

City Council conducted this meeting in accordance with Section 3 of California Governor Newsom's Executive Order N-29-20 issued on March 17, 2020 in response to the present State of Emergency in existence due to the threat of COVID-19. This meeting was held via teleconference for all participants.

PRESENT: John Headding Mayor
Dawn Addis Council Member
Robert Davis Council Member
Jeff Heller Council Member
Marlys McPherson Council Member

ABSENT: None

STAFF: Scott Collins City Manager
Chris Neumeyer City Attorney
Dana Swanson City Clerk
Jennifer Callaway Finance Director/Acting Public Works Director
Scot Graham Community Development Director
Steve Knuckles Fire Chief
Amy Watkins Police Commander
Eric Endersby Harbor Director
Rob Livick City Engineer

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Headding called the meeting to order at 5:30 p.m., with all but Council Member Addis present. Council Member Addis joined the meeting at 5:31 p.m.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

RECOGNITION – None

CLOSED SESSION REPORT – City Attorney Neumeyer stated no reportable action was taken by the City Council in accordance with the Brown Act.

MAYOR & COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/Ye1HjSBNPqA?t=160>

CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS - None

PRESENTATIONS – None

PUBLIC COMMENT

<https://youtu.be/Ye1HjSBNPqA?t=838>

Betty Winholtz, Morro Bay, announced an upcoming Monterey Bay Community Power meeting to discuss its acceptance of nuclear power. She also asked if a concrete slab on South Bay Blvd/Quintana was related to the WRF Project.

John Weiss, Morro Bay, expressed concern about increased blight due to recent business closures and complimented Betty Winholtz for her article suggesting the City pause the WRF

project, thereby reducing rates for citizens and businesses and allowing him to support sales tax measure.

Carole Truesdale, Morro Bay, appreciated reconsideration of mask requirements, suggested the City consider implementing paid parking, allow parklets for the summer season, and close the Embarcadero from Beach to Market on weekends to provide space for outdoor dining.

Dan Sedley, Morro Bay, spoke on behalf of his neighbor regarding secondhand smoke concerns.

Mayor Headding closed public comment.

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

A. CONSENT AGENDA
<https://youtu.be/Ye1HjSBNPqA?t=1794>

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

A-1 APPROVAL OF MINUTES FOR THE APRIL 28, 2020, CITY COUNCIL SPECIAL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE MAY 12, 2020, CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF MINUTES FOR THE MAY 26, 2020, CITY COUNCIL SPECIAL CLOSED SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-4 ADOPTION OF ORDINANCE NO. 633 TO AMEND CHAPTER 5.50 (COMMERCIAL CANNABIS OPERATIONS REGULATORY PROGRAM) OF TITLE 5 OF THE MORRO BAY MUNICIPAL CODE TO PERMIT CERTAIN ADULT-USE COMMERCIAL CANNABIS USES (RETAIL SALES, DELIVERIES AND (WHOLESALE) DISTRIBUTOR) AND AUTHORIZE COMMUNITY DEVELOPMENT DIRECTOR TO ISSUE ADMINISTRATIVE REGULATIONS; (CITY ATTORNEY)

RECOMMENDATION: Staff recommends Council consider adopting, by second reading and by title only with further reading waived, Ordinance No. 633, entitled "An Ordinance of the City Council of the City of Morro Bay, California, amending Chapter 5.50 (Commercial Cannabis Operations Regulatory Program) of Title 5 of the Morro Bay Municipal Code to permit certain adult-use commercial cannabis uses (retail sales, deliveries and (wholesale) distributor) and to authorize community development director to issue administrative regulations."

A-5 AUTHORIZATION TO PROVIDE A TOTAL OF \$500,000 OF FINANCIAL ASSISTANCE TO THE HASLO AFFORDABLE HOUSING PROJECT TO BE LOCATED AT 405 ATASCADERO ROAD. THE PROPOSED FINANCIAL ASSISTANCE WILL BE IN THE FORM OF \$150,000 LOAN FROM THE AFFORDABLE HOUSING IN-LIEU FUND AND \$350,000 DEFERRED PERMIT FEE LOAN.; (COMMUNITY DEVELOPMENT)

RECOMMENDATION: Staff recommends the City Council adopt Resolution No. 46-20 authorizing a loan in the amount of \$150,000 from the Affordable Housing In-Lieu Funds and a deferred permit fee loan in the amount of \$350,000 to assist with the funding required for the Housing Authority of the City of San Luis Obispo (HASLO) affordable rental housing development located at 405 Atascadero Road.

A-6 2019 AND 2020 CITY GOALS AND ACTION ITEMS STATUS UPDATE; (CITY MANAGER)

RECOMMENDATION: Receive status update from the City Manager regarding the 2019 and 2020 City Council Goals and action items.

A-7 ADOPTION OF RESOLUTION NO. 50-20 CONDITIONALLY AUTHORIZING THE MAYOR TO EXECUTE DOCUMENTS NECESSARY FOR A NEW LOAN AND ACCEPTING A DEED OF TRUST RELATED THERETO FOR LEASE SITE 89/89W (BOATYARD, LLC, 845 EMBARCADERO); (HARBOR DEPARTMENT)

RECOMMENDATION: Staff recommend the City Council adopt Resolution No. 50-20 authorizing the Mayor to execute documents necessary for a new loan and accepting a deed of trust related thereto regarding the leasehold interest at Lease Site 89/89W, with documents subject to approval of the City Attorney.

Mayor Headding opened public comment for the Consent Agenda.

Betty Winholtz, Morro Bay, requested the Council postpone action on Item A-5 as the time period for filing an appeal had not yet expired.

Dan Sedley, Morro Bay, stated of Item A-5 would be financially irresponsible.

The public comment period was closed.

Mayor Headding pulled Item A-5. Council Member Heller pulled Item A-4.

MOTION: Council Member McPherson moved approval of all items on Consent except Items A-4 and A-5. The motion was seconded by Council Member Addis and carried 5-0 by roll call vote.

A-4 ADOPTION OF ORDINANCE NO. 633 TO AMEND CHAPTER 5.50 (COMMERCIAL CANNABIS OPERATIONS REGULATORY PROGRAM) OF TITLE 5 OF THE MORRO BAY MUNICIPAL CODE TO PERMIT CERTAIN ADULT-USE COMMERCIAL CANNABIS USES (RETAIL SALES, DELIVERIES AND (WHOLESALE) DISTRIBUTOR) AND AUTHORIZE COMMUNITY DEVELOPMENT DIRECTOR TO ISSUE ADMINISTRATIVE REGULATIONS; (CITY ATTORNEY)
<https://youtu.be/Ye1HjSBNPqA?t=2049>

City Attorney Neumeyer responded to Council Member Heller's questions.

MOTION: Council Member Heller moved approval of Item A-4. The motion was seconded by Mayor Headding and carried 4-0-1 with Council Member Addis having abstained.

A-5 AUTHORIZATION TO PROVIDE A TOTAL OF \$500,000 OF FINANCIAL ASSISTANCE TO THE HASLO AFFORDABLE HOUSING PROJECT TO BE LOCATED AT 405

ATASCADERO ROAD. THE PROPOSED FINANCIAL ASSISTANCE WILL BE IN THE FORM OF \$150,000 LOAN FROM THE AFFORDABLE HOUSING IN-LIEU FUND AND \$350,000 DEFERRED PERMIT FEE LOAN.; (COMMUNITY DEVELOPMENT)
<https://youtu.be/Ye1HjSBNPqA?t=2321>

Mayor Headding explained the appeal period with regard to Planning Commission action on the project is still running and therefore, from a transparency standpoint, it would be better to move this item to the June 23 meeting. Staff responded to questions from Council.

MOTION: Mayor Headding moved to table this item to the June 23 Council Meeting. The motion was seconded by Council Member McPherson and carried 5-0 by roll call vote.

B. PUBLIC HEARINGS

B-1 INTRODUCTION AND FIRST READING OF ORDINANCE 634; AMENDMENTS TO MORRO BAY MUNICIPAL CODE FOR SIDEWALK VENDING PERMIT REQUIREMENTS; (COMMUNITY DEVELOPMENT DEPARTMENT) <https://youtu.be/Ye1HjSBNPqA?t=2504>

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

Mayor Headding opened Public Comment for Item B-1.

Erica Crawford, Morro Bay Chamber of Commerce, requested the Council consider waiving permit fees for brick and mortar establishments in Morro Bay or consider a local preference program that would allow businesses to expand through this opportunity.

John Weiss, Morro Bay, spoke in support of the item and appreciated trash requirements had been addressed.

Dan Sedley, Morro Bay, opposed sidewalk vending on the Embarcadero due to space constraints.

Carole Truesdale, Morro Bay, suggested sidewalk vending only be allowed for expansion of existing businesses.

The Public Comment period for Item B-1 was closed.

MOTION: Council Member Addis moved to introduce for first reading by number and title only, with further reading waived, Ordinance No. 634, Amending Title 5 of the Morro Bay Municipal code, adding Chapter 5.60 - Sidewalk Vendors, and amending Chapters 5.08.150(A)(1), 5.40.020 and 10.40.120 to regulate sidewalk vendors within the City of Morro Bay. The motion was seconded by Council Member Heller for discussion.

Following discussion, the motion carried 5-0 by roll call vote.

C. BUSINESS ITEMS

C-1 CONSIDERATION OF THE MORRO BAY TOURISM BUSINESS IMPROVEMENT DISTRICT (TBID) ANNUAL REPORT AND CONTINUATION OF THE TBID ASSESSMENT FOR FISCAL YEAR (FY) 2020/21; AND ADOPTION OF RESOLUTION

NO. 47-20 DECLARING THE INTENT TO CONTINUE THE PROGRAM AND LEVY ASSESSMENTS FOR THE FISCAL YEAR 2020/21 AND SCHEDULING A PUBLIC HEARING TO LEVY THE ASSESSMENTS; (CITY MANAGER)
<https://youtu.be/Ye1HjSBNPqA?t=4357>

City Manager Collins provided the report and responded to Council inquiries.

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

Dan Sedley, Morro Bay, asked why the City was discouraging visitors given the County Health Director's decision to allow full occupancy in hotels and short-term rentals.

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

Mayor Heading responded to questions raised during public comment.

MOTION: Council Member Addis moved to approve the Fiscal Year 2020/21 TBID Annual Report for expenditure of funds to be derived from the annual assessment and adopt Resolution No. 47-20 declaring the intent to continue the program and levy the 3% TBID assessments for FY2020/21 and schedule a public hearing on June 23rd to levy the assessments. The motion was seconded by Council Member Heller for discussion.

Following discussion, the motion carried 5-0 by roll call vote.

C-2 ADOPTION OF RESOLUTION NO. 48-20 APPROVING TEMPORARY OUTDOOR DINING/SALES PROGRAM AND EXPANSION OF THE CITY'S BLANKET ENCROACHMENT PERMIT PROGRAM. USE OF CITY RIGHT OF WAY AND OTHER PRIVATE OUTDOOR SPACE TO FACILITATE SOCIAL DISTANCING AND SUPPORT COVID-19 ECONOMIC RECOVERY; (COMMUNITY DEVELOPMENT)
<https://youtu.be/Ye1HjSBNPqA?t=5972>

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

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

John Weiss, Morro Bay, spoke in favor of outdoor dining opportunities and encouraged the City to conduct outreach before moving forward with parklets.

Betty Winholtz, Morro Bay, suggested tables be allowed on one side only to accommodate physical distancing and raised questions regarding parking and noise impacts.

Dan Sedley, Morro Bay, stressed the importance of maintaining a 6' barrier between outdoor seating arrangements and appreciated the sunset provision to review and make changes as needed.

Carole Truesdale, Morro Bay, spoke in favor of the item and suggested one-way traffic and closing the Embarcadero during summer months to give local businesses further opportunity to expand.

Erica Crawford, Morro Bay Chamber of Commerce, appreciated the City moving this forward quickly to support the business community. She thanked RRM Design for preparing site plans provided in the staff report and noted, if approved, the Chamber would assist businesses with preparing layouts.

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

MOTION: Mayor Headding moved to adopt Resolution No. 48-20 authorizing expansion of the Blanket Encroachment Permit Program and approving the Temporary Use Permit program for outdoor dining/sales on private property, and review the encroachment requirements in one year, and include some kind of trash containers for consideration on the external environment. The motion was seconded by Council Member McPherson and carried 5-0 by roll call vote.

C-3 DISCUSS AND CONSIDER LOCAL GOVERNMENT ACTION IN REGARDS TO THE USE OF FACE COVERINGS DURING THE COVID-19 PANDEMIC, INCLUDING ADOPTION OF RESOLUTION NO. 49-20 RECOMMENDING THE USE OF FACE COVERINGS IN CERTAIN CIRCUMSTANCES; (CITY ATTORNEY)
<https://youtu.be/Ye1HjSBNPqA?t=8829>

City Attorney Neumeyer provided the report and responded to Council inquires.

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

Dan Sedley, Morro Bay, stressed the importance of social distancing as the primary defense against COVID-19.

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

Following discussion there was consensus to adopt the resolution presented and not move forward with an ordinance at this time as it would be difficult to enforce. If conditions change and there is a sudden increase in the number of cases, there was majority support to consider an urgency ordinance at that time.

MOTION: Council Member McPherson moved to adopt Resolution No. 49-20 recommending the use of face coverings in circumstances with the addition of 'public transportation' in Section 2.b. The motion was seconded by Council Member Davis and carried 5-0 by roll call vote.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS
<https://youtu.be/Ye1HjSBNPqA?t=10696>

Council Member Heller suggested Council consideration of parklets to provide sidewalk dining opportunities. There was Council support for outreach to determine the level of interest by the business community.

E. ADJOURNMENT

The meeting adjourned at 8:33 p.m.

Recorded by:

Dana Swanson
City Clerk