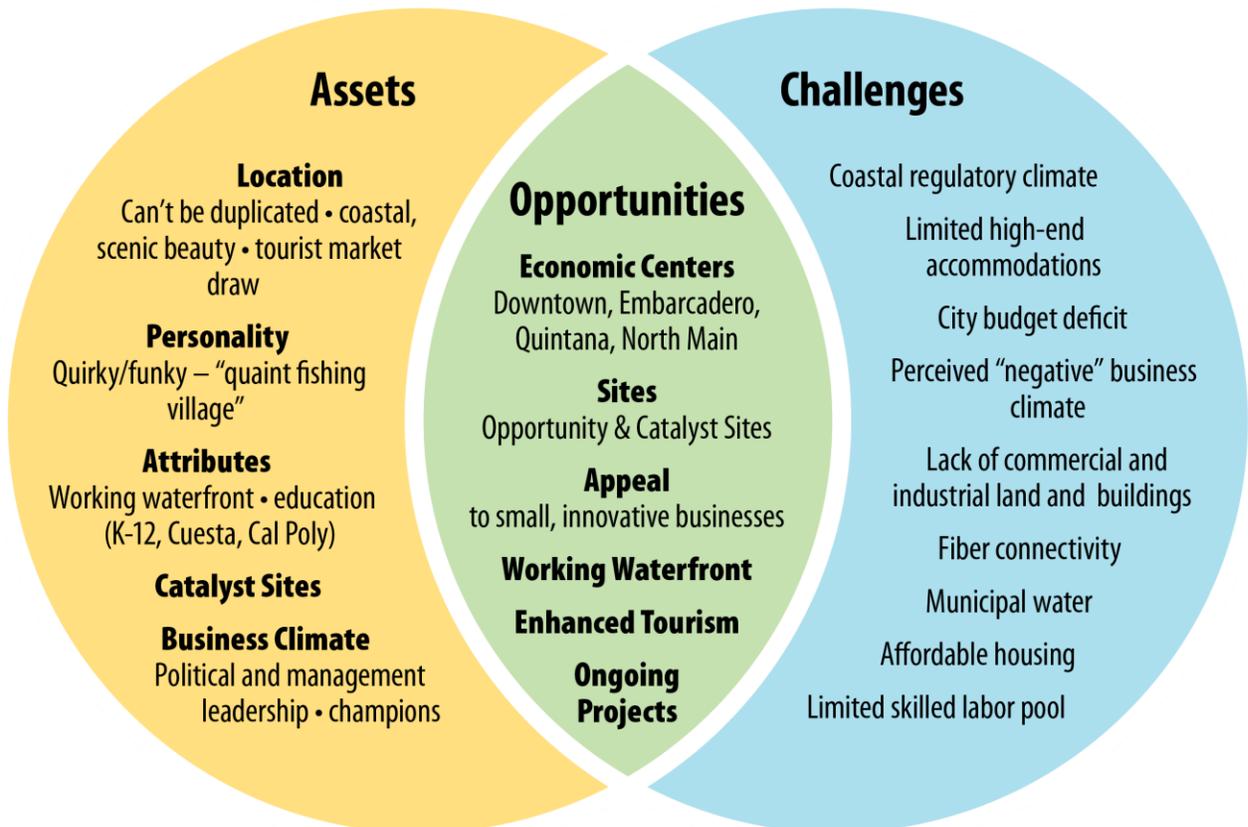
Why Important?

Economic development is about forward-thinking opportunities to grow the economy – leveraging unique assets, moving forward on opportunities and mitigating challenges to limit constraints to economic growth.

Economic development is focused on business and business opportunities, such as, catalyst sites, that create jobs and grow the economy.

Morro Bay is challenged by limited available commercial space to accommodate new business and jobs. Efforts, except for the catalyst sites, need to focus on assisting new business creation and business expansion through infill, adaptive reuse and assemblage of properties for development.

Figure 1 – Assets, Opportunities, Challenges



Listening Themes

Why Important?

As a small town that is basically built-out, it is important to recognize the needs and concerns of existing businesses and the public.

“Listening themes” from interviews, meetings and work sessions help to identify support and collaboration for moving forward.

Issues/Concerns of Business

- Poor/unfriendly regulatory climate – which could be a legacy factor of past administration. Specific items included parking, in lieu fees, business license vendor requirement and lack of response to specific business needs – finding solutions.
- The need for *placemaking* – feel the city appears neglected, tired or run-down due to lack of investment and beautification.
- Signage and wayfinding improvement for visitors to get to locations, this could be enhanced.
- Tourism market – need for bringing higher income visitor.
- Infrastructure Challenges – housing and labor pool (talent, which is a national challenge).

Emotional Ties

- Location, scenic beauty, waterfront, beach, natural amenities and recreation, bay, ocean, biking, fishing, kayaking, paddle boarding, and rock.
- Stay as we are – funky, quirky beach town but better market the area.
- Proud and embrace the entrepreneurial, small, independent spirit.
- Passion involved stakeholders.
- Big decisions that could affect the future leave a feeling of uncertainty.

Business Climate Transition is Positive

- Trust between the business community and city is growing.
- Good news stories with All Good, Poppy’s, Morro Bay Oyster.
- Emerging growth in tech and e-commerce businesses.
- City’s current planning efforts to create clear and consistent land use/development plan for the future.
- City’s commitment and entrepreneurial efforts to stimulate investment such as, Embarcadero Promenade, Centennial Parkway, Boat Yard/Haul Out Feasibility Study, Market Plaza, Downtown Waterfront Strategic Plan, opportunity and catalyst sites and longer term planning projects addressed in the General Plan/Local Coastal Plan Update.

Building the Framework for Action

Stakeholder Objectives

Stakeholders identified four key objectives as priority actions to address in the economic development roadmap:

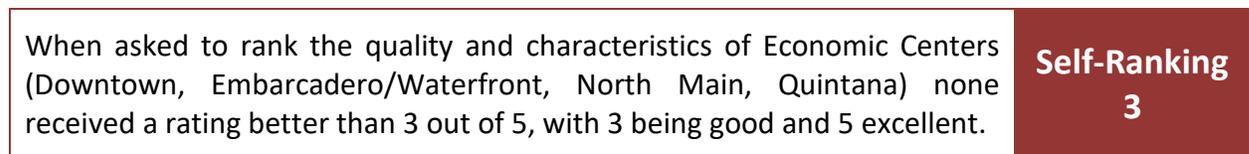
1. **Create Place** – *improve curb appeal, beautify gateways, entrances, front doors for the community and visitors; be welcoming;*
2. **Challenge Our Perceptions** – *be proud of ourselves and community, change current internal and external perception of our business climate;*
3. **Revitalize Our Economic Future** – *foster economic vitality in all Economic Centers, leverage local talent to support existing businesses, create space to attract emerging business sectors, increase visitor spending;*
4. **Prepare for the Future** – *protect Waterfront, power plant reuse over next 5-10 years, WWTP reuse over next 5-7 years.*

Economic Development Roadmap Framework

Economies grow by increasing the total value of goods and services produced by local firms. Business creation and growth, as well as business movement into and out of a community, are functions of characteristics that determine the efficiency and productivity of various types of firms and markets. The framework for understanding the assets, challenges and opportunities context include:

1. **Place and Market.** Morro Bay has a unique setting that cannot be duplicated – a **beautiful, small, coastal fishing town/harbor with an iconic landmark (The Rock)**. Morro Bay is highly desirable and one of the last California coastal communities with new opportunities. An economic development survey gauged stakeholder’s opinions about the city, what was important to them and how they would rank their key Economic Centers¹. Responses from survey, 139, and interviews, 40, indicated a common concern of curb appeal and attractiveness to the public (both locals and visitors). Survey highlights:

Figure 2 – Perception Survey, Ranking of quality and characteristics of Economic Centers



¹ Appendix – Working Paper, Economic Development Survey, April 2016

Figure 3 – Perception Survey Sample Questions & Answers

What should be protected	Question: If you protect one thing, feature or amenity from change, what is it and why should it be protected?	
<ul style="list-style-type: none"> • The harbor/beaches • Ocean • The Rock • Estuary • Fishing 	<ul style="list-style-type: none"> • Open space • Small town appeal • The greenbelt and remaining hills • The Embarcadero • Municipal water supply 	
What should change	Question: If you change one thing, feature or amenity from change, what is it and why is change needed	
<ul style="list-style-type: none"> • Change the design code • Improve roads/infrastructure • Spruce up Downtown • Demolish the power plant • Need additional parking • Remove ugly utility wires & stacks 	<ul style="list-style-type: none"> • Provide affordable housing • Clean up neighborhoods • More and better pedestrian and bike-friendly access • Upgrade/modernize existing lodging Downtown 	

2. **Economic Sector Concentration.** The economy is driven by three market audiences (Figure 4):

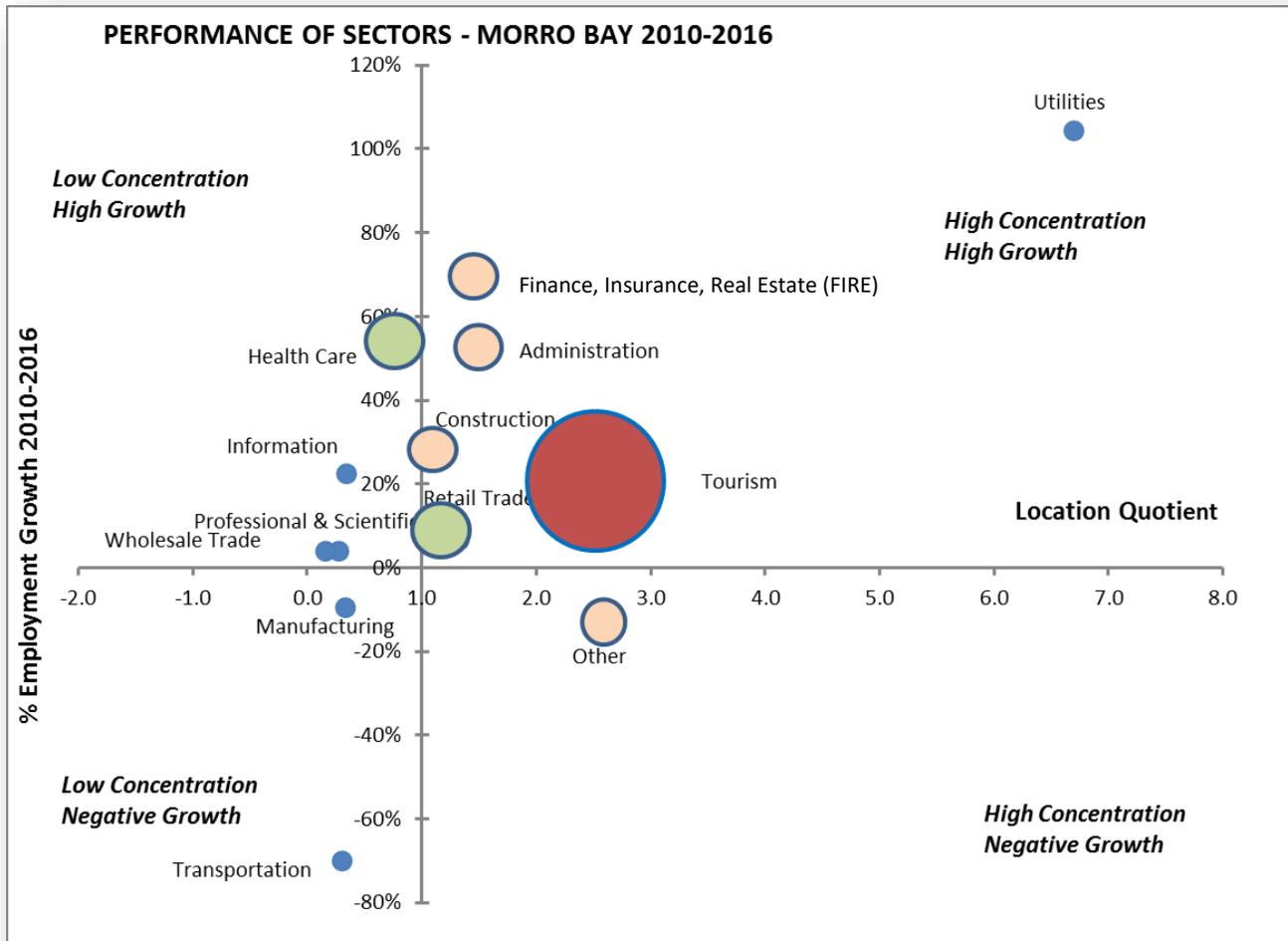
- 1) *Traded sector* where goods and services are exported out of the community bringing money in;
- 2) *Visitor Market* where the community attracts outside visitors who spend money locally on goods and services (aka tourism); and
- 3) *Population driven*, market demand from local residents purchasing goods and services.

Figure 4 – Economic Drivers: Traded Sector, Visitor Market, Population Driven



As indicated in *Figure 5*² the tourism sector is the largest employment sector in Morro Bay, which in this analysis includes arts, recreation, entertainment, accommodations and food services (not retail although retail is definitely part of tourism but serves both the local population-driven market and the visitor market.) Small businesses make up the core, 59 percent with less than four employees and 79 percent with less than 20.

Figure 5 – Performance of Sectors, Morro Bay 2010-2016 (April)



This chart compares employment growth by industry sector to industry concentration in Morro Bay. Employment growth measures what share of the overall increase in employment from 2010 to 2016 can be attributed to each industry sector. Industry concentration is measured by location quotients. Location quotients represent the share of employment in a specific industry in Morro Bay divided by total employment in Morro Bay, all of which is divided by the same ratio for the nation. Industries with a location quotient greater than one are more concentrated in the local economy than the national average. Industries with a location quotient less than one are

² Source: California Employment Development Department, 2016. Data for 2016 is year-to-date average through April.

underrepresented in the local economy. The size of the industry dots in the chart indicates the size of each sector in terms of 2016 employment.

The chart is divided into four quadrants:

- The lower left quadrant shows industries that are not growing and are also underrepresented in the local economy. For Morro Bay, this includes manufacturing and transportation.
- The upper left quadrant includes industries that are growing locally but are underrepresented in terms of their current share of total employment. For Morro Bay, this includes wholesale trade, professional services, and the information sector. Health care is growing but is about average in terms of its local industry concentration.
- The lower right quadrant includes industries that are well represented in the local economy but are not growing. The other services sector in this quadrant includes a variety of repair and maintenance services for vehicles and equipment as well as personal services and non-profit organizations.

The upper right quadrant shows industries that are excelling in their performance in Morro Bay. They are growing in employment and they have a well-established presence in the local economy as reflected by their location quotients. The most prominent sector is tourism which represents the largest share of employment in Morro Bay. Retail trade is in this quadrant but is close to average in terms of both growth and concentration. Other growing industry sectors with an above average concentration in Morro Bay include construction, finance, insurance and real estate (FIRE) and administrative and support services.

Morro Bay has some “emerging” businesses in the traded sector, such as All Good, and Morro Bay Oysters. This is a positive sign that traded sector businesses are interested and can survive in a quality-of-life location as well as a sign of the area’s entrepreneurship. The challenge is having space to incubate and scale these types of companies.

3. **Human Capital.** High-quality local schools are essential to attracting and producing a quality workforce. The San Luis Coastal Unified School District, which serves Morro Bay, has significantly higher graduation rates and a higher rate of graduates meeting UC/CSU requirements than the state. California requires a high school exit exam for all students. At the 10th grade level, the percent of students that passed the exam in math and English ranged from 92 to 95 percent in the San Luis Coastal District³.

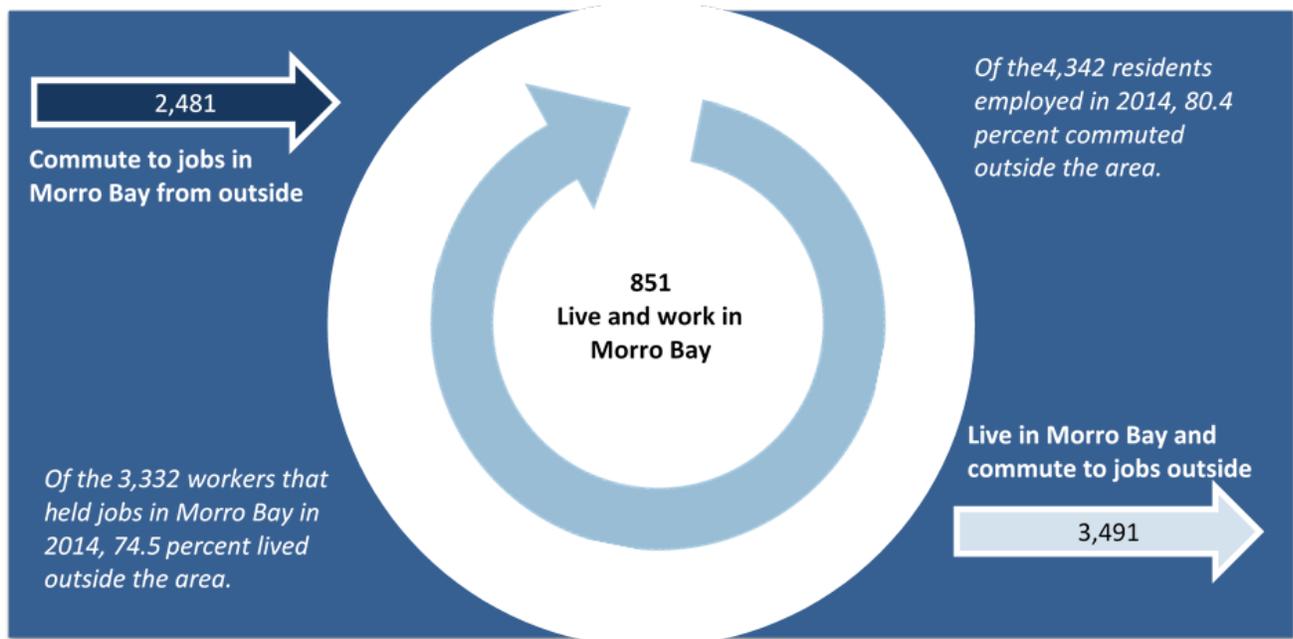
The majority of jobs to be created nationally over the next ten years will require some post-high school education. Communities with capacity for economic growth will be those that can attract and retain knowledge workers. Educational attainment measures the highest degree attained by the adult population.

³ Source: California Department of Education, DataQuest and Ed-Data websites, 2013-14 School Year.

In Morro Bay, about 49 percent of the adult population has an associate’s degree or higher, compared to only 39 percent of the population in the state, and 37 percent nationally. In addition to the positive education environment and education attainment, Morro Bay is also attracting more millennials to the area.

Workforce Commute Patterns. Morro Bay exports approximately 80.4 percent⁴ (3,491) of their talent daily to other areas in the County (or further) for work but also imports workers from outside the area daily. In 2014, 2,481 workers, 74.5 percent of workers in Morro Bay, commute from outside the city (Figure 6).

Figure 6 – Inflow/Outflow Job Counts, Morro Bay, 2014



4. **Built Environment.** Morro Bay’s many legacies – coastal location, industry mix, workforce, built environment, and rich history – provide a foundation to forge a path toward enhancing and diversifying the economy.

Morro Bay is a predominately built out community with limited space for residential, commercial and industrial growth (only 1.25 percent is undeveloped)⁵ which limits the city’s ability to grow the economy in any significant manner. There are, however, pockets of opportunities within existing Economic Centers and potential catalyst sites.

Morro Bay has four distinct centers that create economic activity:

1. Downtown
2. Embarcadero/Waterfront

⁴ Source: US Census, OntheMap, Inflow/Outflow, all jobs 2014.

⁵ <http://www.morro-bay.ca.us/DocumentCenter/View/10345> City of Morro Bay, Draft Key Issues and Policies Reports, Plan Morro Bay, Dec. 2016

3. Quintana
4. North Main

Within each of these Economic Centers, there are opportunities for in-fill development, renovation, and enhancement of space and development. See Map I – Economic Centers.

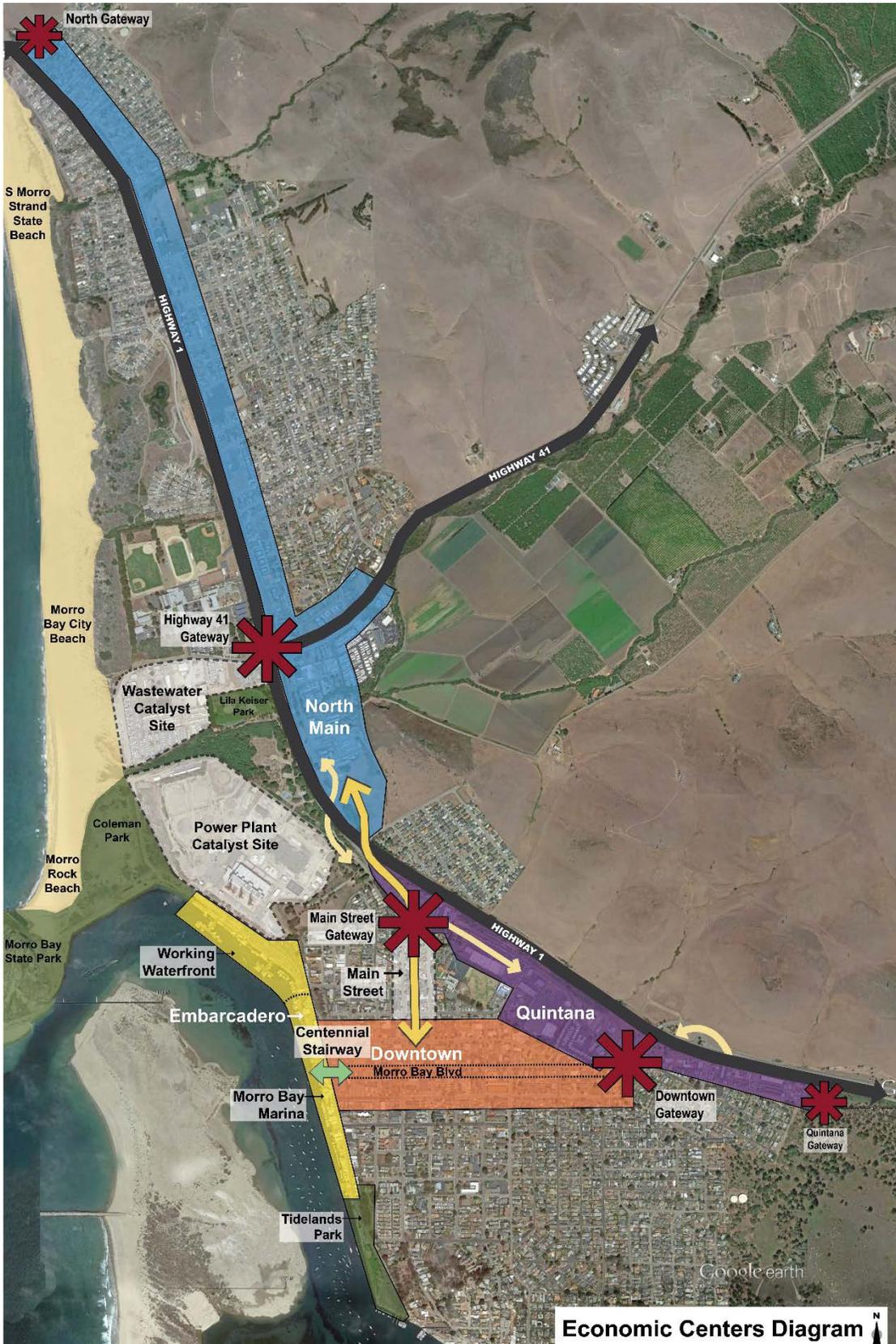
Morro Bay also has several *catalyst* and *opportunity sites* within Economic Centers that present longer term economic potential.

For purposes of this report, ***catalyst sites*** are those areas where large sized projects can make a significant economic impact. *Catalyst sites* are those that are long-term, 7-10-15 years, larger development projects and investments, and include the Power Plant property and reuse of the soon to be decommissioned municipal wastewater treatment plant, and Market Plaza.

Opportunity sites, from an economic development standpoint, are those areas where development and investment could occur in the short-term, 3-5 years, creating incremental, smaller economic impact and are either in-fill, renovated or an assembly of properties, such as, assemblage of underutilized buildings and land within the defined Economic Centers and typically on the market (for sale/lease). The term “Opportunity sites” is also used in the update of the General Plan/Local Coastal Plan working documents and as used in these documents has a broader definition⁶.

⁶ Downtown Waterfront Strategic Plan, Public Draft, February 2017 and Plan Morro Bay Area of Change Survey

Map I – Economic Centers Diagram



5. **Effective Public-Private Collaboration.** Government enables economic activity through value-added public goods; efficient and streamlined processes, transparency and information sharing; and broad-based stakeholder engagement. The private and civic sector also need to heighten their capacity to proactively engage in collaborative, cross-sector efforts, engaging leaders and stakeholders across all sectors to own and execute on initiatives.

The city and the community are forward-thinking and action-oriented. There are a number of actions, plans, and projects underway to improve the business climate and the economy noted in Table I.

Table I – Actions, Plans and Projects

Actions	Plans	Projects
<ul style="list-style-type: none"> ▪ Business Sign Ordinance ▪ Project Tracking Software System ▪ National Survey ▪ RFP Fiber Ring ▪ SLO Tourism Research ▪ Project Branding ▪ Signage & Wayfinding Master Plan ▪ Boat Haul-Out and Yard Feasibility ▪ Tourism Integration – Designation Morro Bay 	<ul style="list-style-type: none"> ▪ Economic Development Roadmap ▪ Downtown/Waterfront Strategic Plan ▪ Zoning Ordinance Update ▪ Centennial Parkway ▪ Embarcadero Promenade ▪ General Plan/Local Coastal Plan 	<ul style="list-style-type: none"> ▪ New Aquarium ▪ Maritime Museum ▪ Market Plaza ▪ Power Plant ▪ WWTP

- 6. Current Planning.** Morro Bay is aggressively pursuing its future by clearly identifying its opportunities. Economic development is just a piece of the overall planning effort currently underway, as noted below. There are also additional efforts focused on tourism.

Understanding that for the most part, economic growth relies on its existing footprint, it is critical to capture and plan for growth that will best serve the community's need for fiscal stability, quality jobs, affordable housing, and quality of life that retains Morro Bay's cherished quirky, small town, look and feel. This is an important time in the community with key catalyst projects (and the WWTP) offering unprecedented and "once in a lifetime" opportunities. These planning efforts also serve as "notice" to residents, businesses, and investors that Morro Bay takes its future seriously. Current planning efforts include:

- **General Plan/Local Coastal Plan (GP/LCP) Update:** A two-year process to update the city's General Plan and Local Coastal Plan, as required by California state law. The documents will look toward the future of the city and address issues such as transportation, housing, open space, conservation, and safety. The final documents will present the city's intended long-term development and conservation policies. All working documents related to the update of the General Plan/Local Coastal Plan are available at <http://www.morro-bay.ca.us/943/PlanMB>.
- **Opportunity Sites Identified in the GP/LCP Update:** Based upon background research, city staff, and General Plan Advisory Committee input, and community engagement, ten opportunity sites, and four study areas have been identified. These are parcels or areas that are likely to change or, need change by the community. The opportunity sites are within Morro Bay city limits. The four study areas are currently located outside of city limits. Of the ten opportunity sites, five are identified and addressed as opportunity or catalyst sites in this plan and include:
 - 1) Power Plant (catalyst) Visitor Servicing Commercial, Mixed-Use and Public Facility.
 - 2) Wastewater Treatment Plant (catalyst) General (light industrial), Visitor Serving Commercial, Public Facility, Open Space/Recreation.
 - 3) Downtown Waterfront Strategic Plan Area (Downtown and Embarcadero/Waterfront).
 - 4) North Main Corridor.
 - 5) South Highway I Commercial Area (Quintana).
- **Strategic Plan/Study Areas and Current Projects:** Plans in this economic development plan are identified with checkmarks all others in the process.
 - ✓ **Embarcadero Promenade:** A conceptual plan for the Embarcadero that considers sidewalk widening and pedestrian amenities and alternative traffic flows.
 - ✓ **Centennial Parkway Concept Plan** (adopted): A makeover for the Centennial Stairway with a focus on creating a stronger linkage with Morro Bay's Downtown. Centennial Parkway is a conceptual depiction of improvements from the top of the stairs at Market Street to the Embarcadero that features an outdoor amphitheater, gathering places, outdoor seating, lighting, new boardwalk over the water and boating slips.

- ✓ **Market Plaza:** The city will issue an RFQ for a mixed-use hotel development (hotel, retail, restaurant, possibly a parking structure) around Centennial Parkway and Market Street. Not yet approved, the Council has authorized the release of the RFQ.
 - ✓ **Downtown Waterfront Strategic Plan** (Public Draft February 2017): The purpose of this Strategic Plan is to connect and enhance Morro Bay's downtown and waterfront areas and provide a more uniform feel to each district. The plan provides a framework for the revitalization of opportunity sites (underutilized buildings and lots) and design guidelines for streetscape improvements, architectural design, wayfinding, outdoor dining, plazas and outdoor spaces and signage.
 - ✓ **Aquarium:** The city (property owner) and the non-profit Central Coast Aquarium have agreed to partner with the non-profit to replace the aging facility with a multi-million-dollar waterfront aquarium. The non-profit is currently fundraising, with groundbreaking proposed for 2018.
 - ✓ **Morro Bay Maritime Museum:** The Maritime Museum has submitted plans to the city for their Coastal Development permit. Likely going before the Planning Commission May 2017. Located on the city's Triangle property in the Embarcadero/Waterfront will soon be constructing the initial 400 square foot interpretive center.
- **Boat Yard/Haul Out Feasibility Study:** "Boat Yard/Haul Out: To support the fishing and maritime industry, the city/harbor director has issued an RFQ to potentially interested parties to design, build and operate a boatyard/haul out facility at the "Triangle" site on the Embarcadero."
 - **Water Reclamation Master Plan and Draft EIR:** The city has selected a 25-acre site off S. Bay Boulevard for this facility that is planned to wastewater treatment and reclamation.
 - **Sign Ordinance Review:** The city is currently working with the chamber and local business to review and revise its commercial sign ordinance.
 - **Zoning Ordinance Update:** The city is extending GP/LCP zoning ordinance update timeline to August 2018. The update will include a review of parking requirements and building height restrictions.
 - **Streamlined Permit Processing** (on-line): This spring (2017) the city plans to implement a new permit tracking software called Cityworks that will allow on-line tracking of a project. This will allow for greater streamlining and transparency in the application process.

Economic Development Roadmap Footnote: Because the City of Morro Bay is essentially a "built-out" community, this economic development roadmap focuses on economic enhancements and opportunities for the future. Several fundamental preconditions are vital to success of economic growth plan, including a high-quality preK-20 public education system, a safe and livable environment and a stable fiscal environment.

The roadmap is supplemental to comprehensive planning regarding education, housing, public health, safety, transportation, the environment, community development and overall quality of life. These issues, while critical elements of an environment that enable regional economic growth, are beyond the scope of this roadmap but have they have direct impacts on growth and are being addressed by other plans, organizations and initiatives.

Stakeholders Desired Outcomes

1. Capture a greater share of local, regional and visitor dollars (benefiting local business and government) while maintaining character that retains the values and esthetics desired.
2. More robust and sustainable businesses in Economic Centers with an industry mix that is compatible with the neighborhood it serves while meeting the needs of residents, businesses and visitors.
3. Increase the number of head of household jobs, and diversity of business/industry to balance the economic base through creation, attraction, expansion and retention of small to mid-size professional knowledge based businesses.
4. Continue to create economic opportunity, destination attractions, and increase city revenue through development and reuse of “catalyst” sites.

Chapter 2

Economic

Development

Roadmap Overview

Chapter 2. Economic Development Roadmap – Overview

This plan presents initiatives and actions that have the greatest direct impact on improving economic output, employment and wages in Morro Bay. This is not a traditional economic development roadmap of business attraction, expansion, retention and expansion, although those elements are included, it is based on the unique assets of Morro Bay and the opportunities to enhance and create higher utilization of those assets for economic growth.

With limited commercial and industrial/business space, economic growth efforts and initiatives must rely on existing businesses, Economic Centers, opportunities sites, catalyst sites and buildings, and “shared purpose” collaborations to execute initiatives.

As noted in Chapter I-Introduction, and in current planning reports prepared for the General Plan/Local Coastal Plan Update, “Morro Bay is currently predominantly a built-out community, meaning that most of its land is already developed. Only 1.25 percent of Morro Bay is undeveloped, as the rest of the city is occupied by development or by open space land that is used for specific purposes (i.e., agriculture, parks, and beaches). Thus, the city has very little available land to support additional population or job growth⁷.”

“Morro Bay is currently predominantly a built-out community, meaning that most of its land is already developed. Only 1.25 percent of Morro Bay is undeveloped, as the rest of the city is occupied by development or by open space land that is used for specific purposes (i.e., agriculture, parks, and beaches). Thus, the city has very little available land to support additional population or job growth.”

2017 General Plan Update

Although the city is “built-out” it has located several emerging, start-up businesses in the tech and organics fields. Morro Bay is an attractive location for these types of businesses. The challenge will be;

- 1) Finding existing space that meets their needs, and
- 2) Having future space to accommodate their growth.

With a limited available land and building portfolio, attracting these types of companies that contribute to the city’s economic diversity will require:

- Forward-thinking actions for re-use and infill opportunities when they become available.
- Realistic expectations on the size of businesses the city can accommodate.
- Understanding that larger businesses, jobs, and investments, will most likely only occur with the development of catalyst sites or the aggregation of sites/buildings.

⁷ Source: Morro Bay Draft Key Issues and Policies Report, December 2016, Michael Baker International, page 1-1

The Economic Development Roadmap presents **three key** economic revitalization **initiatives** in this Chapter:

1. **Maintain & Enhance Morro Bay’s Character** – Enhancing sense of place through gateways, promoting the character of each economic center, addressing abandoned buildings and infill sites to attract business, investment and visitors.
2. **Create Vibrant Economic Centers** – Grow each economic center to its fullest potential based on its unique assets and opportunities.
3. **Market Opportunity & Catalyst Sites** – Key *catalyst sites*, which are more long-term, require finding potential developers to invest in the city’s vision for economic growth. *Opportunity sites*, are shorter-term and typically are infill sites or reuse of buildings (or aggregation of sites and buildings) that could be attractive to investors and/or small businesses.

Implementation recommendations are outlined in Chapter 3. Chapter 3 provides detailed action outlines for implementing the three key initiatives identified in this Economic Development Roadmap. Implementation will require a visionary, dedicated team of public, private and civic leaders and organizations to:

- Prioritize initiatives and specific actions.
- Identify initiative Champion(s).
- Organize key stakeholders and groups that should be involved, public, private and non-profit.
- Identify roles and responsibilities for the specific actions.
- Identify resources needed to assist moving a priority action forward.
- Set milestones to accomplish the actions (short-term and long-term).
- Establish a monitoring and reporting timetable.

Common Key Words – Definitions Used in Initiatives

<p>Economic Centers</p>	<p>The city has four distinct Economic Centers, North Main, Downtown, Waterfront, and Quintana.</p> <p>The business activity of these four centers generates employment, payroll, and revenue to the city (sales tax, property tax, TOT, etc.) which supports the quality of life desired by residents including police, fire, education, recreation and local access to desired goods and services. They create the city’s economic output.</p>
<p>Primary Gateways</p>	<p>Primary gateways are the city’s first opportunity to make an impression on locals and visitors, North Main, Highway 41, and Highway 1. Gateways speak to the “character” of the community and set the tone for what will be experienced inside.</p>
<p>Secondary Gateways</p>	<p>Economic Centers function as secondary gateways to the city and local businesses. The unique blend of independent businesses helps define the city’s character in each of the Economic Centers and each should be branded to create the strong sense of place and connection to all Economic Centers.</p>

Short Term	Typically, 1-5 years.
Long-Term	Typically, 5-20 years.
Opportunity Sites	Opportunity sites are buildings and sites that are available for occupancy or redevelopment.
Catalyst Sites	Catalyst sites are 1) larger sites (e.g. WWTP, Power Plant/Market Plaza) that will require long-term analysis, planning and development, and 2) sites where there is a potential to aggregate multiple sites/buildings to build a bigger economic venue – business or destination.
Morro Bay Power Plant	A catalyst site currently owned by Dynegy but on the market for sale. Referred to in the report as Power Plant. Reference Initiative 3.
Morro Bay WWTP/ Market Plaza	Once the treatment plant is decommissioned this will be a catalyst site for new development opportunities. Referred to as WWTP in this report. Reference Initiative 3.
Watch Sites	Sites and buildings that may be underutilized and when available could be developed for a higher and better economic use.
Abandoned & Vacant	Abandoned and vacant refers to building and sites, not on the market for sale or lease.
Working Groups	Refers to creating working groups, public, non-profit and private, in each economic center to guide enhancement of the center.

**Initiative 1 Maintaining
& Enhancing Morro
Bay's Small Town
Character**

Initiative 1. Maintain & Enhance Morro Bay's Small Town Character

Most often heard comments from local residents and businesses were to maintain Morro Bay's character and improve the community's image. Small town research indicates that "beauty, how a place looks" is one of the top three factors in creating community attachment and loyalty.

A pleasant appearance adds to home values, helps attract business investment, and improves the city's reputation. Having a critical mass of pleasant elements makes the city distinctive and unique.

Morro Bay has strong characteristics – an iconic volcanic rock, beautiful coastal location, a harbor and waterfront, State Parks and Beaches, and unique Economic Centers (districts). Community stakeholders value the city's independent, funky and cool identity.

Initiative 1. Maintaining & Enhancing Morro Bay's Small Town Character will require a public/private collaboration focused on physical and economic investment and targeted strategies. Two principal strategies support this initiative:

- 1) **Gateways** – Primary gateways are the city's first opportunity to make an impression on locals and visitors, Highway 41, and Highway 1. Gateways speak to the "character" of the community and set the tone for what will be experienced inside. Morro Bay's desire to retain the quirky, funky, waterfront community can be reflected through its gateway treatments.

Primary Gateways

- Highway 1 (3 locations)
- Hwy 41

- 2) **Creating Sense of Place-Secondary Gateways & Economic Centers** – Morro Bay's four Economic Centers host a unique mix and blend of businesses, with most being independently owned and operated (North Main, Downtown, Embarcadero/Waterfront, Quintana). This fact alone sets Morro Bay apart from its coastal neighbors in providing a unique experience. These Economic Centers are also secondary gateways to the city and local businesses. This unique blend of independent businesses helps define the city's character and new business ventures will need to "fit in and contribute" to this small-town profile. What the city does in terms of branding the Economic Centers, public art, wayfinding and interpretive signage to create that sense of place and character, could positively impact the overall experience and economic vitality of local businesses and the city.

Secondary Gateways

- North Main
- Downtown
- Embarcadero/
Waterfront
- Quintana

1.1 Primary Gateways

The character and beauty of entryways into a city can have a great impact on economic development and leave a lasting impression on visitors, residents and potential businesses. An entrance provides the first impression of an area and can be used to advertise and define what is within that area. A city's entrance can project a sense of community pride or neglect.

Morro Bay has four primary highway gateways that provide opportunities to promote the city and be landmarks for wayfinding signage (noted as on  Economic Centers Map).

1. Highway I & Yerba Buena Street (North Main)
2. Highway 41
3. Highway I & North Main Street (near bike park)
4. Highway I & Morro Bay Blvd

Signage and entrance monuments enhance the aesthetic appeal and should be prominent and unique to the character of that area of the city while reflecting Morro Bay's overall image. Guidelines could be established for each of the primary gateways and should include screening, signage, and landscaping.

With the exception of Morro Bay Boulevard, the primary "gateways", are just intersections. These four locations offer the outstanding potential to be transformed into beautiful welcoming thresholds that announce the arrival to a special place. The gateways are not limited to a corner. The sense of arrival begins before the intersections shown on Map 2. The appearance of the corridor that leads to the actual gateway monument should also be considered. The streetscape appearance can begin to transition to a gateway by including landscaping, street trees, and lighting that lead to a monument. Unattractive land-uses and visual clutter should be removed, enhanced or buffered.

Example, as one arrives from Highway 41, the first impression is a series of properties with a disorganized streetscape. Great benefit would result by planning an enhanced streetscape along this important corridor entrance to Morro Bay. Buffering the unsightly building and providing well-defined parking would significantly enhance this sense of arrival.

Map 2 – Gateways & Economic Centers



1.2 Creating Sense of Place – Secondary Gateways and Economic Centers

Morro Bay has four distinct Economic Centers:

1. Downtown
2. Embarcadero/Waterfront
3. North Main
4. Quintana

The Economic Centers also function as secondary gateways and branding the centers would help to promote the city's character as well as the economic center itself. The purpose of branding the Economic Centers, and the results that can be created include:

- Creation of a stronger sense of place for both locals and visitors.
- Enhancement of all entrances to Morro Bay, primary and secondary gateways, building on Morro Bay's character.
- Creation of unique identities associated with each center.
- Creation of continuity and connection to all centers.

Recognition to businesses that they are important to the city, and branding the Economic Centers should be part of the larger gateway, wayfinding, and interpretive signage discussion and planning to ensure a consistent format that promotes a strong sense of place. This discussion should also consider existing signage to ensure compatibility of all wayfinding signage, street signage and avoid confusion and clutter.

It is also important to select a consistent name for each of the Economic Centers such as Neighborhood or District⁸. Use branding as a method to promote the distinctness of the center/district and provide continuity and connection to the other centers.

Wayfinding, interpretive signs and public art can significantly contribute to sustaining Morro Bay's small town character and to enhancing the local and visitor experience. Morro Bay has made progress on wayfinding in certain areas of the city and some primary gateway monuments, such as Highway 1 and Morro Bay Blvd. The city's 2011 *Morro Bay Bicycle & Pedestrian Master Plan*⁹, the 1997 R/UDAT Report and the 2017 Downtown Waterfront Draft Strategic Plan also recommend streetscape, wayfinding, and signage, identifying gateways, entrances and directional signage locations.

Public art is also a method to build character and should be incorporated whenever possible. Interpretive signage could promote Morro Bay's unique, small, iconic businesses such as Mike's Barber Shop, Taco Temple, Seashells & Sawdust, and many others.

Abandoned buildings and vacant sites can be distracters to creating that character and sense of place. There are some abandoned buildings, or what appear to be abandoned, as well as small sites in the Economic Centers that are not for sale and in some case not maintained. Reuse of abandoned and underutilized buildings and sites is particularly important given Morro Bay's limited building opportunities. These abandoned or vacant spaces offer opportunities for

⁸ North Main, Downtown, Embarcadero/Waterfront and North Main are referred to in this document as Economic Centers, areas that contributed to the city's economic growth.

⁹ 2011 Morro Bay Bicycle & Pedestrian Master Plan, Approved by City Council, February 28, 2012, Public Services Department in conjunction with JBG Consulting LLC

investigating the economic development potential of the building and/or site, which if utilized, even temporarily could create vibrancy in the area.

Tactical Recommendations to Maintain & Enhance Morro Bay's Small Town Character

Gateways

- The gateways are envisioned as a visual experience when traveling through these thresholds. They encompass an area or node and should include signage, landscaping, pedestrian improvements and other amenities that project a very warm welcome to Morro Bay. Incorporate primary gateway discussion with appropriate planning actions and wayfinding and signage conversations. Review all existing plans that address signage and wayfinding, such as city's 2011 *Morro Bay Bicycles & Pedestrian Master Plan*¹⁰, the 1997 R/UDAT Report and the 2017 Downtown Waterfront Draft Strategic Plan. Using these various reports create an action plan and timeline for moving forward on recommendations for wayfinding and signage including enhancing gateways that create a unique sense of place when arriving in Morro Bay.
- The plan of action above, the creation of a master wayfinding and signage plan should include both primary Gateways and Economic Center branding. Each of the Economic Centers should be "branded" to clearly identify that you are entering a unique area of Morro Bay.
- Engage the Chamber of Commerce to help convene stakeholders in each center as well as reviewing and developing the plan and timeline for accomplishing the actions above. The planning should include a review of existing signage and consolidation of signage to avoid "clutter" and mixed messages. Investigate the possibility of partnering with CalPoly faculty and students to assist with bringing all the existing reports together into one, adding primary gateways, Economic Centers and assessment of existing signage.

Economic Centers

- Economic Centers are further outlined in Initiative 2, which recommends organizing working groups of businesses and key stakeholders from each economic center to convene and discuss the opportunities and constraints of their centers.
- Primary Gateways and branding Economic Centers (secondary gateways) should be part of the discussion with stakeholders from each economic center.
- Abandoned buildings and lots in each economic center should be inventoried including key information (property owners, size, GP, and zoning).

Staffing and support

- Maintaining and enhancing the character of Morro Bay must be a public-private partnership (3P):

¹⁰ 2011 Morro Bay Bicycles & Pedestrian Master Plan

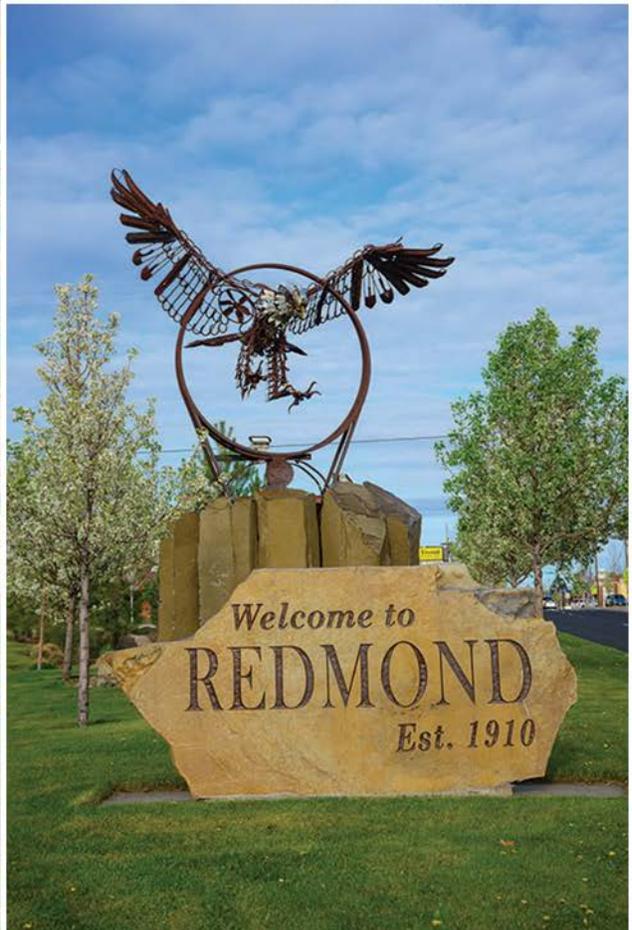
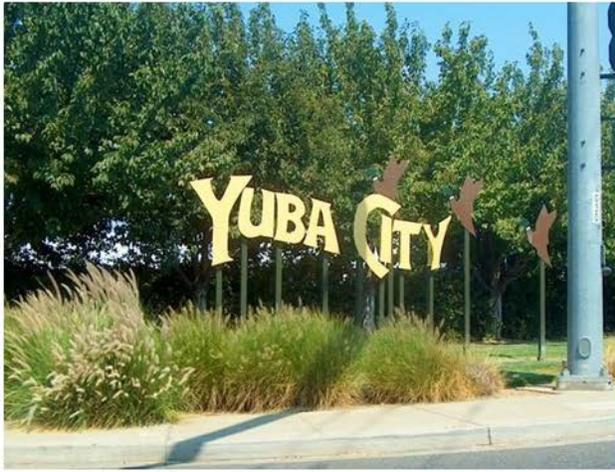
- Projects such as the primary gateways, safety, infrastructure (vehicle, pedestrian, and bicycle improvements) will most likely fall to the city for implementation with input from stakeholders.
- Stakeholders could champion enhancing secondary gateways as a 3-5-year project, helping to create a funding campaign for the gateway development and maintenance.
- Streetscape improvements such as building façade improvement, awnings, and landscaping fall within the responsibility of the private sector.

Map 3 – Economic Centers (4)



Note: The city has a number of specific plans, master plans and/or feasibility studies that include these Economic Centers from a physical appearance/improvement perspective. This document supplements those plans from an economic development standpoint not a planning standpoint. Those plans should be first point of reference to any recommendations for an economic center in this report. Most physical improvements recommendations are already outlined in these reports but reiterate in this report to highlight the importance of physical improvements in attracting visitor, customers and new investment.

Sample Gateway Monuments





**Initiative 2. Create
Vibrant Economic
Centers**

Initiative 2. Create Vibrant Economic Centers

Morro Bay has four distinct Economic Centers that drive its economy:

1. North Main
2. Embarcadero/Waterfront
3. Downtown
4. Quintana

The business activity of these four centers generates revenue to the city (sales tax, property tax, TOT, etc.) which supports the quality of life desired by residents including police, fire, education, recreation and local access to desired goods and services.

As noted throughout this report, Morro Bay and the four Economic Centers are essentially “built out” limiting economic growth to reuse/revitalization of existing developed/underdeveloped sites/buildings, catalyst sites, and a few “opportunity sites.” Each center has distinct attributes (opportunities and challenges) that appeal to different audiences.

The health and vitality of these centers are essential to sustaining the quality of life enjoyed by residents. How each center functions from an economic development perspective is important to understanding and planning for future economic growth and diversification and for generating revenue for the essential public services and amenities.

During the on-line survey¹¹ phase of the project, stakeholders were asked to rank specific features of each of the Economic Centers including; overall attractiveness, safety, and economic vitality. None of the four Economic Centers received a rating higher than 3 (5 being excellent). The “locals” view of Morro Bay’s Economic Centers is an important barometer to how others (new potential businesses, visitors, investors, future residents) would also view visiting/living/doing business in Morro Bay. Without future investment and “pride of ownership” from all community sectors, revitalization of the Economic Centers could be extremely difficult.

There are two major reasons for segmenting the Economic Centers for analysis:

1. Assess each center’s opportunities and constraints, and
2. Engage the stakeholders of that economic center in planning for the future.

Enhancing any center will take a public/private partnership (3P).

Organization of each Economic Center Report & Tactical Recommendations

In this initiative, a report of findings and observations for enhancement actions is provided for each of the Economic Centers. Each Economic Center has:

1. An overview of the center and potential opportunities, and
2. Tactical recommendations for public/private partnership implementation.

¹¹ Appendix Working Paper Economic Development Survey, April 2016

Tactical recommendations fall into five categories as noted below:

1. Organize Economic Center Working Groups

The first Tactical Recommendation for all Economic Centers is to form a working group of businesses and possibly property owners who will convene to work with city and partners on opportunities to enhance the center and its economic strength. The Economic Center Working Group should lead and drive the actions for that center. Some actions may be short-term and others may be long-term. This action is also addressed in Chapter 3 – Implementation Recommendations.

2. Physical Improvements

As noted in Initiative I Maintain and Enhance Morro Bay's Small Town Character, for each Economic Center primary gateways upgrades and branding of the Economic Centers is recommended. Each economic center is unique and distinct as part of a whole, with strong linkages that support the flow and connectivity between them. Branding each center helps to define that uniqueness, creates an identity, promotes connectivity to all centers and builds a Morro Bay brand loyalty.

3. Business Opportunities

Where applicable for each center, business opportunities have been identified for existing and/or new businesses.

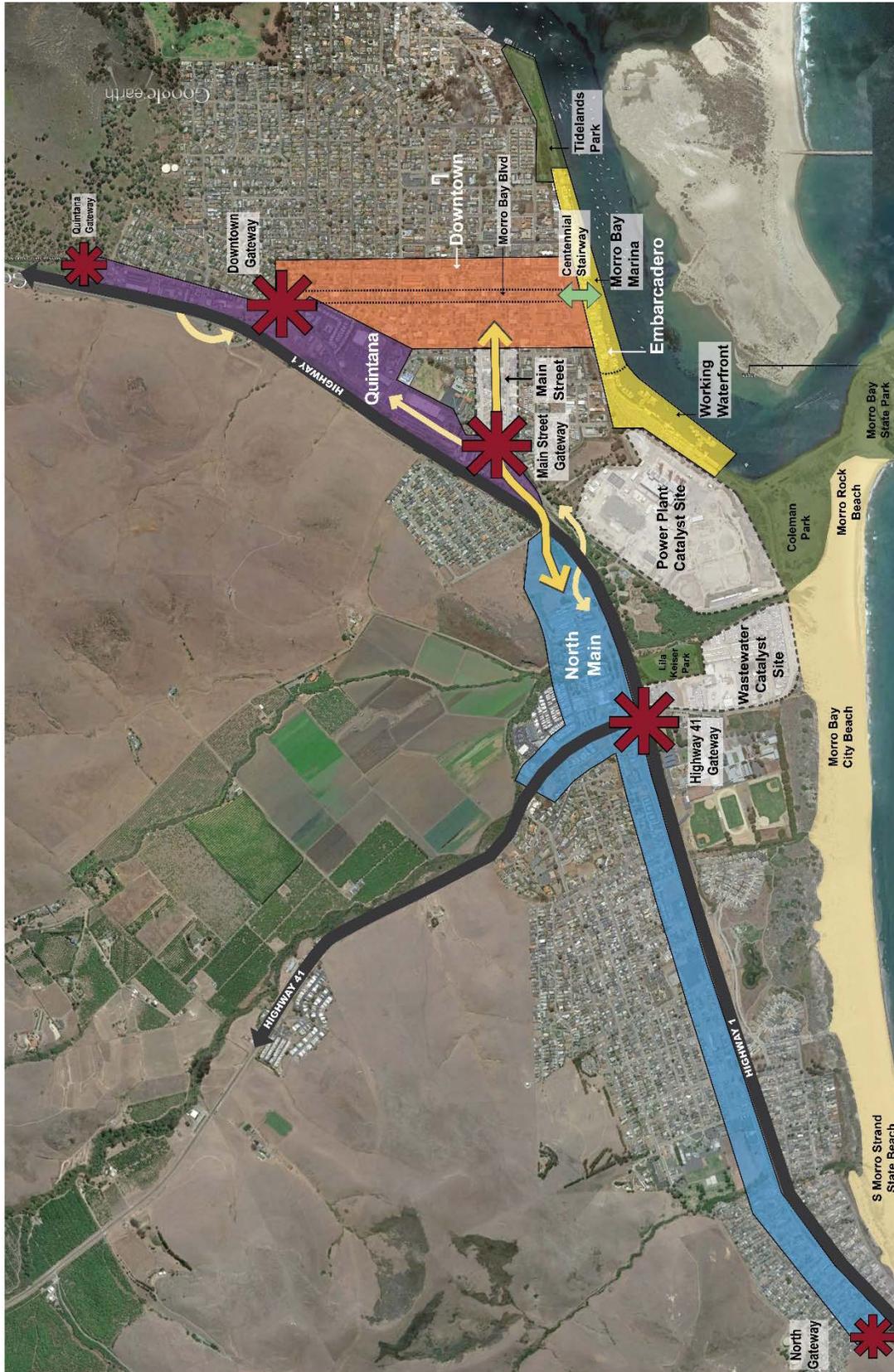
4. Opportunity & Watch Sites

With the exception of the Catalyst Sites, economic growth for Morro Bay will mostly be accomplished through reuse renovation or retrofitting of existing space and in-fill development. Opportunity sites (in-fill sites) are noted in each center. "Watch Sites" are those sites already occupied, however, based on location or physical attributes have a higher development/reuse potential should they become available in the future.

5. Business Assistance

With the exception of the Catalyst and Opportunity Sites, economic growth will likely stem from existing business. Providing assistance to these businesses is a foundational economic development recommendation. For each center, where appropriate, specific recommendations are offered that might best fit for businesses in that center.

Map 4 – Economic Centers



Initiative 2-2.1 North Main Economic Center

North Main is a linear neighborhood of mixed residential and retail uses.

The primary challenge for the North Main Economic Center is Highway 1 which is not visually appealing and effectively creates a barrier to east/west movement.

The east side provides the majority of retail/service offerings and as you move up the east slope, spectacular views of the ocean. The west side of North Main is primarily residential with access to the ocean, beaches, good views, open space and a network of north/south pedestrian and bicycle paths that provide access to the Embarcadero/Waterfront and Downtown.

North Main retail and service businesses primarily serve the nearby residential neighborhood and visitors in seasonal rentals (VRBO, Airbnb, campers, etc.).



Community respondents gave North Main a poor/fair rating in overall attractiveness and similar ratings for economic activity, a mix of stores, cleanliness, maintenance, and safety in the On-Line Survey. There is a direct correlation between how an area/neighborhood “looks and feels” and its economic vitality.

What is desired is better appearance, streetscape, landscape, affordable housing, live/work, a greater diversity of retail/service, head of household jobs and more recreational linkages. Creating a vibrant North Main will require planning and investment in the opportunity sites, physical infrastructure improvements and economic stimulus.

North Main’s market is mainly local-regional residents and represents 9.4 percent of the city sales tax revenue (2015 Q1 Sales Tax). Spencer’s Fresh Market and Taco Temple are both in the top 25 sales producers. The area could increase visitor market, pull tour buses and travelers off the highway to stop for goods and services, become known as a convenient stop (ex: Harris Ranch, I-5).



North Main Street Enlargement



North Main Street Enlargement



North Main Street Enlargement

Tactical Recommendations for North Main Economic Center

Organize the North Main Economic Center Working Group.

See Chapter 3-Implementation Recommendations

Physical Improvements (Maintain & Enhance Morro Bay's Small Town Character)

Primary Gateways

North Main Economic Center has two Primary Gateways 1) Highway 1 & Yerba Buena and 2) Highway 41. Primary Gateways are the major entrances to Morro Bay and should promote arrival and welcome to Morro Bay. As noted in Initiative I, Maintain & Enhance Morro Bay's Small Town Character, Primary Gateways begin to create the sense of place. Gateways should be envisioned as a visual experience as travelers enter through thresholds. An area or node which includes signage, landscaping, pedestrian improvements and other amenities that project a very warm welcome to Morro Bay. Could include areas to sit or pause while walking or biking to various destinations (more long-term).

Economic Center Branding & Secondary Gateways

North Main should be "branded" promoting it as a unique district in Morro Bay. Consistent signage should designate the area as North Main and/or entering North Main Morro Bay at additional entrances/exits. For consistency, gateway amenities should continue along North Main to provide wayfinding and visual appeal. The discussion of branding the economic center should be a broader discussion along with wayfinding and consolidating existing signage. (Initiative I. Maintain & Enhance Morro Bay's Small Town Character.)

Potential Enhancements North Main along Highway 1

- Landscape fence line along barren expanses with native trees and plant material.
- Work with CalTrans to replace the rusted fence with something more appealing. Investigate opportunity to create an "Artful Wall" along the alignment, particularly where landscaping is not an option or practical. The "art" wall could be designed to promote Morro Bay's character, can be "transparent" where views toward the ocean are visible.
- Identify specific areas where landscaping, sidewalks, street trees, seating opportunities and ornamental lighting could be planned to enhance the amenities of the area.
- Pedestrian improvements are essential to providing a "common thread" of continuity along North Main corridor so as not to be disjointed. Amenities such as these provide a "people oriented" rather than the auto-dominated environment that exists now.

Businesses Opportunities (Chapter 3-Implementation Recommendations)

- **Existing Business Opportunities:** There are existing businesses which could have the potential to expand and/or increase business with forward-thinking planning, marketing and investment to upgrade facilities to attract more customers (local and visitors). These businesses currently serve the residents in the area but there is potential opportunity to expand offerings, such as:
 - **Example:** Spencer's Shopping Center. This center has lots of parking and some open space. It is also a neighborhood gathering spot with a community garden. This center could be marketed to tour bus and visitors as a "must stop" – lunch at Taco Temple

(marketed as iconic local haunt) while getting your coffee, supplies, and groceries at Spencer's.

Map 9 - Business Opportunities, Spencer's Shopping Center



- There is space in this center to create a neighborhood center with other amenities, such as expanding the community garden, pedestrian connection to residents, recreation (pickleball), outdoor dining, shade trees, viewing stations to watch whales).
- There is also space for additional business buildings.
- **Example:** Taco Temple – In the same center is a well-known icon that should be promoted. Also, promote the Farmer's Market happening every Thursday.
- The proximity to Hwy 1 is attractive for this business. The business is very popular with locals and is referred to as a "place you need to go".
- This area of North Main has the opportunity to draw travelers off Hwy 1 to stop, eat, or shop for groceries. It provides a billboard marketing opportunity to go beyond the "things to do and see" to "stop and eat best Tacos on the coast and get supplies". Billboard campaigns can be successful at drawing in travelers. Billboards north, south, west of Morro Bay at least 10 miles or further before arriving at a Morro Bay gateway will remind travelers of this unique location to stop and visit and will provide time for them to plan the stop. Many communities have public-private partnership (co-op) billboard campaigns as part of their visitor attraction plans which market the character of Morro Bay, the unique centers, businesses and provides consistency of marketing. This could be discussed among the

Working Group and with Visitor Attraction/Tourism to further discuss co-op billboard campaigns open to all businesses. Location to Hwy 1 makes Morro Bay a prime area for attracting travelers off Hwy 1.

- Reference Chapter 3 – Implementation Recommendations for assistance to businesses on social and electronic presence.

Opportunity Sites on North Main:

- There are several Opportunity Sites, along North Main, that could be enhanced with additional development. These should be discussed with the Working Group for feedback on what would be best to enhance the site, visioning for the future, such as, existing BMX Bicycle Park, Highway 41, Spencer’s Shopping Center etc. Sites are noted on North Main map.
- There are also several sites/buildings on the market that could be repurposed for professional business services, including, back office, tech-software development, medical services or live/work space. Improving the character of the area will help with business attraction.
- **Watch List:** A large site (10 acres), Chevron, is zoned for multi-family residential. Currently, this site is a vacant green-field with a natural drainage way along the north edge. The site is well suited to complement the recreational spaces of the school with a park or sports fields along with residential. Alternatively, a portion of the site could become a pedestrian friendly, mixed-use development to serve the adjacent neighborhood or new residents.

There is also a larger 3,000-acre Chevron property that abuts the north end of the City. There are several nonprofit Open Space preservation groups (Trust for Public Lands, Morro Bay Open Space Alliance, Cayucos Land Conservancy, and San Luis Obispo Land Conservancy) working with Chevron to put together a preservation strategy for the property. The area is currently in the County and designated Agriculture. The Draft GP/LCP land Use component is looking to extend the City’s Sphere of Influence to pick up some of the lots to preserve the backdrop of the City. The draft land use map also includes a visitor serving commercial component at the entrance to the property to accommodate a campground or possibly a lodge type development.

- A bike park could also be an opportunity at the south end of the center.

Business Assistance (Chapter 3-Implementation Recommendations)

- Recommended in *Chapter 3-Implementation Recommendations*, is a business assistance service for businesses such as Taco Temple, and companies that are growing. Such a service could assist businesses thinking through growth plans to maximize their sites, facilities, and attractiveness to customers. Examples of offering services that proactively help businesses grow while enhancing the character:
 - The Buoy: Simple re-organized parking and landscaping could enhance this business location, resulting in increased customers. This is an example where improved parking,

but kept funky, additional landscaping on all four corners would add value to this site and to the whole North Main area.

- A business assistance team could help bring resources, such as financing, to businesses that might be interested in helping to improve their district and business.
- The Maya Restaurant: An example of improved parking, outdoor dining, and landscaping was created by the consultant team to visualize how assistance could be provided in a different manner than traditional economic development. Figure 13¹²
- A simple business assistance service could be provided individually to businesses to ensure all businesses have a social/internet presence on search engines and apps such as Yelp, Trip Advisor, and Google.

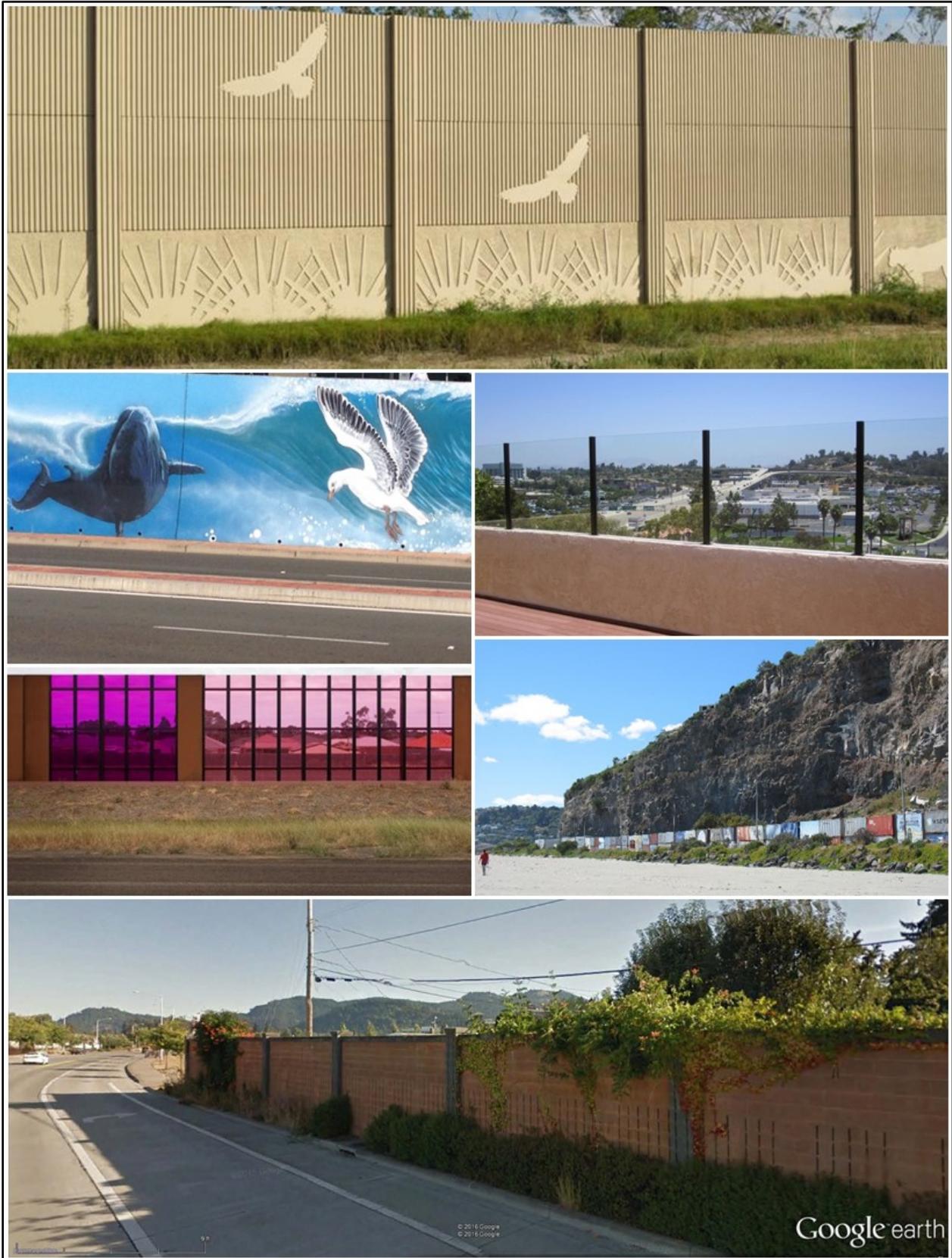
Figure 7 – Maya Mexican restaurant concept, landscaping to add curb appeal



¹² During Phase II of the project, stakeholder engagement, the consultant team, Audrey Taylor, Fawn McLaughlin and David Dougherty, spent a week on site conducting personal interviews, meetings, work session and viewing opportunity and catalyst sites.

Sample Art Walls





Initiative 2-2.2 Quintana Economic Center

Quintana Road stretches from Main Street in the north to La Loma Avenue in the south and has three distinct commercial areas.

1. Quintana and Main Street: Mix of retail (e.g. The Good Flea, Lemos Feed & Pet Supply, Joe's Surfboard Shop) and service (e.g. Kitzman's, Culligan Water, Pete's Morro Bay Tire and Auto).
2. Quintana and Kennedy Way (shopping centers): Predominately retail shopping centers (e.g. Albertsons, Rite Aid, Dollar Tree, Auto Zone) and restaurants with several service businesses (e.g. U-Haul, Perry's Automotive).
3. Quintana from Morro Bay Boulevard to La Loma Avenue: Primarily service commercial (e.g. Todd's Garage, Bay Auto and Tires, Lost Coast Auto Detail).

Quintana serves a dual purpose as the “nuts and bolts” center where automobiles are repaired, tires replaced, parts machined and goods stored as well as the primary retail center for consumer goods (grocery and pharmacy) for both locals and visitors. Service businesses located in Quintana are very important to the economic vitality of the community. These businesses provide the skills, materials, and talent needed to keep the delivery trucks delivering, coolers and compressors running, machinery working, etc.

The commercial retail section of Quintana provides access to essential goods and services to locals and visitors and is a significant generator of the city's sales tax collections (20 percent 3Q 2016).

The primary Gateway at Morro Bay Boulevard funnels travelers to the shopping centers and service areas north and south in Quintana as well as into the Downtown and Embarcadero/Waterfront Centers. This being the case, as the first “visual impression” of the city, it is extremely important that Quintana's “curb appeal” at this gateway reflect the internal image of the community. The city's landscaped round-a-bout and City of Morro Bay monument are important physical features at this primary gateway which identifies the city's sense of pride. The two secondary gateways, Quintana at Main Street and Quintana at La Loma Avenue need to be complimentary to the primary gateway.



Quintana Economic Center

Tactical Recommendations for Quintana

Organize the Quintana Economic Center Working Group.

See Chapter 3-Implementation Recommendations

Physical Improvements (Initiative I-Maintain & Enhance Morro Bay's Small Town Character)

Primary Gateways

- Morro Bay Boulevard is Quintana's primary gateway. As mentioned, the city has already provided a strong sense of place through the round-a-bout and monument. Additional landscaping improvements in this area on private property should be encouraged as properties are developed/remodeled. For example, appropriate shielding of the propane tank at the U-Haul dealership would add greatly to the visual experience when turning right onto Quintana from Morro Bay Boulevard.

Economic Center Branding & Secondary Gateways

- Secondary Gateways are entrances into Economic Centers and should be "branded" to denote the Economic Center. For Quintana, there are two secondary gateways, Main Street and Quintana and La Loma Avenue to Morro Bay Boulevard. Recommend designing and placing an "entering" Quintana sign at the two secondary gateways. Branding helps to create uniqueness and value for both locals and visitors. This branding (for all Economic Centers) should be part of the larger discussion of wayfinding and signage.
- Community survey respondents rated Quintana as **poor** in overall attractiveness and business vitality suffers from this condition. The *streetscape* is the total street environment including storefronts, sidewalks, lighting, furniture, trash receptacles, and landscaping. Two city-sponsored reports address the importance of streetscape improvements to economic vitality and the findings and recommendations of these reports should be consulted for applicability to the Quintana Center¹³. Because streetscape improvements are the responsibility of both the public and private sector land and building owners, a strong partnership and shared vision will be needed to successfully implement improvements.
- La Loma Avenue to Morro Bay Boulevard section of Quintana Road is dominated by the very close proximity of Highway I along the east side. Where space allows, new landscaping of evergreen native plants would soften the unpleasant impact of the Highway. A significant portion of this right-of-way, however, does not have the width to support landscaping. Here, a wall would buffer the highway. Rather than a functional screen only, the wall could be "*artful*" and reinforce the branding for the Quintana Center. To enhance the visual experience and to accommodate landscaping improvements, vehicle parking should be limited to the east side of the street.

¹³ The 1997 Regional Urban Design Assistance Team R/UDAT "Quick Wins & The Next Step for Downtown Morro Bay" and Downtown Waterfront Draft Strategic Plan February 2017, Michael Baker International

Photo 1 - Industrial Arts fence built by High School Industrial Manufacturing class

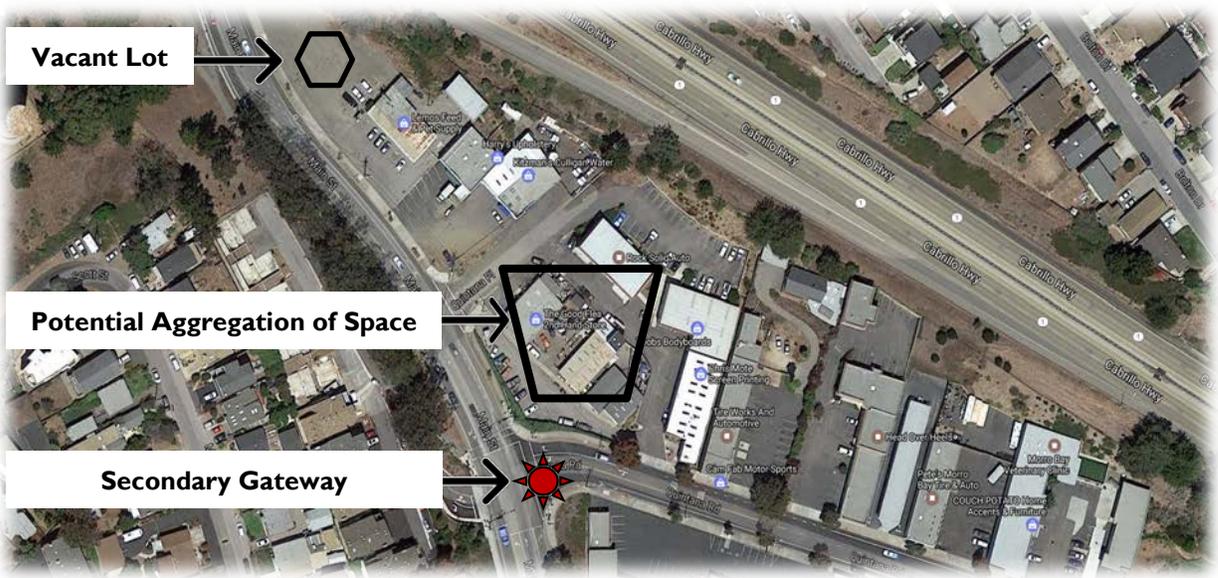


Businesses Opportunities (Chapter 3-Implementation Recommendations)

Quintana and Main Street

- Infill and redevelopment of underutilized buildings and parcels are opportunities in this area. There are several empty lots along Quintana (identified on the Map as “opportunity sites”, yellow highlighted). These are not large sites but could be utilized for infill development for businesses that fit Quintana’s profile. This area is particularly suitable to accommodate small businesses and local entrepreneurs needing light manufacturing and assembly space with access to adjacent service businesses. Aerial I - Secondary Gateway, Buildings, and Sites

Aerial I – Secondary Gateway, Buildings, and Sites



For example, better utilization of underutilized buildings through aggregation/adaptive reuse.

- Growing businesses that don’t require or need a “Main Street” address or retail exposure but that have customers that visit their facilities. Larger buildings, when they become available could be used as flex, maker space and industrial arts to support innovation and job creation with shared workspace, equipment, and materials. These types of entrepreneurial and innovative businesses need space to create, manufacture and assemble. Downtown businesses could be retail outlets for goods and products produced by these Quintana businesses.

Quintana and Kennedy

- The Quintana shopping center areas are an important economic engine for the city generating over 20 percent of the city’s annual sales tax (Source: HdL 3Q 2016). The shopping center on the north side of Kennedy is anchored by Auto Zone and the center on the south side by Albertson’s and Rite Aid. Ensuring these centers are always full will continue to attract customers and result in increased sales tax income.

The Morro Bay Retail Market Analysis (2016/17)¹⁴ used a trade area analysis model which indicates a total of 552,489 additional square feet could be supported given the retail leakage out of Morro Bay in the following seven categories:

- Apparel and accessories
- Home furniture
- Sporting goods, hobby, books (no leakage in sewing, needlework, music stores, e.g. CDs etc.)
- Convenience stores
- Specialty foods
- Restaurants, bars (no leakage in full-service restaurants or bars)
- General merchandise stores

Although the model indicates a significant supportable increase in square footage, given the proximity to the San Louis Obispo market it is likely that some of the leakage will never be captured by Morro Bay. Also with the explosion of online shopping, retail trends are changing to showrooms, boutiques, specialty shops and entertainment venues.

Quintana's shopping center areas have excellent anchors, (Albertson's, Rite Aid and Auto Zone). The goal for shopping centers is to have a tenant mix that provides synergy between complementary store types to maximize attracting customers. Any strategy with a shopping center needs to be in collaboration with the shopping center managers/owners on their plans for turn-over and new tenant attraction. (See Chapter 3-Implementation Recommendation).

¹⁴ Retail Market Analysis, City of Morro Bay 2016-1017, Marketek & Chabin Concepts

Aerial 2 – Quintana and Kennedy Shopping Centre Areas - Albertsons and Auto Zone, Primary Gateway



Quintana from Morro Bay Boulevard to La Loma Avenue:

- Morro Bay Boulevard to La Loma Avenue (Aerial 3). Much of this area is developed, however, there are several vacant and underutilized parcels (residential) that have a higher development potential for additional service businesses. Similar to Quintana and Main, parcel aggregation and new construction for buildings suitable for an entrepreneurial/maker space/industrial arts complex would be a good fit here.

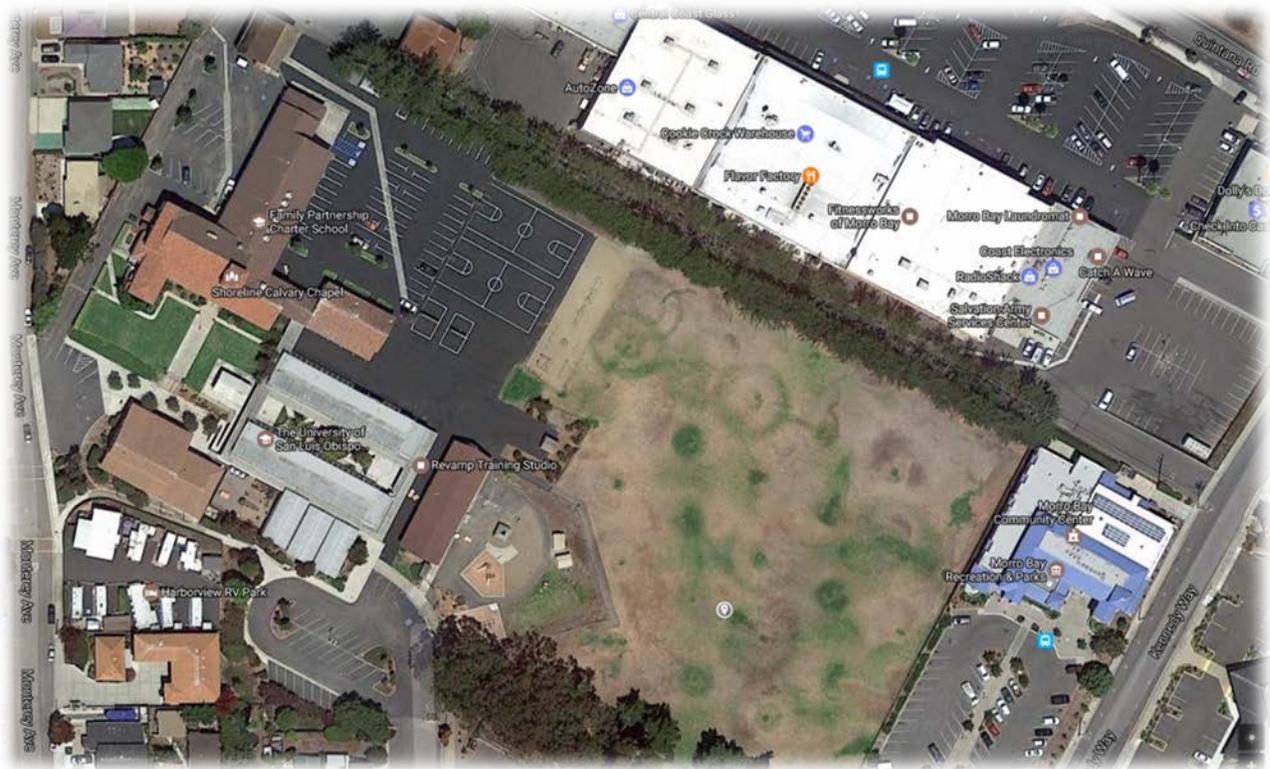
Aerial 3 – Quintana at Loma Linda Avenue



Watch Site: The former Morro Bay Elementary School on Monterey Avenue.

- Adjacent to the Albertson's shopping center, now owned by the School District and leased to Charter School and Chapel. This retired elementary school has the land and building configuration to be a technology/business campus. It is not currently for sale, but should be watched as a potential "opportunity site."
- Land and building configuration to be a technology/business campus.
- This site is also an important cross-over transition site linking Quintana with the Downtown Center.

Aerial 4 – School Site, Watch List



Business Assistance (Chapter 3-Implementation Recommendations)

Successful economic development in the Quintana Center will require a strong public/private partnership. And, because there three distinct areas with different business types, it's likely that each sub-area would need different types and levels of business assistance.

- Quintana and Main and Quintana from Morro Bay Boulevard to La Loma:
 - Vacant and underutilized sites and buildings should be inventoried. Sites that are currently for sale or lease should be posted on the city's economic development website or

maintained in a portfolio of available business space. Those not currently for sale/lease should be “watched” for opportunities for aggregation and/or reuse.

- Reach out to existing business owners/operators to identify expansion needs. Also, ask about other “like” businesses looking for space.
- Consider *innovation/maker space/industrial arts space/complex* project. Work with existing land and building owners to determine interest in the creation of such a space. *Makerspace* are typically public-private partnerships. Potential partners for an industrial arts space could include Morro Bay High School and the San Luis Coastal Unified School District, Cuesta College and CalPoly. Morro Bay High School has Career Technical Education (CTE) programs in industrial arts, arts, media and entertainment, information technology, agriculture, and engineering.
 - Excellent examples of industrial arts makerspace, which is a niche that aligns with Morro Bay’s character are SLO Maker Space <http://www.slomakerspace.com/> and the Crucible in Oakland <http://thecrucible.org/our-space/>.
 - Utilize local makerspace resources to inform the feasibility of such a facility and potential guidance for creating a space. Maker Space <http://www.slomakerspace.com/> and Hot House <http://cie.calpoly.edu/slo-hothouse/>.
- Quintana and Kennedy:
 - In collaboration with the shopping center owners/managers leasable space and building pads within the shopping center should be actively marketed with consideration given to the existing tenant mix and to filling retail gaps identified in the market analysis.
 - Opportunities for temporary usage of the vacant pad and adjacent parking (on Quintana between McDonald’s and the Dollar Store) for special events should be investigated with the shopping center owner/manager.

Initiative 2-2.3 Embarcadero/Waterfront Economic Center

The Embarcadero/Waterfront is the city's primary visitor destination. It provides access to a unique mixture of natural resources (Morro Rock, bay and ocean, birds, mammals, views and sky), with restaurants, retail, galleries, boutique hotels/motels, recreation and access to a small fishing port/waterfront. In fact, the Embarcadero contains the key defining assets that symbolize Morro Bay's character as identified in the online community survey. **A beautiful, small, coastal fishing town/harbor with an iconic landmark (The Rock).**

The Embarcadero/Waterfront contains two key catalyst sites: Power Plant and the city's (to be decommissioned) WWTP that have the potential (when developed) to substantially contribute to the economic diversity and vitality of the city. See Initiative 3 Marketing Catalyst & Opportunity Sites.

The Embarcadero/Waterfront received the highest ratings of all four Economic Centers by members of the community that participated in the online survey – with most ratings in the good to very good response category. What is desired is more landscaping/streetscape improvements, pedestrian amenities, sidewalk connections and bike paths, more shopping diversity and of utmost importance, a vibrant Waterfront anchored by the commercial fishing industry.

Longer term, survey respondents expressed concern with the potential impacts associated with the reuse/redevelopment of the Power Plant and the WWTP sites.

Tactical Recommendations for Embarcadero/Waterfront

Organize the Embarcadero/Waterfront Center Working Group

(See Chapter 3. Implementation Recommendations)

Branding & Signage

From a branding standpoint, Embarcadero and the Waterfront are what makes Morro Bay unique particularly to visitors. The brand “Waterfront” is more descriptive of what you find when you arrive – including the Rock, beach, Embarcadero and the Waterfront.

Recommend the city consider branding this economic center as “Waterfront” and sub-district branding of Embarcadero/Waterfront.

Physical Improvements (Initiative I-Maintain & Enhance Morro Bay’s Small Town Character)

Gateways – Secondary Gateways

Morro Bay Boulevard at Centennial Parkway is the Embarcadero’s prime entrance, referred to as a secondary gateway. Access to the Embarcadero through this gateway is unique because it’s restricted to pedestrians only. Vehicles must turn on Market Street to access the Embarcadero from either Harbor or Pacific Streets. The elevation difference at this gateway provides excellent views of Morro Rock, the bay, beach, and buildings along the Embarcadero. The view is exciting and entices the viewer to want to get closer and see more. At this gateway, however, there is no signage to direct vehicles to the Embarcadero (e.g. wayfinding arrows directing traffic to the right or left), signage for public parking, or wayfinding on how to get to Morro Rock etc. In a sense, travelers are left to their own devices on how to proceed – or whether to proceed at all¹⁵.

¹⁵ The flagpole at Centennial Parkway, and the pole/light fixture behind it, detracts from the viewshed of Morro Rock at this secondary gateway site.



Embarcadero Economic Center

Photo 2 – Centennial Parkway



This gateway is currently under study by the city and its consultants. The recent draft report “Morro Bay Downtown Waterfront Strategic Plan February 2017” provides discussion and recommendations for Centennial Parkway improvements and how these improvements would increase the flow and connectivity between the Downtown and Embarcadero.

In addition, the city has drafted preliminary conceptual plans for public investment of city-owned buildings and lots at this gateway for redevelopment into parking structures and commercial development that could include the abandonment of Market Street between Morro Bay Boulevard and Pacific. This planning should continue. These efforts have the goal of increasing the flow and connectivity between the Embarcadero and Downtown. Centennial Parkway is “ground zero” for this connection to occur.

Map 6 graphically shows the importance of this gateway connection between the Embarcadero and the Downtown Center.

Map 12 – Highlights the gateway connection importance between Embarcadero/Waterfront and Downtown



Tertiary Gateways and Economic Center Branding

Because the Embarcadero’s secondary gateway is restricted to pedestrians, by default, Market at Harbor and Pacific are tertiary gateways. There should be clear wayfinding signage at Morro Bay Boulevard and Centennial Parkway that directs traffic to either Harbor or Pacific to access the Embarcadero.

The Embarcadero should be clearly defined with signage/banners representative of the area with directional signage along the entire Embarcadero alignment from Tidelands Park, to the intersection with Morro Bay Boulevard, to “the Waterfront” to Coleman Road and Morro Rock. An entering the Waterfront sign/monument should be placed at these gateways.

Directional and informational signage at the gateways is critical to encourage the traveler to proceed into the Embarcadero by answering these questions:

- How do I get to the Embarcadero from here?
- Where do I park when I get there?
- What will I see when I get there (shops, galleries, boat rentals, fish market, waterfront)?
- How far is Morro Rock?
- If I park here can I walk to Morro Rock?
- What choices do I have when I reach Morro Rock?
- Are there facilities and services at Morro Rock?

The Embarcadero has multiple “destinations” that should be clearly branded and supported by wayfinding signage including:

- Morro Rock – iconic landmark, State beach, Morro Bay, Pacific Ocean, Coleman Park. The Embarcadero is the only way to get to Morro Rock by vehicle. Wayfinding signage that

informs you what you'll experience when you get there (e.g. choice of bay versus ocean, facilities available – restrooms, picnic tables, equipment rentals, etc.).

- Waterfront – commercial and recreational fishing, seafood, rentals, Maritime Museum. Consider clearly defining the Waterfront portion of the Embarcadero (Measure D/Beach Street north to Coleman) through signage and wayfinding. Interpretive signage that explains the history, culture and natural systems of the waterfront would enhance the environment and add to the “maritime/living history experience” for both locals and visitors.
- Embarcadero Central – shopping, dining, lodging, aquarium, entertainment.
- Embarcadero South – Tidelands Park and Marina.

Streetscape

The streetscape is the total street environment including storefronts, sidewalks, lighting, furniture, trash receptacles, parking, and landscaping. How the streetscape is viewed and experienced by pedestrians, cyclists, and motorists directly impact their experience and the economic viability of the area. Streetscape responsibility is shared by property and building owners and the city.

- Strategies for streetscape improvements in the Embarcadero include: Sidewalks need to be continuous and wide enough for two-way passing for the safety of pedestrians.
- Bicycle paths are important, especially to encourage their use throughout the city, connecting to Morro Rock, the Embarcadero north to Atascadero and the Downtown.
- Pedestrian amenities including landscaping, street furniture, outdoor seating, flowers, trees and ornamental lighting contribute to the positive experience of locals and visitors to the Embarcadero.
- Ideally, parking should be confined to the east side of the Embarcadero (before Beach Street), increasing the “waterfront” experience and reducing the conflict between pedestrians and vehicles. Current parking on the bay side should be replaced with expanded retail, outdoor markets and “people places”.
- Existing parking lots are not well signed, contributing to their underutilization. There are also empty parcels (e.g. in front of the Blue Sail Inn) that should be investigated for parking lot potential, and if determined not feasible, the lot should be landscaped. In the long term, surface parking lots could be replaced with structure parking integrated with new building development.

In addition, two city-initiated studies address the importance of streetscape improvements and provide strategies and recommendations including a design pallet for the Embarcadero¹⁶. All of these recommendations and studies should be review by the Center’s working group to determine what are priorities, funding, and timelines.

Business Opportunities (Chapter 3 Implementation Recommendations)

Business opportunities identify strategies and tactics to assist with the economic development of the Embarcadero. The city is already engaged in the identification of many of these opportunities

¹⁶ 1) Centennial Parkway and Embarcadero Design, City Council Session, September 27, 2016 provides alternative design concepts for the Embarcadero and Centennial Parkway pedestrian, bicycle and vehicle movement, sidewalk widths, street furniture, parking, landscaping and greater connectivity with Morro Bay Boulevard and 2) Downtown Waterfront Draft Strategic Plan February 2017, Michael Baker International

through its current planning efforts. These planning documents describe in detail the public improvements and business mix needed to create a more vibrant Embarcadero.

The Waterfront, Morro Bay's commercial and recreational fishing industries are very important to the community. The harbor with its commercial fishing industry differentiates Morro Bay from other coastal communities. These businesses represent Morro Bay's history and are the foundation of the community's "fishing village" image. There is strong community support for the retention and expansion of a viable commercial fishing industry. Evidence of this support was the passage of Measure D in 1981 to protect and support the commercial and recreational fishing industries by reserving waterfront lease sites between Beach Street and Target Rock to uses serving or facilitating licensed fishing activities and noncommercial recreational fishing.

The Downtown Waterfront Strategic Plan (Public Draft February 2017) identified nine strategies for development in the Embarcadero that offer significant business opportunities, many that support and/or complement the Waterfront.

1. Harbor Walk – Continuous sidewalks with streetscape amenities.
2. Seafood Market – Sell fresh and local seafood and farmers produce, flowers, and artisanal products. Could feature indoor and outdoor vendor stalls, ready-to-eat items and outdoor dining.
3. Family Outdoor entertainment – Family oriented entertainment like an adventure playground, trampoline park, splash fountain, pickle ball and a venue for year-round events.
4. Mixed Use Residential/Retail – Residential (over the ground floor) and retail. Could include creative maker space, live/work, cultural and educational components.
5. Ecotourism – Outdoor harborside activities such as seaplane tours, guided kayak/canoe, bike rentals.
6. Maritime Museum – Located on a 3-acre city-owned parcel purchased from Dynergy. The Morro Bay Maritime Museum currently has three outdoor vessels on display and will soon be constructing the initial 400 square foot interpretive center. This provides additional opportunity to promote the natural and cultural heritage of Morro Bay.
7. High-End Hotel and Conference Center – Would provide much-needed meeting space and fill the gap for a high-end hotel.
8. Aesthetic Furnishing Pallet – Nautical/Seaside theme that will beautify the area and create a clear and unique sense of place.
9. Boat Yard and Haul Out – The city has issued an RFQ for parties interested in developing a board yard. The RFQ is currently listed on the Bid Posting section of the website, posting closes in July of 2017. This project that would share the city-owned 3-acre parcel with the Maritime Museum. The site would serve the needs of a broad range of marine users including commercial fishermen, recreational boaters, and the commercial passenger fishing vessel fleet. Aerial 5

Another significant project in the Embarcadero is the aquarium. The city (property owner) and the non-profit Central Coast Aquarium have agreed to partner to replace the aging facility with a multi-million-dollar waterfront aquarium. The non-profit is currently fundraising, with groundbreaking proposed for 2018.

Opportunity Sites and Watch Site:

Just to the north of the Embarcadero (Aerial 6) is an underutilized area with development potential referred to as the Atascadero Area.

This area includes the city-owned land adjacent to the WWTP Catalyst site. Current leaseholders include a cement batch plant (nonoperative), RV park and storage.

Adjacent to this city-owned property, between the Motel 6 and J Street, there is an empty site and a large building/parking lot (former skating rink). The building is one of the largest buildings in Morro Bay that could accommodate a business or several businesses with parking. This area could be envisioned as a small business park for small-medium sized technology, back-office and/or small light industrial manufacturers of recreational equipment. The building should be kept on a watch list for use as a business park/or similar.

The Atascadero area should be planned in concert with the redevelopment of the WWTP to ensure compatibility of uses. Public access to the ocean and beaches should be a key consideration in the development plan.

Aerial 6 - Atascadero Area



Map 13 – Atascadero Road, WWTP, Access to Beach, Access to Embarcadero



Atascadero

Business Assistance (Chapter 3-Implementation Recommendations)

Successful economic development in the Embarcadero will require a strong public/private partnership.

The city has already invested in the Embarcadero by preparing the Draft Downtown Waterfront Strategic Plan. This is in addition to the comprehensive update of the city's General Plan and Local Coastal Plan. These planning processes will define the vision and development potential of the Embarcadero and the city.

The Embarcadero Center is different from the other Economic Centers in that the city has control over much of the land and buildings along the Embarcadero/Waterfront through trusteeship of state granted tidelands. Therefore, the city has much more influence over the type, timing, and nature of development. Similarly, it is in the city's best interest to support local businesses that contribute to the city's vision and development goals for the Embarcadero.

Two issues related to the fishing industry were mentioned as needed to support this industry.

1. The boat yard and haul-out.
2. A reliable fuel dock.
3. Deep Freezer Storage.

The city has already issued an RFQ for the development of the boat yard and haul out. If not being addressed immediately, the fuel dock and freezer should at least be on an infrastructure priority list for planning.

Embarcadero business owner interviews highlighted several business assistance areas:

- Workforce recruitment and training.
- Accessing business technical assistance.
- Financing resources.

In addition to above, a business assistance service for Waterfront businesses such as Morro Bay Oyster Company could focus on business coaching to maximize their site and facilities as part of expansion, realizing market potential and customer attraction and retention.

The Morro Bay Commercial Fisherman's Association and Central California Joint Cable/Fisheries Liaison Committee could be added to the implementation team (Chapter 3).

For the retail and service businesses, partnering with SLO Workforce Development Department to establish a hospitality certificate and customer service certificate training programs is recommended. This program was offered at one time and possibly could be re-established if there was sufficient demand.

Initiative 2-2.4 Downtown Economic Center

Morro Bay's downtown is a mix of retail/service/professional and older residential housing, with a predominance of low/mid-level thrift and second-hand retail stores. The downtown provides an interesting, eclectic mix of shops that appeal to bargain and socially conscious shoppers. The downtown also contains restaurants, banking, real estate offices and the majority of the city's hotels and motels.

Morro Bay residents value the community's quirky/funky vibe typified by a low stress, laid back beach town. Morro Bay's working town history of energy production and commercial fishing defined and supported a community that was not dependent on outsiders aka "tourists" to generate revenue. With the closure of the power plant and loss of that revenue and jobs the city has become more dependent on visitor spending. Morro Bay's relatively easy driving distance from the Central Valley has historically and continues to draw moderate-income Central Valley visitors to the cooler temperatures and affordable accommodations and retail mix that are a match for their budget and taste.

A trade area analysis model prepared for Morro Bay¹⁷ indicates a potential 552,489 additional square feet could be supported given the city's retail leakage. This modeling does not consider Morro Bay's proximity to major shopping districts in the region. Some portion of this retail potential could be supported; however, the Downtown doesn't have the physical assets (large vacant lots, empty buildings) to accommodate a significant portion of this potential demand.

Currently, the Downtown's 88 businesses generate 7.1 percent of the city's annual sales tax receipts¹⁸. In comparison, the Embarcadero/Waterfront's 90 businesses generate nearly 26 percent. This difference could be attributed to many factors such as the type of goods sold and sales per square foot.

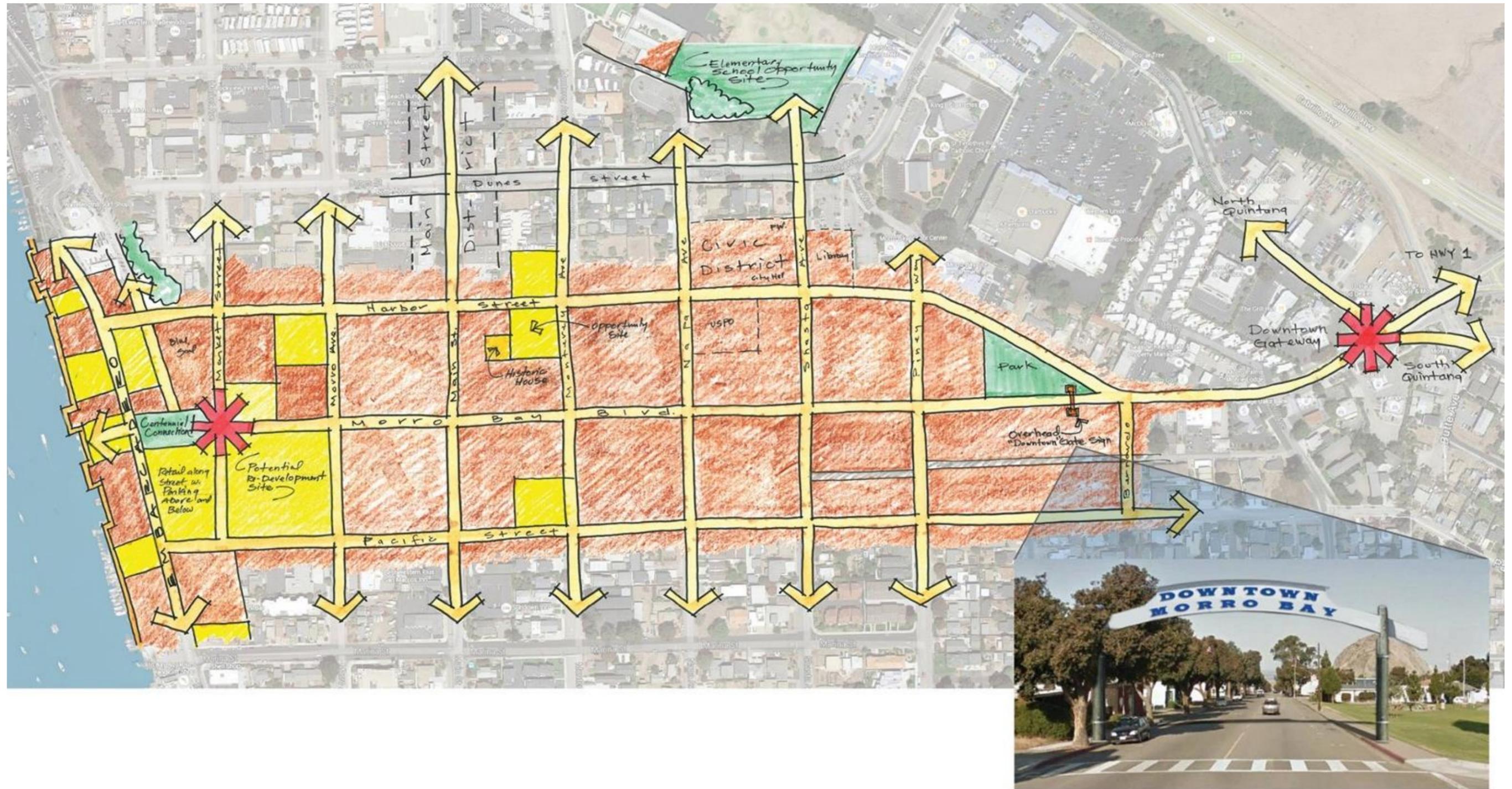
In an effort to boost revenue for retailers, hoteliers, restaurants, and the city, Morro Bay has made concerted efforts to attract higher income regional, national and international visitors. Lack of higher end retail and 4 to 5-star accommodations needed to attract more affluent visitors has worked against these efforts.

In the community survey, respondents gave the Downtown a fair/good rating in overall attractiveness and similar ratings for economic activity, mix of stores, cleanliness, maintenance, and safety. What is desired is a better mix and type of retail (low to high end) that appeals to a broader range of locals and visitors, and the development of Downtown as a "gathering" place that has outdoor dining, seating in the shade, clean and inviting public and private buildings and public amenities (sidewalks, wayfinding, parking, etc.) that demonstrate a strong sense of community pride. Creating a vibrant Downtown that meets these desires will likely require regulatory review, planning, and investment in the catalyst, opportunity and "watch" sites, and physical infrastructure improvements.

¹⁷ Retail Market Analysis, City of Morro Bay 2016-1017 Marketek & Chabin Concepts, reference Appendix

¹⁸ Source: HdL 3Q2016

Map 14 – Downtown Economic Center



Downtown Economic Center

Tactical Recommendations for the Downtown Center

Organize the Downtown Center Working Group

(See Chapter 3. Implementation Recommendations)

Physical Improvements (Initiative I-Maintain & Enhance Morro Bay's Small Town Character)

Gateways

Morro Bay Boulevard is the primary gateway to the Downtown. The city has made improvements to this gateway with the installation of a round-a-bout and monument. Wayfinding signs are still needed to direct travelers to the Downtown and Embarcadero/Waterfront Centers.

Secondary Gateways and Economic Center Branding:

Downtown is considered the central hub of Morro Bay and branding the Downtown through informational signage and wayfinding along Morro Bay Boulevard to the Embarcadero/Waterfront will help define this unique area.

A Downtown entrance sign on Morro Bay Boulevard at the city park would help brand the Downtown. During the work session with Downtown stakeholders, there was a desire to have an arch that distinguished entering the Downtown (also referred to as Uptown). (see Photo 3)

Photo 3 – Entrance Uptown Morro Bay



Sample Arches



North Main and the Centennial Parkway are secondary gateways into the Downtown. Secondary gateways should also be clearly defined with signage/banners that inform the visitor that they are entering/exiting the Downtown.

The Morro Bay Downtown Waterfront Strategic Plan Draft February 2017 provides discussion and recommendations for Centennial Parkway improvements (including branding and wayfinding) and how these improvements would increase the flow and connectivity between the Downtown and Embarcadero/Waterfront Centers. The city has also drafted preliminary conceptual plans for public investment in city-owned buildings and lots at the Centennial Parkway gateway for redevelopment into parking structures and commercial development that could include the abandonment of Market Street between Morro Bay Boulevard and Pacific.

Aerial 7 - Centennial Parkway Improvements



The goal of these efforts is to create a more robust, economically viable and attractive Downtown that both residents and visitors are drawn to and value as uniquely “Morro Bay”. The Downtown could also create and brand sub-districts within the Downtown to cluster like businesses, such as the many thrift and second-hand stores branded into the “Upcycle District” or the “Arts District”, similar to the waterfront sub-district in the Embarcadero/Waterfront Economic Center.

Parking

Lack of parking was one of the primary complaints voiced in the community survey and in personal stakeholder interviews about downtown. Respondents identified several causes for the shortage including; the city doesn’t provide enough and merchant employees park all day in the best spots in front of their stores.

The 2007 TPG Consulting “Parking Management Plan” showed critical parking demand occurring only in a very few, isolated blocks and only for very short duration time periods (for only about a 1-hour interval),

with additional public parking available with up to 85 percent utilization within a 1-4 block radius. The plan provided many alternatives for the city to consider addressing real and perceived parking issues including; enhanced signage, shared parking, employee parking, etc.

The Downtown Economic Center Working Group should revisit this 2007 report and update data if needed to create a list of parking priorities for implementation.

Streetscape (Streetscape in this context refers to the total street environment including storefronts, sidewalks, lighting, furniture, trash receptacles, and landscaping.)

Community survey respondents rated the Downtown as **fair** in overall attractiveness and business vitality suffers from this condition. The importance of an attractive and vibrant streetscape is identified as Catalyst Project H in the Downtown Waterfront Strategic Plan¹⁹.

There are many recommended actions in the Downtown Waterfront plan for design guidelines and streetscape improvements that the city and Downtown business and property owners (Downtown Center Economic Working Group) should review and prioritize for action.

One additional recommendation from stakeholder interviews is to paint the faded crosswalks to increase pedestrian safety in the Downtown.

Business Opportunities (Chapter 3. Implementation Recommendations)

“Visitors go where residents go. If that’s somewhere besides downtown, that’s where visitors will go as well.²⁰” Many respondents to both personal interviews and the on-line survey stated there is little of interest to them in the Downtown. For Morro Bay’s Downtown to realize its potential as a strong economic center, concerted efforts to change the retail and service mix to appeal to residents and a broader range of visitors should be a shared priority for the city and business and property owners.

The city is already engaged in the identification of many of these opportunities through its current planning efforts in the Downtown.²¹ These plans provide a framework for the revitalization of opportunity sites (underutilized buildings and lots) and design guidelines for streetscape improvements, architectural design, wayfinding, outdoor dining, plazas and outdoor spaces and signage.

Affecting change in a built-out environment takes forward-thinking planning by both the public and private sectors. The next incremental steps entail documenting space (vacant, underutilized, watch list) and identifying the existing and desired business mix. This process is often referred to as envisioning the change. Specific steps include:

1) Develop an inventory of vacant land and underutilized buildings. Because the Downtown is essentially “built-out” better utilization of existing assets will be required. A good place to start would be with existing small vacant and underutilized land and buildings that present business opportunities for incremental growth to accommodate additional retail, service, office/technology, and residential development. Develop an inventory with property

¹⁹ Downtown Waterfront Draft Strategic Plan February 2017, pg. 2.30. Michael Baker International

²⁰ Roger Brooks, www.RogerBrooksInternational.com

²¹ Opportunity Morro Bay: Market Plaza Power Point 2016, Downtown Waterfront Strategic Plan, Draft 2017 Michael Baker Int.

owner information, including if the vacant/underutilized property is for sale and building/land aggregation potential of underutilized properties. The inventory should include a review of planning and zoning for commercial/mixed use compatibility and development standards to support economic revitalization, especially for higher end retail, hotels, office/technology and residential (second story). Having an up-to-date inventory of key properties will support the expansion/attraction of desired economic targets. Developing simple schematics that show development potential including shared use of existing public parking lots, office/residential on upper floors with retail/hotel at street level.

This information will be important for the city, Chamber of Commerce and Downtown Association to know and utilize to share with existing property owners and businesses and prospective businesses and investors. This information could also be used to recruit those types of businesses wanted to compliment the downtown mix – seek out what is desire vs. waiting for them to come.

2) Develop a database of existing Downtown businesses by type and location. This information will serve several purposes such as the identification of:

- Clustering of like businesses (e.g. Upcycle, artisans, and crafts, etc.) that could be used in sub-district branding.
- Gaps in key business types (e.g. clothing, hardware, specialty, entertainment, etc.) that could become targets for attraction, or second locations for existing Morro Bay or regional businesses.

3) Develop a list of desired businesses that would:

- Complement existing businesses.
- Contribute to filling gaps.
- Enhance the Downtown “experience offering” a reason to go Downtown, such as indoor/outdoor public space, artist/craft clusters, eating, drinking and entertainment venues.

Repurposing existing underutilized buildings and lots has huge potential to accommodate new uses that may have more market demand. Secondary benefits include a reduced carbon footprint and less waste than new construction. Consider some of the older motels in Morro Bay for conversion into apartments, artist work cluster, or alternative workspace. Some motels have horseshoe configurations that provide a nice community feel if you imagine replacing most of the asphalt parking with gardens and other community space. Motel rooms could be converted to small apartments or condo units – or combined to create larger units. The addition of affordable housing in the Downtown would also be a benefit²².

²² <http://wydaily.com/2016/03/17/local-news-knights-inn-owner-debuts-apartments-converted-from-motel-rooms/>
<http://www.useful-community-development.org/adaptive-reuse.html>
<http://denverurbanism.com/2014/04/adaptive-reuse-broadway-plaza-motel.html>
<http://www.latimes.com/business/la-fi-suburban-infill-20161223-story.html>

Example: To renovate an aging neighborhood and buildings and bring artists specifically to be part of their visitor attraction mix, the City of Paducah, Kentucky created an *Artist Relocation Program*.

To attract artists, they offered finance and loan incentives to purchase, renovate, and build properties in the area. It was a focused on a certain area of the town where buildings could be utilized to create an artist enclave allowing artists the possibility of owning their own space for live, work, and gallery space. In most urban areas where artists reside, gentrification and rising rental costs often push artists out, and prevent them from maintaining workspace.

Older motel/hotels in Morro Bay could become artists' units/lofts. These could be on the watch list for potential reuse to attract more artists – young artists getting started to add to Morro Bay's existing character.

Morro Bay may not be able to offer the same types of incentives but the concept of targeting artists and linking them to under-utilized space that needs retrofitting, Paducah is a good model. Paducah's success – over 40 artists have relocated and invested over \$15 million into the local economy and become a draw for visitors. They are currently starting a Fine Arts School with the local community college.



More intensive reuse of vacant and underutilized properties along Morro Bay Boulevard would also contribute to a continuous flow of retail and service (stores, restaurants, etc.) and with improved public assets (benches, mini parks, landscaping) would help achieve a “continuous” experience between the Downtown and the Embarcadero/Waterfront. Being diligent to creating a continuous flow between the Economic Centers will be particularly important along with the development of the Market Plaza Catalyst site (see Initiative 3. Catalyst & Opportunity Sites).

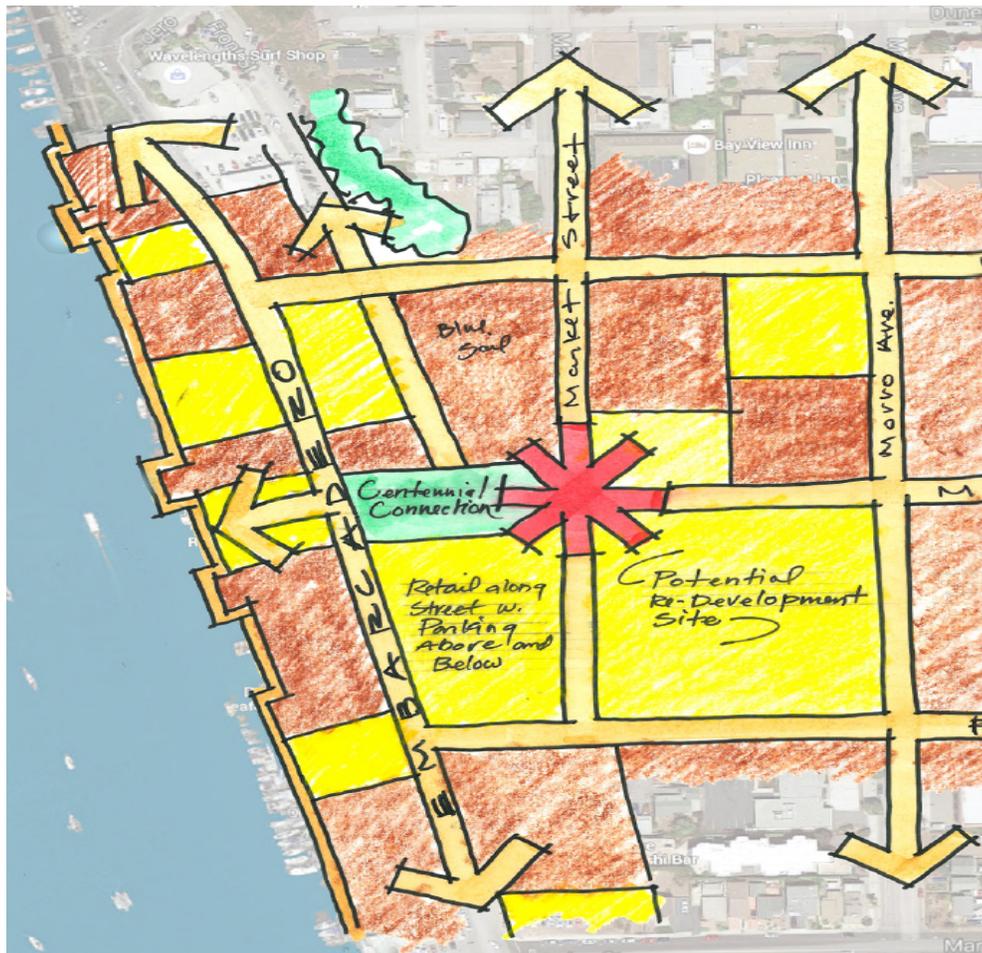
Respondents to the community survey strongly voiced support for a downtown destination with outdoor seating and dining, higher end retail and retail that supports the demand for local goods, and more arts and entertainment including farmers’ markets, festivals, and events.

Implementation of these steps by committed leadership will help to drive change in the Downtown.

Opportunity and Watch Sites:

The Downtown Center has multiple small opportunity sites, one watch site, and a catalyst site (Market Plaza). Some of these opportunity sites are identified in Map 15 below, however, there are more along Morro Bay Boulevard and throughout the Downtown, as properties turn over.

Map 15 - Opportunity and Watch Site – Market Plaza



Opportunity Sites:

The development of a building and land inventory will help establish if vacant land and buildings in the Downtown are “opportunity sites” or “watch sites.” Opportunity sites are currently for sale. Watch sites are key buildings and land that are valued for their singular assets or hold economic development potential when combined with adjacent land and/or buildings.

The city has one opportunity site in the Downtown, the city-owned DiStasio’s On the Bay commercial building on Market Avenue at Centennial Stairway. This building is a key component of the Market Plaza Catalyst site concept. It is also a key element of bridging/transitioning the Embarcadero/Waterfront and Downtown Economic Centers. The city leases the top floor to the restaurant and the bottom floor is empty. According to city staff, the bottom floor has significant reuse issues including ADA compliance that affects the city’s ability to lease the space but if determined feasible to upgrade, it could be potential office space.

Watch Sites:

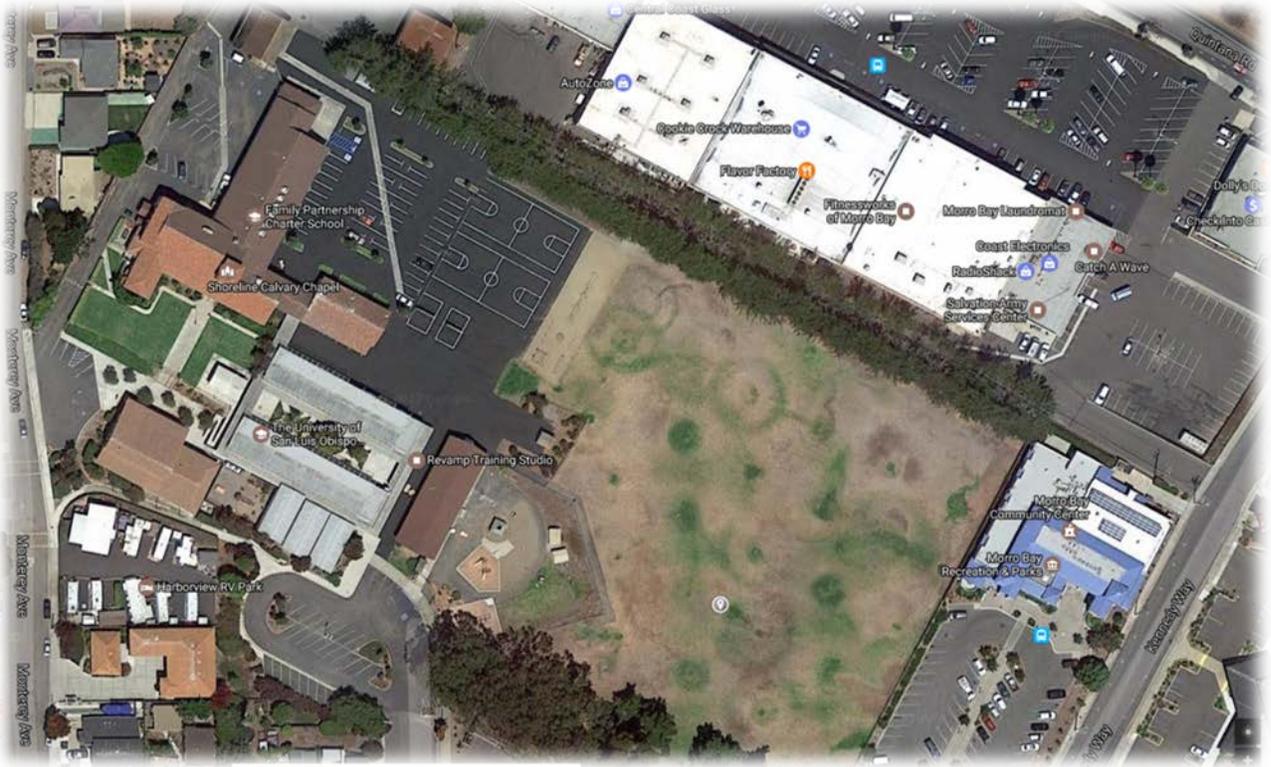
There are numerous “Watch” sites comprised of vacant lots and underutilized buildings in the Downtown, along Morro Bay Boulevard and scattered throughout the Downtown. Several of these sites are identified in the Waterfront Downtown Strategic Plan (a vacant lot at Harbor and Morro, underutilized lots at Harbor & Monterey and NE of Morro Bay Park).

Underutilized and vacant lots should be “watched” for assemblage/development for a “mini” public market similar to Oxbow (Napa) or Pikes Place Market (Seattle). Opportunity to showcase the local food movement and outdoor recreation (land and sea) products and value added products.

The most significant Watch site is the former elementary school on Monterey Avenue. Owned by the San Luis Coastal Unified School District, it is not currently for sale but should be watched as a potential “opportunity site” due to its land and building configuration. The setting would be an attractive location for a professional/technology campus. Morro Bay could be a competitive location for small (10-20 employee) professional office/technology companies. Currently, the city does not have suitable buildings/campus that could accommodate this type of user. A modern flex space building that offers high-speed internet and access to neighborhood amenities (coffee, food, accommodations) is required to attract these companies. The Downtown has these amenities but lacks the building/campus environment. The new Digital West fiber network serving the Downtown and the Embarcadero/Waterfront will also enhance the city’s competitiveness for technology companies.

This site is also an important cross-over transition site linking Quintana with the Downtown Center.

Aerial 8 - Former Morro Bay Elementary School Site



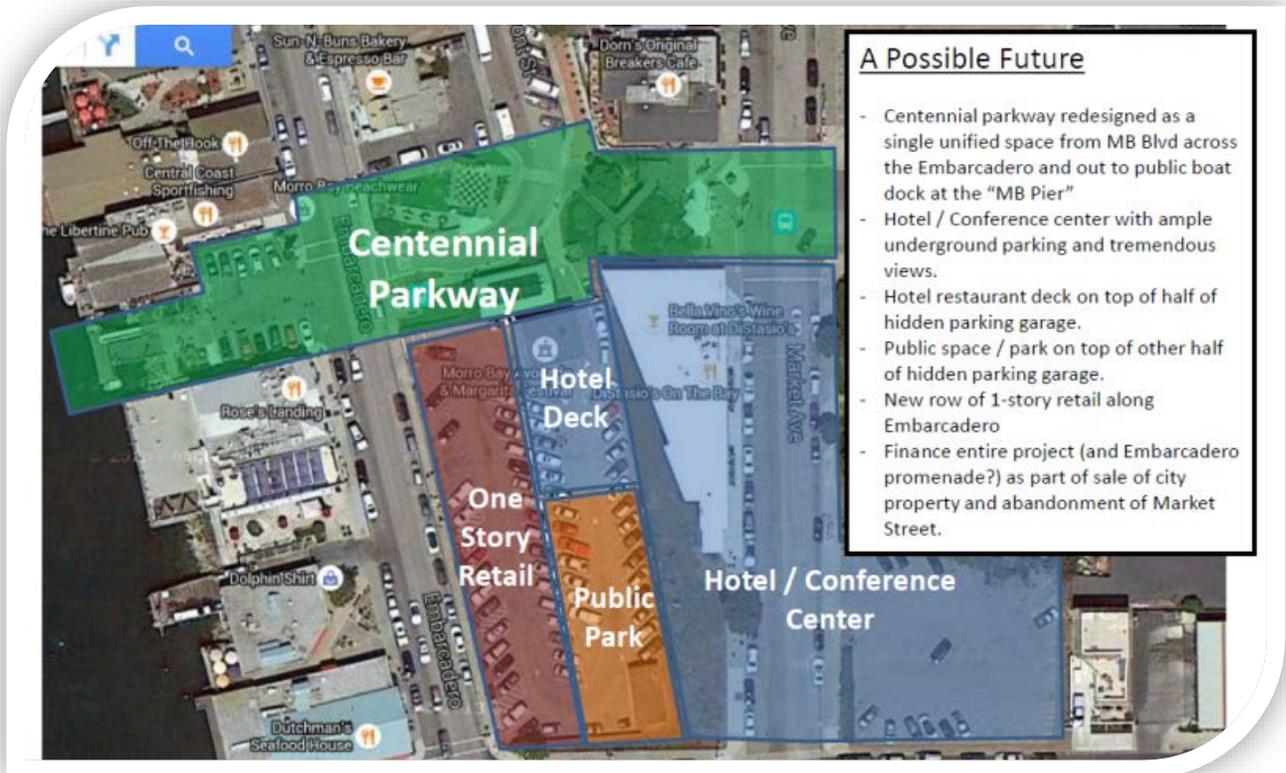
Catalyst Site:

Market Plaza is a city-initiated conceptual plan for Centennial Parkway and Market Street for reuse of underutilized buildings and vacant lots both public and privately owned. As previously stated, Centennial Parkway is a pivotal “transition” area that connects the Embarcadero/Waterfront with the Downtown. Market Plaza has tremendous economic development potential and could create the synergy and connections needed to enhance both the Downtown and Embarcadero/Waterfront Centers. A conceptual drawing of Market Plaza is provided below and discussed in detail in Initiative 3 Catalyst & Opportunity Sites.

This location is “shared” between Economic Centers and therefore needs to be addressed by both from the perspective of the Embarcadero/Waterfront traveling up the stairway on foot or by vehicle from Pacific or Harbor Streets and from Morro Bay Boulevard moving toward the Embarcadero/Waterfront.

Market Plaza is discussed in detail in Initiative 3 Catalyst & Opportunity Sites.

This location is “shared” between Economic Centers and therefore needs to be addressed by both from the perspective of the Embarcadero/Waterfront traveling up the stairway on foot or by vehicle from Pacific or Harbor Streets and from Morro Bay Boulevard moving toward the Embarcadero/Waterfront.



Market Plaza is discussed in detail in Initiative 3 Catalyst & Opportunity Sites.

Business Assistance (Implementation Recommendations)

Successful economic development in the Downtown will require a strong public/private partnership. The city has already invested in the economic center by preparing the Draft Downtown Waterfront Strategic Plan. This is in addition to the comprehensive update of the city's General Plan and Local Coastal Plan. These planning processes will define the vision and development potential of the center and the city. These documents are foundational and should become key reference documents for moving to action.

Business assistance programs to be considered include:

- For the retail and service businesses, partnering with SLO Workforce Development Department to establish a hospitality certificate and customer service certificate training programs is recommended (there has been such a program in the past which possibly could be reinstated).
- City ombudsperson: a designated city employee ombudsperson that will assist business through the planning, building codes and policies, where business expansion and location most likely will require the adaptive reuse of existing built space.
- Business Assistance: provided through the Cuesta College Business and Entrepreneurship Center (BEC), in collaboration with the Chamber of Commerce. The BEC supports local economic development organizations whose primary mission is to assist small businesses. One local hotelier suggested that it would be very beneficial if the Chamber hosted a Job Board where local businesses could post job openings.
- Incentives: Other communities have been successful in supporting local businesses through incentive programs, however, Morro Bay may not have the capacity to offer such incentives²³:
 - Matching dollar façade improvement programs to incentivize local downtown building and business owners to enhance the visual aesthetic of their building. The desire for additional awnings to increase the visual appeal of the community was cited by many respondents in the community survey.
 - Incentive for the development of commercial/residential uses on multiple story buildings in the downtown.
 - Incentive for revitalization/upgrade or adaptive reuse of underutilized “tired” older motel/hotel properties in the downtown.
 - Incentive for business attraction. Some communities have used incentives to attract desired businesses (e.g. Paducah, Kentucky).

²³ City of Long Beach, Adaptive Reuse Technical Manual, December 2014 <http://www.lbds.info/civica/filebank/blobdload.asp?BlobID=5218>. The Vacant Upper Floor Project, Pittsburgh Downtown Living Initiative, June 2004 <http://evepicker.com/wp-content/uploads/2017/01/VUFsmall.pdf> Adaptive Reuse Handbook, Seattle, Washington <http://courses.washington.edu/wcstudio/SLU/7-AdaptiveReuseSection.pdf>

**Initiative 3 Marketing
Catalyst Sites**

Initiative 3. Marketing Catalyst Sites

Morro Bay has three catalyst sites that possess significant opportunities to enhance the city's sustainability through increased investment, job creation, and economic diversification.

In contrast to the “infill” and repurposing of single underutilized buildings and lots (referred to as opportunity sites), these catalyst sites encompass acres of built and undeveloped land, are long-term, and will require additional study, analysis, and public review.

Although the challenges and opportunities for each site are different, all will require a shared vision and investment of both public and private leadership and funds.

The three sites are listed below and further described in the following pages.

1. Market Plaza a pivotal opportunity shared by the Downtown and Embarcadero/Waterfront Centers (both city-owned and privately owned land and building assets).
2. Power Plant in the Embarcadero/Waterfront Center (privately-owned asset).
3. Wastewater Treatment Plan (WWTP) in the Embarcadero/Waterfront Center (joint ownership with the Cayucos Sanitary District).

Catalyst Site Pre-Preparation Actions

Reuse/redevelopment of these Catalyst sites will require groundwork by the city. This groundwork includes:

- Assemble the city's development team including; city manager, finance director, planning director, city attorney, engineer, public works and key stakeholders (council, community leaders, property owners, etc.).
- Develop key qualifications list for potential developer partners, brokers.
- Build community support by starting early. Identifying community concerns early on allows time to address concerns, mitigate risk and create a shared vision and public purpose.
- Consider and conceptually plan for how the city could assist with site assembly, especially with facilitating reuse of city-owned assets (parking lots, buildings).
- Develop preliminary community infrastructure requirements needed to support development. Consider city assistance with parking, utility and other infrastructure to serve the community's objectives and facilitate the project. Costs could be recovered through user fees, impact fees or assessments.

“Public/private partnerships are a critical vehicle for accomplishing key community development objectives with regard to real estate development and redevelopment, infrastructure and public facilities, and monetization of existing public assets for public benefit. These partnerships tap the expertise, tolerance for risk, and financial resources of the private sector to help achieve public goals. However, they are complex, and the public and private sectors have different skills, concerns, and perspectives”.

Public/Private Partnerships from Principles to Practices, ULI 2016

- Investigate Enhanced Financing Infrastructure District program as a potential source for financing projects. See Appendix, Infrastructure Financing Guide by Keyser Marston²⁴.
- Undertake selective site preparation. Especially for city-owned assets. The city could undertake site preparation and remediation activities, such as moving underground utilities and allowing predevelopment entry to undertake excavation and environmental due diligence.
- Streamline development approval processes. This action is a form of pre-development by establishing clear parameters of acceptable development. Some communities have updated zoning with form-based codes²⁵ and created a coordinated and current review and approval processes.

These “pre-preparation actions” by the city could help reduce the risk of challenges and delays the catalyst projects could encounter and decrease project risk for potential developer partners²⁶.

Marketing Catalyst Sites

Development of catalyst sites will likely require a public/private partnership, whereby a developer or owner/developer is financing the project.

The city is already doing the right thing in promoting catalyst site opportunities with one-on-one meetings with developers and/or owners that have the wherewithal, and vision, to see the opportunity. The city should continue to have the City Manager Team meet with developers and owners to personally discuss the catalyst projects. To assist with presentations to developers, the city could:

- Prepare a power point deck for each catalyst site.
- Prepare a package with maps, the conceptual and current status of infrastructure, permitting and what the city can bring to the table.
- List all programs and incentives that might be available to developers (such as, infrastructure financing or new market tax credits (see appendix).
- Continue to schedule meetings with owners of property and developers, with the approval of owners to discuss catalyst sites.
- Continue to expand the list of developers (Bay Area and Los Angeles).
- Discuss potential infrastructure financing with an entity such as Keyser Marston who will also have contacts with developers.
- Post power point deck on website and slide share.
- If owners approve, add catalyst sites to OppSites, www.oppsites.com.

²⁴ Jim Rabe, Principal Keyser Marston Associates, jrabe@keyersmarston.com, 213-622-8095

²⁵ Form-Based Codes Institute <http://formbasedcodes.org/>

²⁶ Public/Private Partnerships from Principles to Practices, ULI Public/Private Partnership Councils 2016 <http://uli.org/wp-content/uploads/ULI-Documents/Successful-Public-Private-Partnerships.pdf>

- Attend the P3C (Public-Private Partnership Conference) in 2018, a venue to meet with developers who could be interested in the city's catalyst projects <http://thep3conference.com/>.

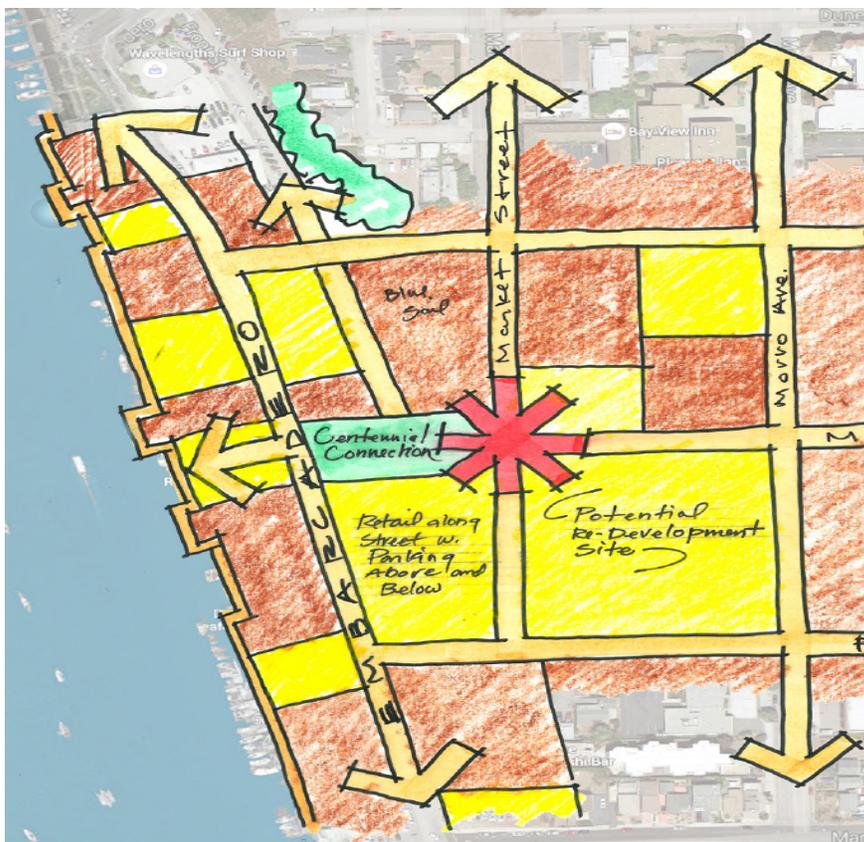
I. Market Plaza:

This conceptual catalyst project was identified by the consultant team for three reasons 1) strategic location connecting the Downtown and Embarcadero/Waterfront, 2) an identified secondary gateway for Embarcadero/Waterfront to provide direction and wayfinding for visitors and 3) input from stakeholders on the need for conference center, hotel, and high-end retail. The catalyst area has tremendous potential for reuse/revitalization for both the Downtown and the Embarcadero/Waterfront centers.

The project site boundaries are not firmly established but generally encompass all lands from the Embarcadero to Morro Avenue and from Morro Bay Boulevard to Pacific Street. Part of this catalyst site is included as Opportunity Site Number 7 (city lots at Embarcadero and Pacific) in the Downtown Waterfront Draft Strategic Plan February 2017.

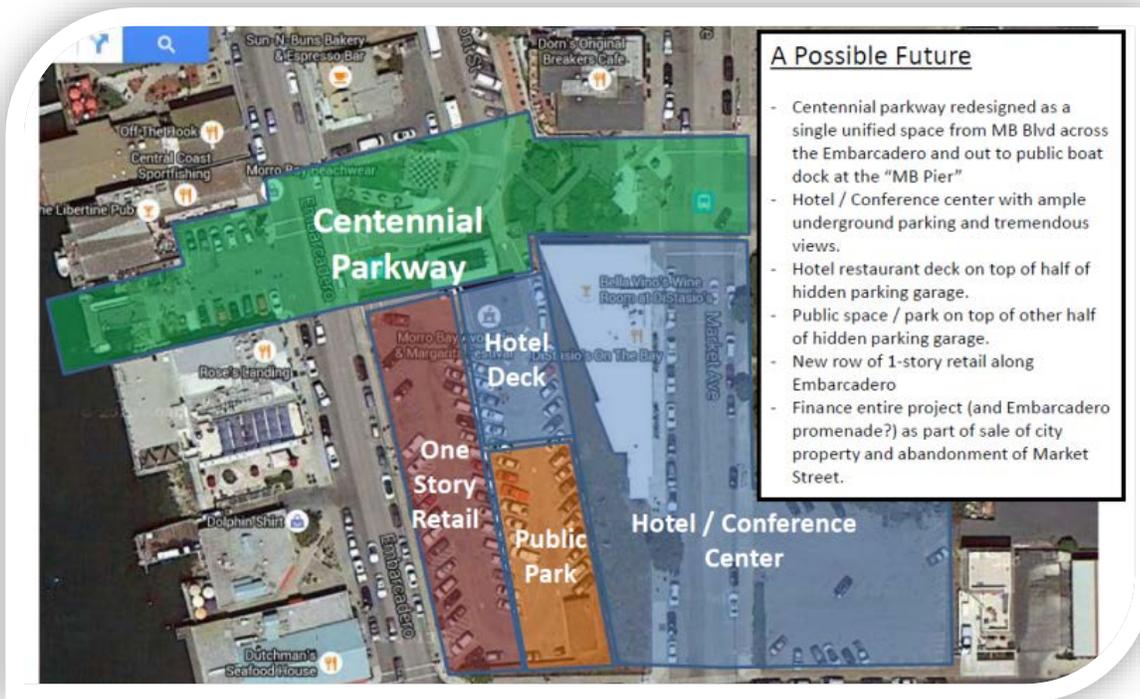
Maps 15 and 16 show the general boundaries of the Market Plaza Catalyst site and potential development opportunities that could include a hotel/conference center, retail, a parking structure, and park.

Map 16 - Strategic location for redevelopment opportunity, connecting Downtown with Embarcadero/Waterfront including an identified secondary gateway location*.



The city owns significant assets at this site including a commercial building (DiStacio's), a street level parking lot on the Embarcadero, and the Centennial Parkway. Privately held properties include a vacant lot, Breaker's Motel and parking, car wash, private residence and a consignment store and parking.

Figure 8 - Market Plaza Concept



Development of this site will call for a strong public/private partnership including the participation of private property owners and a developer team. Development should consider:

- Adaptive reuse of under-achieving buildings.
- Reuse/revitalization of city-owned buildings/parking lots.
- Structure parking within/below buildings to minimize surface parking lots.
- Art and interpretive opportunities overlooking the bay.
- Potential street closures and traffic rerouting.
- People connections to natural systems, recreation, and shopping.
- Integration with bigger picture plans for the entire Downtown Embarcadero/Waterfront planning areas, particularly the Centennial Parkway connection to Downtown.

- Mixed-use destination retail/experience like Pike’s Market or Oxbow.

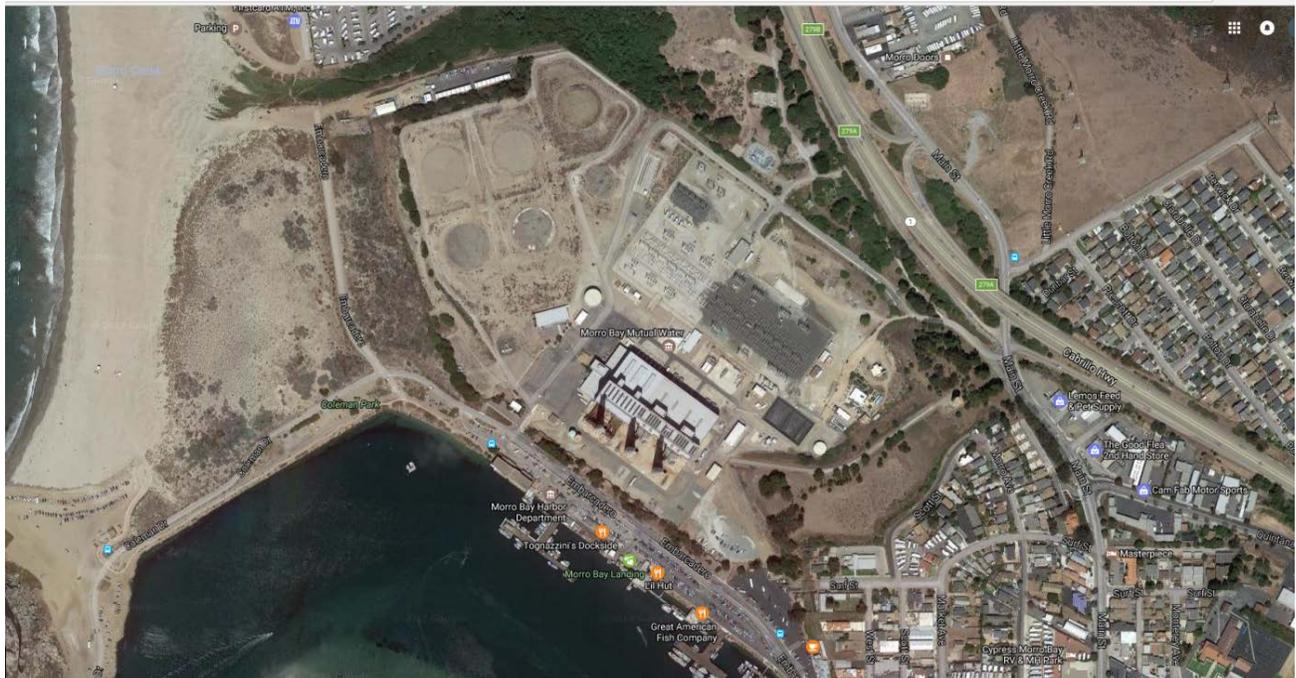


2. Power Plant:

The 100-acre former power plant, currently for sale, is a “game changer” for Morro Bay for many reasons including: size of the property, location on the Embarcadero/Waterfront, views, natural setting, adjacent existing retail/service/waterfront and proximity to the city’s soon to be decommissioned 25-acre wastewater treatment plant site (WWTP).

The three 450 foot stacks are considered a landmark and contribute to the physical identity of Morro Bay. Repurposing of this site offers a unique opportunity to embrace this iconic site as a public amenity. The size of the property is suitable for a major mixed-use development that meets community and economic development needs.

Aerial 9 - Power Plant Site



The site may have limitations on development, such as access to the site would need to be considered, including an interchange off Highway I to accommodate traffic impacts associated with this site and the reuse of the WWTP site. Adjoining connections with Atascadero to Highway I and North Main would allow a multi-modal loop to the south via the Main Street and Morro Bay Gateways.

Discussion of this site during the General Plan process identified a range of opportunities. Adaptive re-use of the power plant building, if structurally feasible, could be a combination of uses including a brew pub, housing, and office space. Preservation of the stacks would maintain the local identity and wayfinding. Enhancement of these stacks, such as subtle nighttime illumination could further establish this site as a destination and amenity.

The remainder of the site has great potential. Concepts discussed include a regional sports park, sand volleyball, a maritime or cultural heritage museum and other uses that would support the economic develop and community goals while complimenting the Embarcadero/Waterfront dynamics.

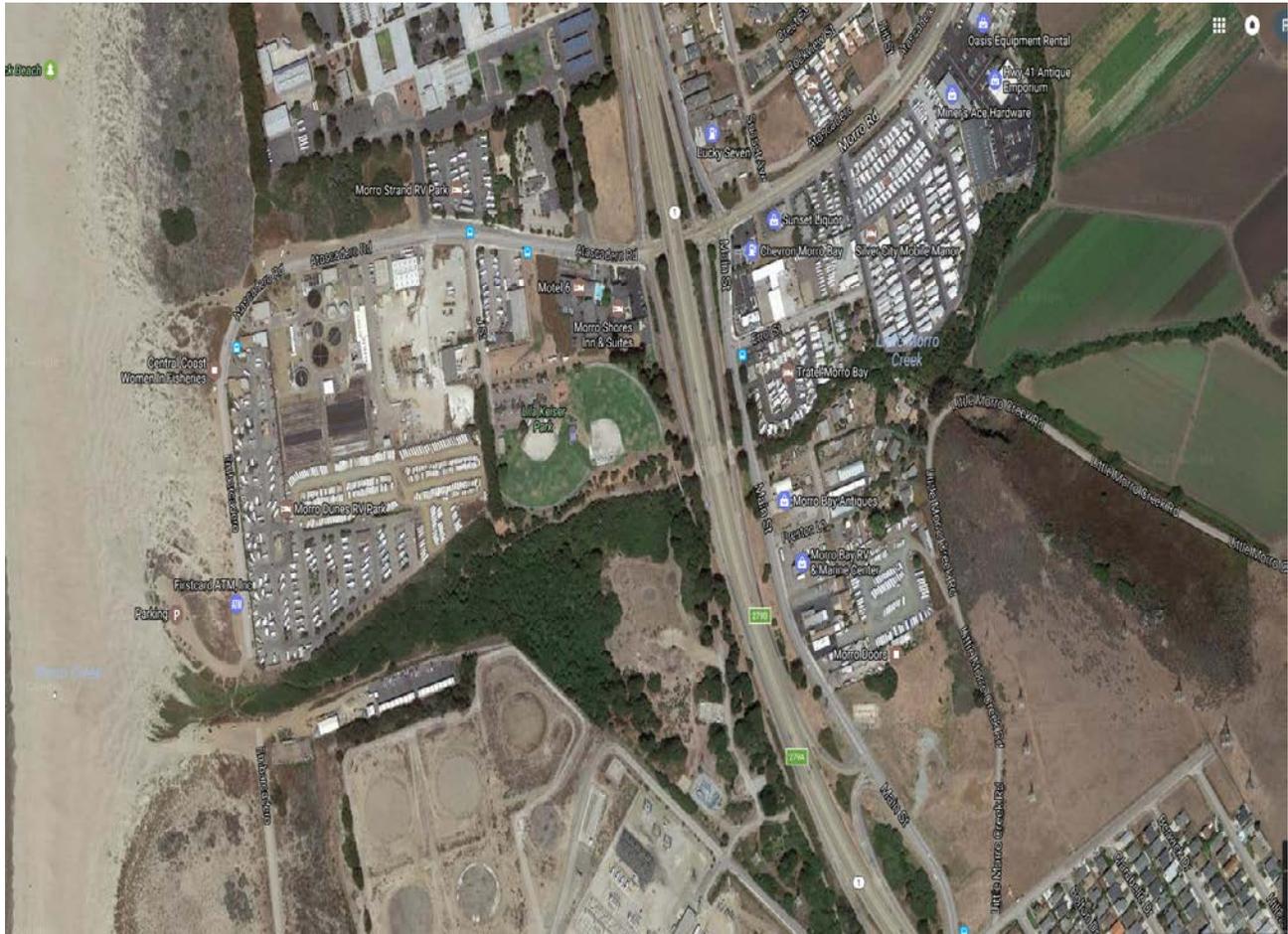
Map 17 - Power Plant Catalyst Site



3. Waste Water Treatment Plant (WWTP):

The soon to be decommissioned 25 acre WWTP is a shared asset between the city and the Cayucos Sanitary District. There may be limitations to the development of the site, such as the shared ownership and partial location in flood zone.

Aerial 10 - WWTP Catalyst Site



The WWTP is a significant location. The beach defines the west edge which promotes this site as a destination. To the east is Lila Keiser Park. This park has potential to be expanded in the short term to meet growing recreational needs. To the south are Morro Bay Creek and the Power Plant Catalyst site beyond. Atascadero Road to the north provides important connections to the high school and transportation routes.

As a catalyst site, the potential for economic, environment and recreation is outstanding, especially given that some of the land is within the flood zone. Various visions, ideas, and conceptual plans have been identified. A mix of uses is most consistent with the goals of economic development. The ideas that have been discussed include an enhanced camping, cabin and RV park, community gardens, light retail and commercial uses, a small boutique hotel and conference center and similar uses. Recreational uses, like more sports fields, have also been discussed. The west end connection of Atascadero Road to the Embarcadero/Waterfront to the south has been identified as an important people plaza location. This has been identified as a nexus place-making opportunity.

Map 18 - WWTP Catalyst Site



A survey analysis and conceptual planning could be next step to explore the range and integration of these uses. Underlying the plan for these sites is the critical goal of protecting, restoring and enhancing the natural systems and amenities that define these sensitive areas. Issues of storm water treatment, habitat restoration and protection of drainage ways, the creek and native vegetation should be integrated into the plan objectives. Integrating the historic and cultural influences should also be interpreted within project plans as a means to enhance the identity of Morro Bay.

Throughout the Catalyst sites, pedestrian-friendly environments are the key to successful planning. Peoples' connections to natural systems, recreation, and shopping destination should be the common thread throughout the development plans.

Chapter 3

Implementation

Recommendations

Chapter 3. Implementation Recommendations

The objective of an economic development strategy is to have:

- A shared “roadmap” aligning existing and new initiatives with opportunities to achieve economic growth.
- A shared understanding and strategic direction that, with stakeholder input and market conditions, evolves and changes.
- A collaborative foundation geared toward action, leveraging resources and maximizing outcomes.

This section, *Implementation Recommendations*, is about executing the recommendations contained in the roadmap. Because the city itself cannot do this alone, this section focuses on building public-civic capacity (structure) to execute the plan. Implementation should be done in cooperation with existing business organizations, stakeholders, and economic development partners.

This section provides recommended roles for business organizations and the city to collaboratively act – leveraging resources and expertise.

Morro Bay Economic Development Roadmap Initiatives

The implementation recommendations are based on the roadmap’s three key initiatives.

Economic Development Initiatives	
1. Maintain & Enhance Morro Bay’s Small Town Character	Initiative Focus: Creating a sense of place, image, primary and secondary gateways, wayfinding, signage, physical appearance.
2. Create Vibrant Economic Centers	Initiative Focus: As basically a “built-out” community with limited new areas for development, economic development actions must focus on enhancing the city’s four economic centers and the businesses in those centers.
3. Market/Develop Catalyst Sites	Initiative Focus: Catalyst sites represent the largest physical sites in Morro Bay for economic growth. These projects are typically long-term, complex and may require public-private partnership agreements with the city.

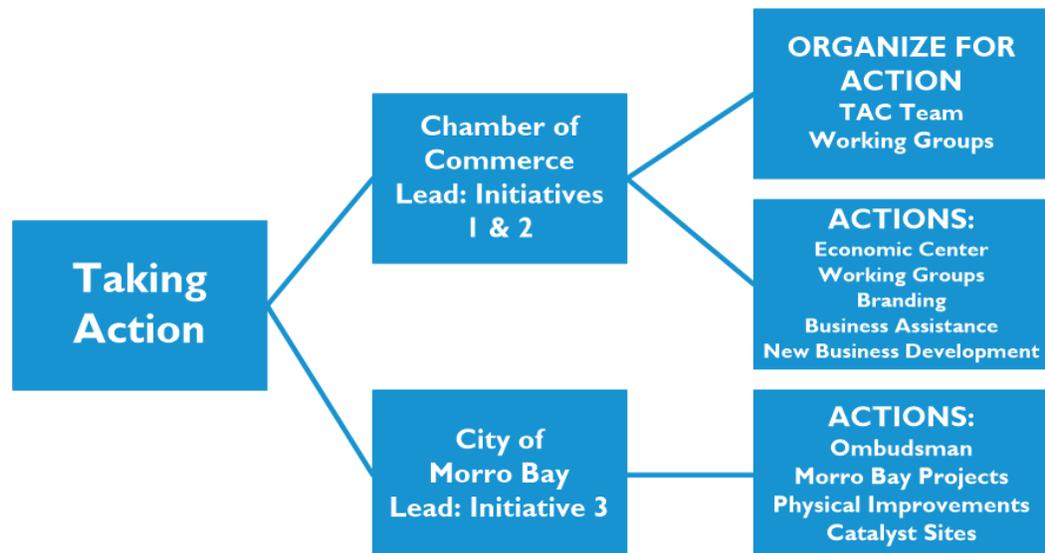
An Implementation Team Approach

Implementation should be done in cooperation with existing business organizations, stakeholders, and economic development partners. Involving the local business organizations provides further opportunity for local stakeholders and businesses to participate and have a voice in revitalization.

For Initiatives to move forward someone or some organization must “lead/champion” and provide support in convening stakeholders in discussion, decisions, and actions. For Morro Bay, the following is recommended:

<p>Initiatives 1 & 2 Potential Lead: Chamber of Commerce</p>	<p>The first two initiatives, Initiative 1 & 2, are focused on local stakeholders and existing business. The initiatives could be led by Morro Bay business organizations <u>with support from the City</u>.</p> <p>Morro Bay has one active business association, the Chamber of Commerce. The Chamber could take a leadership role to organize and implement the recommended actions (see <i>Initiatives 1 & 2 Recommended Actions, following pages</i>).</p> <p>The Chamber would need to be asked if these tasks/actions align with their business support mission and if they would be willing to lead.</p>
<p>Initiative 3 Lead: City of Morro Bay</p>	<p>The third initiative, focused on catalyst sites, should be led by the City, these are long-term complex projects.</p> <p>The city should also be engaged with Initiatives 1 & 2 in an active support role but let business lead. It is recommended the city identify staff as an ombudsman for businesses – a point person to work directly with business and engage, as needed, other staff to handle requests from business.</p>

This approach recommends a collaborative partnership with two parallel paths to action. One that is led by business and one led by the city.



Recommended Implementation Actions – Initiatives 1 & 2

There are four (4) key actions/programs to move Initiatives 1 & 2 forward:

**Action 1:
Economic
Centers**

**Action 2:
Morro Bay
Brand**

**Action 3:
Business
Assistance**

**Action 4:
New Business
Development**

1. Economic Centers – Create Economic Center Working Groups, businesses and property owners who are interested in enhancing their economic center.
2. Morro Bay Brand – Branding, signage, wayfinding, and physical appearance was a priority of stakeholders and is discussed and recommended in this roadmap as well as other citywide planning reports. Organize a Task Force to review all recommendations and a path forward. This roadmap recommends each economic center be branded.
3. Business Assistance – Create an outreach program to call on businesses in each economic center to identify business growth opportunities and specific business needs that could be addressed through existing local and regional business resources.
4. New Business Development (Infill Development) – New business growth will only occur through infill development and adaptive reuse of vacant/underutilized buildings. Actions are recommended for organizing and being proactive in marketing those sites/buildings.

Building an economic development ecosystem is an important component to achieving economic growth and diversification. Before starting implementation two organizational steps are recommended:

- 1) Organize a Technical Advisory Collaborative (TAC Team) – Representatives from local and regional resource agencies/organizations that provide business development support and assistance.
- 2) Host meetings with businesses and property owners from each economic center to present report and identify the interest of businesses and property owners in participating in a working group for the economic center.

Organize TAC Team

The **goal** for forming the Technical Advisory Collaborative (TAC Team) is to 1) create a “first point of contact for business assistance” a clearly designated entity that can connect businesses with resources and 2) convene local and regional business resources to form an active TAC Team to work on initiatives and provide direct services to businesses.

- Identify a business organization, such as the Chamber of Commerce, that could be the “first point of contact” for businesses to connect with resources. Become the hub for business services.
- Invite business service organizations to organize as a Technical Advisory Collaborative Team (TAC Team), such as:

- Chamber
 - Hotelier's Association
 - City CVB
 - Cuesta College SBDC
 - SLOEVC
 - CalPoly Hothouse
 - SLO Workforce Development
 - Morro Bay High School
 - Morro Bay Commercial Fisherman's Association
 - Central California Joint Cable/Fisheries Liaison Committee City of Morro Bay
- Hold a work session to review the roadmap and recommended actions to assist business. Identify entities involvement with helping to move forward the initiative and how to best provide direct business assistance service to businesses.
 - Agreement to be part of the TAC Team that can be called upon to assist Morro Bay businesses.

**Form
Economic
Center
Working
Groups**

The **goal** for forming working groups (which can be phased, one center at a time) is to engage those businesses and owners in reviewing the strategies, concepts, and recommendations outlined for each center to enhance that center's economic vitality.

- To identify those who might want to be part of an economic center working group host meetings with property owners and businesses of each economic center.
- Present the purpose of the roadmap to enhance economic centers and identify economic growth opportunities of existing businesses.
- Review recommendations for the economic center.
- Determine interest from those who would be willing to participate in moving to action.

Action I. Economic Center Working Groups

Goal: Engage business and property owner leadership in each economic center to drive actions and enhance centers.

Economic Centers

For those centers interested in moving forward:

- Schedule working meeting times/frequency.
- Further review the economic center report recommendations.
- Select a name for the economic center, such as Quintana District.
- Identify what would be priorities for the center.
- Review how to move forward, identify priorities and outline timelines for actions. Identify roles and responsibilities.
- Reinforce purpose is to enhance the economic center and manage expected outcomes (there is not a pot of money to do projects, but the potential for organizing and planning public/private partnerships).
- Identify existing businesses that may have potential to grow where assistance could be provided.
- Identify champion(s) for center.

Potential discussion points:

- What will enhance the economic center?
- What would be the desired business mix?
- Are there key businesses that would be compatible that should be located in the center?
- What is the best use for any “infill” sites or vacant/underutilized buildings?
- Do businesses in the economic center need business assistance?
- Will branding of each center help bring customers?
- Will branding help to promote uniqueness and sense of place for Morro Bay?
- Should some centers have sub-brand areas such as Waterfront, Upcycle District?
- Would enhancing the streetscape add more appeal for customers visiting the area?

With each economic center working group use and reference the Roadmap Economic Center Initiative report for that center. There are specific recommendations for each center.

Action 2. Branding, Signage & Wayfinding

Goal: Enhance the sense of place for residents and visitors..

Morro Bay's Brand

During the development of the Economic Development Roadmap, stakeholders were unanimous about maintaining and enhancing Morro Bay's small town character. This can best be addressed through gateways, secondary gateways, and wayfinding.

- With the city, form a task force for this initiative. Representatives from each economic center should be engaged as well as City, CVB, and other organizations.
- There are several reports that have recommendations on signage and wayfinding (see Initiative I). These reports should be reviewed (an intern could help by consolidating key findings/recommendation on signage and wayfinding recommendations from these various reports into one document for the working group).
- Review all recommendations and concepts; select the best concepts that offer the marketing and enhancement for each center (or supplement).
- Outline a plan to begin implementation of Gateway, secondary gateway and wayfinding including a possible timeline and funding opportunities.
- Once a theme and style is chosen for each center, report back to that center to determine interest in collaborative investment in these center improvements.
- As part of branding and visitor attraction, consider a billboard campaign that markets Morro Bay as a destination. Billboards should be on major highways in at least a 40-50-mile radius from Morro Bay. These could be a co-op marketing campaign to help pull travelers that are passing by.

Action 3. Business Assistance Outreach Program

Goal: Connect businesses with resources.

Business Assistance

The Chamber of Commerce, in partnership with TAC Team, could also implement an outreach program. Keep the program simple.

- Schedule outreach once a month.
- Select one center to canvass at a time.
- Outreach should be scheduled for 1 ½ hours.
- Meetings per business are 10-15 minutes.
- Teams of 2 – Chamber, Council members, Ambassadors, volunteers, service provider representatives.
- The purpose of the meeting is to let the business know what is happening in Morro Bay and the assistance available to them (not a survey) and list.
- Because the time each month (or every two weeks) is limited each economic center could be mapped by block to assign a team to outreach to business in a block, referred to as block by block.
- Report out findings.
- Model example, Chico Chamber of Commerce²⁷.

²⁷ Example: Chico Chamber of Commerce program, Katie Simmons, President, 530-891-5556 x303, ksimmons@chicoChamber.com

	<p>Key business assistance programs that will be most beneficial to Morro Bay business:</p> <ul style="list-style-type: none"> ▪ Workforce Training: i.e., local job open posting board, recruitment and screening of new employees and financial assistance through on-the- Job training programs, apprenticeships, and internships. ▪ Financing Programs: service providers to assist business with preparing for and accessing loan programs and looking for programs that could be leveraged to assist the company with their project. ▪ Business Assistance: Through Cuesta Business and Entrepreneurship Center provide business coaches that could assist the companies in expanding their market opportunity. <p>Small business programs that could be considered/valued by local business:</p> <ul style="list-style-type: none"> ▪ Google’s “Let’s put cities on the map”, www.gybo.com/partners. A partner program with city business organizations sponsored by Google to assist business with free resources to increase presence. ▪ Create workshop/assistance program for creating a community on-line market or assisting retail business with creating on-line commerce for their stores. ▪ Resources for Business Success²⁸, an online toolkit which the Chamber or the City could host on their website, http://www.toolsforbusiness.info/ <p>Customer service training:</p> <ul style="list-style-type: none"> ▪ Given the high percentage of retail and hospitality businesses reinstitute the Customer Service Certificate Training. This would help businesses in this field to identify “ready-skilled” employees. <p>Eyes and ears:</p> <ul style="list-style-type: none"> ▪ Identifying businesses that could be in a growth mode is often something that is heard through the network or just observing if a business is getting busy and appears to need to expand. Be on the watch when visiting businesses.
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Action 4. New Business Development
Goal: Identify infill sites and vacant/underutilized building that have an opportunity for new business growth.

Develop Land and Building Inventory	<p>To assist the working groups with understanding the opportunities in their economic centers, and for the TAC Team to know what is available for new business locations, develop a land and building inventory:</p> <ul style="list-style-type: none"> ▪ The inventory should be kept simple. ▪ Recruit a planning or GIS intern from CalPoly or Cuesta College. ▪ A starting point is the Working Paper Property Search completed in June 2016 (appendix to Roadmap). Update the list and verify with brokers. Site information should include owner, size, zoning, existing use, sales/lease price.
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²⁸ Resources for Business Success, contact Kay Reynolds, President, 866-429-1527

	<ul style="list-style-type: none"> ▪ With the city create an ESRI GIS story map (city most likely has access). Once set up will be easy to maintain with a monthly review with local brokers. https://storymaps.arcgis.com/en/gallery/#s=0&q=economic percent20development percent20sites ▪ Sample: http://miamidda.com/map/index.html ▪ Post on websites.
<p>Identify Creative and Adaptive Uses</p>	<p>Identify “infill opportunity sites” and buildings that are compatible for the center as well as think of creative uses for spaces that could add vibrancy to the center, such as:</p> <ul style="list-style-type: none"> ▪ Incubator space, like SLO’s Hot House. ▪ Spaces that could be utilized to attract tech-oriented companies. ▪ A collaborative industrial arts makerspace with education. ▪ Artist lofts (see Downtown Center Artist Lofts Relocation Program, creative use of older, underutilized, underperforming motels).
<p>Marketing</p>	<p>Marketing these sites should be very targeted and will most likely require personal meetings:</p> <ul style="list-style-type: none"> ▪ Identify a potential use or business that would be a fit for an infill site or building. ▪ Prepare a simple package of the space and information on all Morro Bay is doing to be a destination. ▪ A team of two should visit that business or “like” business to gauge interest. Introduce the opportunity to the business to be in a growing market in a city that is business-oriented. ▪ Target businesses in: <ul style="list-style-type: none"> ▪ Communities close to Morro Bay that may want a second location ▪ Or that are already located in a coastal community and a second coastal location would be attractive to them. ▪ Creative uses may need more planning, possibly requiring feasibility and financial analysis, particularly incubator space. Engage other organizations, such as, the Hot House who have hands-on experience with creative uses to discuss opportunities of leveraging the local resources to create that type of space in Morro Bay.

Recommended Implementation Actions – Initiative 3

There four (4) recommended actions for the city to lead:

Action 1: City Ombudsman	Action 2: Existing Projects	Action 3: Physical Improvements	Action 4: Catalyst Sites
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1. Appoint an ombudsman - a key recommendation for implementation is for the city to appoint an **ombudsman/point person**. This person would actively support Initiatives 1 & 2, be the point person with business, convene other departments to address needs of business, and build the city’s business-friendly climate reputation.
2. Continue executing existing projects that are important to Morro Bay’s economic diversification and sense of place.
3. Support physical improvements including branding and financing of improvements – the city will be involved with all physical improvements projects such as infrastructure (vehicle, pedestrian and bicycle improvements) and project development. Marketing, negotiating and assisting catalyst projects.

Action 1. City Ombudsman

Goal: Appoint a point person(s) as Ombudsman for businesses and to participate in planning and implementing actions (all initiatives).

Ombudsman

Appoint a business ombudsman that would:

- Support all initiatives and initiative recommendations lead by Chamber.
- Be an active participant in Economic Center Working Groups.
- Be an active participant on the TAC Team.
- Engage and involve other city departments as needed.
- Be point for responding and addressing business issues with the city as quickly as possible.
- Be involved in any primary gateway, signage and wayfinding efforts which could be led by Chamber/Merchant Association.
- Participate with the intern on developing building/land and adaptive reuse inventory.
- Ensure alliance with city plans, vision, and direction. Existing plans and specific studies should always be consulted before implementation to ensure economic development activities align with those plans and their execution.

Action 2. Existing Morro Bay Projects

Goal: Continue to move projects forward.

Projects

The city has several on-going projects that are unique to Morro Bay and help create that sense of place. These projects should be monitored for progress. They should be posted on the website with regular updates on progress to completion. Press releases and celebration should be planned at completion.

- Aquarium
- Maritime Museum
- Centennial Stairway
- Boat Yard and Haul Out
- Reliable fuel dock

Although not a project the Downtown Waterfront Strategic Plan once adopted should be scheduled for implementation.

Action 3. Physical Improvements

Goal: Assist with implementation of physical improvements that brand the city and improve infrastructure.

Physical Improvements

Physical improvements include gateways, streetscape, signage, and roads.

- Attend working group meetings to identify a priority for branding, signage, and wayfinding.
- Help organize the review of all documents referencing branding, signage, and wayfinding.
- Assist in creating a branding theme that is unified, and distinct for each economic center. Provide support in the planning and location of signage.
- Investigate Enhanced Financing Infrastructure District programs. (See Appendix Keyser Marston Financing Report).

Action 4. Catalyst Sites

Goal: Focus on moving catalyst sites forward to create significant economic impact and opportunity. (Initiative 3)

Project Collaboration

There are three catalyst projects. These are long-term, complex and will require public-private partnerships and development agreements.

1. Market Plaza – may require assemblage of properties.
2. Power Plant – privately held will require approval and collaboration with the owner to take action.
3. WWTP – requires visioning, conceptual design of the site and surrounding area.

Initiative 3 outlines “pre-preparation actions” that should be taken to reduce the risk of challenges and delays to Catalyst Projects.

Marketing

The target audiences for catalyst sites are owners and developers. It is a very narrow market. The best approach is one-on-one meetings (which the city has been doing). The city should continue to expand outreach to more developers that could be interested in new development and more formal packaging of catalyst sites:

- Prepare a power point deck for each catalyst site.
- Prepare a package with maps, the conceptual and current status of infrastructure, permitting and what the city can bring to the table.
- List all programs and incentives that might be available to developers (such as, infrastructure financing or new market tax credits (see appendix).
- Continue to schedule meetings with owners of property and developers, with the approval of owners to discuss catalyst sites.
- Continue to expand the list of developers (Bay Area and Los Angeles).
- Discuss potential infrastructure financing with an entity such as Keyser Marston who will also have contacts with developers.
- Post power point deck on website and slide share.
- If owners approve, add catalyst sites to OppSites, www.oppsites.com.
- Attended the P3C (Public-Private Partnership Conference) in 2018, a venue to meet with developers who could be interested in such a project. <http://thep3conference.com/>

About the Project Team

Chabin Concepts, FJ McLaughlin & Associates, DLA and Applied Economics were part of the Morro Bay Economic Development Strategic Plan Project and Team.

Chabin Concepts is an economic development and marketing firm with core competencies in realistic, achievable and measurable actions. DSG is an independent Site Selection Consultant. Our goal is to assist cities, counties, regions and states with their readiness for new investment and position them to win new jobs and investment. Our approach engages the community and leadership in strategic thinking **and** tactical implementation **accomplish the mission**.



Audrey Taylor, President and CEO, Chabin Concepts

With over 35 years experience, Audrey has assisted over 350 communities with strategic economic development action plans in California, Colorado, Oregon, Washington, Texas, Nevada, New Mexico, Oklahoma, Hawaii and Alaska. Best known for her strategic thinking, she has also assisted companies such as 3M, Graphic Packaging International, Sony, Spectra-Physics, Joy Signal, Rio Pluma, and NCI Building in strategic location analysis.

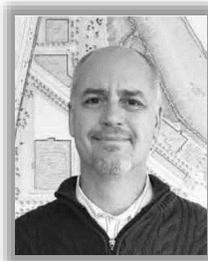
She has served five California Governors in different capacities, recognized as Woman of Year twice by the state and received prestigious Golden Bear award for her passion, commitment and dedication for giving back to the economic development profession.



Fawn McLaughlin, Principal, FJ McLaughlin & Associates

Specializing in strategic planning and organizational development, Fawn's technical expertise and organizational skills are supported by years of consulting experience. Fawn's ability to thoughtfully lead through multifaceted processes, in ways that incorporate the diversity of interests, and capabilities in a community or region is what sets her apart from others. These skills are coupled with excellent communication and team building expertise.

Fawn's leadership and technical skills have benefited regional and local organizations with the development of successful strategic plans, special incentive areas (i.e. enterprise zones), needs assessments, positioning strategies, and economic impact analysis.



David Dougherty, Principal, Dougherty Landscape Architects (DLA)

As DLA principal, David Dougherty has compiled a successful performance record for cost effectiveness, timely response to scheduling and administration of design services through construction. While working for Hanna / Olin (now Olin) in Philadelphia, Dougherty saw through to completion several complex civic projects including The Wexner Art Center on the Ohio State University campus and Bryant Park and The New York Public Library site restoration in Manhattan.

David has continued his focus on public work in his role as DLA principal with an emphasis on downtown revitalization and streetscapes. In addition, he has taught graduate level design studios at the University of

Oregon's School of Architecture & Allied Arts with course content focusing on urban design and master planning.



Sarah Murley, Co-Founding Partner, Applied Economics

Sarah Murley is a co-founding partner of Applied Economics. Sarah has conducted economic base analyses, business climate assessments, target industry analyses, supplier identification strategies, occupational assessments and labor market analyses, and community improvement plans for numerous cities, counties, and economic development agencies. In addition to economic development, Sarah has applied her computer-based modeling experience to construct economic and fiscal impact models as well as developing long term financial projection models for municipalities. These economic and fiscal impact models have been applied to a range of problems from proposed annexations and land use alternatives for future development to economic development incentive evaluation.

She began her career in economic consulting with Mountain West Research. She went on to work for Coopers & Lybrand and Economic Strategies Group, both in Phoenix, Arizona. Sarah left Economic Strategies Group along with Rick Brammer in 1995 to establish Applied Economics.