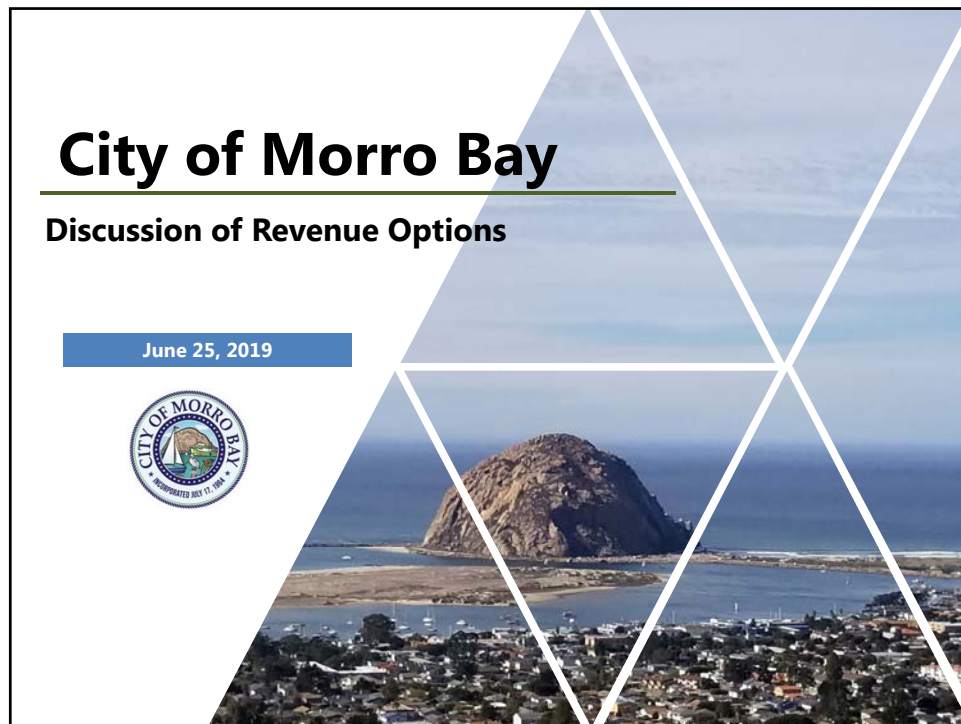




AGENDA NO: SPECIAL MEETING

MEETING DATE: June 25, 2019

STAFF PRESENTATION



1

REVENUE OPTIONS IDENTIFIED BY COUNCIL

- May 28th –
 - Ten-Year Forecast Update
 - Significant challenge to provide core services and address infrastructure needs
 - Revenue Enhancement Options

Paid Parking

Sale/Lease of Property

Sales Tax Measure

Harbor Assessment District

2

2

TEN-YEAR FORECAST – GENERAL FUND

City of Morro Bay Budget Forecast (\$ in 000)

General Fund	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Property Tax	\$4,405	\$4,537	\$4,697	\$4,881	\$5,072	\$5,230	\$5,394	\$5,447	\$5,503	\$5,558	\$5,614
Sales Tax	2,012	2,166	2,192	2,208	2,191	2,175	2,188	2,208	2,247	2,282	2,328
TOT	3,531	3,567	3,602	3,639	3,675	3,712	3,749	3,786	3,824	3,862	3,901
Other Revenue	3,159	3,166	3,014	3,038	3,071	3,106	3,141	3,156	3,213	3,256	3,299
Transfers	1,256	1,405	1,648	1,670	1,692	1,715	1,738	1,738	1,738	1,763	1,789
Total Revenue	14,363	14,840	15,153	15,436	15,702	15,937	16,209	16,336	16,525	16,722	16,931
Personnel	10,376	11,050	11,338	11,657	11,934	12,158	12,363	12,651	12,963	13,301	13,669
Other O&M	3,474	3,349	3,685	3,761	3,839	3,919	4,000	4,117	4,202	4,287	4,353
Transfers/Svc Adds	513	437	634	647	660	674	713	728	743	733	749
Future Budget Cuts	0	0	0	0	0	0	0	0	0	0	0
Total Expenditures	14,363	14,836	15,656	16,064	16,433	16,750	17,076	17,496	17,907	18,322	18,771
Net Annual	0	4	(504)	(629)	(731)	(813)	(866)	(1,160)	(1,382)	(1,600)	(1,840)
Beginning Balance	38	39	43	(460)	(1,089)	(1,820)	(2,633)	(3,500)	(4,660)	(6,042)	(7,642)
Cash Adjustments	0	0	0	0	0	0	0	0	0	0	0
Ending Balance	39	43	(460)	(1,089)	(1,820)	(2,633)	(3,500)	(4,660)	(6,042)	(7,642)	(9,482)
Emergency Reserve	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenue	\$236	\$95	\$79	\$80	\$80	\$25	\$25	\$25	\$25	\$25	\$25
Transfers Out	225	0	0	0	0	0	0	0	0	0	0
Net Annual	11	95	79	80	80	25	25	25	25	25	25
Cash Adjustments	0	0	0	0	0	0	0	0	0	0	0
Beginning Balance	2,927	2,938	3,034	3,113	3,192	3,272	3,297	3,322	3,347	3,372	3,397
Ending Balance	2,938	3,034	3,113	3,192	3,272	3,297	3,322	3,347	3,372	3,397	3,422
Total GF+ER Balance	2,977	3,077	2,652	2,103	1,452	664	(178)	(1,314)	(2,670)	(4,245)	(6,060)
% of GF Exp	20.7%	20.7%	16.9%	13.1%	8.8%	4.0%	-1.0%	-7.5%	-14.9%	-23.2%	-32.3%

3

3

PAID PARKING

- Analyze Options & Ideal Locations
- Potential Benefit: General Fund and/or Harbor Enterprise Fund
- Major Costs: Personnel to manage and enforce, equipment and maintenance
- Primary Purpose: Manage parking not to generate revenues

4

4

PAID PARKING - NEXT STEPS

- Determine which areas are experiencing parking impacts
- If waterfront is suggested, Coastal Commission approval required
- Contact Parking Management vendors – free or low-cost options to evaluate parking issues and develop options for paid parking

5

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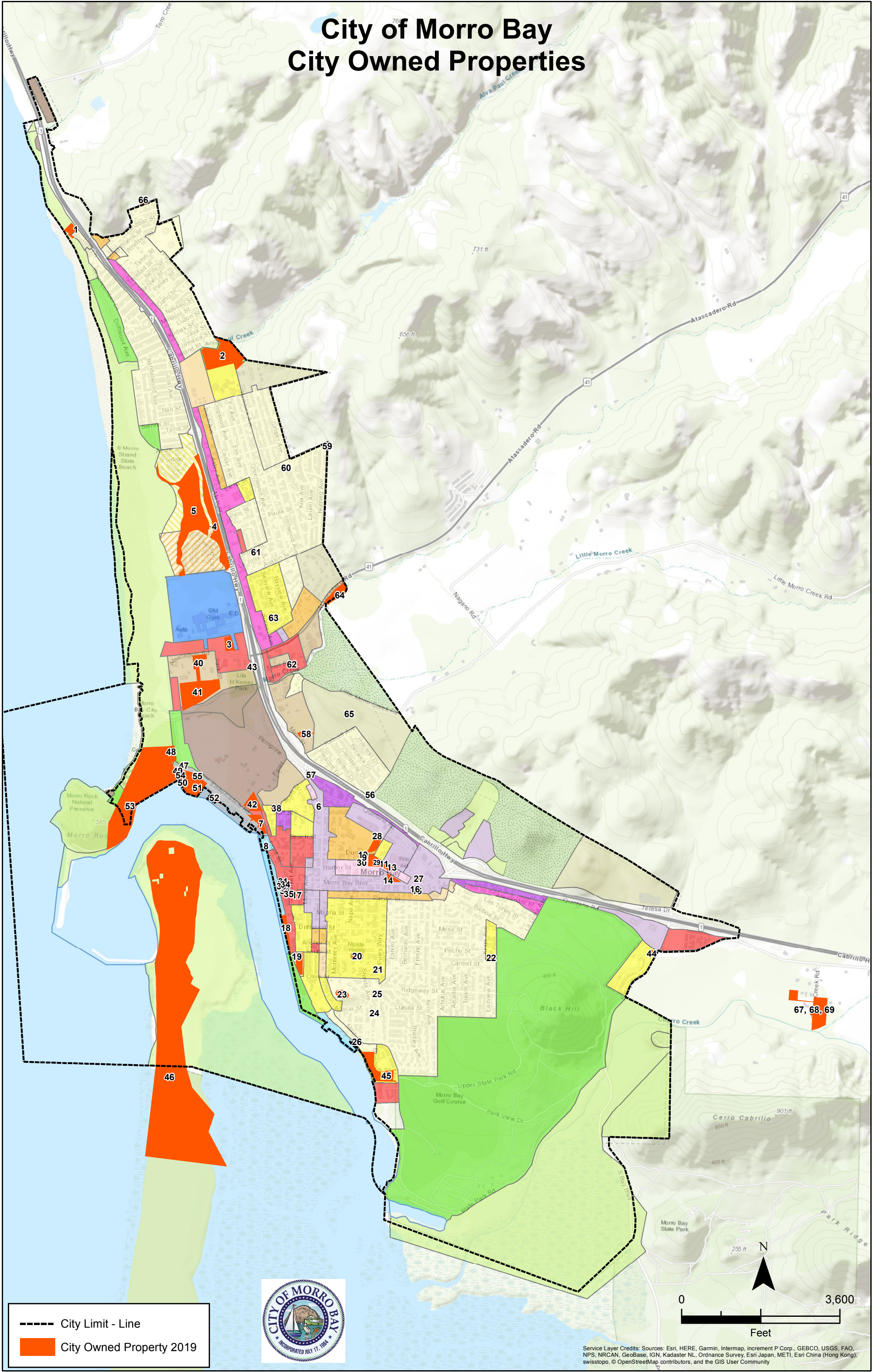
SALE/LEASE OF PROPERTY

- 72 Parcels totaling 215 acres
- Identified 16 parcels for potential sale/lease
 - Bike Park at Little Morro Creek Road
 - 460 Bonita Street (offsite Fire facility)
 - 231 Atascadero Road - Teen Center
 - Parking Lot – Next to Lemos (being sold to the Water/Sewer Funds for the WRF project)
 - Market Ave (Parking Lots, Residential Rental, Maintenance Shop)
 - 595 Harbor Street (City Hall)
 - 570 Dunes Street (Residential Rental)
 - 985 Shasta (Vacant Residential/Temporary Park – proposed site for bocce ball and greenhouse)
 - 955 Shasta (Public Works and Community Development)
 - 535 Harbor Street (City Hall Annex)
 - Well Sites (Owned by Enterprise Fund)

6

6

City of Morro Bay City Owned Properties



City Owned Properties

ID	APN	Site Address	Owner	Current Use	Land Area (sf)	Landuse Category	Developed	Description
3	065-182-005	231 ATASCADERO RD	CITY OF MORRO BAY	Teen Center	59,475	RECREATIONAL	Yes	CY MB ATAS BCH BL 24 PTN LT 6 & 7
9	066-065-003	985 SHASTA AVE	CITY OF MORRO BAY	Temp Park	3,872	RESIDENTIAL	No	CY MB TN MORRO TR 2 BL 39 LT 14
10	066-065-012	570 DUNES ST	CITY OF MORRO BAY	Rental House	3,872	RESIDENTIAL	Yes	CY MB TN MORRO TR 2 BL 39 LT 13
27	066-280-018	901 MORRO BAY BLVD	CITY OF MORRO BAY	PD Annex and Parking	12,632	VACANT LAND	No	000.29AC PUBLIC WORKS
29	066-280-024	625 HARBOR ST	CITY OF MORRO BAY	Library, Chamber Bldg and Parking Lot	61,502	PUBLIC	Yes	CY MB PM 47-3 PAR 2
30	066-280-025	555 HARBOR ST	CITY OF MORRO BAY	City Hall, PW, CD and Parking	27,051	PUBLIC	Yes	CY MB PM 47-3 PAR 3
56	068-159-016	DOWNING AVE	CITY OF MORRO BAY	Vacant Residential/Future Frontage Rd	39,640	PUBLIC	No	000.91AC VACANT
58	068-183-021	LITTLE MORRO CREEK RD	CITY OF MORRO BAY	Temp Bike Park	15,682	VACANT LAND	No	000.36AC VACANT
61	068-262-042	460 BONITA ST	MORRO DEL MAR FIRE DISTRICT	North Fire Station	3,049	PUBLIC	Yes	000.07AC FIREHOUSE
67	073-131-009	UNINCORPORATED SLO CO	CITY OF MORRO BAY	Chorro Valley Wells	7,405	PUBLIC	No	000.17AC WELL SITE
68	073-131-010	UNINCORPORATED SLO CO	CITY OF MORRO BAY	Chorro Valley Wells	205,089	VACANT LAND	No	RHO SAN BERN PTN LT 3
69	073-131-017	UNINCORPORATED SLO CO	CITY OF MORRO BAY	Chorro Valley Wells	50,826	AGRICULTURAL	Yes	RHO SAN BERN PTN LTS4 & 5
34	066-321-026	714 EMBARCADERO	CITY OF MORRO BAY	Market Plaza	2,796	COMMERCIAL	Yes	CY MB PM 74/44-45 PAR 2
35	066-321-027	781 MARKET AVE	CITY OF MORRO BAY	Market Plaza	13,035	COMMERCIAL	Yes	CY MB PM 74/44-45 PAR 3
36	066-321-028	781 MARKET AVE	CITY OF MORRO BAY	Market Plaza	25,410	COMMERCIAL	No	CY MB PM 74/44-45 PAR 4
57	068-168-022		CITY OF MORRO BAY	Parking/Future Lift Station	10,559	VACANT LAND	No	CY MB PM 48-69 PAR 1
23	066-221-001		CITY OF MORRO BAY	Cerrito Peak	45,917	VACANT LAND	No	CY MB MORRO CERRITO PEAK
33	066-321-025	MARKET AVE	CITY OF MORRO BAY	Maintenance Shop/Residential Rental	2,360	COMMERCIAL	No	CY MB PM 74/44-45 PAR 1
1	065-082-020	TORO LN	CITY OF MORRO BAY	Excess Right of Way	47,916	VACANT LAND	No	CY MB TR 2110 LT 11
2	065-149-026		CITY OF MORRO BAY	Del Mar Park	427,736	RECREATIONAL	Yes	CY MB RHO MORRO Y CAYUCOS PTN LT 29
4	065-386-005	HIGHWAY 1	CITY OF MORRO BAY	Cloisters Park and Open Area	353,707	VACANT LAND	No	CY MB TR 1996 LT 121
5	065-386-016	HIGHWAY 1	CITY OF MORRO BAY	Cloisters Park and Open Area	855,083	VACANT LAND	No	CY MB TR 1996 PTN LTS 122 & 123 - Cloisters Park
6	066-025-001	MAIN ST	CITY OF MORRO BAY	ROW NW Corner Surf/Main	436	PUBLIC	N/A	000.01AC ROAD
7	066-031-001	FRNT AVE	CITY OF MORRO BAY	Embarcadero/Parking Lots	79,715	PUBLIC	No	001.83AC VACANT
8	066-033-003	1001 EMBARCADERO	CITY OF MORRO BAY	Lease Sites	4,356	COMMERCIAL	Yes	000.10AC BLDG
11	066-071-034		CITY OF MORRO BAY	Fire Station 53	2,614	PUBLIC	No	000.06AC STORAGE
12	066-071-035	715 HARBOR ST	MORRO BAY FIRE DISTRICT	Fire Station 53	2,178	PUBLIC	Yes	000.05AC FIREHOUSE
13	066-071-035	715 HARBOR ST	MORRO BAY FIRE DISTRICT	Fire Station 53	2,178	PUBLIC	Yes	000.05AC FIREHOUSE
14	066-074-001	734 HARBOR ST	CITY OF MORRO BAY	City Park	18,295	PUBLIC	No	000.42AC RECREATION
15	066-075-007	870 MORRO BAY BLVD	CITY OF MORRO BAY	PD	3,425	PUBLIC	Yes	CY MB MORRO HTS BL 3 LT 7
16	066-075-021	850 MORRO BAY BLVD	CITY OF MORRO BAY	PD	6,534	PUBLIC	Yes	000.15AC POLICE STATION
17	066-112-007	781 MARKET AVE	CITY OF MORRO BAY	Parking Lot	14,341	COMMERCIAL	No	CY MB TN MORRO BL 30 LT 5 & PTN LT 6
18	066-137-001	501 EMBARCADERO	CITY OF MORRO BAY	Lease Sites	48,787	PUBLIC	Yes	001.12AC COMMERCIAL
19	066-172-002		CITY OF MORRO BAY	FR Park	70,062	VACANT LAND	No	CY MB TN MORRO UNMBRD BL & ADJ LD
20	066-184-001		CITY OF MORRO BAY	Monte Young Park	30,056	PUBLIC	Yes	000.69AC RECREATION
21	066-187-006		CITY OF MORRO BAY	Vacant Strip/ROW	4,356	PUBLIC	N/A	000.10AC VACANT
22	066-207-008	KINGS AVE	CITY OF MORRO BAY	Kings Water Tank Access	13,504	PUBLIC	No	000.31AC TANKS
24	066-225-027		CITY OF MORRO BAY	Storm Drain	2,500	PUBLIC	N/A	CY MB T29S R10E PTN SEC 36
25	066-225-028		CITY OF MORRO BAY	Vacant Strip/ROW	1,437	PUBLIC	N/A	CY MB T29S R10E PTN SEC 36
26	066-251-014		CITY OF MORRO BAY	Access/Storm Drain	4,792	PUBLIC	No	000.11AC VACANT
28	066-280-023	1001 KENNEDY WAY	CITY OF MORRO BAY	Community Center	59,115	PUBLIC	Yes	CY MB PM 47-3 PAR 2 PTN ROADS
31	066-321-007		CITY OF MORRO BAY	Chess Board	4,792	PUBLIC	No	000.11AC VACANT
32	066-321-008	EMBARCADERO ST	CITY OF MORRO BAY	Restroom	2,971	PUBLIC	Yes	CY MB TN MORRO PTN WTRFR BL J & K LT BET
37	066-322-001	901 EMBARCADERO	CITY OF MORRO BAY	Lease Sites	170,873	PUBLIC	Yes	002.69AC COMMERCIAL
38	066-331-019	209 SURF ST	CITY OF MORRO BAY	Vets Hall	28,750	PUBLIC	Yes	000.66AC VETERANS BLDG
39	066-331-028	1700 EMBARCADERO	CITY OF MORRO BAY	Morro Dunes RV	1,305,545	PUBLIC	No	CY MB PTN ATAS BCH
40	066-331-032	1281 EMBARCADERO	CITY OF MORRO BAY	Corp Yard	797,148	PUBLIC	Yes	018.30AC
41	066-331-038	EMBARCADERO	CITY OF MORRO BAY	Morro Dunes RV	379,381	RESIDENTIAL	Yes	CY MB PTN BLS 28E 28F 28G & 30A
42	066-331-041	1200 EMBARCADERO	CITY OF MORRO BAY	Triangle Parking Lot	101,511	?	No	CY MB ATAS BCH BL 31 PTN LT 2
43	066-332-008	HIGHWAY 1	CITY OF MORRO BAY	Well	5,663	PUBLIC	No	000.13AC WELLSITE
44	066-371-004	SOUTH BAY BLVD	CITY OF MORRO BAY	Wetlands Area between SB Blvd and SB Court	10,502	VACANT LAND	No	RHO SAN BERN PTN LT 13
45	066-391-010	BAYSHORE DR	CITY OF MORRO BAY	Bayshore Bluffs Park	220,218	PUBLIC	No	TR 729 LT 74 PARKSITE 3.24 AC
46	066-401-001		CITY OF MORRO BAY	Sand Spit	59,677	PUBLIC	No	001.37AC VACANT
47	066-461-003	EMBARCADERO	CITY OF MORRO BAY	Road and Dune Area	1,359	RECREATIONAL	No	CY MB ATAS BCH BL 31 PTN LT 1
48	066-461-004	EMBARCADERO	CITY OF MORRO BAY	Dune Area	70,593	RECREATIONAL	No	CY MB ATAS BCH BL 31 PTN LT 1
49	066-461-005	EMBARCADERO	CITY OF MORRO BAY	Road and Park	23,958	VACANT LAND	No	CY MB ATAS BCH BL 31 PTN LT 1
50	066-461-007	EMBARCADERO	CITY OF MORRO BAY	Mothers' Beach	61,420	VACANT LAND	No	CY MB ATAS BCH BL 31 PTN LT 1

City Owned Properties

ID	APN	Site Address	Owner	Current Use	Land Area (sf)	Landuse Category	Developed	Description
51	066-461-008	EMBARCADERO	CITY OF MORRO BAY	Mothers' Beach	100,188	PUBLIC	No	002.30AC VACANT
52	066-461-009	T PIER	CITY OF MORRO BAY	Lease Site	115,870	PUBLIC	No	002.66AC VACANT
53	066-461-011		CITY OF MORRO BAY	Dune Area/Rock Parking Lot	719,611	PUBLIC	No	016.52AC RECREATION
54	066-461-012	EMBARCADERO	CITY OF MORRO BAY	Coleman Park	10,659	VACANT LAND	No	CY MB PTN PM 2/90
55	066-461-013	EMBARCADERO	CITY OF MORRO BAY	Parking/Harborwalk	59,242	VACANT LAND	No	CY MB PTN PM 2/90
59	068-251-001		CITY OF MORRO BAY	Access to Nutmeg Tank	4,792	PUBLIC	No	000.11AC WATER TANK
60	068-258-010		MORRO DEL MAR WATER DISTRICT	Elena Boster and Water Tanks	3,485	PUBLIC	Yes	000.08AC WATER TANKS
62	068-291-010		MORRO DEL MAR WATER DISTRICT	Well Site	871	PUBLIC	No	000.02AC WELL & PUMP
63	068-321-012		CITY OF MORRO BAY	Center of Sunset Ct	436	PUBLIC	No	000.01AC VACANT
64	068-371-002	HWY 41 HOLW	CITY OF MORRO BAY	Open Space along HWY 41	104,792	VACANT LAND	No	CY MB RHO MORRO CAY PTN LT 18
65	068-401-002		CITY OF MORRO BAY	Unknown	436	PUBLIC	No	000.01AC WATER TANK
66	073-075-001	BLANCA ST	CITY OF MORRO BAY	Blanca Water Tanks	12,632	PUBLIC	Yes	000.29AC TANK SITE

	For Consideration for Lease or Sale
	Already in Process
	Not Recommended

SALES TAX AND ASSESSMENT DISTRICT - VOTER APPROVAL REQUIRED

General Tax –

- Unrestricted
- Majority Vote Required
- During General Election

Special Tax –

- Specific Purpose
- 2/3rds Majority vote
- Accounted for in Separate Fund
- General or Special Election

7

7

SALES TAX

- Current Rate – 7.75%
- 169 California Cities with sales tax at or below MB's current rate
- 316 California Cities with sales tax higher than MB
- 0.5% increase generates approximately \$1 million
- Can be general or specific

8

8

HARBOR ASSESSMENT DISTRICT

- Special tax measure requiring 2/3rds Voter Approval
- Can be Morro Bay Specific = Maintaining Greater Local Control
 - \$100 parcel tax = approximately \$550,000 per year.
- Can be expanded to include neighboring communities.
- Preference for Morro Bay only Assessment District or expanded Harbor Assessment District?

9

9

RECOMMENDED NEXT STEPS

- Obtain quotes and contract with polling consultant, which includes community outreach and focus group for both a sales tax measure and harbor assessment district measure (estimated cost between \$40,000 - \$50,000)
- Establish Ad Hoc Citizen Committee
 - Two Council Members
 - Three Morro Bay Residents

10

10

RECOMMENDED NEXT STEPS - TIMELINE

August 2019 – Members of Ad Hoc Committee selected, and polling consultant selected.

September – October 2019 – Community Polling

November 2019 – Citizen Committee presents report, recommendation and if any, draft ballot language to Council.

December 2019 – Further consideration by City Council of draft language for ballot measures and authorizing Ordinances and Council Resolution.

February/March 2020 – Approval of City Council Resolution placing revenue measure on November 2020 election.

Any initiative passing with a vote of the electorate would begin to generate additional revenue for the City in January 2021.

11

11



Questions & Answers Council Discussion & Direction

12

12



AGENDA NO: C-2

MEETING DATE: June 25, 2019

STAFF PRESENTATION

Item C-2

Adoption of Resolution Nos. 54-19 and 55-19
Authorizing the Filing of Two Separate
Applications with the Local Agency Formation
Commission (LAFCO)

Morro Bay, CA
June 25, 2019



Recommendations



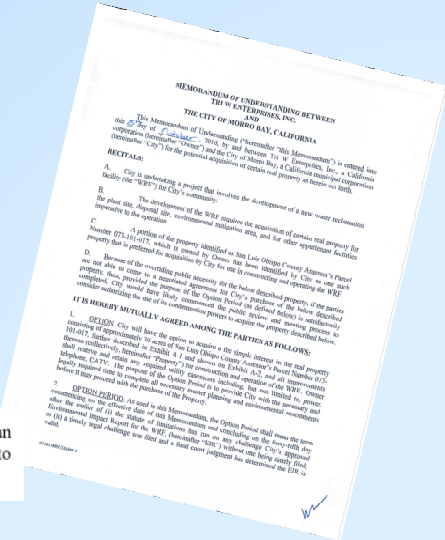
- City Council adopt **Resolution No. 54-19** authorizing staff to file a combined application for a sphere of influence designation and annexation of the 27.6-acre site the City is planning on purchasing from Tri-W for the construction and operation of the WRF
- City Council adopt **Resolution No. 55-19** authorizing staff to file an application with LAFCO for a sphere of influence designation for the remainder of the approximately 372.4-acre remainder of property owned by Tri-W (Tri-W Remainder Parcel)

Requirements of the MOU with Tri-W



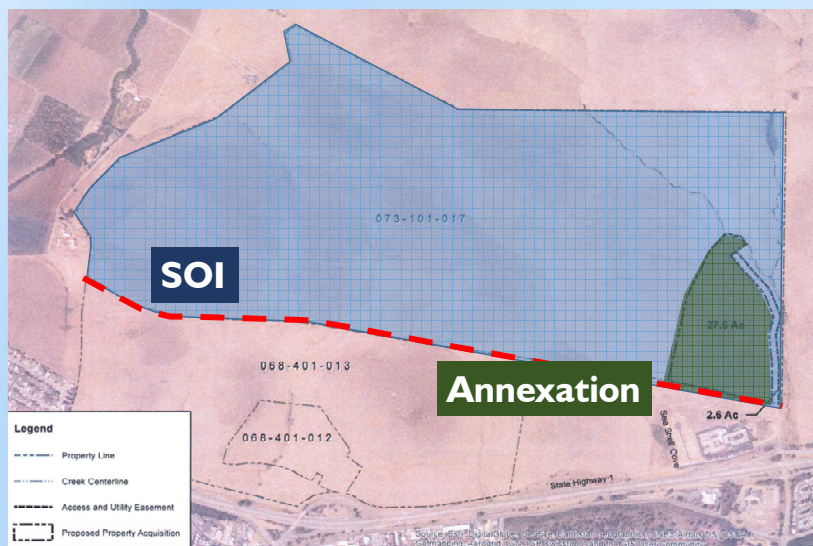
- MOU signed in October 2016
- Requires the City to make application to LAFCO for:
 - Annexation (27.6-acre WRF site)
 - SOI designation (372.4-acre Tri W property)

8. ANNEXATION AND SPHERE OF INFLUENCE UPDATE. City will process an annexation proposal for the Property, as well as a proposal to modify its Sphere of Influence to include the Remainder Parcel.



DRAFT 4.25-18 Public Forum - FINAL.pptx/3

Requirements of the MOU with Tri-W



DRAFT 4.25-18 Public Forum - FINAL.pptx/4

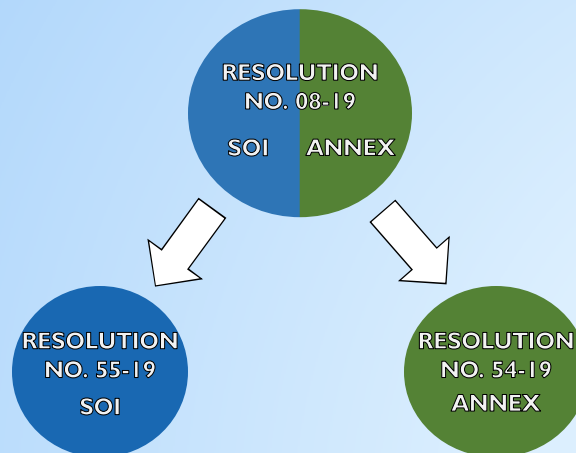
Rescinding previous resolution



- City Council took action on January 22, 2019
- Adopted single resolution (No. 08-19) for annexation of the 27.6-acre property and SOI designation for Remainder Parcel
- Separate resolutions being proposed at this time based on direction from LAFCO staff

DRAFT 4.25-18 Public Forum - FINAL.pptx/5

Existing resolution is being replaced



DRAFT 4.25-18 Public Forum - FINAL.pptx/6

Recommendations



- City Council adopt **Resolution No. 54-19** authorizing staff to file a combined application for a sphere of influence designation and annexation of the 27.6-acre site the City is planning on purchasing from Tri-W for the construction and operation of the WRF
- City Council adopt **Resolution No. 55-19** authorizing staff to file an application with LAFCO for a sphere of influence designation for the remainder of the approximately 372.4-acre remainder of property owned by Tri-W (Tri-W Remainder Parcel)

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Questions and Discussion



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AGENDA NO: C-4

MEETING DATE: June 25, 2019

STAFF PRESENTATION

City of Morro Bay City Council

REQUEST FOR CONSOLIDATED COASTAL
DEVELOPMENT PERMIT (CDP) PROCESSING FOR
CAYUCOS SANITARY DISTRICT SEWER
INFRASTRUCTURE & PUBLIC LOT CREATION



1

Cayucos Sanitary District CSWP

- The Cayucos Sustainable Water Project (CSWP) includes required sewer infrastructure improvements and proposed public lot creation that are located in multiple jurisdictions for coastal development permit processing.
- CSD has submitted a request to the City for consolidated CDP processing.



2

CSD CSWP Infrastructure

- The CSWP sewer infrastructure improvements include construction of Lift Station 5 improvements, and the modification of the Chevron Load Line 2 into an outfall as shown on project plans included as Attachment 3.
- The sewer infrastructure improvements extend from the CSWP plant which is outside of the City limits through a portion of the City and to the outfall location.



3

Public Lot Creation

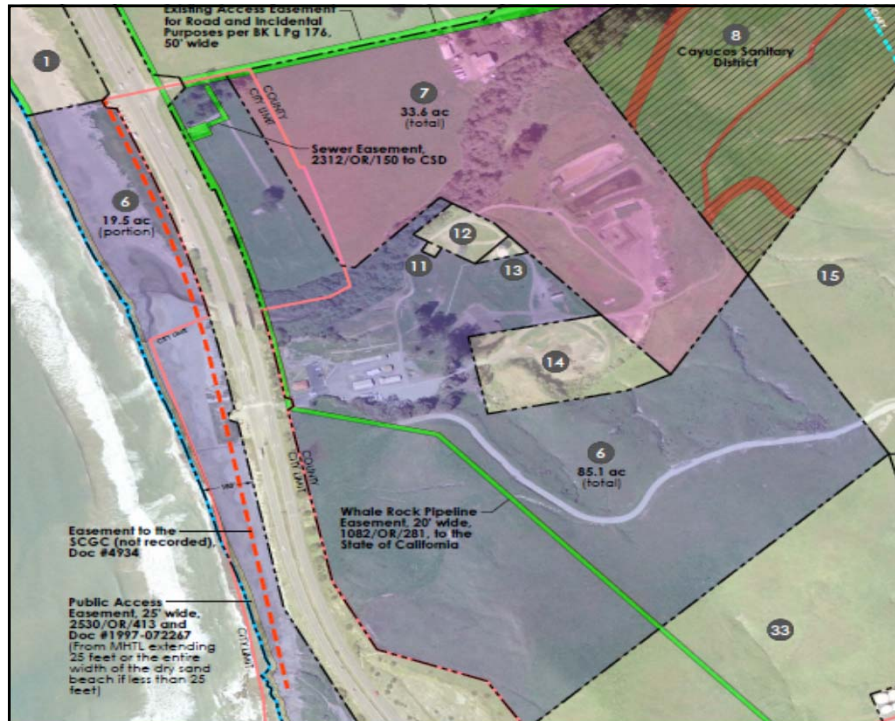
- The CSD proposes to create public lots near the northern City limit line. Land will be purchased by the CSD from Chevron USA to create four public lots (Lots 6N, 6NE, 6SW, and lot 7N). A fifth lot (Lot 6W) will be created by the City after remediation activities are complete. Lot 6N is also known as Dog Beach.

Table 3. Proposed New CSD Public Lots

Public Lot	Owner	Acreage
6NE	CSD	7.02
★ 6N	CSD	6.27
6SW	CSD	8.96
7N	CSD	24.38



4

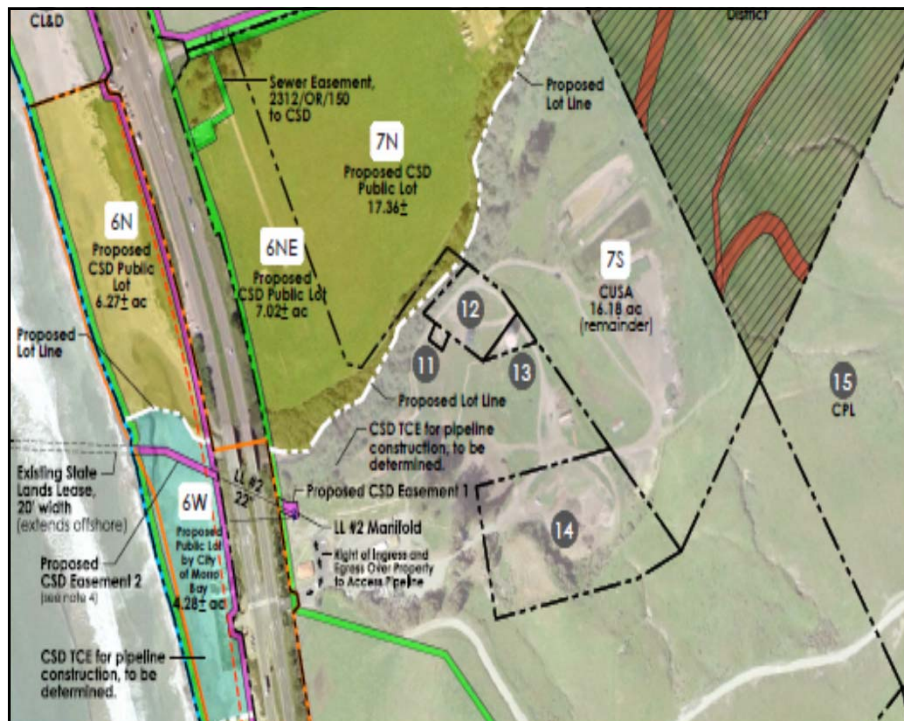


Existing Lots



MORRO BAY
PUT LIFE ON COAST

5

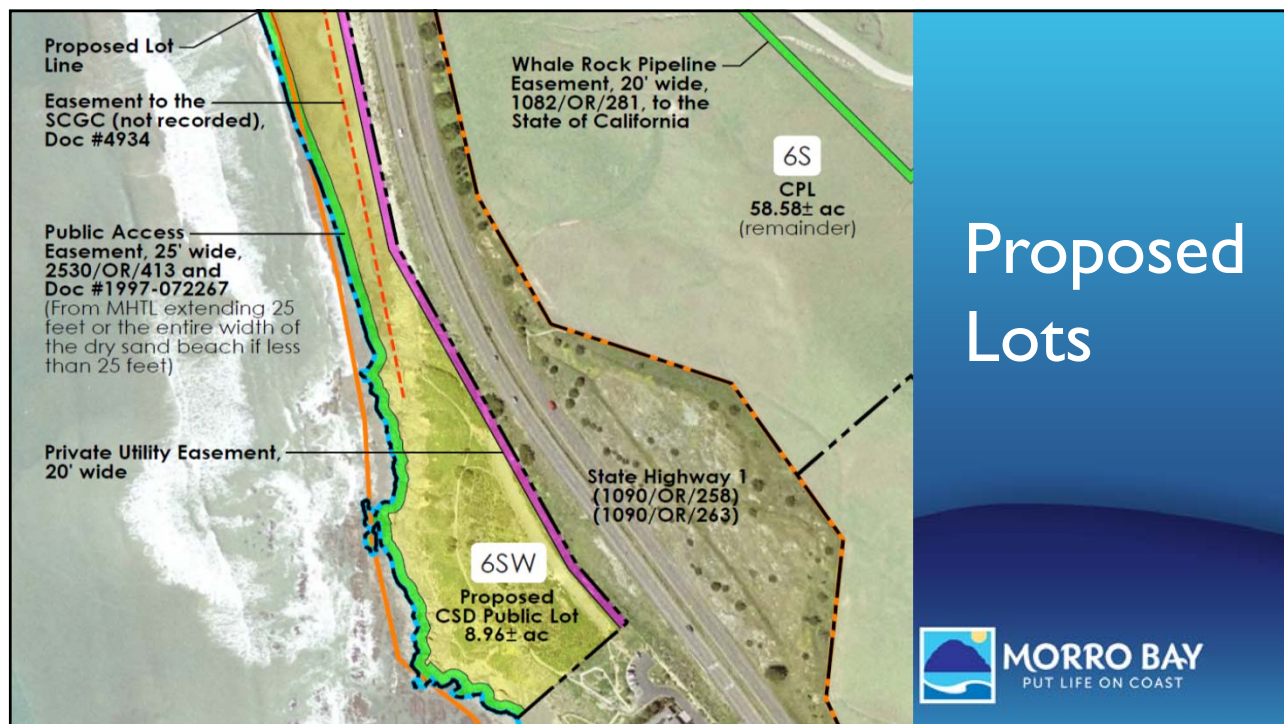


Proposed Lots



MORRO BAY
PUT LIFE ON COAST

6



7

Consolidated CDP Processing

- Per Section 30601.3 of the California Coastal Act, the CCC may process and act upon a consolidated coastal development permit application. That consolidated process is allowed if (i) the proposed project requires a CDP from both a local government with a certified local coastal program and the CCC, (ii) the applicant, the appropriate local government and the CCC, which may agree through its executive director, consent to consolidate the permit action and (iii) provided public participation is not substantially impaired by that review consolidation.
- Tentative CCC hearing is August 2019.



8

LAFCO Process

- After CCC approval of the CDP, a LAFCO application for the detachment of Lot 6N and annexation of Lot 6W would be necessary. This next step would require subsequent review and approval by both Planning Commission and City Council. The application would include extending the City's sphere of influence (SOI) to include the first row of lots east of Panorama. Extending the SOI in this area would facilitate preservation of the hillsides behind the City.



9

Conclusion & Staff Recommendation

- Approval of the request to authorize the Coastal Commission to process a consolidated CDP will streamline the permit process for the CSD.
- Staff Recommends Council adoption of Resolution No. 57-19, Approving request for consolidated coastal development permit processing for cayucos sanitary district and public lot creation.



10