

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – APRIL 24, 2018
VETERAN'S MEMORIAL HALL – 6:00 P.M.

AGENDA NO: A-1
MEETING DATE: May 22, 2018

PRESENT:	Jamie Irons	Mayor
	Robert Davis	Council Member
	John Heading	Council Member
	Matt Makowetski	Council Member
	Marlys McPherson	Council Member
STAFF:	Scott Collins	City Manager
	Chris Neumeyer	Assistant City Attorney
	Dana Swanson	City Clerk
	Jennifer Callaway	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 - None

CLOSED SESSION REPORT – No Closed Session meeting was held.

MAYOR AND COUNCIL MEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/E5Y2OIWjST4?t=1m53s>

CITY MANAGER REPORTS, ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/E5Y2OIWjST4?t=5m37s>

PRESENTATIONS - None

PUBLIC COMMENT

<https://youtu.be/E5Y2OIWjST4?t=9m23s>

Bill Todd spoke on behalf of the Morro Bay Lions Club, Community Resource Connections and Todd's Garage to share how those organizations work together to repair vehicles and donate them to worthy community members. Donations to the Lions Club to help with this and other programs are welcomed.

Tim Waag, HomeShare SLO, shared the purpose of this non-profit organization is to bring together those with homes to share with those looking for homes. He expressed appreciation for the contribution received from the City and requested \$5,000 again this year.

William P., Morro Bay, expressed appreciation for the assistance he received through HomeShare SLO.

Dennis Pegelow, Morro Bay, shared his experience and appreciation for the HomeShare SLO program and thanked the City for its continued support.

Diann Adams, Morro Bay, thanked the City for its support and expressed appreciation for how HomeShare SLO helped her find the perfect match.

Aaron Ochs, Save Morro Bay, shared his support for HomeShare SLO, thanked Mr. Collins for establishing a Blue-Ribbon Commission as a 3rd review of WRF project costs, and expressed concern community members will not be able to afford the Water Reclamation Facility.

Eric Foor, Morro Bay, restated questions regarding the need to repair existing sewer pipes, why the Council opposes a plant in the current location, and why the City is proceeding with the proposed project.

Joan Solu, Morro Bay, shared her concerns about quality of life issues that result from vacation rentals in residential neighborhoods and encouraged the Council to establish a team to create a comprehensive vacation rental program.

Erica Crawford, Morro Bay Chamber of Commerce, provided an update on the Chamber's economic development plans, the challenges businesses in the four districts are facing, and announced an outreach plan will be available in the coming weeks.

Mark Hanson, Morro Bay, suggested the current wastewater treatment plant be refurbished or enlarged, or urge the Coastal Commission to deny the permit for South Bay Blvd. and approve a permit to build near the current location.

Betty Winholtz, Morro Bay, hoped the Council will address vacation rental concerns, thanked the Council for keeping appeal fees at \$250, and was disappointed by the City Manager's selection for WRF Program Manager.

Dawn Beattie, Morro Bay, spoke in support of the current plan to build a new water reclamation facility at the South Bay Blvd. site.

The General Public Comment was closed.

Mayor Irons opened public comment for Item C-2.

Jim Twentyman, Morro Bay, hoped the City will develop rules to quickly address neighborhood concerns related to vacation rentals.

Larry Schmidt, Morro Bay, encouraged the Council to extend the current ordinance while crafting a permanent ordinance. He suggested the entitlement be to the person and not to the property.

Jim Reed, Morro Bay, appreciated extending cap while a better policy is crafted.

Greg Frye, Morro Bay, stated the importance of adequate notification on this topic and urged the Council to consider the opportunity for additional revenue by increasing the number of vacation rentals.

Jim Mayer, Morro Bay, voiced support for the General Plan Advisory Committee's recommendations regarding vacation rentals and suggested they be allowed in the visitor serving zone.

Carol Swain, Morro Bay, voiced concerns regarding vacation rentals in the R1 zone and encouraged regulations on license, density, proximity, noise, and enforcement to promote balance between residents and tourists.

Rushdi Cader spoke on behalf of those on the vacation rental permit waiting list who want to be compliant. He suggested increasing the number of vacation rentals from 250 to 350 would bring \$200,000 in additional revenue to the City.

The Public Comment period was closed.

The Council and staff responded to issues raised during Public Comment.

A. CONSENT AGENDA
<https://youtu.be/E5Y2OIWjST4?t=1h8m55s>

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 MARCH 13, 2018 CITY COUNCIL MEETING;
(ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE MARCH 27, 2018 CITY COUNCIL MEETING;
(ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF MINUTES FOR THE APRIL 10, 2018 CITY COUNCIL SPECIAL
CLOSED SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-4 APPROVAL OF FINAL MAP FOR TRACT 2812 (2400 MAIN STREET); (PUBLIC
WORKS)

**RECOMMENDATION: City Council adopt Resolution No. 18-18 approving the Final
Map for Tract 2812.**

A-5 AUTHORIZATION TO ALLOW MORRO DUNES TRAILER PARK AND CAMPGROUND
INC., LEASE HOLDER OF 1700 EMBARCADERO TO SUBMIT A DEVELOPMENT
PROPOSAL TO THE COMMUNITY DEVELOPMENT DEPARTMENT TO INSTALL A
CARPORT SOLAR ARRAY STRUCTURE; (COMMUNITY DEVELOPMENT)

**RECOMMENDATION: Authorize Morro Dunes Trailer Park and Campground Inc. to
submit an application to the Community Development Department for installation
of a carport solar array.**

A-6 APPROVAL OF PRELIMINARY STREETS TO BE MAINTAINED USING FUNDING
FROM SB1; (PUBLIC WORKS)

**RECOMMENDATION: Adopt Resolution No. 20-18 approving the Fiscal Year 2018-
2019 project list for Senate Bill 1 (Road Repair and Accountability Act of 2017) Road
Maintenance and Rehabilitation Account (RMRA) funding.**

A-7 ADOPTION OF RESOLUTION NO. 19-18 DESIGNATING AUTHORIZED
REPRESENTATIVES FOR FEMA AND CAL OES DISASTER ASSISTANCE; (CITY
MANAGER/PUBLIC WORKS)

**RECOMMENDATION: Council adopt Resolution No. 19-18 authorizing execution of
Governor's Office of Emergency Services (Cal OES) Form 130 designating the City**

Manager, or Finance Director, or Public Works Director as Applicant's Authorized Agents for all matters pertaining to State disaster assistance.

A-8 COMPLETION OF FY17/18 PROJECT NO. MB2017-ST0: COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) SIDEWALK PROJECT; (PUBLIC WORKS)

RECOMMENDATION: Council receive and file this report and authorize an additional \$14,665.21 for unanticipated changes to the project due to existing conditions discovered during construction.

A-9 COMPLETION OF FY17/18 PROJECT NO. MB2018-ST01: PAVEMENT MANAGEMENT PROJECT (PMP); (PUBLIC WORKS)

RECOMMENDATION: Council receive and file this report.

A-10 ADOPTION OF RESOLUTION NO. 21-18 APPROVING AN INTERIM LEASE AGREEMENT BETWEEN THE CITY OF MORRO BAY AND TLC FAMILY ENTERPRISES FOR LEASE SITE 87-88/87W-88W, LOCATED AT 883 EMBARCADERO ROAD, AND FORMERLY KNOWN AS "OFF THE HOOK" RESTAURANT; (HARBOR)

RECOMMENDATION: Staff recommend the City Council adopt Resolution No. 21-18, approving an interim lease agreement for Lease Site 87-88/87W-88W, as proposed, with TLC Family Enterprises.

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

Council Member McPherson pulled Item A-4 to allow staff to provide information about the project.

Regarding Item A-5, Mayor Irons commented briefly he had confirmed the Council is not approving a project that would extend beyond the life of the current lease agreement.

MOTION: Council Member Heading moved the Council approve all items on the Consent Agenda, with the exception of Item A-4. The motion was seconded by Council Member Davis and carried unanimously, 5-0.

A-4 APPROVAL OF FINAL MAP FOR TRACT 2812 (2400 MAIN STREET); (PUBLIC WORKS)

<https://youtu.be/E5Y2OIWjST4?t=1h10m48s>

Public Works Director Livick explained the project started in 2006-07 and was approved by the Council in 2011. It is a 23-lot subdivision with 22 townhome units. Lots range from 950 sq. ft. to just over 2,000 sq. ft., with homes generally 2-story from 1,150 – 1800 sq. ft. Community Development Director Graham explained two units will be affordable at the moderate rate, and that sidewalk, curb and utility improvements along the property boundaries are required as part of the project.

MOTION: Council Member McPherson moved for approval of Item A-4. The motion was seconded by Council Member Makowetski and carried unanimously, 5-0.

The Council took a brief recess at 7:15 p.m. The meeting reconvened at 7:21 p.m. with all but Council Member Heading present. Mr. Heading joined the meeting at 7:22 p.m.

B. PUBLIC HEARINGS - NONE

C. BUSINESS ITEMS

C-1 DISCUSSION AND DIRECTION ON COMMUNITY CHOICE ENERGY; (CITY MANAGER)
<https://youtu.be/E5Y2OIWjST4?t=1h15m34s>

City Manager Collins presented the staff report and, along with Chris Read from the City of San Luis Obispo, responded to Council inquiries.

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

Eric Veium, San Luis Obispo resident and manager of energy and utilities at Cal Poly, stated Community Choice is not about green energy and lower rates, but about local control and economic development opportunities. He strongly encouraged the Council to support staff recommendation to work closely with the City of San Luis Obispo to establish rules of governance within the JPA.

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

Council Members expressed some concern about the need for community outreach on this topic; however, it was noted that would begin approximately nine months from now with the significant workload 1 to 2 years down the road. Following discussion, based on the economic development opportunities, there was consensus to support staff recommendation.

MOTION: Council Member McPherson moved the Council authorize the City Manager to work with the City of San Luis Obispo to develop a request for proposal for the provision of services to conduct a formal study and develop an implementation plan for a regional Community Choice Energy program; and direct staff to return to City Council with regular updates on the progress of the study and implementation plan, with the deadline of September 2018 for formal discussion of creating a Joint Powers Authority agreement with the City of San Luis Obispo. The motion was seconded by Council Member Makowetski.

Council Member Headding suggested a friendly amendment to add the following clarifying language at the end of the motion, "...for the formation of a regional Community Choice Energy program."

AMENDED MOTION: Council Member McPherson moved the Council authorize the City Manager to work with the City of San Luis Obispo to develop a request for proposal for the provision of services to conduct a formal study and develop an implementation plan for a regional Community Choice Energy program; and direct staff to return to City Council with regular updates on the progress of the study and implementation plan, with the deadline of September 2018 for formal discussion of creating a Joint Powers Authority agreement with the City of San Luis Obispo for the formation of a regional Community Choice Energy program. The amended motion was seconded by Council Member Makowetski and carried unanimously, 5-0.

There was further discussion regarding community outreach. Mr. Read shared the City of San Luis Obispo has entered into an MOU with SLO Climate Coalition for the purpose of outreach and technical support and believes there could be some sharing of resources to support staff with community engagement efforts.

Mayor Irons sought Council consensus to direct staff to do appropriate outreach prior to the September 2018 deadline. The Council supported this request. It was further stated the WRF Project and GP/LCP update are priorities and staff should inform the Council if unable to meet those deadlines.

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

C-3 DISCUSSION OF ORDINANCE TO ADD CHAPTER 3.70 (CANNABIS TAX) TO TITLE 3 OF THE MORRO BAY MUNICIPAL CODE FOR TAXATION OF COMMERCIAL CANNABIS OPERATIONS, AND CONSIDER SENDING ORDINANCE TO THE VOTERS AS A BALLOT MEASURE FOR THE NOVEMBER 6, 2018 GENERAL MUNICIPAL ELECTION; (CITY ATTORNEY)
<https://youtu.be/E5Y2OIWjST4?t=2h37m32s>

Assistant City Attorney Neumeyer presented the staff report and responded to Council inquiries.

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

Megan Souza, Megan's Organic Market, advocated for patients they serve by keeping taxes as low as possible.

Eric Powers, Megan's Organic Market, expressed concern about the number of taxes being passed on to patients and that Morro Bay businesses may be disadvantaged by the addition of a local tax.

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

There was Council support for the second ordinance presented to tax both existing and potential commercial cannabis uses in the City, and to have the Council sub-committee work with staff to finalize details prior to the item coming back on June 12.

MOTION: Council Member Heading moved approval of Ordinance of the people of the City of Morro Bay, California approving a tax on cannabis commercial activities by adding Chapter 3.70 (Cannabis Tax) to Title 3 (Revenue and Finance) of the Morro Bay Municipal Code, which would be our Ordinance No. 2 as outlined by our Council, and also ask that the sub-committee be resurrected to discuss future potential levied rates if this measure is successful.

Staff clarified the decision before the Council is whether to bring the Ordinance back on June 12 as an attachment to a resolution placing the item on the November ballot.

Council Member Heading withdrew his motion.

MOTION: Council Member Heading moved the Council bring back proposed Ordinance 2 to the Council at the June 12 meeting to be voted on, to send to the voters for approval as a ballot measure. The motion was seconded by Council Member McPherson and carried unanimously, 5-0.

Council Member McPherson confirmed the sub-committee, will meet to work through details about how taxes will be collected, etc. before June 12 and bring those recommendations back to Council.

The Council took a brief recess at 9:26 p.m. The Council reconvened at 9:33 p.m. with all members present.

C-2 INTRODUCTION AND FIRST READING OF ORDINANCE NO. 613 AMENDING SECTION 5.47.050 OF THE MORRO BAY MUNICIPAL CODE TO LIMIT THE NUMBER OF VACATION RENTALS IN RESIDENTIAL ZONES TO 250 AT ANY ONE TIME; (COMMUNITY DEVELOPMENT)
<https://youtu.be/E5Y2OIWjST4?t=3h20m47s>

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

The public comment period for Item C-2 was opened; seeing none, the public comment period was closed.

The Council discussed the importance of community outreach on this topic to gain stakeholder input from all sides of the issue.

MOTION: Council Member Headding moved to introduce the first reading Ordinance 613 amending section 5.47.050 of the Morro Bay Municipal Code to limit the number of vacation rentals in residential zones to 250 at any one time. The motion was seconded by Council Member McPherson and carried unanimously, 5-0.

Staff requested the Council introduce by title and number and waive further reading.

MOTION Mayor Irons moved to rescind the motion. The motion to rescind was seconded by Council Member Headding and carried unanimously, 5-0.

MOTION: Council Member Headding moved the City Council waive reading of Ordinance 613 in its entirety and introduce for first reading, by number and title only, Ordinance No. 613 amending section 5.47.050 of the Morro Bay Municipal Code to limit the number of vacation rentals to not more than 250 at any given time on residentially zoned properties. The motion was seconded by Council Member McPherson and carried unanimously, 5-0.

Council Member McPherson suggested the Council establish a sub-committee to conduct outreach on the vacation rental issue and provide feedback to staff. There was Council support to appoint Council Members McPherson and Headding to that sub-committee.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS
<https://youtu.be/E5Y2OIWjST4?t=3h57m29s>

E. ADJOURNMENT

The meeting adjourned at 10:13 p.m. The next Regular Meeting will be held on Tuesday, May 8, 2018, 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