



CITY OF MORRO BAY HARBOR ADVISORY BOARD AMENDED - 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, October 3, 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

The Morro Bay Community Quota Fund is a non-profit organization formed to develop and enhance a financially and environmentally sustainable Morro Bay fishery, built upon local stewardship of ground fish resources and secured fishing rights anchored in the community. A website link to the Quota Fund is here:

<https://www.morrobaycommunityquotafund.org/>

The Executive Director of the Quota Fund, Dwayne Oberhoff, will be presenting the Harbor Advisory Board with an update of the Fund and Fund activities.

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

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

A-1 Harbor Department Status Report.

RECOMMENDATION: Receive and file report.

B. BUSINESS ITEMS

B-1 Update from the Boatyard/Marine Services Facility Ad-Hoc Committee on Committee's Recent Activities

RECOMMENDATION: Receive and file committee report.

B-2 Update from the Finance & Budget Ad-Hoc Committee on Committee's Recent Activities

RECOMMENDATION: Receive and file committee report.

B-3 Update from the Eelgrass Ad-Hoc Committee on Committee's Recent Activities

RECOMMENDATION: Receive and file committee report.

B-4 Update on Harbor Department Lease Management Policy Update Process, and General Harbor Advisory Board Input on the Measure D, Building Lease, Percent Gross Sales Auditing and Lease Site Inspection and Repair Elements of the Policy

RECOMMENDATION: Receive and file report, and provide input on the policy elements discussed herein.

B-5 Discussion of the Role of the Harbor Advisory Board in Reviewing City Council Goal and Work Plan Items and the Harbor Advisory Board's Role and Meeting Schedule Generally, Including Reporting of Findings on Action Items to the City Council, with Recommendations to the Council Sub-Committee for Consideration

RECOMMENDATION: Discuss the role of the Harbor Advisory Board in reviewing City Council goal and work plan items and the Harbor Advisory Board's role and meeting schedule generally, including reporting of findings to the City Council, and make recommendations to the Council sub-committee considering possible future advisory body bylaws updates and changes.

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 waterfront ground lease sites, public restrooms, light posts, and concern for public safety
- Report for Morro Bay Quota Fund in September or October of 2019
- Mini “SWOT”

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, 1275 Embarcadero Road, 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.



AGENDA NO: A-1

MEETING DATE: October 3, 2019

Staff Report

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

DATE: September 27, 2019

RECOMMENDATION

Receive and file report.

DISCUSSION

Recent Department Activity:

Harbor Patrol statistics to date since the September Harbor Advisory Board meeting were 13 emergency responses, 85 calls for service, 22 assists of other agencies, 19 enforcement contacts, and 9 weather warnings. There were no Hazardous Bar Warnings.

Recent Harbor Patrol News: We would like to congratulate Harbor Patrol Officer Scott Mather on his recent retirement from the Department. Scott began working with the Harbor Department in 1996 as a part-time Reserve Harbor Patrol Officer. He became a full-time Officer in 2011. His boating skills, decades of experience, and dedication to improving Harbor facilities and equipment have been a great asset, and the Morro Bay Harbor Patrol is highly respected by boaters up and down the coast, in part because of those efforts. The City of Morro Bay and the Morro Bay Harbor Department thank Patrol Officer Mather for his service to the City and to the Community and wish him well in his retirement and future endeavors.

Moving forward, with more than 40 applicants for the coveted Harbor Patrol position, after multiple interviews, a 500-yard swim test, a 60-question written test and an intense hour long boating practical scenario test, we are proud to announce Marcos Green as our new full-time Harbor Patrol Officer. Marcos proved his skills and perseverance during the recruitment against many very qualified applicants to obtain this position, and we are sure he will serve the boating community well. Marcos has worked as a Reserve Harbor Patrol Officer in Morro Bay for the last seven years, including two years doing dual duty in Port San Luis with their newly-established reserve program there. His passion for the ocean includes surfing and fishing, plus a fourteen-year stint as a custom bodyboard shaper, two years as a kayak guide out of the State Park Marina, and two and a half years as a kayak guide in the Seattle area. Congratulations Marcos!

Lifeguards: Beach lifeguards are winding down for the season working weekends only since Labor Day, with an official last day of Sunday, October 6th. Towers will be removed from the beach by the end of October. A seasonal statistical update to be provided once tabulated after the season end.

Prepared By: EE

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____

Plover fencing: The Western Snowy Plover nesting season is officially over and the fencing on the sandspit has been removed until March of 2020. With years of data for these birds on the endangered species list we have had an average of 33 birds on the City portion of the sandspit according to the 2018 census.

Recent City Council Activity:

At the September 10 meeting, Council approved the request submitted by Harbor Advisory Board Member, Ron Reisner, to excuse his absence from the October 3, 2019 Regular Harbor Advisory Board meeting.

At the September 27 Council meeting, Council adopted Resolution 78-19 approving a five-year Interim Lease Agreement with Todd Baston and Tamara Gray-Baston for Lease Site 62/62W, currently operating as Kayak Horizons.

Also, at the September 27 Council meeting, Council made proclamation of the City of Morro Bay declaring September 22–September 28, 2019 as the “17th Sea Otter Awareness Week.”

Upcoming Events:

- Oct 4,5 & 6 Morro Bay Harbor Festival
- Oct 5 Jesse King Memorial Paddle
- Dec 7 Lighted Boat Parade

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 prospects for City taking over operation and management of the marina.

			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.
2	Staff provide Council with modified sections of MBMC 15.24 (harbor sanitation) and develop environmental BMP's.	7/22/15	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. 1/18/18. Review at HAB 2/1/18 meeting item C7. 4/27/18. Pending Council consideration. No new updates.
3	City Council to approve issuance of the final draft Marine Services Facility/Boatyard Request for Qualifications document.	2/2/17	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. 7/27/17. No responses to RFQ. 8/3/17. HAB meeting to consider next steps. 11/3/17. Put together a RFP for a financial feasibility study to go to Council for approval. 12/1/17. Draft proposal in process for HAB review 2/2018. 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. 1/18/18. Discussing at HAB meeting 2/1/18 during item C1. 4/27/18. Working on draft RFP to go to Council. Tentatively on 6/26/18 City Council agenda for consideration of issuance. Tentatively on 8/28/18 City Council agenda for consideration of issuance. 8/28/18. Council approved issuance of a financial feasibility RFP. RFP to be issues asap. Request for Proposals issued for financial feasibility study services for the proposed boatyard. RFP due February 1, 2019. No proposal submissions received. HAB to consider next steps 3/13/19. 4/26/19 Staff not recommending any further expenses be undertaken on boatyard financial feasibility study at this time. 5/31/19 Boatyard/Marine Services Facility remains on the City Council's goals.
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	Approved Council Goal Objective Work Plan Item – Internal “gut check” Goal 1(e). 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. 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>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. 5/28/19 City Council directed staff to begin looking at paid parking as a possible new revenue source, to bring research back to Council for consideration.</p>



AGENDA NO: B-1

MEETING DATE: October 3, 2019

Staff Report

TO: Harbor Advisory Board

DATE: September 26, 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 committee report.

BACKGROUND, DISCUSSION & CONCLUSION

On September 18, 2019 the Boatyard/Marine Services Facility Ad-Hoc Committee met with a granting consultant to learn about "grants 101." The committee will be presenting an oral update on that meeting and their other activities. 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: October 3, 2019

Staff Report

TO: Harbor Advisory Board

DATE: September 24, 2019

FROM: Eric Endersby, Harbor Director

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

RECOMMENDATION

Receive and file committee report.

BACKGROUND, DISCUSSION & CONCLUSION

The Finance & Budget Ad-Hoc Committee will be presenting an oral update on their activities. 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: October 3, 2019

Staff Report

TO: Harbor Advisory Board

DATE: September 23, 2019

FROM: Eric Endersby, Harbor Director

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

RECOMMENDATION

Receive and file committee report.

BACKGROUND, DISCUSSION & CONCLUSION

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: October 3, 2019

Staff Report

TO: Harbor Advisory Board

DATE: September 23, 2019

FROM: Eric Endersby, Harbor Director

SUBJECT: Update on Harbor Department Lease Management Policy Update Process, and General Harbor Advisory Board Input on the Measure D, Building Lease, Percent Gross Sales Auditing and Lease Site Inspection and Repair Elements of the Policy

RECOMMENDATION

Receive and file report, and provide input on the policy elements discussed herein.

BACKGROUND

The HAB representatives to the Lease Policy Update Group will be presenting an oral update on their activities. This is a standing committee report agenda item.

In addition, staff are seeking Board input on certain policy elements, as discussed below.

DISCUSSION & CONCLUSION

Staff are seeking general Harbor Advisory Board (HAB) input on the following policy elements:

Measure D

The current lease policy has this to say about the Measure D commercial/recreational fishing "CF" zoning area:

"In the CF District the City should attempt to consolidate leases in the area between the T-Piers to facilitate marine dependent redevelopment such as a seafood processing plant."

Question for the HAB: *is this lease policy document the place this issue should be addressed, or is it best addressed in the City's General Plan, Local Coastal Program and Waterfront Master Plan?* It is staff's opinion the proper location for the City's vision and implementation policies for the Measure D area is in the City's various planning documents, where implementation of that vision and plan would be facilitated by the City's leasing policies via the lease policy document.

Building Leases

The City's waterfront leasing structure is that of "ground" leases, where the City leases the land only and the improvements are built and owned by the tenant during the term of the lease. In some instances, the current Morro Bay Aquarium building for example, the City has found itself in the position of essentially being a master tenant leasing-out building space. This puts the City in potential direct competition with its waterfront master lease tenants.

Prepared By: EE

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____

Questions for the HAB: *should it be the City's policy to strive to not enter into building leases on its waterfront lease sites, and only to enter into building leases for these sites when it becomes absolutely necessary?* It is staff's opinion building leases should only be used in very unusual or extraordinary circumstances, and then only on a relatively short-term basis. In addition, *does the HAB have any input on what measures might be taken in building lease situations to minimize or eliminate competing with its waterfront master ground lease tenants?*

Lease Percent Gross Sales Auditing

The current lease policy stipulates leases should be audited for proper percent gross sales reporting and payments every five years. It is staff's experience that auditing every lease site (of which there are approximately 30, representing approximately 90 individual businesses) every five years is an unreasonably daunting, expensive and inefficient proposition. Therefore, it is staff opinion the lease sites should be audited on an annual, rotating basis every five years. This would mean 1/5, or approximately six lease sites, would be audited every year, divided in such a manner that approximately 1/5 of the ~90 businesses are represented each year.

Question for the HAB: *does the HAB concur with this methodology?*

Lease Site Inspection, Maintenance and Compliance Monitoring

Like percent gross auditing, the City's current lease policy stipulates all lease sites are to be inspected every five years for maintenance, repair, site upkeep and code compliance issues. And like auditing, staff believe this is not an efficient manner in which to inspect lease sites, and approximately 1/5 of the lease sites should be inspected every five years on an annual rotating basis, with more frequent inspections for life-safety issues or issues that are discovered or brought to the City's attention between inspections.

Question for the HAB: *does the HAB concur with this methodology?*



AGENDA NO: B-5

MEETING DATE: October 3, 2019

Staff Report

TO: Harbor Advisory Board

DATE: September 30, 2019

FROM: Eric Endersby, Harbor Director

SUBJECT: Discussion of the Role of the Harbor Advisory Board in Reviewing City Council Goal and Work Plan Items and the Harbor Advisory Board's Role and Meeting Schedule Generally, Including Reporting of Findings on Action Items to the City Council, with Recommendations to the Council Sub-Committee for Consideration

RECOMMENDATION

Discuss the role of the Harbor Advisory Board in reviewing City Council goal and work plan items and the Harbor Advisory Board's role and meeting schedule generally, including reporting of findings to the City Council, and make recommendations to the Council sub-committee considering possible future advisory body bylaws updates and changes.

BACKGROUND & DISCUSSION

A sub-committee of the City Council consisting of Mayor Headding and Councilmember McPherson was formed to gather information and report back to the Council on possible changes to the various advisory body bylaws. The Harbor Advisory Board (HAB) has been tasked with reviewing the HAB bylaws and making recommendations to the sub-committee regarding the HAB's roles and responsibilities as they pertain to the annual Council goals and work plans, the HAB role generally, the HAB's meeting schedule and the process to report its recommendations back to the Council.

Any HAB recommendations will be forwarded to the sub-committee as-appropriate.

Prepared By: EE

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____