



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.

Regular Meeting Thursday, October 6, 2022 – 5:30 P.M. Veterans Memorial Hall 209 Surf St., Morro Bay, CA

Cherise Hansson	Waterfront Leaseholders
Gene Doughty	South Bay/Los Osos
Sean Green	Member at Large
Cal Myers	Recreational Boating
Jeremiah O'Brien	Morro Bay Commercial Fishermen's Organization
Christopher Vaile	Member at Large
Mary Witkowski	Marine Oriented Business
Lori French	Alternate to Jeremiah O'Brien (MBCFO)

Pursuant to Assembly Bill 361 (2021-22) and Government Code section 54953 this Meeting will be conducted in a hybrid format with both in-person and virtual public participation. Ways to watch this meeting and submit public comment are provided below.

Public Participation:

Remote public participation is allowed in the following ways:

- *Community members may attend the meeting in person at the Morro Bay Veterans Hall.*
- *Alternatively, members of the public may watch the meeting and speak during general Public Comment or on a specific agenda item by logging in to the Zoom webinar using the information provided below. Please use the "raise hand" feature to indicate your desire to provide public comment.*

Please click the link below to join the webinar:

➤ <https://us02web.zoom.us/j/82722747698?pwd=aWZpTzcwTHlRTk9xaTlmWVNWRWFUQT09>

Password: 135692

➤ *Or Telephone Attendee: 1 (408) 638-0968 or 1 (669) 900 6833 or 1 (346) 248 7799; Webinar ID: 827 2274 7698; Password: 135692; Press *9 to "Raise Hand" for Public Comment*

- *Members of the public may watch the meeting either on cable Channel 20 or as streamed on the City [website](#).*
- *Community members are encouraged to submit agenda correspondence in advance of the meeting via email to the Harbor Advisory Board at hab@morrobayca.gov prior to the meeting. Agenda Correspondence received at hab@morrobayca.gov by 10 a.m. on the meeting day will be posted on the City website.*

ESTABLISH QUORUM AND CALL TO ORDER
MOMENT OF SILENCE
PLEDGE OF ALLEGIANCE
CHAIR, ADVISORY BOARD MEMBER & LIAISON ANNOUNCEMENTS

PRESENTATIONS

Pacific Wildlife Care and Morro the Peregrine falcon

PUBLIC COMMENT

Members of the audience wishing to address the HAB on Harbor 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 HAB at this time.

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 Consideration of Planning Commission's Subcommittee on Public Benefits Menu Report and Public Benefits Menu
RECOMMENDATION: Staff recommend the Harbor Advisory Board (HAB) review and make recommendations on the Planning Commission's Subcommittee on Public Benefits Menu report and Public Benefits Menu listing.
- B-2 Update from the Parking Management/Paid Parking Ad-Hoc Committee on Committee's Recent Activities
RECOMMENDATION: Receive and file committee update.
- B-3 Update from the Marine Services Ad-Hoc Committee on Committee's Recent Activities, and Consideration of Committee's HAB Input for the Current Status for Marine Services Report
RECOMMENDATION: Receive and file committee's oral update, and provide input on committee's written report on the current status of marine services in Morro Bay.
- B-4 Update from the Finance & Budget Ad-Hoc Committee on Committee's Recent Activities
RECOMMENDATION: Receive and file committee update.
- B-5 Harbor Advisory Board Member Public Engagement Outreach Assignment Reporting
RECOMMENDATION: Receive and file Harbor Advisory Board (HAB) member outreach effort reports to date.

C. DECLARATION OF FUTURE AGENDA ITEMS

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 6, 2022

Staff Report

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

DATE: September 29, 2022

RECOMMENDATION

Receive and file report.

DISCUSSION

Recent Department Activity:

Harbor Patrol statistics for **September 2022:**

100 bay patrols
183 land patrols
13 emergency responses
99 calls for service
28 assists of other agencies
45 enforcement contacts
27 Trainings
160 maintenance actions
2 weather warnings, and no hazardous bar warnings

Some of the more noteworthy Harbor Patrol responses:

9/3/22

Patrol overheard dispatch traffic for a climber on the Rock. Lifeguards on the beach radioed they saw the single climber at the top heading in a westerly direction over the crown and out of sight, so Patrol got underway to the ocean side. Patrol spotted the single climber about 1/3 of the way down, heading south toward cliffy peregrine nesting area. With the patrol boat's loud hailer, the climber was directed to stop and head back to the top, which they did and were met by Morro Bay Fire and State Park Rangers and escorted down.

A pontoon boat with five people aboard from Paso Robles was dead in the water near Marina Square and towed to the launch ramp by Harbor Patrol.

While escorting some visiting racing sailboats out to the harbor entrance, a father/daughter kayaking team were found capsized just outside the harbor clinging to their swamped craft. They were taken aboard and transported unharmed back to their starting point at Coleman Beach.

Prepared By: LS

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____

9/4/22

Patrol made contact with two SCUBA divers in the channel off of the North T-Pier having technical issues and getting swept south by the tide. They were both taken aboard and transported to Coleman Beach where they had started.

9/9/22

Received a radio call from a local boater reporting a small powerboat near his slip was sunk in its slip near the Harbor Hut. Patrol and Coast Guard responded to discover the vessel HIDEOUT was half under water and being held up by dock lines on her starboard side. The owner was notified, and with the Coast Guard and Patrol working together, the boat was righted enough to pump the water out and get back afloat.



9/16/22

Patrol responded to a phone report of a knee injury on the whale watching vessel FREEDOM, and initiated a medical aid response from Morro Bay Fire. The 70 year-old female was assisted off the boat and onto an ambulance gurney for transport to the hospital.

9/24/22

Harbor Patrol emergency response to the harbor entrance for a report of an overturned kayak fisherman. On scene near the channel marker #4, the boater was brought aboard and his craft dewatered. He returned to fishing.

Harbor Director Retirement

After nearly 30 years with the department, Harbor Director Endersby recently announced his retirement effective the end of the year. A link to the City's news flash is here: <https://www.morrobayca.gov/CivicAlerts.aspx?AID=2746>

Concurrent with the planning for that, earlier this year the City hired the Centre for Organizational Effectiveness (TCFOE) to help chart a course to put the Harbor Department back on its organizational feet since it has been operating with two fewer personnel than it historically had back in 2010, but with a significantly increased workload. TCFOE has been working with department staff and the City Manager on recommended actions and next steps, which should culminate later this year with a proposed new department organizational structure and leadership concurrent with Endersby's retirement.

DBW Basic Coastal Operator Course

Morro Bay Harbor Department hosted the Division of Boating & Waterway's in a multi-agency forum which focused on development of curriculum for a 40-hour Basic Coastal Boat Operator course. This course will be offered to all career-based Boating Safety Officers and will be taught in Ventura Harbor in 2023. Morro Bay Harbor Patrol Officers will help instruct the course. Currently Morro Bay Harbor Patrol Officers obtain their job training with DBW and the experience gained with a Coast Guard Captain's License either on the job or with previous maritime boat work.

California Coastal CleanUp Day September 17, 2022

Harbor Department staff spear-headed a beach cleanup at the "Oyster Beach" area adjacent to Bayshore Bluffs Park in conjunction with SLO County Creeks to Coast Cleanup Day. A full 20-yard roll-off dumpster was filled with various debris, deteriorated plastic tarps, unidentified and falling-apart craft of various sorts, broken and rotting storage racks, and even an ancient driveline of a long-buried vehicle from some bygone era.



Because this public beach/bluff area has been taken advantage of and overrun with unused, cast-off, derelict and forgotten craft of all sorts, this cleanup was the beginning of a larger effort to manage the area by way of a paid permit program. In addition, the excessive storage up onto the bluff face is causing erosion issues.

In the coming months the truly abandoned and forgotten craft will be removed and the area further cleaned, then a lottery system likely utilized to determine what boats can remain because space is limited and the whole area can't be taken over by stored craft. Adjacent moored boats will get priority for storage of their tenders, and the craft that are allowed to remain will have to be positively identified, confined to a pre-determined area and subject to a \$100/year paid permit program. Stay tuned to future Harbor Advisory Board agendas for further Board consideration of the policies and procedures proposed for this new program.



AGENDA NO: B-1

MEETING DATE: October 6, 2022

Staff Report

TO: Harbor Advisory Board

DATE: September 29, 2022

FROM: Eric Endersby, Harbor Director

SUBJECT: Consideration of Planning Commission's Subcommittee on Public Benefits Menu Report and Public Benefits Menu

RECOMMENDATION

Staff recommend the Harbor Advisory Board (HAB) review and make recommendations on the Planning Commission's Subcommittee on Public Benefits Menu report and Public Benefits Menu listing.

BACKGROUND

When property developers request modifications or "variances" to building codes, such as exceeding established height limits, they are required to provide "greater than normal public benefits" as part of their projects. Historically, this process has taken the form of negotiations between the developer and City staff, largely absent any established guidance as to what types and scale of benefits are expected.

Because the Planning Commission (PC) and City Council have struggled with this, a PC Subcommittee on Public Benefits (Subcommittee) was formed and tasked with providing the PC and staff an extensive list of the kinds of public benefits Morro Bay likes, wants, or needs that could be used to partially or wholly offset the impacts caused granting variances.

Attached to this staff report are:

1. The Subcommittee's report on their findings and recommendations.
2. The Subcommittee's current Public Benefits Menu listing of possible benefits developers could choose from.
3. Subcommittee member Joe Ingraffia's "Thoughts Concerning the Additional Community Benefits Report" dated 4/23/2022.

The HAB was invited by the Subcommittee to review and provide comment on these documents.

DISCUSSION

It should be noted that the Subcommittee did not consider or present Vistra-specific public benefits recommendations for the battery storage project proposed on power plant property, and so those potential benefits are not part of this discussion.

Prepared By: EE

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____

In addition to substantial background and other valuable information, the Subcommittee's report includes several recommendations (that are typically bolded in the report) that the HAB could consider:

- A. An important part of any public benefits review process is the general public's ability to participate in that process (Page 9).
- B. While two or more pathways to determining the appropriate public benefits should be implemented, proposed building square footage remains the best option (Pages 10 & 11).
- C. That "small" projects, as-defined, continue to follow the current planning review process, with the addition of a user-friendly "public benefits menu" that may serve as a starting point for discussions (Page 12).
- D. That "medium" and "large" projects, as-defined, if requesting modifications or variances, require additional public input opportunities regarding public benefits (Page 12).
- E. That a "pathway approach," as-described for "small," "medium," and "large" projects, be used to determine what factor is deemed most appropriate to categorize a project for routing through the proper public benefits review pathway with respect to public participation opportunities (Page 14).
- F. That for proposed commercial development, positive impacts on Transient Occupancy Tax, Sales Tax, Property Tax or other fees should not receive consideration as providing "significant public benefits" because these things are expected in the normal course of business development (Page 18).

In addition, the Subcommittee is seeking input on or additional contributions to the draft "Public Benefits Menu" listing provided with this report.

CONCLUSION

HAB input and recommendations on public benefits will be considered by the Subcommittee and PC, and incorporated as those bodies deem appropriate for the final draft documents under consideration.

ATTACHMENTS

1. Planning Commission Subcommittee on Public Benefits report.
2. Planning Commission Subcommittee on Public Benefits Menu listing.
3. Subcommittee member Joe Ingraffia's "Thoughts Concerning the Additional Community Benefits Report" dated 4/23/2022.

Planning Commission Subcommittee Report
“Public Benefits Menu”

Sean Green (at large)
Joseph Ingraffia (PC)
Mike Rodriguez (PC)

Background

Per Morro Bay municipal code, there exists a number of scenarios in which project developers may be required to provide “significant public benefits” in addition to meeting or exceeding minimum planning considerations. Common scenarios include, but are not limited to, large-scale developments in [Planned Development \(PD\) zones](#) for which a modification is requested by the applicant (ex. maximum building height, minimum lot area, etc.). In such scenarios, the Planning Commission and Council reserve the right to review applicant requests to determine if “greater than normal public benefit” may be achieved by such deviation ([17.40.030](#)). Historically, this process has taken the form of ongoing negotiations between applicant and city staff, mostly absent specific guidance as to what types of “significant public benefits” are sought and expected by the city. The Planning Commission then, through public hearing(s) and staff recommendation(s), determines if “greater than normal public benefit” has been achieved in order to justify the proposed modification(s). **This subcommittee report aims to clarify ways in which “greater than normal public benefit” may be achieved, and to develop a framework within which future applicants may engage proactively in the process of attaching “significant public benefits” to their proposed projects.**

Other, related items that will not be specifically addressed by this subcommittee report include:

1. the more general term, “**community benefits**,” which may be used informally around town (and more formally in other jurisdictions’ zoning codes)
2. the term “**variances**,” which refer to code deviations outside of Planned Development (PD) zones (see [Chapter 17.44](#) for guidance regarding proposed variances)
3. The term “**conditions of approval**,” which typically require applicants to mitigate public burdens (ex. additional fire hydrant nearby to combat increased fire risk of flammable materials/structure); “conditions of approval” shall not be considered during Planning Commission’s deliberation of “greater than normal public benefits” required to justify an applicant’s modification of or deviation from code.

This subcommittee report makes no attempt to shed official light on the terms “community benefits,” “variances,” or “conditions of approval,” though in each of the three cases above, the underlying logic of minimizing public burdens while maximizing public benefits with respect to private development holds true.

Subcommittee Formation

Historically, developers of certain project types within specific Morro Bay zones who are required by code to demonstrate “significant public benefits” have operated without precise guidance as to what exactly “significant public benefits” means. There does exist in the Morro Bay zoning code ([17.40.30.D](#)) language that states the following:

“Modifications of standards shall only be approved upon a finding that greater than normal public benefits may be achieved by such deviations. Such benefits may include, but are not limited to improved or innovative site and architectural design, greater public or private usable open space and provisions of housing for the elderly or low/moderate income families, provision of extraordinary public access, provision for protecting environmentally sensitive habitat (ESH) areas, but in all cases these provisions shall meet the coastal land use policies.”

Because of the limited scope of current guidance surrounding public benefits, per Community Development Director Scot Graham, he and staff typically find themselves fielding questions from development applicants in Planned Development (PD) zones seeking modifications to city standards. In response, he and staff do their best to offer applicants suggestions and past examples of significant public benefits proposed by developers of similar projects, but as of yet, no official “menu” of sorts exists that applicants can proactively reference when proposing a project requiring said public benefits. Thus, the onus has generally been on applicants to initiate and submit ideas for “significant public benefits” without much formal guidance.

In 2021, the Planning Commission and city staff introduced the possibility of a subcommittee for the specific purpose of creating a public benefits “menu” from which future applicants of all project sizes and types may pull ideas for inclusion in their development application within PD zones. Such a list would not necessarily be prescriptive in nature, nor would an applicant’s inclusion of items from the list necessarily satisfy minimum “significant public benefits.” Instead, subcommittee members have been asked to provide the Planning Commission and staff an extensive list of the kinds of public benefits Morro Bay likes, wants, or needs, and which could partially or wholly offset additional public burdens brought on by modifications to development standards within PD zones.

Upon completion of a draft list of public benefits and, more importantly, the underlying methodology behind such a list, the Planning Commission and city staff may then discuss, amend, or advance this report to Council as desired.

Sub-Committee Members

Joseph Ingraffia (PC)
Mike Rodriguez (PC)
Sean Green (at large)

Process/Meetings

Meeting 1: July 15, 2021
Meeting 2: October 13, 2021
Meeting 3: February 7, 2022
Meeting 4: February 15, 2022 (Planning Commission agenda item)
Meeting 5: March 9, 2022
Meeting 6: March 15, 2022

Introduction to Public Benefits Discussion: Case Studies

In order to gain a better understanding of the kinds of development scenarios Morro Bay has encountered in the past and may likely encounter in the future that involve modifications to city standards in Planned Development (PD) zones (thus triggering the need for “significant public benefits”), the subcommittee began its work by seeking out past and potential future projects to serve as informal case studies to see how the public benefits process did or might evolve. Because some current PD zones are likely to change upon adoption of the in-progress zoning code update (expected 2022), the subcommittee focussed its early efforts on current PD zones that are likely to remain as such moving forward:

- A. Morro Bay waterfront
(Embarcadero lease sites)
- B. Vistra power plant and vicinity
- C. Atascadero Rd and Highway 41
corridor



Case Study A: 833 Embarcadero (mixed-use hotel; PD/WF zone; Area A above)

Within Morro Bay’s city-controlled Tidelands Trust lands along Embarcadero Rd (**Area A**) exist a series of land-site lease sites that regularly involve private redevelopment on publicly owned property. This Planned Development (PD) zone often sees applicant requests for modifications to city standards in Waterfront (WF) zoning; for example, the [Morro Bay Waterfront Master Plan](#) stipulates a maximum building height of 17 feet for developments west of Embarcadero but allows up to 25 feet if “significant public benefits” are demonstrated by the applicant as determined by city staff, the planning commission, and/or city council during the review and approval process.

Lot / Lease Width	Building Height	Min. View Corridor Width *	Sloping. Roof 4 in 12	Findings of Significant Public Benefit Required
49 ft. or less	up to 14 ft.	none	no	no
49 ft. or less	14 to 17 ft.	none	yes	no
49 ft. or less	17 to 25 ft.	30%, min. 8 ft.	yes	yes
50 ft. or more	up to 14 ft.	15%, min. 8 ft.	no	no
50 ft. or more	14 to 17 ft.	15%, min. 8 ft.	yes	no
50 ft. or more	17 to 25 ft.	30%	yes	yes

In recent years, several waterfront lease sites have proposed 25-foot building heights subject to findings of “significant public benefits.” One recent case study the subcommittee reviewed was [833 Embarcadero](#), which was approved for new construction at 25 feet building height subject to a finding of “significant public benefits.” Among the public benefits considered to be significant by city staff, the planning commission, and council were **improvements to harborwalk connectivity, significantly expanded harborwalk width, additional 5-foot vertical accessway, cultural/historical signage, children’s playground equipment, public seating, and public restrooms**. The subcommittee considers this project a relatively successful, balanced project that delivers significant public benefits in exchange for additional public burdens that necessarily resulted from the applicant’s requested (and city-approved) modifications to city standards.

Case Study B: Vistra Battery Plant (M-2/PD/I zone; Area B above)

At the north end of Morro Bay’s Embarcadero Road (**Area B**) sits the former Morro Bay power plant site that is likely to play an important role in the city’s future. The Public Benefits Subcommittee recognizes this importance and considers the public benefits process essential to the success of any future development at this site. Because the

Planning Commission's general role in large-scale development is to provide recommendations to city council, the subcommittee hopes and expects that city council will actively engage the Planning Commission and the general public in a meaningful public benefits process in order to generate a site-specific list of potentially significant public benefits appropriate to the site and project (not unlike the public benefits list conditioned to successful Case Study A above).

On January 26, 2021, Vistra Energy, the site's current owner, presented an early [concept plan to city council](#) for potential development of a 273,000 s.f., 600MW battery storage facility. Subsequent to Vistra's presentation to council, a two-member subcommittee of City Council was formed, consisting of Mayor Headding and Councilmember Addis, that has begun preliminary discussions regarding the future of the former power plant site. It is the Public Benefits Subcommittee's understanding that public benefits will be part of these discussions over the coming months; we are prepared to contribute a site-specific list of suggested public benefits to the Planning Commission, to city council, or to the Vistra subcommittee of council upon request. **The Public Benefits Subcommittee will not present Vistra-specific public benefits recommendations at today's meeting but asks the Planning Commission to discuss if, when, and how it wishes to receive these recommendations and/or engage proactively in such a discussion moving forward.** For the purposes of today's Public Benefits Subcommittee's report, suffice it to say that any future project at the former Morro Bay power plant site, if requesting modifications to city standards in a Planned Development (PD) zone, would likely be subject to the same public benefits process and methodology as other development applicants, commensurate with size and scope of proposed modifications of city standards and the project itself.

Case Study C: 295 Atascadero Rd (83-room hotel; CV-S/PD zone; Area C above) North of the Morro Creek Bridge, eastbound Atascadero Road begins; it proceeds toward (and under) Highway 1 before becoming eastbound Highway 41 (**Area C**). Immediately northwest of the Highway 1/Atascadero Road junction is an 83-room hotel project at 295 Atascadero Road that was recently approved by the Planning Commission and city council subject to public benefits conditions. Like Case Study A above, a major modification of city standards was requested in order to exceed maximum building height, this time within a CV-S zone (35 feet proposed; 30 feet maximum).

During staff and Planning Commission reviews and public hearings, the absence of specific city guidance regarding "significant public benefits" was expressly discussed with respect to the triggering request for building height modification. Without prescriptive guidance from the City, it was and remains understandably difficult for

development applicants to “guess” the kinds of public benefits that may offset the public burdens resulting from modifications to city standards. In the case of 295 Atascadero Road, the applicant, with assistance from city staff and Planning Commissioners, eventually proposed **improvements to pedestrian safety, bicycle parking, and public EV charging stations** as part of their development application and hearing presentation. After some deliberation about whether to require Level 1 versus Level 2 charging stations, the Planning Commission ultimately settled for Level 1 chargers (or applicant’s choice), along with the other items listed above, and approved the project’s height modification with required finding of “significant public benefits.”

While the public benefits subcommittee feels that greater public benefits could be expected of an applicant who requests material modification of city-standard maximum building height in a Planned Development (PD) zone, Case Study C serves as a useful example of the kinds of site-specific (or site-adjacent) public benefits that future applicants may proactively incorporate into their projects with the help of an approved public benefits menu. Not only would such a list help to ensure that “significant public benefits” proposed by applicants more than offset public burdens resulting from modifications of city standards in PD zones, but it may also help to reduce staff and applicant time and effort spent navigating the obscure public benefits process as it currently stands.

Introduction to Public Benefits Discussion: What Other Jurisdictions Have Done

While Morro Bay currently has only limited language in its zoning code to address public benefits requirements of new development projects, other jurisdictions have created more advanced platforms. Redwood City, CA, for example, contracted with urban and regional planning consultant Dyett & Bhatia to create their [2014 Community Benefits Program Brief](#). Within the report, D&B referenced additional cities who have engaged in the process of addressing public benefits, including Emeryville, Santa Monica, San Diego, Seattle, and San Jose.

In Dyett & Bhatia’s report, a number of similar questions to those Morro Bay will face are introduced on p. 7:

1. How will the relative value of benefits be calculated?
2. How will the benefits be prioritized?
3. Who will decide?

Redwood City’s report briefly answers these questions before moving on to their “Calculating the Value of Incentives and Benefits” discussion and related table (p. 8). Through a detailed points system, Redwood City attempts to quantify each type of

benefit proposed by an applicant, an ambitious effort that seeks to reduce subjectivity and negotiation as much as possible. While Morro Bay is still early in the process of developing public benefits guidance specific to Planned Development zones, the examples above are worth exploring in greater detail as our efforts evolve.

Also described in the Dyett & Bhatia report, the city of Emeryville, CA, which is similar in size to Morro Bay, developed a points-based system of its own (p. 33) that categorizes potential public benefits as follows:

1. Public Open Space
2. Sustainable Design
3. Alternative Energy
4. Water Efficiency
5. Flexible Public Benefit (open to planning commission determination)

Important to note, some of these categories pertain to on-site upgrades that, in addition to providing private advantages, benefit the public more indirectly than, say, an off-site physical improvement to city infrastructure. **The Public Benefits Subcommittee believes there are many ways for the public to benefit both indirectly and directly from “upgrades” located on or off-site, as long as conscientious developers and city staff engage proactively in public benefits discussions early on.** Such is the primary aim of this report.

Public Benefits Discussion: General Morro Bay Applicants

Because Case Study Areas A, B, and C discussed above represent the largest and most visible Planned Development (PD) zones in Morro Bay, they served as excellent starting points for the subcommittee’s brainstorming process with respect to future projects in all Planned Development (PD) zones seeking modifications of city standards. With the above case studies in mind, the subcommittee sought to apply similar methodologies city-wide in order to create not only a broad list of potentially “significant public benefits” that any PD-zoned project could (and should) consider in advance of submitting a planning application that requires such benefits, but the underlying logic behind such a list as well.

The subcommittee believes that Planning Commission and Council approval of public benefits guidance, even if non-prescriptive in nature, may help encourage applicants to proactively engage in public benefits discussions and brainstorming in advance of submitting requests for modifications within Planned Development zones. Further, with public benefits guidance in hand, possibly in the form of a “public benefits menu” as described above and below, applicants and city staff should be better equipped to work

together in the early planning stages so as to properly balance public burdens and benefits, and to maximize likeliness of project approval at the Planning Commission and Council levels.

For the sake of further developing the Morro Bay “public benefits menu” concept, should the Planning Commission see fit, an exercise could be performed that simulates one or more hypothetical project proposals in Planned Development zones, each of which represents a different size or scope, and each of which includes one or more requested modifications of city standards. Then, given the relative size or scope of each project, as well as the magnitude of the project’s requested modifications of city standards, participants in the exercise could suggest potentially significant public benefits, the inclusion of which may warrant approval of requested modifications. Essentially, that type of exercise would replicate what has been asked of city staff and past Planning Commissioners on a case-by-case basis. It is also the type of exercise that the Public Benefits Subcommittee regularly grappled with over the course of the public benefits review process.

For the sake of expediency, the Public Benefits Subcommittee, during its several discussions of past and potential future projects requiring “significant public benefits,” identified the following key factors for the Planning Commission to consider and explicitly address:

- I. Triggering mechanism for public benefits review
- II. Project size, scope, or other determining factors
- III. Size, scope, or nature of requested modifications
- IV. Public input opportunities specific to public benefits

Each item will be discussed in greater detail below.

I. Triggering Condition(s) to Initiate Public Benefits Review

As mentioned earlier in this report, the subcommittee’s efforts to date have been focused on Planned Development (PD) zones in which an applicant seeks modifications of city standards. The triggering mechanism that currently requires a formal public benefits process be initiated is a developer’s submission of a development application that seeks one or more modifications within a PD zone. At present, that process is case-by-case, time-consuming, and subjective, and city staff and the applicant engage in ongoing negotiations prior to the Planning Commission hearing at which Planning Commissioners weigh public benefit against public burden to determine whether or not to approve the requested modification(s) and project overall.

The public benefits subcommittee, in agreement with Community Development’s ongoing efforts to streamline the overall planning review process, feels the public benefits review process can and should become clearer and more standardized for all parties. That said, **the initial triggering mechanism for public benefits review likely will remain as is: any PD-zoned applicant requesting a modification of city standards as part of their development application can be expected to participate in a public benefits review process.** How that process plays out beyond the initial triggering mechanism, however, is up for discussion and will likely be determined, in part, by factors such as size or scope of project itself, or size of scope of requested modifications, or other factors yet to be identified.

II. Project Size, Scope, or Other Determining Factors

The practical implementation of a “public benefits menu” – in particular, how best to differentiate between projects of varying sizes and scopes (if at all) – was a challenge for the subcommittee. While it remains true that the magnitude of “significant public benefits” required of PD-zoned applicants seeking modifications ought to be commensurate with project size, scope, or magnitude of requested modification, the subcommittee also felt that **an important part of any public benefits review process, especially for large projects that shape the future of Morro Bay, is the general public’s ability to participate in that process.** As such, the subcommittee felt it additionally valuable to create categories of potential projects.

For the sake of discussion, the subcommittee came up with the somewhat arbitrary labels “small,” “medium,” and “large” to simply define potential projects by size at first. Using these terms as a useful starting point, the subcommittee then identified a number of past, present, and future projects that might be considered “small,” “medium,” and “large,” again for the sake of discussion:

“Small”	“Medium”	“Large”
Gray’s Inn/Kayak Shack	Rose’s Landing	Market Plaza
Aquarium/Three Stax	The Landing at MB	MB Elementary
Salt Building/571 Emb.	Off the Hook/833 Emb.	Vistra

Taking project size a step further, the subcommittee then discussed what exactly project size means and how that might be determined objectively for the purposes of identifying which potential pathway (if more than one) a project might follow if requesting modifications to city standards in a Planned Development (PD) zone.

The table below is the result of that discussion:

	“Small”	“Medium”	“Large”
Building Size (in s.f.)	Under 7,500 s.f.	7,500 s.f. - 15,000 s.f	Over 15,000 s.f.
Lot Size (in (s.f.)	TBD	TBD	TBD
Valuation	TBD	TBD	TBD

As shown above, building square footage was the easiest to identify via public records and without much research. Lots size, project valuation, and other factors are certainly worth considering as determining factors of project size or scope, as the subcommittee considered as well, yet the subcommittee consistently returned to the idea that **building square footage is likely the most useful determining factor if, in fact, a multi-pathway approach to public benefits review were to be implemented.** After all, parcel size is less indicative of a project’s physical size and scope than the building itself, a project’s valuation as determining factor would create much more room for subjectivity than the more objective calculation of building size, and no other determining factor rose to the level of reasonable consideration during the subcommittee’s discussion.

It should be noted that, in addition to building size, subcommittee members generally agreed that size or scope of a project’s proposed modification(s) to city standards must be additionally considered when weighing proposed public benefits against public burdens, but total building square footage remained the most agreeable (and readily available) filtering mechanism to guide applicants to the appropriate public benefits pathway, if in fact multiple pathways or categories are devised. Thus, **if it is the Planning Commission and staff’s decision to implement two or more pathways for public benefits review, as is the subcommittee’s recommendation, it seems reasonable that proposed building square footage can serve as an appropriate determining factor.**

III. Size, Scope, or Nature of Requested Modifications

Just as it feels reasonable to categorize proposed projects by building size to determine the extent to which public benefits review must specifically take place, it also feels reasonable for city staff, project applicants, and approving boards to consider the magnitude or severity of requested modifications of city standards. For example, it feels reasonable to say that a requested modification of one inch (1”) above maximum building height in a Planned Development (PD) zone, while still not allowed by code, is less burdensome to the public than, say, a building height modification request of 10

feet, or that a request to replace one full parking space with a compact parking space is less burdensome to the neighborhood than a modification request to eliminate several required parking spaces. However, as it pertains to categorizing proposed projects early in the planning review process, the infinite possibilities and magnitudes of potential modification requests make standardizing or codifying size or scope of potential modifications nearly impossible.

The subcommittee agrees that the relative size, scope, or magnitude of requested modifications to city standards absolutely plays an important role in determining whether or not proposed public benefits more than offset public burdens resulting from requested modifications to city standards, but as for determining which public benefits pathway a proposed project must follow, building square footage remains the best option in the subcommittee's eyes.

IV. Public Input Opportunities Specific to Public Benefits

At present, the general planning review process for most new development projects in Morro Bay, particularly those that would be considered "small" per the categories above, culminates in a single public hearing at the Planning Commission level. It is at that hearing that the public is invited to provide comments in person, by phone, or over Zoom. Additional comments can be emailed to the Planning Commission, though emailed comments to the Planning Commission are not presently being made public. Notice of Planning Commission hearings are posted as yellow signage on the proposed project site in advance of the hearing, and yellow paper notices are mailed to owners of properties located within 500 feet of the proposed project approximately 7-10 days prior to the hearing.

Though no specific public benefits review process is formally in place, nor is public input expressly sought with respect to public benefits, applicants proposing projects that request modifications to city standards in PD zones are required to engage in public benefits discussions with city staff, the results of which appear in the published agenda and staff report prior to the Planning Commission hearing. Interested members of the public can always proactively read through published Planning Commission agenda items if wishing to weigh the merits of a proposed project, including the public benefits proposed in order to offset requested modifications of city standards. Members of the public may address the Planning Commission publicly in the moment before the Commission's deliberation and determination of approval. Interested members of the public may also subscribe to city notifications, which include announcements of published agendas.

However, at present, at no point in the process is public input on potential public benefits expressly solicited, and only at the determining hearing is the Planning Commission asked to weigh proposed public benefits against potential requests for modifications to city standards in PD zones. **It is the subcommittee's recommendation that "small" projects continue to follow the current planning review process, except with the additional, user-friendly assistance of a "public benefits menu" that may serve as a starting point for applicant and staff discussions regarding public benefits.** The subcommittee feels comfortable with current public input opportunities regarding public benefits for "small" projects in PD zones requesting modifications of city standards.

As for "medium" and "larger" projects that are more likely to require multiple Planning Commission hearings and impact Morro Bay neighborhoods and future to a greater extent, **it is the subcommittee's recommendation that "medium" and "large" projects, if requesting modification(s) to city standards within a PD zone, require additional public input opportunities regarding public benefits.** What exactly that process looks like is up for discussion, but it should not be considered additionally burdensome to development applicants or staff in whatever shape or form that process eventually takes. It should be noted that the subcommittee supports Community Development's efforts to streamline the planning review process overall and is hopeful that improvements to clarity and process specifically pertaining to public benefits will aid in those efforts. Any suggestion that public benefits should be additionally considered by applicants and staff should not be seen as an effort to increase time and effort required of an applicant or staff, nor to increase scrutiny of a project. Instead, by making clearer the expectations for applicants, the subcommittee feels that a simple, formalized public benefits review process for "medium" and "large" projects will facilitate proactive engagement between applicants, staff, and the public well in advance of Planning Commission hearing dates. Thus, in most cases, a smoother, more efficient, more positive planning review process (and subsequent hearing and approval) can be facilitated.

Public Input Opportunities Specific to Public Benefits

If the Planning Commission does indeed consider the Public Benefits Subcommittee's recommendation to create one or more additional public input opportunities specific to public benefits for "medium" and/or "large" projects requesting modifications to city standards in Planned Development (PD) zones, then the next step would be to formulate one or more new pathways for impacted projects to be routed through. Because the primary aim of such pathways would remain as is (the achievement of "greater than normal public benefit" to offset deviations from code), no philosophical changes are being proposed. Instead, the public benefits subcommittee focussed on

practical approaches to public benefits review (and public input) that may streamline the overall planning review process while also increasing clarity, positivity, and transparency for all stakeholders, the general public included.

So what exactly might such additional public input opportunities look like?

One Size Fits All

One option for the Planning Commission's consideration would be for all affected projects—that is, "small," "medium," and "large" project within PD zones that request modifications to city standards—to follow an identical process (i.e. one size fits all), which may conclude with public hearings at the Planning Commission (and sometimes Council) level. In this approach, only at this (or these) scheduled public hearings, or in writing prior to those hearings, would the public's input be solicited prior to the Planning Commission's and/or Council's decision to approve or deny the project. The subcommittee felt this option offers useful consistency but may fail to appropriately address the potential impacts of large-scale development, especially for projects seeking material deviations from city code. It was determined by the subcommittee that "medium" and "large" projects warrant greater public outreach regarding public benefits than a one-size-fits-all approach that limits public participation to a single public hearing at which all other aspects of the project are being discussed and deliberated upon.

Case by Case

Another possible approach to receiving outside input during public benefits review that the subcommittee considered would be a case-by-case, customized approach whereby city staff, in conjunction with the overall planning review process, may seek out or solicit input regarding public benefits, if staff feels it appropriate and useful to do so in order to increase a project's overall application and chances of Planning Commission approval. That additional input could be sought out in whatever way staff sees fit, whether formally through public forums, formally through public agenda items at the Planning Commission level separate from the project's hearing date, less formally through subcommittee or ad hoc committee efforts, informally through local experts, neighbors, or active citizens, or by other means. The upside of a case-by-case approach is that city staff reserves the flexibility to engage the public as much or as little in the public benefits review process as they deem appropriate and useful given the size, scope, or magnitude of the project and/or of the requested deviations from city code. The downsides of such a customized approach would be the strain on city staff in terms of time, effort, and responsibility, as well as the general's public's uncertainty surrounding public benefits review in terms of when or if the public's feedback regarding public

benefits would be additionally considered beyond the usual opportunities at scheduled public hearings.

Pathway Approach

And the last approach considered (and embraced) by the subcommittee is a pathway (or pipeline) approach using the same “small,” “medium,” and “large” categories described in previous sections of this report. **In this pathway approach, once an applicant’s project application (1) has been received, (2) has been determined to be located in a Planned Development (PD) zone, and (3) has been determined to include one or more modifications to city standards, city staff would then use whatever factor the Planning Commission deems most appropriate in order to categorize the project (the subcommittee recommends building square footage) to route the project through the proper public benefits review pathway with respect to public participation opportunities specific to public benefits.**

If the subcommittee’s recommended pathways for “small,” “medium,” and “large” projects were to be adopted, the public benefits review process—a process that is not a separate process from the overall planning review process but rather a component of it—may appear as follows with respect to public participation:

NOTE: Numbered items below represent public participation opportunities.

“Small” Projects

Applicant enters planning review with city staff, which includes public benefits review if requesting modifications to city standards. City staff provides public benefits guidance to applicant during ongoing negotiations. Applicant proactively proposes public benefits that more than offset public burdens of requested modifications. Planning Commission hearing is scheduled. Planning Commission agenda is published. **(1) Public input is sought and received leading up to (and during) Planning Commission and/or Council hearing.** Project is potentially approved.

Additional public input requirements beyond what are currently offered: None.

“Medium” Projects

Applicant enters planning review with city staff, which includes public benefits review if requesting modifications to city standards. City staff provides public benefits guidance to applicant during annoying negotiations. **(1) City publishes 30-day window of public input opportunity to actively solicit public input.**

Public provides written input regarding public benefits. Applicant receives and considers input, likely incorporating public benefits into their proposed project that more than offset potential burdens of requested deviations from code. Planning Commission hearing is scheduled. Planning Commission agenda is published. **(2) Public input is sought and received leading up to (and during) Planning Commission hearing.** Project is potentially approved.

Additional public input requirements beyond what are currently offered: 30-day written window of public benefits input early in the process.

“Large” Projects

Applicant enters planning review with city staff, which includes public benefits review if requesting modifications to city standards. City staff provides public benefits guidance to applicant during annoying negotiations. **(1) City schedules public forum to present project and solicit public comment. (2) City publishes 30-day window of public input opportunity in conjunction with the public forum to actively solicit public input regarding public benefits. Public provides input through either means above with respect to public benefits.** Applicant receives and considers input, likely incorporating public benefits into their proposed project that more than offset potential burdens of requested deviations from code. Planning Commission hearing is scheduled. Planning Commission agenda is published. **(3) Public input is sought and received leading up to (and during) Planning Commission hearing.** Project is potentially approved.

Additional public input requirements beyond what are currently offered: public forum(s) and 30-day written window of public benefits input early in the process.

In summary, the subcommittee feels that “small” projects may continue to follow a similar process to what is currently in place regarding public participation in public benefits discussions, which is the opportunity to provide public comment in person or in writing during or immediately prior to scheduled hearings at the Planning Commission and/or Council levels. “Medium” projects would include the same public participation opportunities as “small” projects but add an additional public participation opportunity in the form of a 30-day public input window regarding public benefits. And “large” projects would offer the same public participation opportunities as “medium” projects but add an additional public forum (or more) specifically designed to solicit public input regarding public benefits. The underlying logic behind a pathway (or pipeline) approach would be to get all stakeholders on the same page early on in the overall planning review process, to standardize and codify the public benefits review process, to simplify and

streamline negotiations between applicants and city staff, to solicit public input well in advance of Planning Commission hearings, and to maximize approval rates of projects we can all be proud of.

Categories of Public Benefits

When it came time to draft a more formalized list of public benefits for the “public benefits menu” from which development applicants may derive inspiration for future project proposals (the initial aim of this subcommittee), subcommittee members first revisited the categories used by the city of Emeryville, CA, as previously discussed:

1. Public Open Space
2. Sustainable Design
3. Alternative Energy
4. Water Efficiency
5. Flexible Public Benefit (open to planning commission determination)

While the subcommittee appreciated the underlying logic of these categories, we generally favored categories that felt more tangible than those listed above. An early draft of the subcommittee’s efforts to categorize potential public benefits used the various Morro Bay city departments as category headings (Public Works, Parks, etc.). Unfortunately, because the vast majority of brainstormed benefits seemed to fall under Public Works, a better organizational system was sought out. In the end, the seven (7) categories below felt most appropriate at this early stage, seemed to suit Morro Bay well, and offered developers a healthy range of choices from which to choose.

Draft A (prelim)

Community Development
Public Works
Parks and Recreation
Public Safety
Finance
Harbor
Tourism

Draft B (proposed)

1. Beautification & Signage
2. History & Culture
3. Pedestrian & Bike
4. Transportation & Parking
5. Utilities & Services
6. Harbor
7. Tourism & Economic Development*

*Further discussion of Category 7 (Tourism and Economic Development) can be found later in this document but can be summarized as such: **increases to city sales tax, property tax, or transient occupancy tax (TOT), or other financial certainties of any successfully operated business are not to be considered “significant public**

benefits” or “greater than normal public benefits” for the sake of public benefits review.

The subcommittee acknowledges that many items on the “public benefits menu” could likely fall into multiple categories listed above, but we still found value in grouping similar types of benefits into larger categories for the sake of staff, Planning Commission, and developer ease of use. The subcommittee recommends that, after reading this subcommittee report, the Planning Commission and staff discuss the appropriateness of said groupings and propose alternative categories or language as desired. Should Morro Bay opt for similar (or equally theoretical) groupings as those implemented in Emeryville, the subcommittee believes a potential disconnect between on-site upgrades proposed by applicants (subjectively private) and off-site upgrades sought by city stakeholders (objectively public) may prevail. Because the primary aim of the “significant public benefits” requirement for PD-zoned projects requesting modifications of city standards is to offset the potential public burdens of deviations from city code, the subcommittee found it appropriate to focus as much of the public benefits menu as possible on tangible, off-site benefits as opposed to less tangible and/or on-site benefits. As such, our preliminary categories remain the seven (7) listed in Draft B above.

Public Benefits Menu (spreadsheet draft)

Attached in Appendix A is a preliminary list of “significant public benefits” put forth by subcommittee members (and a handful of public commenters) that may serve as a starting point for the Planning Commission and, eventually, for a “public benefits menu” to be utilized by city staff, development applicants, and others involved in the planning review process:

[Appendix A: “Public Benefits Menu”](#)

Our hope in presenting this menu—and the subcommittee report as a whole—to the Planning Commission is that, subsequent to today’s meeting, the general public, interested advisory boards, city staff, and the Planning Commission (again) may contribute additional ideas that ultimately lead to an approved public benefits review process for “small,” “medium,” and “large” projects seeking modifications to city standards, and for an approved “Public Benefits Menu” to be published citywide for the collective benefit of all stakeholders.

Tax Revenues as “Greater Than Normal Public Benefit”?

In the past, some developers seeking modifications of city standards in Planned Development (PD) zones have argued that increased city tax revenue should be

considered a public benefit that partially or wholly offsets the public burdens brought on by deviations from code. While the subcommittee recognizes that city budgets benefit from increased tax revenue, the subcommittee strongly rejects the argument that increased tax revenue resulting from a commercial entity operating in the normal course of business represents “greater than normal public benefit” for the purposes of planning review and recommends that the Planning Commission does as well. Further, the subcommittee sees value in explicitly stating that **any proposed commercial development that positively impacts city collection of Transient Occupancy Tax (lodging), Sales Tax, Property Tax, or other fees should not receive consideration for providing “significant public benefits” simply by conducting their proposed business in a way that any such business would normally be conducted.** In other words, Morro Bay can reasonably expect to receive TOT from every lodging entity, just as we can reasonably expect to receive sales tax revenue from every entity that lawfully charges sales tax. Thus, these tax revenues ought not to constitute “significant public benefits” or “greater than normal public benefit” for the purposes of planning review.

Mitigation, Proportionality, and Nexus

As part of the subcommittee’s efforts to create a public benefits review process and related “menu” that benefit not only the City of Morro Bay and its residents, businesses, and visitors, but that benefits development applicants as well. The subcommittee did its best to think beyond mitigation alone, as mitigation of new public burdens is only one aspect of the public benefits discussion. Further, per the “conditions of approval” expectations set by the Planning Commission and city staff, mitigation of new public burdens does not constitute “greater than normal public benefit” required to offset deviations from code. Thus, additional public benefits ideas must be generated that go above and beyond simple **mitigation** of burdensome impacts.

At the Planning Commission’s 2/15/22 meeting, two terms were introduced that may be further considered for the sake of future public benefits discussion and linkage between specific projects and the proposed public benefits attached to them: **proportionality** and **nexus**. Whether proportionality of expected public benefits is determined by project size, dollar value, or magnitude of deviation from city code, it goes without saying that “large” projects that impact the City and its residents, businesses, and visitors will be expected to provide “significant public benefits” greater than those expected of a “small” or “medium” project applicant. What may not go without saying—and should be reiterated—is that public participation in the public benefits review process should also be proportional to project size, scope, or magnitude of deviation from code. In other words, in addition to greater public benefits expectations for “large” projects that request highly impactful modifications to city standards, greater opportunities for public participation in the the public benefits review process can be expected as well.

That is essentially the underlying logic of proportionality as a consideration of proposed public benefits.

The term nexus, meanwhile, may be used by Planning Commissioners, city staff, the general public, and project applicants themselves to help all parties identify direct or indirect linkage between potential public burdens of requested deviations from code and the proposed public benefits that more than offset those burdens. Speaking generally, unsightly mechanicals on the roof of a newly proposed project are *expected* to be screened; in other words, screening of those unsightly mechanicals would be a “condition of approval,” not a public benefit. Now, if those unsightly mechanicals were located atop a proposed project that wishes to build several feet higher than the maximum height in allowed in a Planned Development (PD) zones, then a finding of “significant public benefits” must be met; it is the subcommittee’s opinion that, whenever possible, any proposed public benefits should have clear nexus (linkage) between the nature of the project or its requested deviations from code. In this example, a potential public benefit loosely associated with the public burden created by exceeding maximum building height may be dozens of tree plantings, new public murals, or native landscaping on public right-of-ways, all of which may both screen and beautify the parcel in question. Similarly, a new waterfront development that increases pedestrian and car traffic on Embarcadero might propose “significant public benefits” that include sidewalk improvements, crosswalks, bike paths, wayfinding signage, or other street-related infrastructure that either directly or indirectly offsets any requested modification of city standards.

The Public Benefits Subcommittee feels that without any attempt to establish the underlying nexus of each public benefit being proposed or asked for, a “public benefits menu” may come across as more of a wish list of city needs rather than a focussed set of recommended public benefits. As such, the items appearing on our subcommittee’s preliminary public benefits list feel relatively in line with the kinds of potential public burdens that new development projects potentially create, especially those requesting modifications of city standards. Rather than go through the exercise of linking each recommended public benefit menu item to any hypothetical project, the subcommittee feels content to relinquish the responsibility of identifying “nexus” to city staff and the applicant themselves during the public benefits review process (subject to public participation and advisory board feedback). The more often our city goes through the public benefits process, the easier it will become for all parties to establish linkage that maximizes opportunities for applicants to identify potential benefits. After all, the aim, once again, is to create a collaborative environment between developer and City in which public benefits and private gains are not mutually exclusive.

Next Steps

After meeting six (6) times and generating this report, the Public Benefits Subcommittee of the Planning Commission asks the Commission and staff to discuss our results and findings for potential improvements or implementation. In particular, the subcommittee suggests that the Commission's 4/19/22 discussion focus on the five areas below:

1. Building square footage as determinant of "small," "medium," and "large" projects
2. Pathway or pipeline approach to public participation for each project size/scope
3. Public Benefits Menu (inclusions/exclusions/revisions)
4. Financial contributions (including tax revenues) vs. physical improvements
5. Vistra-specific public benefits list

Closing Remarks

Providing "significant public benefits" is a condition of many new development projects in Morro Bay, and the magnitude and nature of those required benefits can be difficult to determine. Members of the Public Benefits Subcommittee recognize these challenges and have sought to draft clearer language and identify concrete figures wherever possible. The subcommittee's hope is that developers of "small," "medium," and "large" projects within Planned Development (PD) zones seeking modifications of city standards can be encouraged to proactively identify significant public benefits they feel privately passionate about and that the public would genuinely benefit from. In turn, the planning review process may be streamlined, required staff time and effort may be reduced, the need for extended negotiations at the Planning Commission level may be eliminated, and the city can feel increasingly comfortable approving projects that more conscientiously consider the public impacts of private development.

We thank city staff, the Planning Commission, and the public for their contributions to this important effort and look forward to seeing the public benefits discussion move forward in the coming months and years.

Public Benefits Subcommittee

Sean Green (at large)

Joseph Ingraffia (PC)

Mike Rodriguez (PC)

Sidewalk completion along Atascadero Rd (Morro Creek to Motel 6 (south side))		
Pedestrian dirt pathway improvements from Inn at MB to Museum of Natural History		
Playground upgrades at Tidelands Park		
Installation of family/kid-friendly feature near otters/south Rock		
Replacement of Coleman Park bathroom		
Replacement of Coleman Park playground		
Repurpose Coleman Park basketball courts into something far more used (partnership with city)		
Convert Coleman Park basketball courts into green/living covered/solar workstations or picnic spaces		
Repair/restore collapsed pedestrian pathway at Morro Creek (west)		
Add solar to existing city buildings and spaces		
Convert city bathrooms to solar		
Funding of one-time citywide public audit/enforcement of coastal access/obstructions/signage/bathroom compliance		
Funding of one-time citywide audit of percent-gross leasepayers (increase of revenue/compliance; supposed to happen but we never have the money)		
Funding of one-time citywide audit of TOT (increase of revenue/compliance; supposed to happen but we never have the money)		

Thoughts Concerning the Additional Community Benefits Report - 4/23/2022

The following notes are a few of my thoughts, and only mine, about additional revisions or reconsiderations of some of the issues contained in the additional community benefit report.

Upon reconsideration, I think the need for classifying the various projects as small, medium or large is largely unnecessary for planning commission purposes. The original idea was to have larger proposals trigger more robust efforts at collecting community input. However, as mentioned at the last meeting, an early concept meeting typically represents ample opportunity to have published notice and deliberation time to evaluate early ideas including satisfaction of any additional community benefit requirements. Not having the scope of benefits wedded to a square footage category would more easily allow other considerations, such as Bill's suggestion to include location prominence or historical significance. Nevertheless, I would make an exception for what I call large projects without immediate precedents in Morro Bay. These would include such proposals as the off-shore wind project, the Vistra storage facility, the Morro Bay elementary redevelopment and the Panorama Street Planned development. These would be projects unlike any occurring in the last thirty years, an era in which there has been great shifts in development values and how the government is now expected to address those changing values. These proposals are unique fact sets, will obviously be subjected to greater scrutiny and deserve more initiative to collect a broad sampling of public input. As a practical matter, these projects, because of their complexity, will require more process and deliberation time in any event. I don't think that the one month proposed for additional public outreach would unduly burden the approval process. I support this approach, not only because we have to live with the consequences of what gets built for decades and because of the enormous financial impact of the projects, but also because the projects will significantly alter the character and recognition of Morro Bay. In addition, a special track for these unprecedented projects will go a long way to addressing the sometimes disproportionate negotiating strengths and resources that corporate applicants bring to the negotiating table. Morro Bay's representatives might feel empowered and therefore, more assertive, by a detailed understanding of what the majority of its citizens support and expect.

With respect to the benefit menu, I would like to hear the ideas forthcoming from other advisory boards. I appreciate that we should refine the report before its greater distribution for comments. Also, I would make clear that other boards don't have a burden to respond as part of their normal board responsibilities, but simply an opportunity. I welcome Susan's suggestion of adding open space and underground utilities to the menu. I strongly support any effort to include affordable housing as a favored addition to the benefit menu. In many of the above mentioned, unprecedented projects, including affordable housing to the community benefit plan might be the only means capable of truly achieving equity in exchange for the requested exceptions.

With respect to making benefits commensurate with the value of the project, that's a particularly difficult concept to quantify. I suspect the best we can do is give the concept some sort of minimum benefit baseline such as 2-5% of the project's estimated market valuation upon completion. Any particular benefit package in excess of the baseline would consider affordability and financial burden on the applicant, as well as the physical size and effects on the community. This would allow proposals for Embaracadero or Main Street development to be more weighted for additional community benefits than their square footage sizes might otherwise suggest. As stated earlier, for large projects without recent precedent, benefits would evolve from examinations and weighings of the community's divergent interests and interest groups.

Finally, I think it merits repeating that community benefits should not include such things as increased government revenues or increased overall economic activity or increased employment, as these are normal consequences of conducting business. Nor should in-lieu fees be considered appropriate as an alternative to additional community benefits.

That's about it. Look forward to reading about other ideas.

Joe Ingrassia



AGENDA NO: B-2

MEETING DATE: October 6, 2022

Staff Report

TO: Harbor Advisory Board

DATE: September 30, 2022

FROM: Eric Endersby, Harbor Director

SUBJECT: Update from the Parking Management/Paid Parking Ad-Hoc Committee on Committee's Recent Activities

RECOMMENDATION

Receive and file committee update.

BACKGROUND, DISCUSSION & CONCLUSION

The Parking Management/Paid Parking Ad-Hoc Committee of the Harbor Advisory Board will be presenting an oral update on the meeting they had on August 29th, 2022 with stakeholders assisting the committee, Walker Consultants and staff to discuss Walker's draft paid parking pilot program proposal.

This is a standing committee report agenda item.

Prepared By: LS

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____



AGENDA NO: B-3

MEETING DATE: October 6, 2022

Staff Report

TO: Harbor Advisory Board

DATE: September 29, 2022

FROM: Eric Endersby, Harbor Director

SUBJECT: Update from the Marine Services Ad-Hoc Committee on Committee's Recent Activities, and Consideration of Committee's HAB Input for the Current Status for Marine Services Report

RECOMMENDATION

Receive and file committee's oral update, and provide input on committee's written report on the current status of marine services in Morro Bay.

BACKGROUND, DISCUSSION & CONCLUSION

The Marine Services Ad-Hoc Committee of the Harbor Advisory Board (HAB) will be presenting an oral update on their recent activities. This is a standing committee report agenda item.

In addition, the Committee will be presenting their "HAB Input for the Current Status for Marine Services" report for HAB consideration and input. The committee's report is attached to this staff report.

ATTACHMENT

Marine Services Ad-Hoc Committee HAB Input for the Current Status for Marine Services report

Prepared By: LS

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____



HAB INPUT FOR THE CURRENT STATUS FOR MARINE SERVICES

September 1st, 2022

ABSTRACT

The Harbor Advisory Board Ad-Hoc Marine Services committee assessment for the current status and short-term recommendations of marine services for the Morro Bay Harbor.

HAB Ad-Hoc Marine Services Committee

Chris Vaile, Cal Myers

EXECUTIVE SUMMARY

The Harbor Advisory Board (HAB) has formed an Ad-Hoc committee to study the current status of Marine Services for the Morro Bay Harbor. Over the last several decades the business makeup in around the Embarcadero has changed. Many of the businesses that catered to fishing and boating industry has given way more tourist-oriented industry, which are more lucrative. There have been several studies to the feasibility to add capacity for haul out capacity for larger vessels, but an economic case is difficult to justify.

This study addresses what services are available for current fleet that is in the harbor and possibly available for vessels that happen to visit Morro Bay. Further there are some recommendations for some minor additions and considerations. Also, if there are any significant external events this topic may be revisited in the future, such as a change of status of power plant intake building or harbor enhancements to support offshore power generation.

SCOPE OF STUDY

The Maire Services Ad-Hoc committee started with a previous HAB Boat Yard study conducted back in 2015. The committee reached out to the original author and previous HAB members to confirm various aspects of the study. The newly formed Ad-Hoc committee came to a similar conclusion about the city pursuing a traditional haul out service, in that it is not part of the city council's goals. Further a business case to build out a new boat yard is difficult to justify with the relatively small number of vessels in Morro Bay.

The Ad-Hoc committee opted to review what services are available locally or at nearby locations that would typically be required for the current fleet.

WHAT ARE MARINE SERVICES?

When operating or living on an vessel certain amenities are expected to be available in the harbor. This list includes:

- Bathroom & Showers
- Boatyard
- Chandlery / Marine Hardware
- Fuel
- Garbage
- Ice Machine
- Pump Out
- Support Services Personnel Including:
 - Mechanical and/or Electrical
 - Shipwright / Boatwright
 - Riggers
 - General Vessel Maintenance

STATUS OF SERVICE AS OF 2022

Each of the services are described as understood by the Ad-Hoc committee at the time of the writing of this document.

Bathroom & Showers

There are several public bathrooms and showers located along the Embarcadero that are available to users of the vessel owners and users for the harbor. There are 5 public facilities available:

- 1) Bathroom and defunct shower next to the harbor department office,
- 2) Bathroom room and shower in the boat ramp parking lot
- 3) Bathroom room and shower Marina Square building
- 4) Bathroom room and outdoor shower in the rock parking lot
- 5) Bathroom only in centennial square

The Morro Bay Yacht Club has private facilities for those that rent the moorings directly from them.

The public facilities have some challenges as they are not open 24 hours, with the restroom area open to the public. The showers are only available to liveaboards (except the outdoor shower at the rock) who are more likely to use the facilities more frequently. The liveaboard are most impacted by any cleanliness issues.

All three of the restroom/shower areas have specific on-going challenges and beyond the scope of this document due to the overlap with public works and restroom facilities all up and down the Embarcadero

Chandlery / Marine Hardware

There are several small stores that have limited inventory near the harbor, e.g. on Market street. But with the advent of on-line shopping like all other retail this type of business model has an uncertain future.

Fuel

Currently there is only a single fuel dock in Morro Bay. Based on current usage patterns there is ample capacity, but it is a single point of failure for the entire Harbor. As there is no foreseeable circumstances where a new fuel dock would be installed, emergency services and business that depend on fuel availability should have a contingency plan.

Garbage

There are sufficient trash receptacles near the various egress locations throughout the Harbor to dispose of garbage for the Harbor users. Frequency of collection and full receptacles are part of larger challenges as that is shared resource with the Embarcadero visitors.

Ice Machine

There is dedicated ice making equipment for the commercial fishing dock that is reported as sufficient for those businesses. For sport fishing and other boat users ice is available nearby, such as liquor or grocery stores. There may be a case to install an ice vending machine near the boat ramp.

Pump Out

There are three pump out stations located along the Embarcadero. No mobile service is available. This is deemed ample given the number of vessels and size of the harbor.

Support Services Personnel

The Friends of the Morro Bay Harbor Department have published a booklet titled [Boater Resource Guide Morro Bay](#) with the on-line version ([Boater Resource Guide - Friends of the MBHD](#)). It has a wealth of local information and list of providers of marine services such as Divers, Electrician, Fabrication, etc. As is the trend, most these services they are no longer physical locations, but mobile business, i.e. they will come to your location with their work truck or equipment.

Since this booklet is published via a non-profit organization no guarantees can be provided about the quality or status of those vendors, such as insurance status. It will be up the vessel operator/owner to coordinate with the service provider to ensure that it can be delivered and of sufficient quality. For example, an engine re-powering is typically not feasible for a vessel on a mooring.

Several boat dealer are located inland in Atascadero, Paso Robles and San Luis Obispo which have the ability to service specific branded marine equipment.

Boatyard

The Morro Bay Boatyard at 261 Main Street remains in operation and is capable of hauling vessels limited to 20 tons of also limited by vessel configuration and length. The yard is capable of routine maintenance and simple repairs. The long-term viability of this location is of concern. The current operator is near retirement with no transition plans. The facility is need of upgrades to bring it up to current standards for this type of business. Due to its location the yard “tarmac” has diminished over time by encroaching development (condos), as a result the facility can only service a single vessel at a time.

The next nearest haul out boatyard is Port San Luis Boatyard and is approximately 40 miles from Morro Bay. This journey would take between four and seven hours each way for the typical seaworthy vessel anchored in Morro Bay. The 60-ton Travel Lift is only available during fair weather since its haul out bay and service area are not protected. This reduces the practicality of this facility for damaged vessels but works well for planned services that require the vessel to be out of the water for an extended period.

Beyond Port San Luis the next closest boat yards are over 100 miles away either to the north or south (Monterey Bay or Santa Barbara/Ventura).

The Morro Bay Harbor Department has from time to time allowed the boat launch area to be used for vessel repairs during the off-season. This would only be available for vessels that can be hauled out via the boat ramp. Permission to use this area is up the discretion of the of the Harbor Department.

CONCLUSIONS

Morro Bay has historically been known as that sleepy fishing village on the central coast. Back in 1981 the city even passed “Measure D” to protect the local fishing industry, by allowing the waterfront to give priority to businesses that support the fishing industry. Over the last four decades the fishing industry has changed dramatically, with the quota systems/regulations, the “greying out” of those working in the fishing industry, and new threats with wind farms and marine sanctuaries.

Even with a diminished fishing industry to keep Morro Bay a viable “harbor” these marine services still need to be available. The following recommendations are being provided:

- Ice vending machine around the boat launch area to support sport fishing
- Investigate options to build cold storage and processing capability
- Determine if the Morro Bay Boatyard can be brought to current standards

Longer term if there are substantial changes in the external environment the Marine Services Ad-Hoc committee should be reactivated. Examples would include, but not limited to:

- The offshore wind farm is expected to have the power come “on-shore” via the cooling tunnels from the decommissioned power plant. This could trigger a review of the marine services that are needed to support and maintain that effort.
- Repurpose of the power plant intake building.
- Significant changes to the vessel mix in the harbor. If for example the mix of vessels moves away from commercial fishing to active recreational boating, the mix of services may need to be reviewed.
- Changes to mooring and slip rules and regulations that aggressively require vessels to be in working order and capable of navigation. This change could increase the need for haul out services.



AGENDA NO: B-4

MEETING DATE: October 6, 2022

Staff Report

TO: Harbor Advisory Board

DATE: September 28, 2022

FROM: Eric Endersby, Harbor Director

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

RECOMMENDATION

Receive and file ad-hoc committee update.

BACKGROUND, DISCUSSION & CONCLUSION

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-5

MEETING DATE: October 6, 2022

Staff Report

TO: Harbor Advisory Board

DATE: September 29, 2022

FROM: Eric Endersby, Harbor Director

SUBJECT: Harbor Advisory Board Member Public Engagement Outreach Assignment Reporting

RECOMMENDATION

Receive and file Harbor Advisory Board (HAB) member outreach effort reports to date.

BACKGROUND, DISCUSSION AND CONCLUSION

This agenda item is for HAB members to provide an oral update on any of their outreach efforts to date.

Prepared By: LS

Dept Review: EE

City Manager Review: _____

City Attorney Review: _____