



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

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

**Meeting - Thursday, May 2, 2019
Veteran's Memorial Building – 5:30 P.M.
209 Surf Street, Morro Bay, CA**

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

ESTABLISH QUORUM AND CALL TO ORDER

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

CHAIR, ADVISORY BOARD MEMBER & LIAISON ANNOUNCEMENTS & PRESENTATIONS

- Morro Bay Community Quota Fund Update by Dwayne Oberhoff, Executive Director

PUBLIC COMMENT PERIOD

Members of the audience wishing to address the Board 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 Board at this time.

Public comment is an opportunity for members of the public to provide input to the advisory body. To increase the effectiveness of the Public Comment Period, the City respectfully requests the following guidelines and expectations be followed:

- When recognized by the Chair, please come forward to the podium to speak. Though not required, it is helpful if you state your name, city of residence and whether you represent a business or group. Unless otherwise established by the Chair, comments are to be limited to three minutes.
- All remarks should be addressed to Board, as a whole, and not to any individual member thereof.
- The Board respectfully requests that you refrain from making slanderous, profane or personal remarks against any elected official, 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 Board to carry out its meeting will not be permitted, and offenders will be requested to leave the meeting.
- Your participation in Board meetings is welcome and your courtesy will be appreciated.
- The Board in turn agrees to abide by its best practices of civility and civil discourse according to Resolution No. 07-19.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Harbor Department's Office Assistant at (805) 772-6254. Notification 24

hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

A. CONSENT CALENDAR

- A-1 Approval of Minutes from the Special Harbor Advisory Board meeting held on March 13, 2019.
- A-2 Approval of Minutes from the Harbor Advisory Board meeting held on April 4, 2019.
- A-3 Harbor Department Status Report.

B. BUSINESS ITEMS

- B-1 Update from the Boatyard/Marine Services Facility Ad-Hoc Committee on Committee's Recent Activities
Staff Recommendation: Receive and file report.
- B-2 Update from the Finance & Budget Ad-Hoc Committee on Committee's Recent Activities
Staff Recommendation: Receive and file report.
- B-3 Update from the Eelgrass Ad-Hoc Committee on Committee's Recent Activities
Staff Recommendation: Receive and file report.
- B-4 Update on Harbor Department Lease Management Policy Update Process
Staff Recommendation: Receive and file report.
- B-5 Presentation on Current Budget Development Status of Harbor Operating, Equipment Replacement and Accumulation Funds
Staff Recommendation: Receive and file report.
- B-6 Presentation on Status of "Working Waterfront" and "Measure D" Recommendations Made by the Harbor Advisory Board to the General Plan Advisory Committee
Staff Recommendation: Receive report and provide staff input, if any.

C. DECLARATION OF FUTURE AGENDA ITEMS

Pending items previously declared:

- Goals and Objectives – Working Waterfront Designation
- Measure D
- Explore Benefits of Becoming a Harbor or Port District
- Wind Energy Generation off the Coast of Morro Bay
- Creation of an Embarcadero Business District to Fund Harbor Infrastructure
- Review of TBID Assessment funding
- Identify/review responsible parties for cleanliness of water front ground lease sites, public restrooms, light posts, and concern for public safety

D. ADJOURNMENT

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

Materials related to an item on this Agenda are available for public inspection during normal business hours at the Harbor

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

MINUTES-MORRO BAY HARBOR ADVISORY BOARD
SPECIAL MEETING – MARCH 13, 2019
VETERAN'S MEMORIAL HALL - 6:00 P.M.

AGENDA NO: A-1

MEETING DATE: May 2, 2019

PRESENT: Ron Reisner HAB Chair
Gene Doughty HAB Member
Lynn Meissen HAB Member
Jeremiah O'Brien HAB Member
Cherise Hansson HAB Member
Dana McClish HAB Member

STAFF: Eric Endersby Harbor Director
Lori Stilts Harbor Business Coordinator

ABSENT Mark Blackford HAB Vice-Chair

ESTABLISH QUORUM AND CALL TO ORDER

The meeting was called to order at 6:00 p.m., with a quorum present.

SPECIAL MEETING AGENDA ITEMS:

A. REPORTS AND APPEARANCES

https://youtu.be/YJGX_Fretto?t=84

A-1 HARBOR DEPARTMENT STATUS REPORT

Harbor Director Endersby presented the staff report for item B-1 and responded to Board Member inquiries.

CHAIR AND ADVISORY BOARD MEMBER ANNOUNCEMENTS & PRESENTATIONS

https://youtu.be/YJGX_Fretto?t=570

B. BUSINESS ITEMS

B-1 BOATYARD/MARINE SERVICES FACILITY AD-HOC COMMITTEE REPORT:
RECOMMENDED NEXT STEPS FOR THE MORRO BAY BOATYARD AND MARINE SERVICES
FACILITY FINANCIAL FEASIBILITY STUDY REQUEST FOR PROPOSALS PROCESS

https://youtu.be/YJGX_Fretto?t=1075

Director Endersby presented the staff report for B-1.

Committee Chair McClish agreed with the Director's staff report stating the phased approach may have caused prospective proposers to not submit proposals because it might not be worth the effort.

There was Board discussion and recommended changes to the RFP document and criteria from 2015.

MOTION: Board Member McClish moved to have staff reissue the Request for Proposal for the Morro Bay Boatyard and Marine Services Facility Financial Feasibility Study with the amended language and the removal of the phased process. The Motion was seconded by Board Member Meissen.

Board Chair Reisner suggested to add a specific reference to the amended criteria.

The motion and second were withdrawn.

MOTION: Board Member McClish moved to have staff reissue the Request for Proposal for the Morro Bay Boatyard and Marine Services Facility Financial Feasibility Study with the amended language of the March 13, 2019 Harbor Advisory Board meeting and the removal of the

phased process. The Motion was seconded by Board Member Meissen and carried unanimously, 6-0.

MOTION: Board Member McClish moved to reissue the amended criteria to accompany the Request for Proposal for the Morro Bay Boatyard and Marine Services Facility Financial Feasibility Study. The Motion was seconded by Board Member Meissen and carried unanimously, 6-0.

B-2 UPDATE FROM THE FINANCE & BUDGET AD-HOC COMMITTEE ON COMMITTEE'S RECENT ACTIVITIES

https://youtu.be/YJGX_Fretto?t=4003

Ad-Hoc committee member Reisner reported the committee will meet soon to review the Harbor department capital worksheets.

Director Endersby briefed the Board on the status of the current master fee and cost allocation study update.

B-3 UPDATE FROM THE EELGRASS AD-HOC COMMITTEE ON COMMITTEE'S RECENT ACTIVITIES

https://youtu.be/YJGX_Fretto?t=4098

Committee Chair Meissen stated there has not been any recent committee activity and reminded the Board of NEP's hesitation with the original Anchor QEA eelgrass concept plan, but NEP would be satisfied with it revised to consider an in-lieu fee program. At this point the committee is waiting on the revision from Anchor QEA.

B-4 UPDATE ON HARBOR DEPARTMENT LEASE MANAGEMENT POLICY UPDATE PROCESS

https://youtu.be/YJGX_Fretto?t=4246

Board member Hansson stated the members of the Lease Management Policy Update have continued to work in groups to update the outline and the group will meet again tomorrow to over their latest findings for consideration.

Member Hansson responded to Board member inquires regarding to the progress and time-line of the policy update.

Director Endersby stated the group will take as much time needed to update the policy to make sure it is done correctly.

B-5 REPORT ON RECENT CITY OF MORRO BAY DELEGATION TRIP TO WASHINGTON DC WITH THE CALIFORNIA MARINE AFFAIRS AND NAVIGATION CONFERENCE

https://youtu.be/YJGX_Fretto?t=4605

Director Endersby presented the staff report for item B-5 summarizing the City's mission and meetings in Washington DC.

Director Endersby responded to Board member inquiries.

B-6 CONSIDERATION OF CHANGING HARBOR ADVISORY BOARD MEETING START TIME TO 5:30 P.M.

https://youtu.be/YJGX_Fretto?t=5949

MOTION: Board Chair Reisner moved to change the Harbor Advisory Board meeting time start from 6:00 p.m. to 5:30 p.m. The Motion was seconded by Board Member Doughty and carried unanimously, 6-0.

E. ADJOURNMENT

This meeting was adjourned at 7:42 p.m. The next Regular Meeting will be held on Thursday, April 4, 2019 at 5:30 p.m. in the Veteran's Memorial Hall located at 209 Surf Street, Morro Bay, California.

Recorded by,

Lori Stilts
Harbor Business Coordinator

MINUTES-MORRO BAY HARBOR ADVISORY BOARD
MEETING – April 4, 2019
VETERAN'S MEMORIAL HALL – 5:30 P.M.

AGENDA NO: A-2

MEETING DATE: May 2, 2019

PRESENT: Ron Reisner HAB Chair
Mark Blackford HAB Vice-Chair
Gene Doughty HAB Member
Lynn Meissen HAB Member
Jeremiah O'Brien HAB Member
Cherise Hansson HAB Member

STAFF: Eric Endersby Harbor Director
Lori Stilts Harbor Business Coordinator

ABSENT Dana McClish HAB Member

ESTABLISH QUORUM AND CALL TO ORDER

The meeting was called to order at 5:30 p.m., with a quorum present.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

CHAIR AND ADVISORY BOARD MEMBER ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/SC8CegLyEUE?t=92>

PUBLIC COMMENT

<https://youtu.be/SC8CegLyEUE?t=285>

The public comment period was opened.

Cheryl Wells, Executive Director of the Morro Bay Harbor Festival would like to seek approval from the City to move the Harbor Festival back to the north end of the Embarcadero and return it to a two-day event.

Don Doubledee, Volunteer for the Morro Bay Harbor Festival, briefed the Board on the back ground on why the event moved to south of the Embarcadero and the new issue of needing to fence the entire festival event. The idea would be to move the event to the Triangle Lot and part of the Front Street parking lot.

The public comment period was closed.

A. CONSENT AGENDA

<https://youtu.be/SC8CegLyEUE?t=765>

A-1 APPROVAL OF MINUTES FROM THE HARBOR ADVISORY BOARD MEETING HELD ON, FEBRUARY 7, 2019

MOTION: Board Member Doughty moved the February 7, 2019 Harbor Advisory Board minutes be approved. The Motion was seconded by Board Member Hansson and carried unanimously, 5-0.

B. REPORTS AND APPEARANCES

<https://youtu.be/SC8CegLyEUE?t=793>

B-1 HARBOR DEPARTMENT STATUS REPORT

Harbor Director Endersby briefed the Board of the planned changes to the boat storage dimensions in the Triangle Lot and accommodating the Harbor Festival, then presented the staff report for item B-1 and responded to Board Member inquiries.

Board member Meissen join the Board at the dais at 5:53 p.m.

B-2 UPDATE ON THE STATUS OF CASTLE WIND LLC AND THE OFFSHORE WIND ENERGY GENERATION PROPOSAL PROCESS OFF THE CENTRAL CALIFORNIA COAST

<https://youtu.be/SC8CegLyEUE?t=3042>

Director Endersby provided an oral update on the status of the Bureau of Ocean Energy Management floating offshore wind energy project and responded to Board Member inquiries.

C. BUSINESS ITEMS

<https://youtu.be/SC8CegLyEUE?t=3971>

There was Board consensus to move item C-2 to the beginning of Business Items.

C-2 UPDATE FROM THE FINANCE & BUDGET AD-HOC COMMITTEE ON COMMITTEE'S RECENT ACTIVITIES; AND, HARBOR DIRECTOR REPORT AND DISCUSSION ON STATUS OF DEPARTMENT'S CAPITAL PLANNING AND BUDGETING FOR FY 19/20

Director Endersby presented the staff report of item C-2 and responded Board member inquiries.

Committee Chair Blackford emphasized on the shortfall of funds for the Harbor reserve and major capital maintenance for FY 19/20.

There was Board discussion.

Committee member Reisner stated in review of the capital planning spreadsheets, there is currently no funding available for the estimated \$4 million that would be needed for Harbor major maintenance and capital replacement for FY 19/20 to FY 23/24.

C-1 UPDATE FROM THE BOATYARD/MARINE SERVICES FACILITY AD-HOC COMMITTEE, AND NEXT STEPS IN THE BOATYARD/MARINE SERVICES FACILITY PLANNING PROCESS

<https://youtu.be/SC8CegLyEUE?t=6549>

Director Endersby presented the staff report for C-1 and again spoke to the status of the boat storage in the triangle lot and it being a potential future funding source for the financial feasibility report.

Committee member Reisner stated the committee Chair requested the ad-hoc committee to take a look at potential funding sources from the Federal Funding Handbook for Marine Transportation System Infrastructure which may be applicable to the marine services facility.

C-3 UPDATE FROM THE EELGRASS AD-HOC COMMITTEE ON COMMITTEE'S RECENT ACTIVITIES, INCLUDING NEW INPUT FROM ENVIRONMENTAL/PERMITTING CONSULTANT ANCHOR QEA AND POSSIBLE NEXT STEPS IN A MORRO BAY EELGRASS MITIGATION PROGRAM

<https://youtu.be/SC8CegLyEUE?t=6799>

Committee Chair Meissen stated the committee did discuss the in-lieu program with Anchor QEA, which is attached in draft form to the staff report.

Director Endersby presented the staff report for C-3, defined the eelgrass in-lieu program, and presented the possible paths forward with the recommendation to travel to Ventura and meet with the Army Corps for their regulatory input.

There was Board member inquiries and discussion.

C-4 UPDATE ON HARBOR DEPARTMENT LEASE MANAGEMENT POLICY UPDATE PROCESS

<https://youtu.be/SC8CegLyEUE?t=7969>

Board member Hansson stated the policy members are currently researching agencies up and down the coast for data on lease site fair market rents. The group will meet again on April 25.

Director Endersby responded to Board member inquiries regarding the lease management policy groups progress and content in the draft policy mission statement.

D. DECLARATION OF FUTURE AGENDA ITEMS

<https://youtu.be/SC8CeqLyEUE?t=8691>

No new items were declared.

Pending items previously declared:

- Goals and Objectives – Working Waterfront Designation
- Measure D
- Explore Benefits of becoming a Harbor or Port District
- Wind Energy Generation off the Coast of Morro Bay
- Creation of an Embarcadero Business District to Fund Harbor Infrastructure
- Review of TBID Assessment Funding
- Identify/review responsible parties for cleanliness of waterfront ground lease sites, public restrooms, light posts, and concerns to public safety

E. ADJOURNMENT

This meeting was adjourned at 7:55 p.m. The next Regular Meeting will be held on Thursday, May 2, 2019 at 5:30 p.m. in the Veteran's Memorial Hall located at 209 Surf Street, Morro Bay, California.

Recorded by,

Lori Stilts
Harbor Business Coordinator



AGENDA NO: A-3

MEETING DATE: May 2, 2019

Staff Report

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

DATE: April 23, 2019

RECOMMENDATION

Receive and file.

DISCUSSION

Recent Department Activity:

Harbor Patrol statistics for the month of April 2019 were 19 emergency responses, 94 calls for service, 42 assists of other agencies, 20 enforcement contacts, and 14 weather warnings including 2 days Hazardous Bar Warnings.

Noteworthy calls for the Harbor Patrol Officers include:

On April 3rd, a citizen reported hearing voices in the back bay yelling for help from kayaks around 8pm. Harbor Patrol Officers and Coast Guard responded by boat and Morro Bay Fire by land to search by land and water for anyone in distress. After a 2-hour search and a helicopter fly over, no one was found and incident was deemed a false alarm.

Harbor Patrol participated in the Blessing of the Fleet on April 7th. Shortly after the ceremony was over a 20' Hobie Cat was reported dismasted in the harbor entrance with two people struggling in the water. Harbor Patrol responded and rescued the people off the boat as it was drifting to the south into 6-8 foot surf south of the South Jetty. The people were safely transferred to the Coast Guard boat and Harbor Patrol further assessed the Hobie, but were unable to save it before it washed in to the sandspit.

Spring winds blew a few times this month keeping Harbor Patrol on their toes with recorded gusts to 68 knots. Several boats were found with severed lines and broken cleats from the sustained pressure.

On April 17th, just after 6am, Harbor Patrol was alerted to a sinking boat on the South T Pier. The 50-foot Chris Craft vessel was sitting with about 18 inches of freeboard above the water. With quick work from Harbor Patrol Officers and help from Coast Guard, they were able to pump the water out before it was a complete loss. The cause of the flooding looked to be some rotten planks and failed use of bilge pumps.

Prepared By: EE

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____

Recent City Council Activity:

At the April 9 meeting, Council provided input on Issuance of Request for Proposals for Redevelopment on Lease Sites 34W and 35W-36W, Adjacent to 225 & 235-245 Main Street.

Also at the April 9 meeting, Council Adopted of Resolution No. 22-19, Approving a Supplemental Lease Agreement to the United States Coast Guard Station Morro Bay Building Lease for Building Expansion Purposes, Located on Lease Site 141 at 1279 Embarcadero.

On April 18 Council held a Special Goals and Objectives Community Forum for fiscal year 2019/2020.

At the April 23 meeting, Council approved Issuance of Request for Proposals for Redevelopment on Lease Sites 34W and 35W-36W, Adjacent to 225& 235-245 Main Street.

Also at the April meeting, Council approved the Capital Budget Fund Reallocation of \$21,000 to Repave the Alleyway Between Tognazzini's Restaurant and the Santa Monica Seafood Commercial Fishing Dock

Upcoming Events:

May 2-5 – Cruisin Morro Bay Car Show <http://www.morrobaycarshow.org/>

May 11 – Miracle Miles for Kids http://give.fcni.org/site/TR?fr_id=1040&pg=entry

May 18 – Safe Boating Day and Open House at the Harbor Dept

May 27 – Lost at Sea Memorial Ceremony 3PM Cayucos Pier

June 29 – **SAVE THE DATE** - 2nd Annual Marine Swap Meet

Status of Pending HAB Recommendations:

	HAB Recommendation	Date	Status
1	Staff draft letter to Council encouraging the City to pursue negotiating with State Parks the City assume both marina and café concessions.	5/7/15	Staff's last contact with Parks indicated no Parks interest in giving up the café concession. Since that time, all of Parks' key personnel on the SPM have either retired or positions turned over. Staff's current thinking is we're at a "start-over" point with Parks to begin talks anew, and are acting accordingly before taking anything back to the Council. 11/1/17. Staff have reached out to Parks to renew discussions. 12/20/17. Spoke with office of Director for State Parks; tentative meeting set for week of January 8-12. 2/13/18. Spoke with office of Director of Concessions office left message with assistant for our concession specialist to set up conference call. No response. 2/22/18 Called again left message. 2/23/18. new Parks concession specialist contacted department. 4/23/18. Harbor Director email sent to Parks. 4/27/18. Contacted Parks staff, discussions underway. 5/17/18. Harbor Director met with Dan Falat, District Superintendent, regarding reviving discussions, putting concessions out to bid and

			<p>prospects for City taking over operation and management of the marina.</p> <p>Staff was recently informed by the district superintendent that State Parks in Sacramento is potentially bringing this item off the back burner. 4/26/19 Meeting still pending.</p>
2	Staff provide Council with modified sections of MBMC 15.24 (harbor sanitation) and develop environmental BMP's.	7/22/15	<p>Staff have incorporated this BMP effort into the ongoing Rules & Regs/MBMC updating project. 11/1/17. Work ongoing; tentatively scheduled to come to HAB Feb or March 2018.</p> <p>1/18/18. Review at HAB 2/1/18 meeting item C7.</p> <p>4/27/18. Pending Council consideration.</p> <p>No new updates.</p>
3	City Council to approve issuance of the final draft Marine Services Facility/Boatyard Request for Qualifications document.	2/2/17	<p>2/14/17. Council approved the release of a Request for Qualifications (RFQ) document as-proposed. RFQ is out, and responses due July 14, 2017.</p> <p>7/27/17. No responses to RFQ.</p> <p>8/3/17. HAB meeting to consider next steps.</p> <p>11/3/17. Put together a RFP for a financial feasibility study to go to Council for approval.</p> <p>12/1/17. Draft proposal in process for HAB review 2/2018.</p> <p>12/18/17. Tentatively on Council agenda for 1/23/18. to lay out scope of work and get authorization for a financial feasibility study.</p> <p>1/18/18. Discussing at HAB meeting 2/1/18 during item C1.</p> <p>4/27/18. Working on draft RFP to go to Council. Tentatively on 6/26/18 City Council agenda for consideration of issuance.</p> <p>Tentatively on 8/28/18 City Council agenda for consideration of issuance.</p> <p>8/28/18. Council approved issuance of a financial feasibility RFP. RFP to be issues asap.</p> <p>Request for Proposals issued for financial feasibility study services for the proposed boatyard. RFP due February 1, 2019.</p> <p>No proposal submissions received. HAB to consider next steps 3/13/19.</p> <p>4/26/19 Staff not recommending any further expenses be undertaken on boatyard financial feasibility study at this time.</p>
4	City to use a consultant to update the cost allocation plan, if feasible, if not, then direct staff to do an internal check.	6/1/17	<p>Approved Council Goal Objective Work Plan Item – Internal “gut check” Goal 1(e).</p> <p>11/2/17. On HAB agenda for process consideration. Staff/Committee analysis review calendar 2017. To new Finance Director January 2018. Consideration of findings into development of FY 18/19 budget.</p> <p>1/18/18. Staff currently engaging in internal check. Staff met 3/2 with new Finance Director. Lighting issue “gut check” in Cost Allocation resolved in</p>

			<p>draft FY 18/19 budget.</p> <p>4/13/18. issued RFP for Comprehensive Fee Study & Cost Allocation Plan – closes 5/11/18.</p> <p>Multiple proposals received; have gone through initial staff review and evaluation. Interviews of top candidates pending in first half of June.</p> <p>Tentatively on 8/14/18 City Council agenda to award contract for comprehensive fee study.</p> <p>8/14/18 Council authorized the City Manager to execute an agreement with Consultant to update the City's user fees, cost allocation, and development impact fee study's.</p> <p>Consultant currently working with staff on studies. Studies are well underway.</p>
5	City to share tax revenues that are collected in the Harbor fund (and not currently going to the Harbor Fund) and used for Harbor Capitol maintenance and improvements.	6/1/17	<p>Pending until a new Finance Director and City Manager are in place.</p> <p>10/30/17. Per the SLC it is normal for these taxes to go into the City's General municipal funds.</p> <p>4/5/18. Chair Reisner requesting City Manager to provide a memorandum on this item.</p> <p>Chair Reisner met with the City Manager.</p> <p>No new updates.</p>
6	City Council to include proposed eelgrass language into General Plan/Local Coastal Plan updates, and to review the proposed outline for the eelgrass policy to decide if the elements are appropriate.	6/7/17	<p>7/28/17. Consultant Anchor QEA is developing a proposal to review existing information and documentation, research typical projects that have eelgrass issues, interview NEP personnel, and meet with Eelgrass Ad-Hoc committee members to discuss Newport Beach management plan.</p> <p>11/1/17. Staff engaged with Anchor on eelgrass proposal.</p> <p>12/1/17. Update to HAB on 12/7/17 on revised consultant contract scope of work.</p> <p>12/18/17. Draft eelgrass consultant agreement submitted to legal for review and approval.</p> <p>1/18/18. executed contract with Anchor QEA.</p> <p>4/27/18. Anchor QEA beginning project.</p> <p>4/25/18. Eelgrass Ad-Hoc committee met with Anchor QEA reps in Morro Bay</p> <p>Draft Anchor QEA eelgrass mitigation report on HAB agenda for consideration 8/2/18.</p> <p>8/18 final Morro Bay Conceptual Eelgrass Plan report issued by Anchor QEA for ad-hoc and HAB consideration.</p> <p>Next step of hiring Anchor QEA to approach pertinent regulators with Morro Bay eelgrass mitigation plan concept pending Council consideration on January 8, 2019.</p> <p>2/19/19. staff, eelgrass committee and MBNEP exploring new possible in-lieu mitigation path, as Morro Bay Eelgrass Plan as currently outlined by Anchor QEA is likely not viable.</p> <p>No new updates.</p>

7	<p>Incorporate Working Waterfront land area and uses into General Plan/Local Coastal Plan updates.</p> <p>In General Plan/Local Coastal Plan updates, consideration be given to a list of uses provided, and that the Measure D area and its uses be incorporated into Morro Bay's Working Waterfront.</p>	6/1/17	<p>Tentatively on the July 11, 2017 City Council agenda for consideration with Measure D recommendation above.</p> <p>7/27/17. City Council on 7/11/17 authorized PC subcommittee to jointly work with HAB ad-hoc committee on Measure D ambiguities and Working Waterfront policy language for consideration of incorporation into GP/LCP update process.</p> <p>9/1/17. First joint HAB/PC subcommittee meeting to consider Measure D and Working Waterfronts scheduled for September 8, 2017, at the Community Center Studio room from 3:00-5:00 pm.</p> <p>9/8/17. First joint subcommittee meeting held. General discussion and public input. Second meeting TBD, likely late October or early November.</p> <p>12/18/17.</p> <p>1/11/18. PC/HAB joint meeting, recommendations made to GPAC.</p> <p>4/27/18. Pending GPAC action. Currently at Coastal for comments. Document link on City's Website: https://www.morrobayca.gov/943/PlanMB</p> <p>No new updates. See HAB 5/2/29 agenda item B-6</p>
8	<p>Paid parking be established on and around the Embarcadero, and recommended list of issues to be addressed when considering establishment of same.</p>	7/6/17	<p>7/18/17. letter from HAB Chairman provided to Planning Commission and copied to City Council, Public Works Advisory Board and Community Development Director with HAB's recommendations.</p> <p>10/9/17. Once CD Director gets additional input from PC, it will be brought to Council to obtain direction on parking initiatives. PC to the lead on policy development.</p> <p>11/7/17. Discussed at the Planning Commission Meeting.</p> <p>12/1/17. Per CD Director also discussed with PWAB and tentatively going to Council in Jan or Feb 2018 for direction.</p> <p>12/19/17. Per CD Director PC and Council will be provided with HABS recommendations.</p> <p>4/27/18. Pending consideration by PC and Council.</p> <p>No new updates.</p>



MAY 18, 2019

MORRO BAY SAFE BOATING DAY

Boating safety advocates locally and across the U.S. have teamed up to promote safe and responsible boating, including consistent life jacket wear every time boaters are on the water, during National Safe Boating Week, held from May 18-24, 2019. Join us.

FREE Tours of USCG 47' Motor Life Boat, Harbor Patrol Boat and SLO County Sheriff's Boat.

Life Jacket Exchange Event:

California State Parks Division of Boating and Waterways (DBW) is ready to give you a new life jacket! If a life jacket is found to be unserviceable or the wearer has outgrown the life jacket, a new, properly fitted U.S. Coast Guard-approved life jacket will be given in exchange. One life jacket per person, while supplies last.

Morro Bay Safe Boating Day

SATURDAY 5/18/2019

10am to 2pm

**Location: US Coast Guard Station Morro Bay
North T Pier, 1279 Embarcadero**

Vessel Safety Check:

The U.S. Coast Guard Auxiliary FL 07-61 will have certified vessel examiners perform free Vessel Safety Checks ("VSC") at the public launch ramp. There is no charge and you will know that you have all the proper safety equipment for your vessel.

Life Jacket

Exchange

**US Coast Guard
Auxiliary Vessel
Safety Check**

**Offered at the
Morro Bay launch
ramp area**

Mandatory CA Boater Card

[Learn more](#)

**Free Boater
Safety Literature**

**Fish and Wildlife
Wardens, Sheriff,
Harbor Patrol &
Coast Guard
Displays**

Steve Rogers

US Coast Guard Auxiliary

805 234-5999

MORRO BAY
Marine
SWAP
MEET

Saturday, June 29
2019

8:00 a.m. – 2:00 p.m.

at the

Morro Bay Maritime Museum
1210 Embarcadero, Morro Bay

Bring your appetite...
Food available for purchase

Free
Admission

Boats

Surf Boards

Marine Supplies

Marine Hardware

Fishing Gear

Nautical Antiques

Maritime Art &

Collectables

Dive and Scuba

BUY

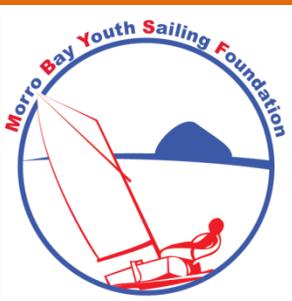
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EVENT PROCEEDS TO GO TO THESE NON-PROFIT ORGANIZATIONS



Questions? – (805) 772-6254



AGENDA NO: B-1

MEETING DATE: May 2, 2019

Staff Report

TO: Harbor Advisory Board

DATE: April 23, 2019

FROM: Eric Endersby, Harbor Director

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

RECOMMENDATION

Receive and file report.

BACKGROUND & DISCUSSION

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

Prepared By: EE

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____



AGENDA NO: B-2

MEETING DATE: May 2, 2019

Staff Report

TO: Harbor Advisory Board

DATE: April 25, 2019

FROM: Eric Endersby, Harbor Director

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

RECOMMENDATION

Receive and file report.

BACKGROUND & DISCUSSION

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

Prepared By: EE

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____



AGENDA NO: B-3

MEETING DATE: May 2, 2019

Staff Report

TO: Harbor Advisory Board

DATE: April 23, 2019

FROM: Eric Endersby, Harbor Director

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

RECOMMENDATION

Receive and file report.

BACKGROUND & DISCUSSION

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

Prepared By: EE

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____



AGENDA NO: B-4

MEETING DATE: May 2, 2019

Staff Report

TO: Harbor Advisory Board

DATE: April 23, 2019

FROM: Eric Endersby, Harbor Director

SUBJECT: Update on Harbor Department Lease Management Policy Update Process

RECOMMENDATION

Receive and file report.

BACKGROUND & DISCUSSION

The Lease Management Policy Update Group continues its work on various sections of the policy. Currently, however, there are no updated materials to present the Harbor Advisory Board. This item, therefore, is an informational update only from the policy update group members and staff.

Prepared By: EE

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____



AGENDA NO: B-5

MEETING DATE: May 2, 2019

Staff Report

TO: Harbor Advisory Board

DATE: April 25, 2019

FROM: Eric Endersby, Harbor Director

SUBJECT: Presentation on Current Budget Development Status of Harbor Operating, Equipment Replacement and Accumulation Funds

RECOMMENDATION

Receive and file report.

BACKGROUND

In order to provide the Harbor Advisory Board and public a clearer picture of the Harbor Department's budget, staff is presenting an overview of the proposed Harbor Operating Fund, Harbor Equipment Replacement Fund, Harbor Accumulation Fund and Harbor Capital Improvement Program items for the upcoming fiscal year, FY 19/20.

DISCUSSION

The Harbor Department submitted a balanced operating budget of recurring expenses completely met by recurring revenues, with excess revenues going to the Harbor Accumulation Fund for future capital asset and major equipment needs. In the years following the recession, this was seriously challenged, however, beginning with the FY13 fiscal year, lease and other revenues began to significantly rebound, and are now at or above pre-recession levels.

In estimating revenues, Department staff generally take a very conservative approach, based on a combination of current market and economic trends, Management Partner's 10-Year Budget Forecast model and tempered with a "look back" of previous years' actual performance versus what was forecast and budgeted for in the current year. During the economic recovery, it was quite difficult to accurately forecast to what degree our lease revenues would level-off from their relatively steep post-recession recovery climb. It appears that leveling-off has mostly occurred, with future lease revenue expected to take a more modest CPI-like trajectory.

Concerning Department expenses, certain Finance-produced "fixed" numbers are used, such as personnel and insurance to name two. Like revenues, with expenses staff often look to immediate past years' performance, coupled with how the current year is trending and what next year's needs may be, to arrive at final expense projection figures.

Barring any major changes in Departmental structure or levels of service delivery, expenses are at present relatively stable, although the reconciliation of ongoing PERS retirement fund issues continue to present challenges. On the revenue side, no significant revenue changes are anticipated in this coming budget year outside substantial changes implemented from development

Prepared By: EE

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____

of potential new revenue sources, or out of the current Master Fee Schedule study update currently in development. At present, the update of the Cost Allocation Program currently in development so far appears to generally be a financial wash for the Harbor Fund. It is, however, not yet complete.

The Harbor Department Operating Fund, Equipment Replacement Fund and Accumulation Fund overview documents as currently drafted are included with this report as Attachment 1. For each fund, this document includes purpose and budget overview section, current fiscal year's accomplishments, key projects for the upcoming budget year and key program services

Proposed revenue and expense details as-submitted to the Finance Department are as follows below. It should be noted this budget is still in draft form, and these figures are generally rounded approximations and still a work in progress.

Revenues

The estimated total revenues for FY 19/20 are \$2,010,000. This comes from the following major categories:

- A. \$1,606,500 from lease and license agreements. This consists of:
 - \$1,179,000 in actual "minimum" or "base" rents and license agreements
 - \$427,500 in estimated percent gross rents. This figure was derived from increasing FY 17/18's (the most current year of available data) percent gross rents increased by a conservative 1%
- B. \$108,500 from slip rental fees from the commercial fishing slips
- C. \$99,500 from mooring rentals
- D. \$40,900 from transient slip rentals
- E. \$30,000 from launch ramp parking fees
- F. \$27,100 from North T-Pier tie-up and electrical service fees
- G. \$26,700 from "other" harbor services (coin-operated showers, South T-Pier hoist, vessel rinse-down station)
- H. \$26,200 from South T-Pier tie-up and electrical service fees
- I. \$20,000 from to-be-applied-for Division of Boating and Waterways (DBW) derelict vessel demolition grant
- J. \$9,000 from liveaboard services
- K. \$8,000 from to-be-applied-for Joint Cable-Fisheries Liaison Committee grant for annual Washington DC lobbying trip
- L. \$3,000 from "other" miscellaneous revenues (DBW training reimbursement, salvage)
- M. \$2,000 from special event reimbursement
- N. \$1,400 from anchorage area fees
- O. \$1,200 from late payment penalties

Expenses

The total budgeted expenses of \$1,984,830 consist of the following major categories:

- A. \$997,515 of Personnel Services. This consists of:
 - \$502,400 in permanent full-time pay
 - \$176,500 in employer-paid benefits (full- and part-time personnel)
 - \$95,200 in PERS unfunded accrued liability
 - \$93,700 in pension normal costs
 - \$87,700 in part-time personnel pay (Reserve Harbor Patrol Officers, Maintenance Aide, Administrative Assistant)

- \$21,500 in “other” pay (vacation payouts, misc.)
- \$15,500 in night duty stand-by pay
- \$5,000 in overtime pay
- B. \$65,300 of Supplies. The two major categories in Supplies are:
 - \$25,000 in fuel and oil
 - \$18,000 in machinery and equipment supplies
- C. \$399,900 of Services. The major categories in Services are:
 - \$56,900 in legal services
 - \$55,000 in trash and hazardous waste disposal
 - \$50,000 in outside equipment repair (primarily vessel maintenance)
 - \$43,000 in water
 - \$42,200 in general liability insurance
 - \$30,000 in contractual services (\$20,000 from vessel demo grant)
 - \$25,000 in electricity
 - \$24,600 in property damage insurance
 - \$10,500 in meetings and conferences (\$8,000 from Cable grant)
 - \$10,000 in consulting services (audits, appraisals, inspections, surveys)
- D. \$134,900 of debt service for the South T-Pier loan payment.
- E. \$65,200 of Beach Lifeguard program costs (personnel and supplies).
- F. \$306,600 of Cost Allocation Program payments to the General Fund.

Staff estimate of all the expense categories, absent significant program, service, initiative, personnel changes or Council direction, approximately \$20,000-\$40,000 of total department costs are truly “discretionary” and could be cut or redirected if necessary, consisting of:

- A. \$5,000-10,000 in Supplies
- B. \$15,000-20,000 in Services

Capital Projects

Capital budget items being proposed by staff consist of:

- A. \$250,000 for the DBW grant-funded Launch Ramp Rehabilitation project engineering and permitting
- B. \$40,000 for South T-Pier renovations
- C. \$10,000 for North T-Pier renovations
- D. \$20,000 for Ice Machine maintenance and repair
- E. \$445,000 for Beach Street Slips replacement

If all these projects are completely spent, this will essentially deplete the Harbor Accumulation Fund to four figures. This does not, however account for any revenues exceeding expenses, if any, in the current fiscal year. The current Capital Improvement Program detail sheets as currently drafted are included with this report as Attachment 2.

CONCLUSION

The Harbor Fund weathered several years of serious economic hardship, including the Great Recession of 2008, and closing of the Dynegy Powerplant and loss of the \$275,000/year outfall lease in ~2014, and has emerged with revenues modestly exceeding expenditures, to include a modest positive Accumulation Fund balance. The Accumulation Fund is relied upon for funding capital programs and asset maintenance and replacement.

It must be noted, however, despite the modestly “positive” revenue versus operating expense outlook, the comparative realities of projected revenue excess on the one hand must be evaluated

against the future monetary needs of capital assets and equipment on the other, which currently are on a scale of multiple hundreds of thousands of dollars of unfunded backlogs and depreciated replacement. It is significant to realize, therefore, over the foreseeable future Harbor-related operational service, capital asset/equipment improvement and replacement funding needs cannot be adequately met with current fee structures, revenue streams or lack of economic development. Retirement of the ~\$135,000/year South T-Pier loan payment in ~4 years will have the greatest positive impact in the near-term.

ATTACHMENTS

1. Harbor Department Operating Budget overview.
2. Capital Improvement Program detail sheets.

Harbor

DEPARTMENT PURPOSE

The Harbor Department was established to manage the City's Tidelands Trust stewardship of the State-granted tidelands in Morro Bay, providing for waterfront property and lease management, public service, public safety, and municipal code enforcement on the waterfront, waters and beaches of Morro Bay, for facility maintenance, repair and capital improvement and replacement. The department oversees the Harbor Operating Fund, Harbor Equipment Replacement Fund and Harbor Accumulation Fund. The Funds were established to account for all revenues and expenses connected with the operation of the Morro Bay Harbor in accordance with the Tidelands Trust granting statutes.



BUDGET OVERVIEW

The sole sources of revenue for the Harbor Department are lease site minimum annual and percent gross of sales rents on the Embarcadero and south Main Street and boating and boating facility-related fees. Lease site revenues represent approximately 80% of the total departmental revenues received. The department receives no revenues from sales, transient occupancy, TBID or property taxes. The Harbor Operating Fund is established as a self-supporting enterprise fund, and per the stipulations in the Tidelands Trust, all revenues generated in the Trust are to be expended for Trust purposes and on Trust properties and facilities, with a Cost Allocation payment of approximately \$300,000 to the General Fund for services received from that fund's personnel and related expenses to support the Harbor Department.

The Harbor Department generates a balanced budget of recurring expenses met by recurring revenues, with any excess revenues going to the Harbor Accumulation Fund for capital asset and major equipment needs. In addition, grant acquisition from several sources continues to be a consistent method of funding

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for numerous important departmental needs and initiatives. In the years immediately following the Great Recession of 2008, production of a balanced budget was seriously challenged, however, beginning with FY 2012/13, lease and other revenues began to significantly rebound, and revenues are now generally leveled-off at pre-recession levels. The cessation of the \$275,000 power plant outfall lease payments in ~2012, however, placed an additional financial burden on the department.

In estimating revenues, department staff generally take a very conservative approach, using Management Partner's 10-Year Budget Forecast model, coupled with a "look back" of previous years' actual performance and a look forward to future needs and priorities, and including such factors as CPI, sales, property and transient occupancy tax trends and forecasts.

In FY 2019/20 the Department's Administrative Technician position has been defunded and reduced to part-time office assistant hours. All other service levels and operational expenses are at present relatively stable, except for the significant PERS and OPEB rates increases. In short, outside the future benefit increases, current revenues meet expenditures. It is significant to realize, however, over the foreseeable future, Harbor-related operational service, capital asset/equipment improvement and replacement funding needs cannot be adequately met with current revenue streams, fee structures or lack of economic development or enhancement. Retirement of the ~\$135,000 payments on the South T-Pier loan in ~four years will have the greatest positive fiscal impact in the near mid-term.



Our Favorite Locals at the
South T-Pier



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Objective	FY 2018/19 Accomplishments
<p style="text-align: center;">Efficient Administration of the Tidelands Trust</p>	<ul style="list-style-type: none"> • Kayak Horizons lease site request for proposals (RFP) issued and proposals received under evaluation. • RFP for lease sites 34W and 35W-36W approved by Council for issuance • Boatyard seawall failure repair project underway • New leases issued for development and/or redevelopment projects on Rose’s Landing, House of JuJu, Off the Hook, Otter Rock and Harbor Hut lease sites. All projects in some phase of planning, permitting or construction • Major redevelopment projects underway at Boatyard, Otter Rock, Morro Bay Landing and Harbor Hut lease sites • Lease Site Management Policy update underway • Coast Guard building expansion project under planning and permitting review. Pending approval of Supplemental Lease Agreement to memorialize project • Community Benefits Agreement executed with Castle Wind for potential offshore wind energy generation project
<p style="text-align: center;">Public Safety</p>	<ul style="list-style-type: none"> • 1084 calls for service, 109 emergency responses and 34 enforcement actions to date 7-1/18 to 3/21/19 • Integration of Fire Department personnel into surf rescue program, and integration of Harbor Patrol personnel into all waterfront, beach and bay medical aid calls • Two new rescue watercraft purchased and in service from Division of Boating and Waterways grant • New, updated beach information and safety signs installed at various beach access points

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Objective	Accomplishments
<p>Providing Necessary Facilities & Services to the Commercial & Recreational Boating Public</p>	<ul style="list-style-type: none"> • Beach Street slips replacement project in design phase • Worked with Division of Boating and Waterways on Launch Ramp renovation project scope and contracting issues resolution • Project underway on \$100,000 Cable Committee grant to Santa Monica Seafood for major ice machine renovation • Assisted Army Corps of Engineers with scope and oversight of annual harbor dredging project • Replaced Floating Dock for continued sea lion haul-out and public enjoyment. Sea lions and public have responded positively • Trailer boat storage established in the Triangle Parking Lot
<p>Resource Management & Environmental Stewardship</p>	<ul style="list-style-type: none"> • Continued mentoring of several lease sites to “Clean Marina” certification; Yacht Club ready for inspection • \$5,000 Mini-grant from National Estuary Program obtained and spent for pollution response/control materials distributed to waterfront lease holders and for restocking expended department materials • Significant hazards to navigation and pollution abated with removal of seven derelict vessels using \$16,000 in Division of Boating and Waterways grant funding



Boatyard Seawall Repair



Morro Bay Landing Redevelopment

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Harbor Enterprise Fund

DEPARTMENTAL SUMMARY OF REVENUES AND EXPENDITURES

	2015/16	2016/17	2017/18	2018/19	2018/19	2019/20
	Actuals	Actuals	Actuals	Adopted	Estimated	Proposed
REVENUES						
<i>Intergovernmental</i>	\$ -	\$ 48,122	\$ 67,376	\$ 22,000	\$ 22,000	\$ 28,000
<i>Charges for Service</i>	1,949,963	1,845,581	1,970,290	1,904,955	1,904,955	1,950,800
<i>Charges for Service - Boat Launch Ramp</i>	29,250	24,204	30,613	30,000	30,000	30,000
<i>Fines & Forfeitures</i>	14,924	8,855	7,826	5,000	2,300	1,200
<i>Use of Money & Property</i>	5,870	2,980	4,920	-	1,230	-
<i>Other Revenues</i>	10,226	9,572	3,153	4,300	11,351	-
<i>Other Revenues - Lifeguards</i>	1,125	-	-	-	1,150	1,000
<i>Grant Funds</i>	-	-	-	-	-	-
<i>Interest</i>	918	441	618	-	-	-
TOTAL REVENUES	\$ 2,012,276	\$ 1,939,755	\$ 2,084,796	\$ 1,966,255	\$ 1,972,986	\$ 2,011,000
Transfers In						
<i>Launch Ramp</i>	\$ 25,697	\$ 19,518	\$ -	\$ -	\$ -	\$ -
<i>Interfund Transfers In</i>	92,660	-	45,000	-	5,300	-
<i>Operating/Capital Fund</i>	107,052	14,778	11,624	11,625	11,626	11,627
TOTAL TRANSFERS IN	\$ 225,409	\$ 34,296	\$ 56,624	\$ 11,625	\$ 16,926	\$ 11,627
TOTAL REVENUES AND TRANSFERS IN	\$ 2,237,685	\$ 1,974,051	\$ 2,141,420	\$ 1,977,880	\$ 1,989,912	\$ 2,022,627
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 977,764	\$ 1,320,736	\$ 988,269	\$ 1,058,070	\$ 1,052,085	\$ 1,060,016
<i>Supplies</i>	86,354	98,430	88,444	63,830	63,830	68,735
<i>Services</i>	415,390	389,660	368,628	404,948	304,948	402,378
<i>Capital Outlay</i>	57,772	35,399	89,450	595,576	-	15,000
<i>Other</i>	261,227	174,500	14,570	5,000	2,500	500
<i>Debt Service</i>	35,760	31,300	26,640	134,859	134,859	134,859
TOTAL EXPENDITURES	\$ 1,834,267	\$ 2,050,025	\$ 1,576,001	\$ 2,262,283	\$ 1,558,222	\$ 1,681,488
Transfers Out						
<i>Operating Fund</i>	\$ 418,593	\$ 309,804	\$ 480,445	\$ 340,559	\$ 335,259	\$ 309,758
<i>Equipment Replacement Fund</i>	-	-	-	-	-	-
TOTAL TRANSFERS OUT	\$ 418,593	\$ 309,804	\$ 480,445	\$ 340,559	\$ 335,259	\$ 309,758
TOTAL EXPENDITURES AND TRANSFERS OUT	\$ 2,252,860	\$ 2,359,829	\$ 2,056,446	\$ 2,602,842	\$ 1,893,481	\$ 1,991,246
	2015/16	2016/17	2017/18	2018/19	2018/19	2019/20
	Actuals	Actuals	Adopted	Adopted	Adopted	Adopted
PROGRAM						
<i>Operating</i>	\$ 2,102,428	\$ 2,359,829	\$ 1,916,165	\$ 2,001,966	\$ 1,893,481	\$ 1,991,246
<i>Equipment Replacement</i>	-	-	-	26,675	27,586	100
<i>Accumulation</i>	150,432	-	140,281	600,876	-	-
TOTAL EXPENDITURES	\$ 2,252,860	\$ 2,359,829	\$ 2,056,446	\$ 2,629,517	\$ 1,921,067	\$ 1,991,346

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Departmental Summary of FTEs

	2018/19	2019/20
	Funded	Funded
<i>Harbor Department</i>		
Harbor Director	1.0	1.0
Harbor Business Coordinator	1.0	1.0
Harbor Patrol Supervisor	1.0	1.0
Harbor Patrol Officer	3.0	3.0
Administrative Technican	1.0	0.0
Total Department FTEs	7.00	6.00

<i>Part-Time Staff Hours</i>		
Harbor Maintenance	1,075	1,100
Reserve Harbor Patrol Officer	3,025	3,225
Lifeguard Supervisor	500	500
Head Lifeguard	500	500
Beach Lifeguard	1,950	1,950
Administrative Assistant	-	1,040
Total Annual Hours	7,050	8,315



Blessing of the Fleet

Harbor

OPERATING FUND

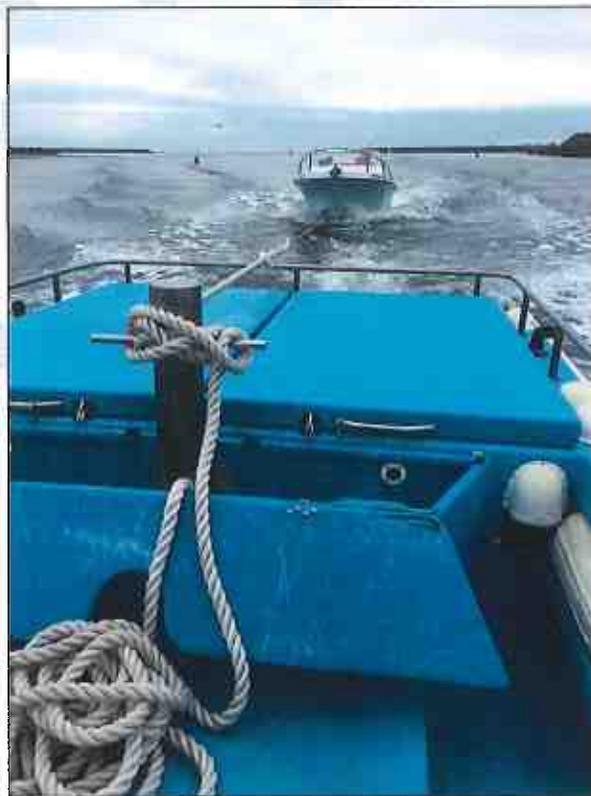
Fund 331

PROGRAM PURPOSE

The Harbor Operating Fund provides for the overall operation of the department's various functions, including general department operations, lease, property and facility management, development and redevelopment, accounts receivable, public safety (Harbor Patrol and Beach Lifeguards) and maintenance and repair.

BUDGET OVERVIEW

Not including grants, this fund's revenues and expenses are approximately \$2M annually. At the bottom on the Great Recession, they were approximately \$1.6M - \$1.7M. Major revenue streams are harbor leases, slip, pier and mooring fees, liveaboard services, miscellaneous services and boat launch ramp parking. Primary expense categories are personnel (full and part time), services, supplies and debt service. Grant acquisition varies from year to year, but generally averages at least \$40K - \$50K annually and can be as high as \$300K.



Towing a Disabled Vessel

HARBOR
Operating

Harbor Operating

Fund 331

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Amended	2018/19 Estimated	2019/20 Proposed
SOURCES OF FUNDS						
Beginning Cash Balance	\$ -	\$ (15,867)	\$ (129,816)	\$ 83,197	\$ 83,197	\$ 168,002
REVENUES						
<i>Intergovernmental</i>	\$ -	\$ 48,122	\$ 67,376	\$ 22,000	\$ 22,000	\$ 28,000
<i>Charges for Service</i>	1,949,963	1,845,581	1,970,290	1,904,955	\$ 1,904,955	1,950,800
<i>Charges for Service - Boat Launch Ramp</i>	29,250	24,204	30,613	30,000	30,000	30,000
<i>Fines & Forfeitures</i>	14,924	8,855	7,826	5,000	2,300	1,200
<i>Use of Money & Property</i>	5,870	2,980	4,920	-	1,230	-
<i>Other Revenues</i>	10,226	9,572	3,153	4,300	11,351	-
<i>Other Revenues - Lifeguards</i>	1,125	-	-	-	1,150	1,000
<i>Interfund Transfers In</i>	92,660	-	45,000	-	5,300	-
TOTAL REVENUES	\$ 2,104,018	\$ 1,939,314	\$ 2,129,178	\$ 1,966,255	\$ 1,978,286	\$ 2,011,000
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 977,764	\$ 1,320,736	\$ 988,269	\$ 1,058,070	\$ 1,052,085	\$ 1,060,016
<i>Supplies</i>	86,354	98,430	88,444	63,830	63,830	68,735
<i>Services</i>	415,390	389,660	368,628	404,948	304,948	402,378
<i>Capital Outlay</i>		35,399	89,450		-	15,000
<i>Other</i>	261,227	174,500	14,570	5,000	2,500	500
<i>Debt Service</i>	35,760	31,300	26,640	134,859	134,859	134,859
TOTAL EXPENDITURES	\$ 1,776,495	\$ 2,050,025	\$ 1,576,001	\$ 1,666,707	\$ 1,558,222	\$ 1,681,488
<i>Transfers Out</i>	325,933	309,804	340,164	335,259	335,259	309,758
Total Expenditures & Transfers	\$ 2,102,428	\$ 2,359,829	\$ 1,916,165	\$ 2,001,966	\$ 1,893,481	\$ 1,991,246
Ending Cash Balance	(15,867)	(129,816)	83,197	47,486	168,002	187,756

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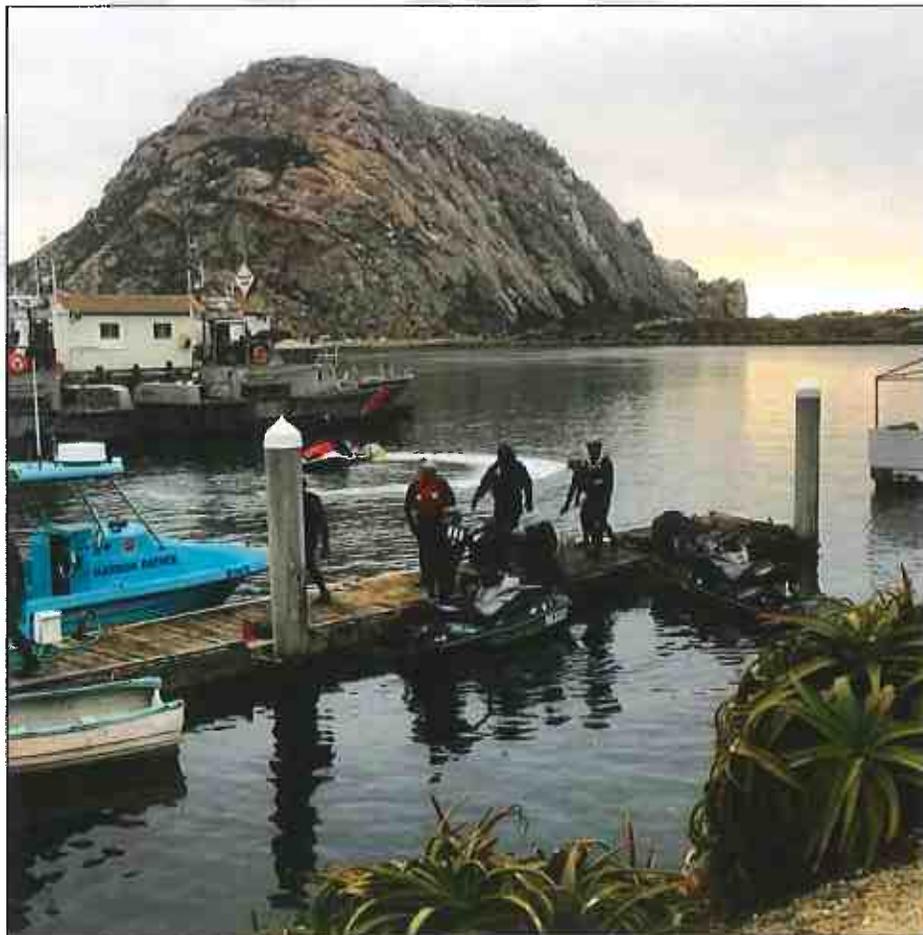
FY 2019/20 KEY PROJECTS

Objective	Key Projects
<p style="text-align: center;">Efficient Administration of the Tidelands Trust</p>	<ul style="list-style-type: none"> • Complete lease site management policy and documents update • After completion of lease site management policy update, develop and embark upon comprehensive lease site percent gross revenue audit program • After completion of lease site management policy update, develop and embark upon comprehensive lease site condition and compliance inspection program • Obtain Consent of Landowner approval from Council for RFPs on Kayak Horizons lease site, and Lease Sites 34W and 35W-36W • Complete harbor rules and regulations and municipal code Ch. 15 updates for Council approval • Continue marshalling several expired leases into redevelopment and/or lease renegotiation phases • Continue collaboration with Castle Wind on offshore wind farm power generation project • Continue working with Harbor Advisory Board and other stakeholders on new/improved revenue sources for the Harbor Fund to address capital and reserve fund needs • Support Coast Guard with completion of their building expansion project
<p style="text-align: center;">Public Safety</p>	<ul style="list-style-type: none"> • Continue collaboration and training of Harbor and Fire personnel together for fire, medical aid and water rescue response • Begin planning for Harbor Patrol vessel replacement due in next 1-3 years • Replace Sandspit Emergency Phone

HARBOR
Operating

FY 2019/20 KEY PROJECTS

Objective	Key Projects
Providing Necessary Facilities & Services to the Commercial & Recreational Boating Public	<ul style="list-style-type: none">• Definitively determine if a boatyard/marine services facility is a project the City will continue to pursue or not• Replace, to the maximum extent financially feasible with available funds, the Beach Street commercial fishing vessel slips• Complete design, engineering and permitting on Launch Ramp renovation project with Division of Boating and Waterways grant funding• Ensure Army Corps of Engineers prioritizes and funds annual harbor entrance dredging, and lobby for Congressional support of the necessary funding

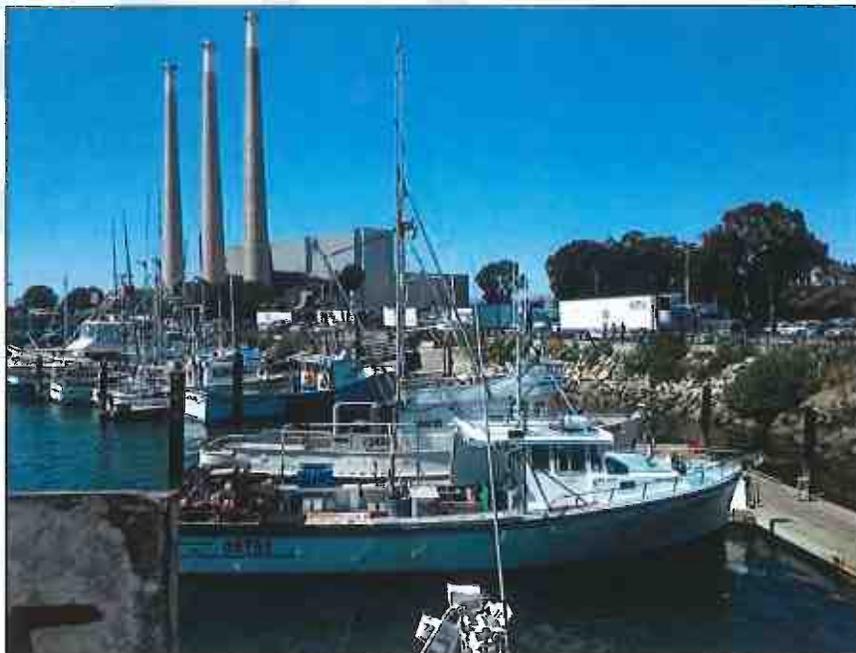


Water Rescue Training

∞ HARBOR ∞
Operating

FY 2019/20 KEY PROJECTS

Objective	Key Projects
<p>Resource Management & Environmental Stewardship</p>	<ul style="list-style-type: none">• Continue assisting leaseholders to obtain Clean Marina certification• Apply for and obtain another derelict vessel abatement “SAVE” grant from the Division of Boating and Waterways• Collaborate with State Parks for new Otter awareness signage at Target Rock & Coleman Beach• Working with Harbor Advisory Board eelgrass ad-hoc committee, consultant and stakeholders, determine if there is a viable regulatory path forward for Morro Bay eelgrass mitigation/management policy/plan



Squid Trucks Line-Up in the Parking Lot Waiting to Load

∞ HARBOR ∞
Operating

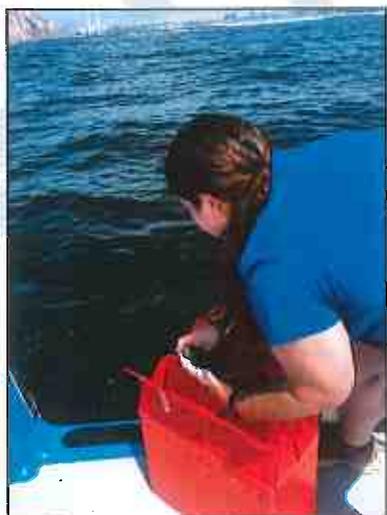
KEY PROGRAM SERVICES

- Lease Management
 - Lease oversight
 - Lease negotiation
 - Lease/sublease compliance
 - Rent calculation and tracking
 - Insurance tracking and compliance
 - Appraisals and audits
- Harbor Patrol
 - Boater assistance
 - Search & Rescue
 - Lifeguarding/Surf Rescue
 - Law/Code Enforcement
 - Marine/Waterfront Firefighting
 - Medical Aid
 - Pollution Response
 - Slip, mooring, pier and public facility management
 - Vessel, vehicle and facility maintenance and repair
 - Animal Rescue/Environmental
 - Education & Prevention



Harbor Vessel Repair

Pacific Wildlife Care Bird Release



- Administration
 - Public office front counter/public assist
 - General departmental operations and administration
 - Website/Facebook/public outreach
 - Assisting/coordinating with other departments and agencies
 - Liveaboard, slip, mooring and pier administration
 - Weather monitoring and reporting
 - Capital projects planning, funding and execution

∞ HARBOR ∞
Operating

KEY PROGRAM SERVICES

- Finance
 - Accounts Receivable
 - Departmental budget development and management
 - Grant acquisition and management
 - Capital Expenditures
 - Purchasing
 - Vessel liens and collections
- Maintenance, Repair & Upkeep
 - Vessels
 - Vehicles
 - Equipment
 - Facilities
 - Public spaces/beach



Pollution Response



Derelict Vessel Demolition

HARBOR
Operating

Activity and Workload Highlights	2017/18 Actuals	2018/19 Actuals*	2019/20 Budget
Major lease actions (new leases, amendments, etc.)	16	17	6-8
Lease Site RFP's issued/processed	2	2	2
Lease Site redevelopment projects begun	1	4	5-6
Lease auditing/inspecting actions	0	0	35
Annual Harbor Patrol calls for service	1448	1,084	1,500
Emergency responses	153	109	150
Assisting other agencies	464	287	400
Training actions	196	188	250
Minor maintenance actions	1,753	1,368	1,800
Major maintenance actions	unknown	2	3

* To-date through 3/21/19



You Otter Approve this Budget

HARBOR

EQUIPMENT REPLACEMENT FUND

Fund 055

PROGRAM PURPOSE

The Harbor Equipment Replacement Fund is a savings fund for equipment, vehicle, watercraft and vessel replacements.

BUDGET OVERVIEW

There currently exists \$54,000 in this fund. Based on the remaining useful life of the department's various vessels, vehicles and major equipment, projected needs over the next ten years for replacement are approximately \$650,000, or \$65,000 per year if spread evenly over the ten-year period.

While some grant funding will be acquired to help meet the funding needs, a significant shortfall will continue to exist and major replacements will only be completed on an as-needed and as-funding is available basis.



Rescue Equipment

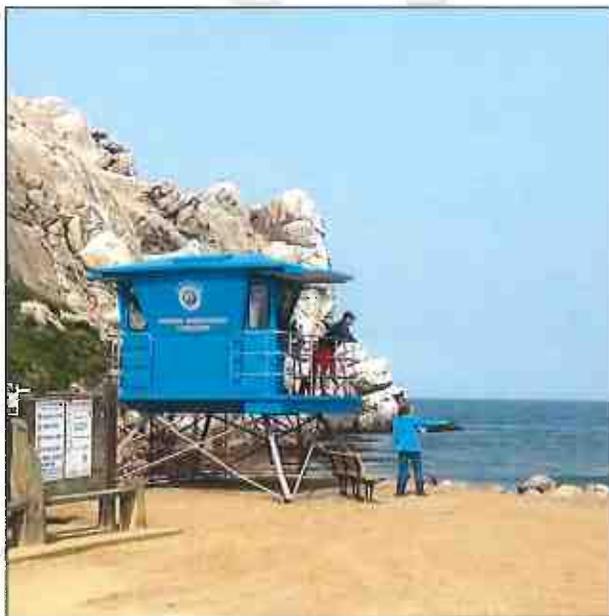
HARBOR
Equipment Replacement

Harbor Equipment Replacement

Fund 055

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Proposed
SOURCES OF FUNDS						
Beginning Fund Balance	\$ 54,313	\$ 55,231	\$ 55,672	\$ 56,290	\$ 56,290	\$ 54,288
REVENUES						
Other Revenues	-	-	-	-	-	-
Grants				25,584	25,584	
Interest	918	441	618	-	-	-
TOTAL REVENUES	\$ 918	\$ 441	\$ 618	\$ 25,584	\$ 25,584	\$ -
Transfers In						
Intrafund Transfer	\$ -	\$ -	\$ -	\$ 1,091	\$ 1,091	\$ -
TOTAL TRANSFERS IN	\$ -	\$ -	\$ -	\$ 1,091	\$ 1,091	\$ -
TOTAL REVENUES AND TRANSFERS IN	\$ 918	\$ 441	\$ 618	\$ 26,675	\$ 26,675	\$ -
EXPENDITURES						
Salaries and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenditures	-	-	-	-	-	-
Fixed Assets	-	-	-	26,675	27,586	100
Internal Service Charges	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ 26,675	\$ 27,586	\$ 100
Ending Fund Balance	55,231	55,672	56,290	55,199	54,288	54,188

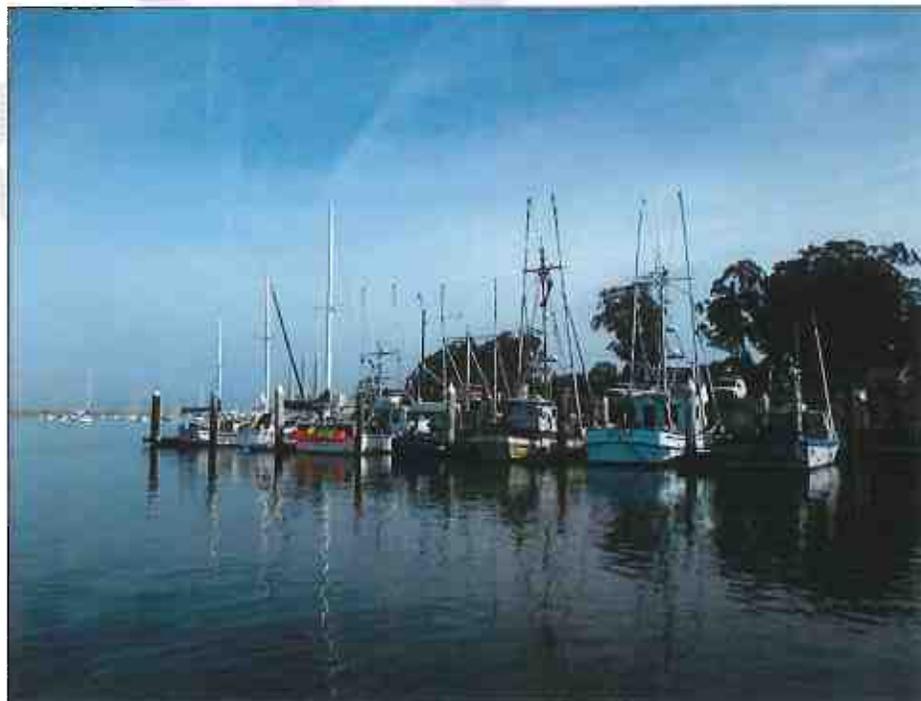


Lifeguard Tower

∞ HARBOR ∞
Equipment Replacement

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
Public Safety	<ul style="list-style-type: none">• Begin planning and funding process for 32-year-old Patrol Boat #68 replacement or refurbishment• Replace Sandspit Emergency Phone, now at the end of its useful life



Commercial Fleet

Harbor

ACCUMULATION FUND

FUND 953

PROGRAM PURPOSE

The Harbor Accumulation Fund is the department's "catch-all" excess revenue savings fund for capital projects, major maintenance/refurbishment needs and emergency reserves.

BUDGET OVERVIEW

There currently exists approximately \$372,000 in this fund. From an amortization standpoint over the projected life of the department's various pieces of infrastructure and facilities, projected needs over the next ten years for capital projects are estimated at approximately \$5,000,000, or \$500,000 per year if spread evenly over the ten-year period.

While some grant funding has been and will continue to be acquired to help meet the funding needs, a critical shortfall of funding will continue to exist, and capital projects will only be completed on an as-needed and as-funding is available basis. With the department's currently approved Capital Improvement Projects list, this fund's current balance will be completely exhausted.



Launch Ramp

HARBOR

Harbor Accumulation Fund

Fund 953

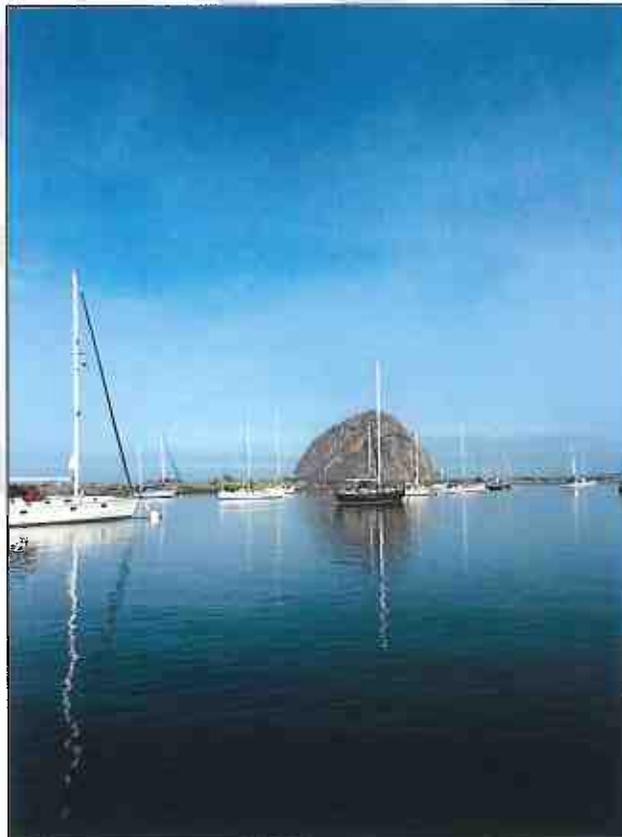
SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Adopted	2018/19 Adopted	2018/19 Estimated	2019/20 Proposed
SOURCES OF FUNDS						
Beginning Fund Balance	\$ 458,792	\$ 445,031	\$ 482,084	\$ 372,308	\$ 372,308	\$ 502,362
REVENUES						
<i>Interest</i>	\$ 3,922	\$ 2,757	\$ 2,425		\$ -	\$ -
<i>Grant Funds</i>				\$ 250,000	\$ -	\$ -
TOTAL REVENUES	\$ 3,922	\$ 2,757	\$ 2,425	\$ 250,000	\$ -	\$ -
Transfers In						
<i>Launch Ramp</i>	\$ 25,697	\$ 19,518	\$ -	\$ -	\$ -	\$ -
<i>Operating/Capital Fund</i>	107,052	14,778	28,080	-	168,002	-
TOTAL TRANSFERS IN	\$ 132,749	\$ 34,296	\$ 28,080	\$ -	\$ 168,002	\$ -
TOTAL REVENUES AND TRANSFERS IN	\$ 136,671	\$ 37,053	\$ 30,505	\$ 250,000	\$ 168,002	\$ -
EXPENDITURES						
<i>Capital Improvements (outlay)</i>	\$ 57,772	\$ -	\$ -	\$ 595,576	\$ 37,948	\$ 412,052
TOTAL EXPENDITURES	\$ 57,772	\$ -	\$ -	\$ 595,576	\$ 37,948	\$ 412,052
Transfers Out						
<i>Operating Fund</i>	\$ 92,660	\$ -	\$ 140,281	\$ 5,300	\$ -	\$ -
<i>Equipment Replacement Fund</i>	-	-	-	-	-	-
TOTAL TRANSFERS OUT	\$ 92,660	\$ -	\$ 140,281	\$ 5,300	\$ -	\$ -
TOTAL EXPENDITURES AND TRANSFERS OUT	\$ 150,432	\$ -	\$ 140,281	\$ 600,876	\$ 37,948	\$ 412,052
Ending Fund Balance	445,031	482,084	372,308	21,432	502,362	90,310

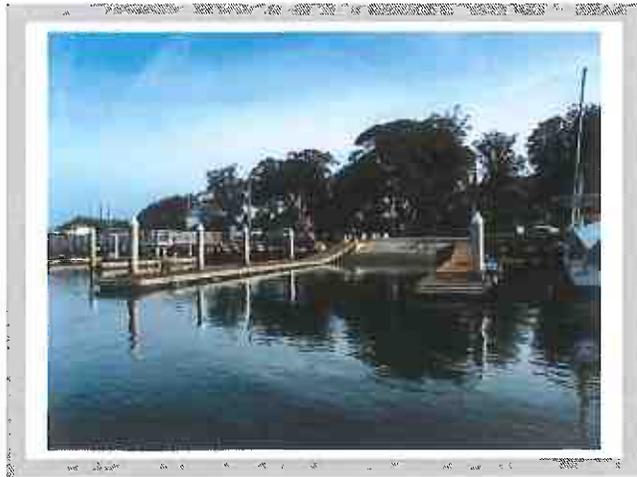
☞ HARBOR ☞
Accumulation

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
<p>Providing Necessary Facilities & Services to the Commercial & Recreational Boating Public</p>	<ul style="list-style-type: none">• Obtain permits for and complete Beach Street slips replacement project to the maximum extent financially feasible with available funding• Complete design, engineering and permitting on Launch Ramp renovation project with Division of Boating and Waterways grant funding• Definitively determine if a boatyard/marine services facility is a project the City will continue to pursue or not



The Bay



Project Name	DBW Boat Launching Facility Rehab	Project Number	923-9921
Department	Harbor	Project Manager	Harbor Director, Eric Endersby

Description This project is a complete renovation of the public launch ramp facility, including replacement of concrete ramp and boarding floats, parking lot renewal, ADA compliance of restrooms and all walkways, replacement of the fish cleaning station, new hand-launch (kayak/canoe) boarding float location and other associated improvements.

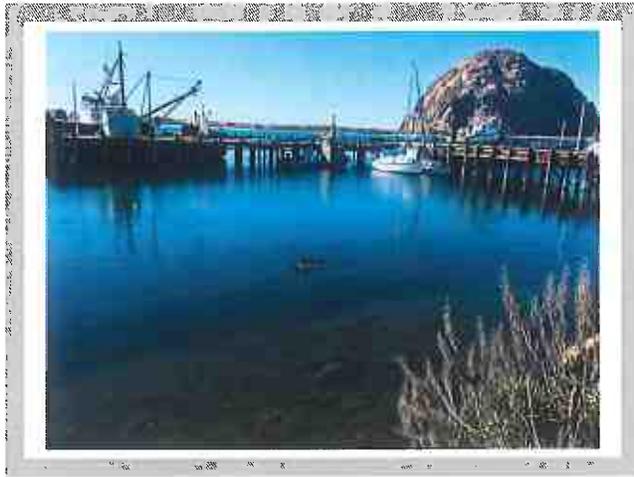
Location This project is located on the south end of the Embarcadero where Embarcadero terminates.

Project Background The Harbor department has been granted \$250,000 out of a \$1.9 million grant from the State of California Division of Boating and Waterways. This is a reimbursement grant, where by expenditures must be made first and then reimbursement sought. The initial \$250,000 grant is for 100% engineering development and permit acquisition.

Operating Budget Impacts This project will use staff time for project development and permitting and will use a consultant for the construction inspection and management. The staff time for this project will be included in the department's FY 2019/20 Operating Budget.

Project Components & Estimated Timeline	Spring 2019	Design	Project development
	Summer 2019	Bid process	Project bidding and contract award
	Fall 19/20	Construction	Project construction
	Winter 19/20	Completion	Project completion

DBW BOAT LAUNCHING FACILITY REHAB											Project 923 - 9921	
	Prior Yrs Actuals	2018/19 Amended Budget	2018/19 Estimated Actual	Estimated CF to 2019/20	2019/20 Budget	2019/20 Budget & Carryford *	2020/21 Proposed	2021/22 Proposed	2022/23 Proposed	2023/24 Proposed	Total Project	
SOURCE OF FUNDS												
GRANT- DEPT BOATING & WATERWAYS	-	250,000		250,000	-	250,000	1,650,000				1,900,000	
TOTAL SOURCE OF FUNDS	-	250,000	-	250,000	-	250,000	1,650,000	-	-	-	1,900,000	
USE OF FUNDS												
6104 Engineering Services	-	-	-	-	-	-	-	-	-	-	-	
6105 Consultation Services	-	-	-	-	-	-	-	-	-	-	-	
6106 Contractural Services	-	250,000		250,000	-	250,000	1,650,000				1,900,000	
8999 CapitalProject Budget	-	-	-	-	-	-	-	-	-	-	-	
Consultant Services	-	250,000	-	250,000	-	250,000	1,650,000	-	-	-	1,900,000	
TOTAL GRANTS	-	250,000	-	250,000	-	250,000	1,650,000	-	-	-	1,900,000	
TOTAL USE OF FUNDS	-	250,000	-	250,000	-	250,000	1,650,000	-	-	-	1,900,000	



DRAFT – Ready for Finance Director Review

Project Name South T Pier Renovations
Department Harbor

Project Number 923-8351
Project Manager Harbor Director, Eric Endersby

Description This project is to complete recommended repairs to the pier.

Location This project is located on the Embarcadero north of the terminus of Beach Street, adjacent to the Great American Fish Company restaurant.

Project Background A 2016 inspection and engineering assessment was completed on the pier, and recommended certain repairs including deteriorated sections of the original wooden approach section of the pier, various cross-bracing, replacement of fender (non-structural) piles and various smaller issues.

Operating Budget Impacts This project will use staff time for the construction inspection and management. The staff time for this project will be included in the department's FY 2019/20 Operating Budget.

Project Components & Estimated Timeline	Summer 2019	Design	Project development
	Summer 2019	Bid process	Project bidding and contract award
	Fall/Winter 19/20	Construction	Project construction
	Spring 2020	Completion	Project completion

SOUTH T. PIER RENOVATIONS											Project 023 - 8351
	Prior Yrs Actuals	2018/19 Amended Budget	2018/19 Estimated Actual	Estimated CF in 2019/20	2019/20 Budget	2019/20 Budget & Carryfwd *	2020/21 Proposed	2021/22 Proposed	2022/23 Proposed	2023/24 Proposed	Total Project
SOURCE OF FUNDS											
ENTERPRISE ACCUM FUND *	-	55,000	2,948	42,052	-	42,052	-	-	-	-	2,948
TOTAL SOURCE OF FUNDS	-	55,000	2,948	42,052	-	42,052	-	-	-	-	2,948
USE OF FUNDS											
6104 Engineering Services	-	-	-	-	-	-	-	-	-	-	-
6105 Consultation Services	-	-	-	-	-	-	-	-	-	-	-
6106 Contractual Services *	-	55,000	-	45,000	-	45,000	-	-	-	-	-
6602 Outside Structural Repair	-	-	2,948	(2,948)	-	(2,948)	-	-	-	-	2,948
<i>Consultation & Contract Services</i>	-	55,000	2,948	42,052	-	42,052	-	-	-	-	2,948
TOTAL ENTERPRISE FUND	-	55,000	2,948	42,052	-	42,052	-	-	-	-	2,948
TOTAL USE OF FUNDS	-	55,000	2,948	42,052	-	42,052	-	-	-	-	2,948

* \$10,000 of 18/19 Adopted Budget amount has been transferred to North T. Pier Capital Project.



DRAFT – Ready for Review by Fin Director.

Project Name North T Pier Renovations

Project Number 923-XXXX

Department Harbor

Project Manager Harbor Director, Eric Endersby

Description This project is to complete recommended repairs to the pier.

Location This project is located on the Embarcadero adjacent to the Harbor Department office and Coast Guard station.

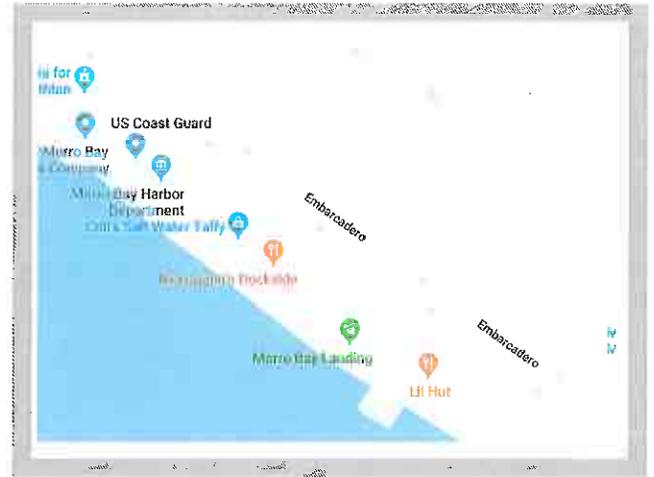
Project Background Previous inspection and engineering assessments completed on the pier recommended certain repairs including various structural issues and automatic fire sprinkler system assessment.

Operating Budget Impacts This project will use staff time for the construction inspection and management. The staff time for this project will be included in the department's FY 2019/20 Operating Budget.

Project Components & Estimated Timeline	Summer 2019	Design	Project development
	Summer 2019	Bid process	Project bidding and contract award
	Fall/Winter 19/20	Construction	Project construction
	Spring 2020	Completion	Project completion

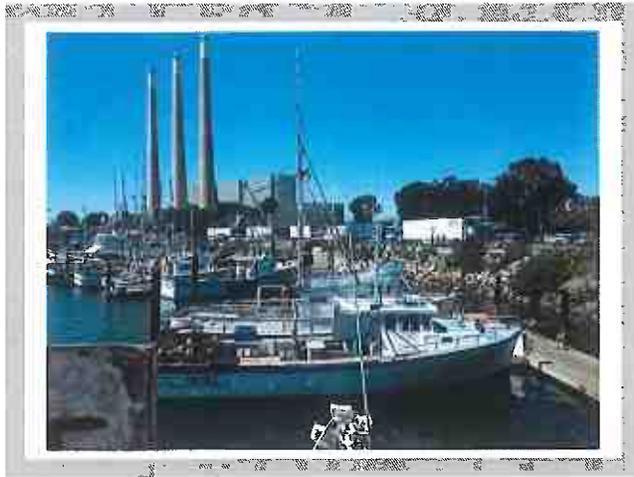
NORTH T. PIER RENOVATIONS											Project 923 - XXXX	
	Prior Yrs Actuals	2018/19 Amended Budget	2018/19 Estimated Actual	Estimated CF to 2019/20	2019/20 Budget	2019/20 Budget & Carryfwd *	2020/21 Proposed	2021/22 Proposed	2022/23 Proposed	2023/24 Proposed	Total Project	
SOURCE OF FUNDS												
ENTERPRISE ACCUM FUND *	-	-	-	10,000	-	10,000	-	-	-	-	-	
TOTAL SOURCE OF FUNDS	-	-	-	10,000	-	10,000	-	-	-	-	-	
USE OF FUNDS												
6104 Engineering Services	-	-	-	-	-	-	-	-	-	-	-	
6105 Consultation Services	-	-	-	-	-	-	-	-	-	-	-	
6106 Contractual Services *	-	-	-	10,000	-	10,000	-	-	-	-	-	
6602 Outside Structural Repair	-	-	-	-	-	-	-	-	-	-	-	
<i>Consultation & Contract Services</i>	-	-	-	10,000	-	10,000	-	-	-	-	-	
TOTAL ENTERPRISE FUND	-	-	-	10,000	-	10,000	-	-	-	-	-	
TOTAL USE OF FUNDS	-	-	-	10,000	-	10,000	-	-	-	-	-	

* \$10,000 of 18/19 Adopted Budget amount has been transferred from South T. Pier Capital Project.



Project Name	Harbor Ice Machine Maintenance	Project Number	923-8421
Department	Harbor	Project Manager	Harbor Director, Eric Endersby

Description	This project is to annually meet the maintenance needs for the City-owned and Santa Monica Seafood-operated commercial fishing ice machine.
Location	This project is located on the Embarcadero on the Santa Monica Seafood-leased wharf, between Morro Bay Landing and Tognazzini's Dockside.
Project Background	Annual needs accomplished with a combination of Santa Monica Seafood and City contributions and Cable Committee grant funding.
Operating Budget Impacts	This project will use staff time for the construction inspection and management. The staff time for this project will be included in the department's FY 2019/20 Operating Budget.



Project Name Beach Street Slips (North & South)

Project Number 923-8175

Department Harbor

Project Manager Harbor Director, Eric Endersby

Description This project will replace thirteen commercial fishing vessel slips at the north and south sections slips at Beach Street. Slips are in two sections – North and South.

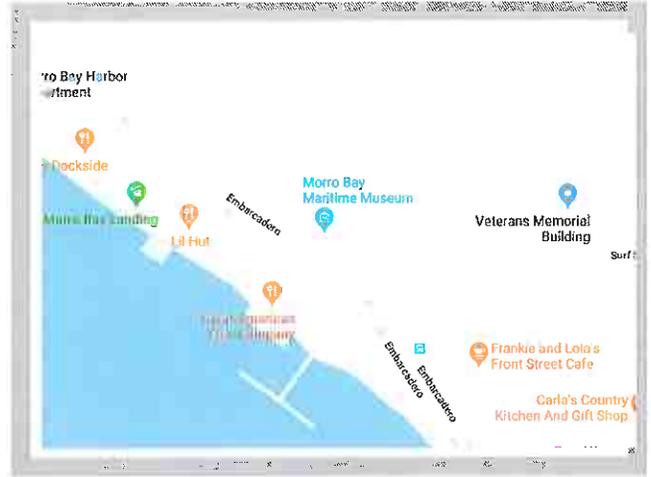
Location This project is located at the west end of Beach Street in the harbor.

Project Background 25+ year old boat slips in need of replacement. Meets the Council Adopted Goal in 17/18 to improve infrastructure and public spaces. This is a carryover of unexpended funds from the 17/18 and 18/19 adopted budget. Project expenditures have been carried over to future years pending increases to the balance in the Harbor Accumulation Fund.

Operating Budget Impacts This project will use staff time and a consultant for the construction inspection and management. The staff time for this project will be included in the department's FY 2019/20 Operating Budget.

Project Components & Estimated Timeline	Summer 2019	Design	Project development
	Summer/Fall 2019	Bid process	Project bidding and contract award – N slips only
	Winter 19/20	Construction	Project construction – N slips only
	Spring 2020	Completion	Project completion – N slips only

BEACH STREET SLIPS (NORTH & SOUTH)											Project 923-8175
	Prior Yrs Actuals	2018/19 Amended Budget	2018/19 Estimated Actual	Estimated CF to 2019/20	2019/20 Budget	2019/20 Budget & Carryover *	2020/21 Proposed	2021/22 Proposed	2022/23 Proposed	2023/24 Proposed	Total Project
SOURCE OF FUNDS											
ENTERPRISE ACCUM FUND	75,304	215,000	-	215,000	155,000	370,000	-	-	-	-	230,304
TOTAL SOURCE OF FUNDS	75,304	215,000	-	215,000	155,000	370,000	-	-	-	-	230,304
	Prior Yrs Actuals	2018/19 Amended	2018/19 Estimated	Estimated CF to 2019/20	2019/20 Budget	2019/20 Budget & Carryover *	2020/21 Proposed	2021/22 Proposed	2022/23 Proposed	2023/24 Proposed	Total Project
USE OF FUNDS											
6104 Engineering Services	37,860	-	-	-	-	-	-	-	-	-	37,860
6105 Consultation Services	37,444	-	-	-	-	-	-	-	-	-	37,444
6106 Contractual Services	-	-	-	-	-	-	-	-	-	-	-
8999 Capital Project Budget	-	215,000	-	215,000	155,000	370,000	-	-	-	-	155,000
Consultant Services	75,304	215,000	-	215,000	155,000	370,000	-	-	-	-	230,304
TOTAL GF & MEASURE Q	75,304	215,000	-	215,000	155,000	370,000	-	-	-	-	230,304
TOTAL USE OF FUNDS	75,304	215,000	-	215,000	155,000	370,000	-	-	-	-	230,304



DRAFT – Not being requested in the FY19-20 Budget.

Project Name	Boatyard/Marine Services Facility	Project Number	923-8106
Department	Harbor	Project Manager	Harbor Director, Eric Endersby
Description	This project is to investigate, plan, engineer and build a full-service boatyard/marine services facility in the Triangle Lot area.		
Location	This project will be located on the north end of the Embarcadero, south of the power plant, west of the surf street stairwell on former power plant property acquired by the City.		
Project Background	This was a carryover of unexpended funds from the 17/18 and 18/19 adopted budget. Project expenditures were carried over to future years pending increases to the balance in the Harbor Accumulation Fund. Due to lack of available funding, staff are proposing to not fund this project in the 19/20 fiscal year unless funding becomes available.		
Operating Budget Impacts	This project will use staff time for the construction inspection and management. The staff time for this project will be included in the department's FY 2019/20 Operating Budget.		

Project Components & Estimated Timeline	Fall 20XX	Design	Project development
	Spring 20XX	Bid process	Project bidding and contract award
	Summer 20XX	Construction	Project construction
	Summer 20XX	Completion	Project completion



AGENDA NO: B-6

MEETING DATE: May 2, 2019

Staff Report

TO: Harbor Advisory Board

DATE: April 26, 2019

FROM: Eric Endersby, Harbor Director

SUBJECT: Presentation on Status of “Working Waterfront” and “Measure D” Recommendations Made by the Harbor Advisory Board to the General Plan Advisory Committee

RECOMMENDATION

Receive report and provide staff input, if any.

BACKGROUND

A 2017 goal of the City Council was possible development of a “working waterfront” policy for the City of Morro Bay. In addition, clarification of perceived ambiguities in “Measure D,” the citizen initiative regarding development on the northern end of the Embarcadero, was also a goal. Since the update of the ~30 year-old General Plan (GP), Local Coastal Program (LCP) and Zoning Codes (ZC) was underway, it was decided the “working waterfront” and “Measure D” goal work would best be incorporated into the GP/LCP update processes. These updates are being undertaken by the Community Development Department.

Over the course of 2017 and 2018, an ad-hoc committee of the Harbor Advisory Board (HAB) developed recommendations regarding “working waterfronts” and clarifications of “Measure D.” This process included joint work with the Planning Commission (PC) and an ad-hoc committee of the PC. The end result was recommendations by the HAB to the General Plan Advisory Committee (GPAC) pertaining to the two issues.

This item is an update of the status of the Harbor Advisory Board’s recommendations and their incorporation into the GP/LCP and Zoning Codes.

DISCUSSION

The public draft “Plan Morro Bay” General Plan/Local Coastal Program document can be found at this link:

<http://www.morro-bay.ca.us/DocumentCenter/View/11817/Plan-Morro-Bay-LCP-Public-Draft-May-2018>

Reference to the City’s working waterfront is peppered throughout the document, in addition to specific sections that have references to Measure D. By right-clicking on the online document, the “Find” feature can be used to easily search “working waterfront” or “Measure D” to locate all the various locations they are referenced.

Prepared By: EE

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____

With regard to the HAB/PC's specific recommendations, reference to Measure D and the three waterfront "sectors" as recommended jointly by the HAB and PC are on page 3-25 to 3-27 of the document, and are included with this report at Attachment 1.

Pages 3-31 and 3-32 of the document, included as Attachment 2, outline several policies, including one, Policy LU-4.2, seeking to clarify the ambiguities in Measure D.

Pertinent Implementing Actions (LU-4, LU-6, LU-7 and LU-8) for the various land use policies are outlined on page 5-5 of the document, included with this report as Attachment 3.

Module 3 Use Regulations of the Zoning Code Update document can be found at the following link:

<http://www.morro-bay.ca.us/ArchiveCenter/ViewFile/Item/4578>

Chapter 17.09 Waterfront and Harbor Area Districts in the zoning code are discussed on pages 29-33 of Module 3, and are included with this report as Attachment 4.

CONCLUSION

Much of the Measure D clarification and Working Waterfront-type reference and implementation language would necessarily reside in the Waterfront Master Plan (WMP), as the draft Zoning Code Interpretation Provisions document pages 33-35, included as Attachment 5, references the WMP as the document that will include the development standards for the Commercial Fishing ("CF" or "Measure D" area) and Waterfront ("WF") districts. The draft Interpretation Provisions document can be found at this link:

<http://www.morro-bay.ca.us/DocumentCenter/View/11594/Draft-Zoning-Module-2-Development-Standards---PC-2-6-18?bidId=>

The WMP is yet to be updated, however, it's updating is one of the important follow-on actions recommended in the GP/LCP update.

ATTACHMENTS

1. Pages 3-25 to 3-27 of the Plan Morro Bay document.
2. Pages 3-31 and 3-32 of the Plan Morro Bay document.
3. Page 5-5 of the Plan Morro Bay document.
4. Pages 29-33 of Module 3 of the Zoning Code Update document.
5. Pages 33-35 of the Zoning Code Update Interpretation Provisions document.

Implementation actions that correspond to and implement these goals and policies are located in the table in Section 5 under the "Land Use Element Implementation Actions" subheading.

Coastal Priority Uses

The coast is a valuable resource for natural beauty, recreational access, and development potential. The Coastal Act requires the City to prioritize uses that serve important needs for the community, such as recreation, coastal access, and coastal-dependent businesses. Nearly all of Morro Bay is in the coastal zone. Coastal priority uses range from visitor-serving recreation and services to coastal-dependent businesses such as aquaculture and commercial fishing.

Visitor-Serving Uses



LCP

Visitors come to Morro Bay year-round to enjoy the beautiful scenery, the beach, and an eclectic and laid-back vibe. The diverse array of shops, restaurants, and recreation opportunities are an important part of both the economy and personality of Morro Bay, and these uses need to be protected for the enjoyment of visitors and locals alike. The Coastal Act also requires that visitor-serving uses be prioritized over most other uses in the coastal zone.

Approximately 145 acres of land are designated for visitor-serving uses, primarily located in the Embarcadero, downtown, and State Park areas. These uses include hotels and other lodging, restaurants, parking facilities, shopping, and entertainment options. Because of their location near the coastline, the businesses and recreation areas are vulnerable to both development pressure and increasing flood risk due to sea level rise. The Land Use Diagram and policies work together to protect visitor-serving uses from encroachment of all kinds.

Coastal-Dependent Uses



LCP

Coastal-dependent uses are those which rely on close access to the coastline in order to function, and are highly protected by the Coastal Act and the City of Morro Bay. These are uses such as commercial fishing and boating, energy and coastal-dependent industry, and agriculture and aquaculture facilities.

Commercial Fishing

Commercial fishing plays significant economic and cultural roles in Morro Bay. Voter-approved Measure D ensures that areas on the north Embarcadero are specifically designated for commercial fishing infrastructure and facilities to accommodate both commercial and recreational fishing activities. The fishing industry is organized by the

Morro Bay Commercial Fisherman’s Organization (MBCFO), which has over 100 members. The commercial fishing community also has strong ties to local colleges and has engaged in collaborative research with local institutions for decades. The fishing industry serves as an important part of the local economy, and has continued to increase in size in recent years and decades.

The Harbor Advisory Committee and Planning Commission have worked to define and establish a Working Waterfront concept and better define Measure D. A mission statement for the Working Waterfront has been created and the Working Waterfront has been divided into three sectors. The sectors from north to south are as follows:

1. Fisheries Sector: The Measure D Zone, north of Beach Street
2. Visitor’s Sector: Beach Street south to Tidelands Park launch ramp
3. Southern Sector: South of Tidelands Park launch ramp to the State Park Marina

Uses allowed in the Measure D Zone and associated definitions have also been clarified and are included in the zoning code/LIP.

The marine environment in Morro Bay is highly diverse, and fishing activity is managed in order to meet state and federal regulations for types of gear, species targeting, and quotas. This sustainable management is based on science-driven stock assessments. Over time, these efforts have resulted in healthier populations of species such as thresher shark, swordfish, salmon, and many others.

In 2014, the City completed two reports that contribute to future management of the fishing industry. The Commercial Fisheries Economic Impact Report sought to understand the economic scope of the industry. The Fishing Community Sustainability Plan further studied the industry and provided recommendations to facilitate the sustainability of the fishing community and working waterfront. Each of these findings were tied to their social, economic, and environmental implications.

While changes to the industry and declines have occurred in the fishing industry, catch and fishing industry productivity have been increasing in recent years. With the decline in the 1990s, fishing infrastructure suffered, processing facilities closed, and improvements are now needed. While some investment in facilities and equipment has been made in recent years, additional focus is necessary to provide for the needs of the fisheries.

Recreational Boating and Infrastructure

Recreational boating is another important feature of Morro Bay. Kayaking, paddleboarding, and boat tours are commonly enjoyed activities, and several businesses in the city provide these activities. As these activities increase with the growth of Morro Bay and increasing tourism activities in California, the City will ensure that they do not interfere with the necessary operations of the commercial fishing industry, and, that no potentially dangerous space conflicts arise which would interrupt these recreational activities. Both commercial fishing and recreational boating will be protected and enhanced where possible.

Figure LU-4 identifies fishing and boating facilities in Morro Bay, differentiating between administrative, commercial, and recreational services.



Energy and Industrial Uses

Coastal industrial uses for the Morro Bay coastal zone include the Morro Bay Desalination Facility and the decommissioned Dynegy power plant. The desalination plant was constructed in 1992 during a drought emergency but shut down soon after because of operation issues and costs. The plant is currently used only to offset seasonal peaks in water demand.

The Dynegy power plant is located north of the Embarcadero, and was decommissioned in 2014 because of fluctuations in the need for electricity and increasing cost of operations to remain in compliance with state regulation. Future development of the Dynegy power plant is anticipated to include a mix of visitor-serving commercial, open space, and public facility uses, and may include some potential for future housing. Future potential energy uses in Morro Bay will focus on renewable energy, which is in line with the state direction and the vision for Morro Bay.

Agriculture and Aquaculture

Agriculture and aquaculture are also protected resources under the Coastal Act. Most agriculture in Morro Bay is located on the east side of Highway 1 near the southwest end of the city. Lesser amounts of agricultural land are also located in other parts of the city. Aquaculture primarily consists of oyster farming, which has a long history in Morro Bay. The oyster farming areas are located at the south end of the bay, as well as along the north Embarcadero.

GOALS AND POLICIES

GOAL LU-4: Coastal-dependent uses are prioritized within appropriate locations in the coastal zone.

- POLICY LU-4.1: Waterfront Uses.** Maintain and encourage the development of visitor-serving and coastal-dependent land uses along the waterfront, and give such uses priority over other types of development that are either not dependent on a waterfront location or related to public use and enjoyment of the coast.
- POLICY LU-4.2: Measure D Uses.** Clarify the meaning of “clearly incidental” in the zoning code and provide additional certainty and consistency in the development review process for properties in the Measure D area.
- POLICY LU-4.3: Adaptation in the Fishing Industry.** Assist the commercial fishing industry to adapt to climate and economic change.

POLICY LU-4.4: Fishing Community Sustainability Plan. Continue to update and implement the Fishing Community Sustainability Plan.

POLICY LU-4.5: Interim Uses in Coastal Zone. Permit interim uses in areas designated for coastal-dependent uses until the existing owners have an approved coastal-dependent development.

POLICY LU-4.6: Recreational Uses. Oceanfront lands designated for open space/recreation use shall be protected for recreational use and development unless present and foreseeable future demand for public or commercial recreational activities that could be accommodated on the property is already adequately provided for in the area.

POLICY LU-4.7: Development Priority. Using private lands suitable for visitor-serving commercial recreational facilities shall have priority over using such lands for private residential, general industrial, or general commercial development, but not over agriculture or coastal-dependent industry.

POLICY LU-4.8: Maritime Support Services. Continue to promote the viability of maritime support services presently operating on Beach Street.

Implementation actions that correspond to and implement these goals and policies are located in the table in Section 5 under the "Land Use Element Implementation Actions" subheading.

GOAL LU-5: Coastal priority uses are viable, protected, and contribute to the economy and character of Morro Bay.

POLICY LU-5.1: Use Conflicts. Reduce potential conflicts between commercial fishing and coastal recreational uses.

POLICY LU-5.2: Agricultural Uses. Maintain prime agricultural land in the planning area in long-term agricultural production.

POLICY LU-5.3: Lower Cost Facilities. Lower-cost visitor and recreational facilities shall be protected, encouraged, and, where feasible, provided. Developments providing public recreational opportunities are preferred. See also related policies under Goal LU-6 addressing low-cost visitor-serving accommodations.

Implementation

ATTACHMENT 3

#	Element	Action	Type of Action	Responsibility	Funding Source	Relevant Goals	EIR Mitigation?	Time	Coastal Issue
Land Use Element Implementation Actions									
LU-1	Land Use	Amend the Zoning Map to establish consistency between land use designations and zoning districts.	Zoning Code Update	Community Development	General Fund	Goal LU-1		Concurrent	
LU-2	Land Use	Establish zoning districts and development standards to correspond with land use designations and character areas.	Zoning Code Update	Community Development	General Fund	Goal LU-1		Concurrent	
LU-3	Land Use	Modify zoning and development standards to allow and facilitate tiny houses, co-housing, and intergenerational housing.	Zoning Code Update	Community Development	General Fund	Goal LU-1		Concurrent	
LU-4	Land Use	Designate base zones during the Zoning Code update for the Beach Street Specific Plan area which protect the existing unique mix of land uses.	Zoning Code Update	Community Development	General Fund	Goal LU-1		Concurrent	
LU-5	Land Use	When the city's population reaches 11,700, reopen public discussions about the Measure F 12,200-person limit and undertake a process to either affirm, amend, or repeal Measure F. At that time, consider exempting affordable housing projects from established population limits.	Process	City Council	General Fund	Goal LU-3		As Needed	
LU-6	Land Use	As part of the Zoning Code update, maintain land use and zoning that protects visitor-serving and coastal dependent uses, including commercial fishing.	Zoning Code Update	Community Development	General Fund	Goal LU-4		Concurrent	
LU-7	Land Use	Update the Fishing Community Sustainability Plan every five years.	Process	Harbor	General Fund; Grants	Goal LU-4		Periodic	
LU-8	Land Use	<p>Modify zoning and development standards to allow interim uses in areas designated for coastal-dependent uses until the existing owners have an approved coastal-dependent development. The City considers this type of interim temporary use exempt from coastal development permits. Interim uses shall be limited to projects which a) have relocatable structures, b) are compatible with the character of surrounding areas, c) preserve established viewsheds, and d) are limited to the following uses:</p> <ul style="list-style-type: none"> • Visitor access, paths, lookout points • Recreational vehicle parking • Automobile parking • Picnic areas • Community gardens • Campgrounds • Restrooms and service facilities • Playgrounds • Temporary boat storage • Temporary boat repair area • Ancillary uses for the above • Other uses serving visitors or commercial fishing which do not require permanent structures 	Zoning Code Update	Community Development	General Fund	Goal LU-4		Concurrent	

Chapter 17.09 Waterfront and Harbor Area Districts

Note: Use regulations of the existing CF, H, and WF districts are carried forward. There are no substantive changes to the use regulations for these districts.

17.09.010 Purpose and Applicability

The specific purposes of the Waterfront and Harbor Area Districts are to:

- A. Ensure that waterfront development is attractive and pedestrian-friendly through greater pedestrian-oriented development, street furniture, and a more efficient solution to traffic circulation and automobile parking. Achieve an architectural character for the Embarcadero area that is in keeping with a working fishing community.
- B. Preserve the attraction of the City as a tourist destination with visitor-serving facilities, shopping and amusement areas, recreational amenities, and public parks and beaches, but still retain the City's small-town "fishing port" character.

Additional purposes of each Waterfront and Harbor Area District are as follows:

Commercial Fishing (CF). This District is intended to preserve areas that serve or facilitate licensed fishing activities or commercial fishing and incidental uses pursuant to Measure "D" of the June 2, 1981 City ballot. The CF District is intended to retain the City's small-town fishing image and to ensure that development does not conflict with the fishing industry. Land uses are limited to coastal dependent uses including boating and fishing facilities, marine sales and services, and incidental parking and utility uses.

Harbor (H). This District designates areas within City limits covered by water, excluding sensitive habitat areas, for those uses which must be located on the water in order to function, or as an accessory use to a land based/shore facility or structure.

Waterfront (WF). This District is intended to provide for the continued mixture of visitor-serving commercial and recreational and harbor-dependent land uses in appropriate waterfront areas.

17.09.020 Land Use Regulations

- A. **CF District.**
 - 1. **Expressly Prohibited Uses.** The City shall not grant any permit, authorization or other approval of any State-owned tidelands subject to city lease between Beach Street and Target Rock, unless such development or use is primarily for the purpose of serving or facilitating licensed commercial fishing activities or noncommercial recreational fishing activities, or if clearly incidental thereto. For purposes of illustration, and not by way of limitation, no approval shall be granted

for any new passenger-for-hire boats or supporting facilities, or for any new restaurant, cafe, gift shop, or other retail establishment servicing the general public and any existing such uses shall hereafter be considered nonconforming and shall not be expanded or enlarged.

2. **Permitted Uses.** The following uses are permitted in the CF District.
 - a. Fishing nature observation and access to water uses in accordance with the provisions of the Title 15, Harbor and Ocean Regulations, of the Morro Bay Municipal Code.
 - b. Existing uses may remain and be redeveloped in the same use but shall not be expanded or enlarged, as long as there are no parking demands unmet on the site.
3. **Conditionally Permitted Uses.** The following uses may be permitted in the CF District subject to Conditional Use Permit approval.
 - a. Licensed commercial fishing and noncommercial recreational fishing facilities, and support facilities.
 - b. Support use, structures, connections, and appurtenances to water uses including wharves, docks, piers, slips, quays, launches, fuel docks, hoists, and other facilities necessary or convenient for the promotion and accommodation of commerce and navigation.
 - c. Parks, public open spaces, beach, bike lanes, benches, boardwalks, kiosks, fences and other facilities necessary or convenient for the promotion and accommodation of public access to the waterfront.
 - d. Government buildings and land based support facilities, including but not limited to connections and appurtenances to docks and piers, which are necessary and convenient for the safety and maintenance of waterways.
 - e. Power plant cooling water intake facilities, if found to be consistent with Section 17.09.020.A.1, Expressly Prohibited Uses.

B. **H District.**

1. **Permitted Uses.** The following uses are permitted in the H District.
 - a. Commercial and recreational boating and fishing;
 - b. Swimming;
 - c. Scuba diving and wind surfing in areas designated by the City Council pursuant to Title 15, Harbor and Ocean Regulations, of the Morro Bay Municipal Code;
 - d. Bird and animal observation;

- e. Viewshed; and
 - f. Moorage in inclement weather.
2. **Conditionally Permitted Uses.** The following uses may be permitted in the H District subject to Conditional Use Permit approval if the Planning Commission determines they will not impede navigation, nor adversely affect the current tidal flushing of the harbor, or increase shoaling, or otherwise substantially alter the natural shoreline processes and/or existing land forms, unless there is no feasible less environmentally damaging alternative, and where feasible mitigation measures have been provided to minimize adverse environmental effects.
- a. *Mariculture;*
 - b. *Houseboat or Vessel Habitation.* Houseboat or vessel habitation as regulated by Title 15, Harbor and Ocean Regulations, of the Morro Bay Municipal Code and subject to the provision of adequate parking as determined by the Planning Commission;
 - c. *Promotion and Accommodation of Commerce and Navigation.* Wharfs, docks, piers, slips, quays, launches, moorings, fuel docks, hoists, observation decks and other facilities necessary or convenient for the promotion and accommodation of commerce and navigation;
 - d. *Recreational Boating and Commercial Fishing.* Recreational boating and commercial fishing facilities subject to the following:
 - i. New recreational boating and passenger for hire facilities shall only be located in the bay south of Beach Street and not be located North of Beach Street.
 - ii. Only new licensed commercial fishing facilities may be located in the bay north of Beach Street.
 - iii. Existing recreational boating and passengers-for-hire facilities located north of Beach Street may be modified but not expanded.
 - iv. Prior to allowing new noncommercial recreational boating facilities, the planning commission shall consider the present and future demand for such facilities and for other coastal dependent uses, to ensure that new recreational boating facilities will not preclude reasonable expansion of commercial fishing facilities and other coastal dependent uses.
 - e. *Preservation of the Morro Bay Wetland Estuarine System.* Diking, dredging and filling where the planning commission finds such activities are consistent (both on an individual and cumulative project basis) with the

preservation of the Morro Bay wetland estuarine system, and limited to the following:

- i. New or expanded port, and coastal-dependent industrial facilities, including commercial fishing facilities.
- ii. Maintaining existing, or restoring previously dredged depths in existing navigational channels, turning basins, vessel berthing and mooring areas, and boat launching ramps.
- iii. Incidental public service purposes, including but not limited to burying cables and pipes or inspection of piers and maintenance of existing intake and outfall lines.
- iv. Mineral extraction, including sand for restoring beaches.
- v. Restoration purposes and off-site biological improvement area for mitigation offset purposes.
- vi. Nature study, aquaculture or similar resource-dependent activities.

C. **WF District.**

1. **Existing Residential Uses.** The number of residential uses existing in the WF District at the time of adoption of the Ordinance codified in this Chapter shall be permitted to remain.
2. **Development Priority.** Development priority shall be given to coastal-dependent uses which are consistent with traffic, circulation and parking constraints as determined by the City.
3. **Conditionally Permitted Uses.** The following uses may be permitted in the WF District subject to Conditional Use Permit approval.
 - a. Visitor-serving commercial and recreational uses, including but not limited to those allowed in the VSC District, but excluding parking structures and overnight recreational vehicle camping.
 - b. Retail and wholesale seafood markets and seafood processing.
 - c. Dockage and support facilities for licensed commercial fishing and recreational (including sport fishing), boats subject to the following additional conditions: Prior to allowing support structures and uses for new recreational boating facilities, the planning commission shall consider the present and future demand for such facilities and for other coastal-development uses, to ensure that new recreational boating facilities will not preclude reasonable expansion of commercial fishing facilities and other coastal dependent uses.

- d. Support uses, structures, connections, and appurtenances to water uses including wharves, docks, pier, slips, quay, launches, fuel docks, hoists, and other facilities necessary or convenient for the promotions and accommodation of commerce and navigation.
- e. Parks, observation decks and platforms, patios, boardwalks, benches, kiosks, kiosks and other facilities necessary or convenient for the promotion and accommodation of public access to the waterfront.

Chapter 17.09 Waterfront and Harbor Area Districts (IP)

Note: Provisions of the existing CF, H, and WF districts are carried forward, formatted and revised for consistency with the structure of the new Code. There are no substantive changes to the development standards for these districts.

Sections:

- 17.09.010 Purpose and Applicability
- 17.09.020 Land Use Regulations
- 17.09.030 Development Regulations

17.09.010 Purpose and Applicability

The specific purposes of the Waterfront and Harbor Area Districts are to:

- A. Ensure that waterfront development is attractive and pedestrian-friendly through greater pedestrian-oriented development, street furniture, and a more efficient solution to traffic circulation and automobile parking. Achieve an architectural character for the Embarcadero area that is in keeping with a working fishing community.
- B. Preserve the attraction of the City as a tourist destination with visitor-serving facilities, shopping and amusement areas, recreational amenities, and public parks and beaches, but still retain the City's small-town "fishing port" character.

Additional purposes of each Waterfront and Harbor Area District are as follows:

Commercial Fishing (CF). This District is intended to preserve areas that serve or facilitate licensed fishing activities or commercial fishing and incidental uses pursuant to Measure "D" of the June 2, 1981 City ballot. The CF District is intended to retain the City's small-town fishing image and to ensure that development does not conflict with the fishing industry. Land uses are limited to coastal dependent uses including boating and fishing facilities, marine sales and services, and incidental parking and utility uses.

Harbor (H). This District designates areas within City limits covered by water, excluding sensitive habitat areas, for those uses which must be located on the water in order to function, or as an accessory use to a land based/shore facility or structure.

Waterfront (WF). This District is intended to provide for the continued mixture of visitor-serving commercial and recreational and harbor-dependent land uses in appropriate waterfront areas.

17.09.020 Land Use Regulations

To be drafted in future Module.

17.09.030 Development Standards

- A. **CF and WF Districts.** Development standards applicable to the CF and WF districts are established in the Waterfront Master Plan. All development in the CF and WF districts are subject to the standards and requirements of the Waterfront Master Plan.
- B. **Harbor District.** In the Harbor District, no use shall be permitted unless the following performance standards are met, as applicable:
1. ***No Pollutant Discharge.*** Pollutants such as chemicals, fuels, lubricants, raw sewage and other harmful wastes generated during commercial or recreational boating activities shall be prohibited from being discharged into the bay;
 2. ***Adequate Safety and Navigational Standards.*** New development shall contain adequate safety and navigational standards to ensure compatibility with existing uses within the bay and harbor areas;
 3. ***Maintenance Dredging Mitigation Measures.*** Maintenance dredging of the channels shall include mitigation measures to prevent potential damage to benthic organisms including mollusks and eel grass beds. Channel configurations, turning basins and anchorage areas shall be limited to those which may exist, or which are authorized in Title 15 of the City's Municipal Code, or a harbor master development plan;
 4. ***Preservation of Right-of-Way.*** Any permitted use of the tidelands, harbor or bay, as defined and regulated by this chapter shall be prohibited from excluding the right-of-way to such water whenever it is required for any public purpose, and from destroying or obstructing the free navigation of such water. Abandonment of vessels shall be prohibited as defined by Title 15 of the Morro Bay Municipal Code;
 5. ***Construction Standards.*** Construction of marine docks and structures shall be subject to the standards contained in Title 14, of the Morro Bay Municipal Code;
 6. ***Placement of Floating Docks.*** The placement of floating docks shall be in water areas that do not encroach into wetland or buffer areas surrounding defined wetlands in the bay;
 7. ***Conformance with Harbor Master Plan.*** In the event the City prepares and adopts a revised harbor master development plan, all new developments shall also be in conformance with the provisions of such plan.

17.09.040 Supplemental Regulations

- A. **Architectural Treatment.** Exterior treatment of structures in new development and redevelopment shall be considered through the development review process. The following criteria will be used in the review of applications:
1. The architectural and landscape design of a project, including materials, shall be consistent with the character of a working fishing village.
 2. The design shall protect aesthetic environmental qualities.
 3. The design shall enhance the desirability and/or enjoyment of the immediate area.
 4. The design shall improve community appearances by preventing extremes of dissimilarity or monotony in new construction or redevelopments.
- B. **Public Access Requirements.** Public access from the nearest public roadway to the shoreline and along the bay front shall be provided in new development projects, subject to the provisions set forth in Section TBD, Coastal Access.
- C. **Development Priorities, WF District.** Development priority shall be given to coastal-dependent uses which are consistent with traffic, circulation, and parking constraints as determined by the City.
- D. **Midway Marina Area.** As a condition to approval of any permit for development within the midway marina area, the City shall require that the State Department of Parks and Recreation include the midway marina area in its Morro Bay State Park master plan. Permitted uses shall be limited to recreational boat dockage and support services.

Overlay Districts (Placeholder)

To be drafted in future Module.