



CITY OF MORRO BAY PUBLIC WORKS ADVISORY BOARD AGENDA

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
Wednesday, October 19, 2022 – 5:30 PM
Veterans Memorial Hall
209 Surf Street, Morro Bay, CA

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:

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 Public Works Advisory Board at pwab@morrobayca.gov prior to the meeting. Agenda Correspondence received at pwab@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
ANNOUNCEMENTS

PUBLIC COMMENT

Members of the audience wishing to address the Board on City business matters not on the agenda may do so at this time. For those desiring to speak on items on the agenda, but unable to stay for the item, may also address the Board at this time.

A. BUSINESS ITEMS

A-1 APPROVAL OF MINUTES FOR THE AUGUST 17, 2022, PUBLIC WORKS ADVISORY BOARD REGULAR MEETING

Recommendation: Approve as submitted.

A-2 DIRECTOR'S UPDATE

Recommendation: Information item, no action needed.

A-3 CAPITAL PROJECTS UPDATE

Recommendation: Information item, no action needed.

A-4 DISCUSSION OF PLANNING COMMISSION SUBCOMMITTEE REPORT ON PUBLIC BENEFITS

Recommendation: Review and provide input on Planning Commission Public Benefits Subcommittee Report and benefit menu.

B. FUTURE AGENDA ITEMS

Cayucos/Morro Bay Bikepath Connector Project
WRF Quarterly Report
Traffic Engineering Review Process
Sidewalk Repair Project Presentation
Engineering Trees Replacement Plan

C. ADJOURNMENT

The next Special Meeting will be held on **Wednesday, November 16, 2022 at 5:30 PM.**

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 PUBLIC WORKS DEPARTMENT, 955 SHASTA AVENUE, FOR ANY REVISIONS OR CALL THE DEPARTMENT AT 805-772-6263 FOR FURTHER INFORMATION.

MATERIALS RELATED TO AN ITEM ON THIS AGENDA SUBMITTED TO THE PUBLIC WORKS ADVISORY BOARD AFTER DISTRIBUTION OF THE AGENDA PACKET ARE AVAILABLE FOR PUBLIC INSPECTION UPON REQUEST BY CALLING THE DEPARTMENT AT 805-772-6263.

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN A CITY MEETING, PLEASE CONTACT THE PUBLIC WORKS DEPARTMENT AT LEAST 24 HOURS PRIOR TO THE MEETING TO ENSURE REASONABLE ARRANGEMENTS CAN BE MADE TO PROVIDE ACCESSIBILITY TO THE MEETING.

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.

PRESENT: Doug Rogers Chair
 Laurie Beale Vice Chair
 John Erwin Board Member
 Ian Gaffney Board Member
 Jan Goldman Board Member
 Joseph Ingraffia Board Member
 Robert Nava Board Member

STAFF: Greg Kwolek Public Works Director
 Eric Riddiough City Engineer
 Damaris Hanson Utilities Division Manager
 Janeen Burlingame Management Analyst
 Dale Simpson Consolidated Maintenance Superintendent
 Erin DeAngelis Engineering Intern
 Paul Amico WRF Program Manager

ESTABLISH QUORUM, CALL TO ORDER
The meeting was called to order at 5:32 PM with all Board members in attendance except Laurie Beale.

MOMENT OF SILENCE AND PLEDGE OF ALLEGIANCE

BOARDMEMBERS ANNOUNCEMENTS
<https://youtu.be/NkM5zaBKqLQ?t=152>

John Erwin spoke of the issues with the bike lanes on Hwy 41 near Spencer’s Market.

Greg Kwolek introduced new Maintenance Superintendent Dale Simpson and the new Engineering Intern Erin DeAngelis.

PUBLIC COMMENT - None

BUSINESS ITEMS

A-1 APPROVAL OF MINUTES FOR THE AUGUST 17, 2022 PUBLIC WORKS ADVISORY BOARD
REGULAR MEETING
<https://youtu.be/NkM5zaBKqLQ?t=540>

MOTION: Jan Goldman moved to approve Item A-1. The motion was seconded by Laurie Beale and passed 4-0-1; Ingraffia abstained.

The public comment period was opened, seeing none, the public comment period was closed.

A-2 DIRECTOR’S UPDATE
<https://youtu.be/NkM5zaBKqLQ?t=620>

Greg Kwolek commended the utility staff for managing the two watermain breaks on Ironwood Avenue.

Discussion, comments and questions amongst Board members and staff.

The public comment period was opened.

Paul Donnelly, Morro Bay resident, stated his concerns for the upcoming paving project on Main Street.

The public comment period was closed.

There was consensus of the Board to change the order of the agenda moving Item A-4 ahead of Item A-3 for discussion.

A-4 WATER RECLAMATION FACILITY INDIRECT POTABLE REUSE PROGRAM UPDATE
<https://youtu.be/NkM5zaBKqLQ?t=1686>

Greg Kwolek introduced the item and Dan Heimel presented the staff report.

AGP informed Kwolek of technical issues with the live feed.

The Board took a brief recess at 6:10 PM. The meeting reconvened at 6:16 PM with all members present.

Dan Heimel continued with the staff report presentation.

Discussion, comments and questions amongst Board members and staff.

The public comment period was opened.

Paul Donnelly, Morro Bay resident, inquired about water supply, water supply costs and the method on how city water would be transferred to the pilot well.

Betty Winholtz, Morro Bay resident, questioned the water supply and asked if it would be enough for the City's demand. Winholtz requested clarification on what type of emergency would determine the use of the emergency water supply and asked if Covid was being extracted from the RO pathogen testing.

The public comment period was closed.

A-3 WATER RECLAMATION FACILITY PROGRAM QUARTER 4 FISCAL YEAR 2022 QUARTERLY REPORT AND CONTRACT AMENDMENTS FOR THE WRF PROJECT
<https://youtu.be/NkM5zaBKqLQ?t=1259>

Greg Kwolek introduced the item and Paul Amico presented the staff report.

Paul Amico continued presenting the staff report.

Discussion, comments and questions amongst Board members and staff.

The public comment period was opened.

Paul Donnelly, Morro Bay resident, questioned if staff had received all licensing, permits, etc. to operate the Water Reclamation Facility (WRF).

Betty Winholtz, Morro Bay resident, inquired about the landscaping at the WRF and if there was a list of trees that were being taken down. Winholtz requested more information on amendment eight and commented the term "not to exceed" should not have been used in the documents for this project.

The public comment period was closed.

A-5 CITY PARK TRANSIT HUB IMPROVEMENTS PROJECT UPDATE
<https://youtu.be/NkM5zaBKqLQ?t=7357>

Greg Kwolek introduced the item and Eric Riddiough presented an update on the project.

Discussion, comments and questions amongst Board members and staff.

The public comment period was opened.

Betty Winholtz, Morro Bay resident, inquired about the shelter footprint and noted the existing shelter is sturdy and has served us well.

The public comment period was closed.

A-6 CAPITAL PROJECTS UPDATE
<https://youtu.be/NkM5zaBKqLQ?t=7994>

Greg Kwolek introduced the item and Eric Riddiough presented an update on the project.

Discussion, comments and questions amongst Board members and staff.

The public comment period was opened, seeing none, the public comment period was closed.

A-7 FORMATION OF AD HOC COMMITTEE TO REVIEW CITY TREE POLICIES (Verbal)
<https://youtu.be/NkM5zaBKqLQ?t=8770>

Chairperson Doug Rogers gave a quick review on forming an AD Hoc Committee for the review of the Urban Forest Management Plan and provide feedback to City staff.

Discussion, comments and questions amongst Board members and staff.

MOTION: Doug Rogers moved to approve Items A-7. The motion was seconded by Laurie Beale and passed 7-0.

Joseph Ingrassia, Jan Goldman, and Consolidated Maintenance Superintendent, Dale Simpson, were appointed to serve on the subcommittee.

The public comment period was opened.

Betty Winholtz stated she was pleased with the approval for the subcommittee, noting she would like to be a part of the committee.

The public comment period was closed.

B. FUTURE AGENDA ITEMS
<https://youtu.be/NkM5zaBKqLQ?t=9397>

Cayucos-Morro Bay Bike Path/Trail Connector Project
Sidewalk Repair Project Presentation
Traffic Engineering
Tree Replacement Plan
Public Benefits Planning Commission Subcommittee Report and Benefits Menu

Greg Kwolek gave a summary of the items.

Joseph Ingrassia briefly described the Public Benefits item.

C. ADJOURNMENT
The meeting adjourned at 8:11 PM

Recorded by:

Gina Arias
Administrative Technician

Public Works Update – October 2022

AGENDA ITEM: <u>A-2</u>
DATE: <u>October 19, 2022</u>
ACTION: _____

Utilities Division

Seeding of the new Water Resources Center (WRC) began on Wednesday, October 4th as part of the initial start up of the plant. This involved several deliveries of seed sludge from Paso Robles. This seed sludge was put into a basin at the WRC and is being “fed” by trucking over raw sewer from the wastewater treatment plant. Tests were performed on the seed sludge’s health while a few remaining items were being completed by the conveyance system. On October 11th the decision was made to pull plugs at 4:00 a.m. in the wastewater



system and allow flow to the WRC. The wastewater flowed to the WRC most of the day and testing continued, which revealed the WRC biological system was not functioning properly. As a result, the City, in collaboration with FBV, who still has care and custody of the plant, has temporarily reverted to the old wastewater treatment plant to allow for adjustments at the WRC and make sure the biological process was healthy and running correctly. Staff plans to direct all wastewater back to the new WRC within the next few days once this issue is resolved, and will then continue to monitor progress of the plant during start up phase. The new plant is expected to be in full and permanent operation after all testing is complete sometime in January.

Maintenance Division

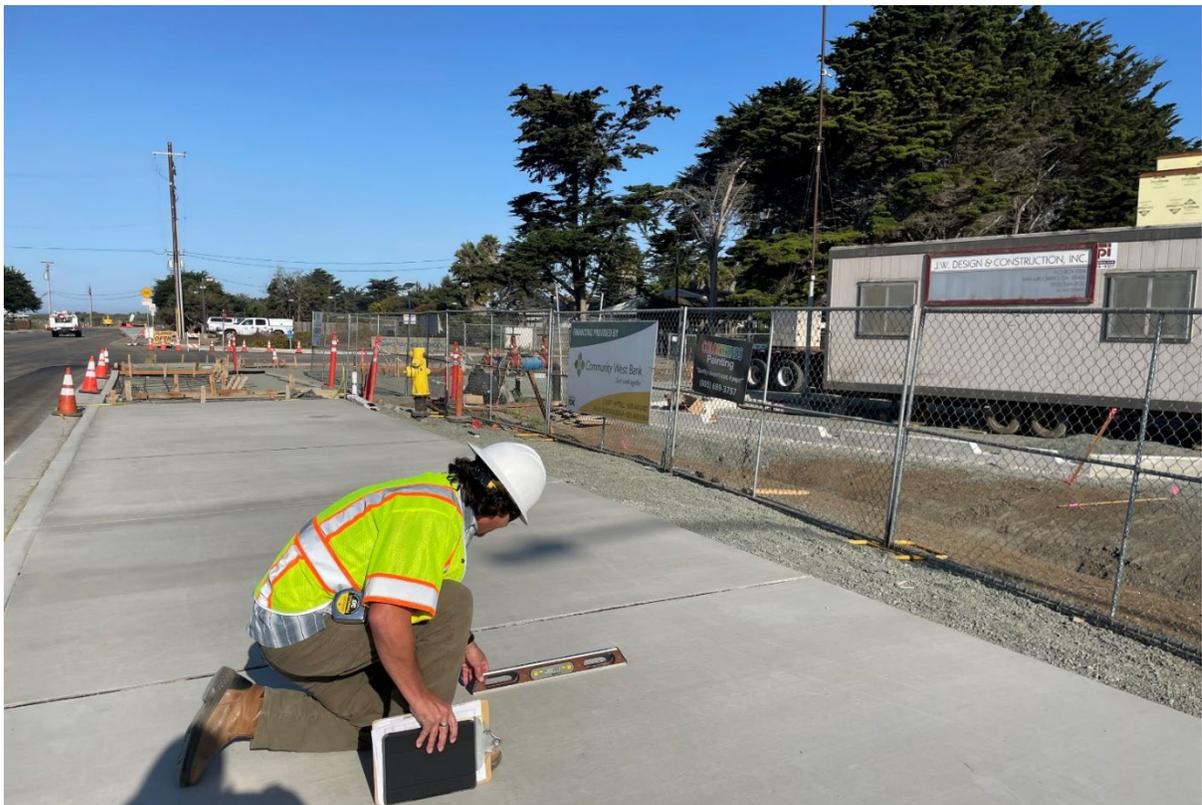
The Maintenance Division recently restriped Boulevard at the roundabout. The City’s contractor used a thermoplastic plastic, which is heated and melted onto the street. This material has a far longer lifespan than traditional paint. The restriping not only improves the safety of the Morro Bay Boulevard roundabout, but also improves the aesthetics of this area.



Public Works Update – October 2022

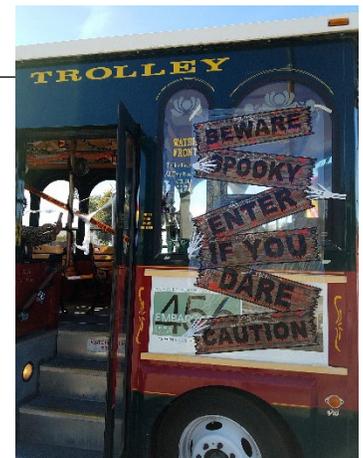
Engineering Division

Matt Bishop, who was formerly a Maintenance Supervisor in Consolidated Maintenance, is training as the city's first Public Works Inspector. The Engineering Division saw the need to bolster up the Public Works Department's inspection efforts when it comes to improvements made in the public right-of-way. Public improvements include public facilities (sewer, water, stormwater, sidewalks, curb and gutter, streets, etc.) that are being improved through a City-funded capital projects or a development funded site improvement such as new homes, businesses, or subdivisions. Public Works inspection has been inspected by limited engineering office staff in the past, but with the increased number of projects in the city (both development and capital), the division saw a need for more consistent field presence to inspect daily work covered by encroachment permits. Matt is taking in every opportunity to provide quality service to the city through detailed inspection of facilities to ensure they are installed according to plans and city specifications and to make sure that work in the right of way is performed by licensed and insured contractors with encroachment permits. Thanks Matt!



Administration

Haunted Trolley: The Haunted Trolley will be back for the 8th Annual Morro Bay Trick-or-Treat event on Saturday, October 29, from 2-5pm. on Main Street and Morro Bay Boulevard. Kids (and kids at heart) will be able to climb aboard, check out the Halloween decorations, show off their costumes, and get a little treat (while the candy bowl is full). Thanks to the City of Morro Bay Recreation Services, Morro Bay Chamber of Commerce, and 97.3 The Rock for putting this event together. Morro Bay Trolley and its crew loves being able to participate in this fun event. See you on the 29th!



Public Works Update – September 2022

Utilities Division



Tank Update: The tank rehab project is continuing to move forward. Crews are finishing up Kings tank 2 (East tank) and Utilities staff will begin to fill and perform water quality samples on this tank next week. Work has begun at the front two Blanca tanks 1 & 2. These tanks are now empty and exterior work has begun. Attached are picture from inside these tanks. Sandblasting of the inside of this tanks will begin in the coming weeks followed by welding of spot repairs.

Ironwood break and repair:

On August 10, City Utilities staff was notified and found evidence of a water leak along a water main running on the 2400 block Ironwood Avenue south of Paula Street and north of Avalon Street. The City isolated the leaking line and made necessary repairs to the water system to stop the leak. The leak caused some displacement of backfill material under the roadway and surface damage to the roadway. Since the damage to the road is extensive, the City utilized an emergency contractor to help perform the road repairs. The road has now been repaired and pavement restored.



Water Board sanitary survey:

On August 31st the Division of Drinking Water performed a sanitary survey of the City's Water system. A sanitary survey is a comprehensive review and inspection to evaluate the adequacy of the water systems ability to provide safe drinking water. The comprehensive evaluation and inspection included: 1) inspection of State Water Tie-in connection, 2) Brackish Water RO treatment facility, 3) distribution system, 4) finished water storage tanks, 5) Well sites 6) monitoring reports, and data verification, 7) evaluated overall system management and operation, and 8) operator compliance with State requirements. The sanitary survey also included a visit to the new Water Reclamation Facility. The inspection went very well, and no violations were reported.

Maintenance Division

The City Maintenance Team is responsible for maintaining all the public restrooms on the Embarcadero and at the City Parks. The maintenance includes multiple daily cleanings as needed, stocking sanitary supplies, and emptying trash receptacles. Fortunately, and thankfully, the maintenance staff is always prepared to perform other maintenance tasks, such as repainting, when needed.



Engineering Division

The Engineering Division submitted for grant funding on two separate projects earlier this year and received word that both are being awarded! The first project was the submittal request for additional funds for Coleman Park Improvements that was applied for with the State of California Rural Recreation and Tourism Program (RRT), and the second was a submittal to San Luis Obispo Council of Governments (SLOCOG) for their Community Betterments – Safe and Accessible Streets for All competitive grant program. Engineering is looking forward to advertising for initiating design on both projects in the near future.

Public Works Update – September 2022

The Coleman Park Improvement Project was recently awarded the state RRT grant in the amount of \$600,000 for the future design and construction. These funds will be used towards the creation of a trail, stage/plaza space, playground with an accessible play equipment option, an exercise station, non-invasive landscaping, educational panels, as well as supplementing the previously awarded Per Capita Grant to replace the former restroom with a 4 single-occupant restroom structure, drinking fountain and parking. This grant will also support the addition of potentially four cultural/historical installations at Coleman Park.



The SLOCOG Community Betterments grant of \$490,000 will increase the scope and effectiveness of the City's budgeted project for ADA Accessibility and Safety Upgrades at the Quintana and Main Street signalized intersection. Portions of the project idea were identified in 2011 Bike and Ped Plan and the city acquired CDBG funding for adding new pedestrian push buttons for the hearing impaired. The proposed improvements and enhancements to the intersection include:



- Upgrade of curb ramps and abutting sidewalks to current ADA standards as required by City's ADA transition plan
- Install updated audible push buttons and ped heads compliant with ADA and current Caltrans and City standards
- Explore and implement signal modifications for bicycle detection, bicycle crossing or push buttons from Class II facilities to existing Class 1 path on the north side of intersection
- Upgrade traffic signal software / timers / and other equipment as needed for safety upgrades including addition of Opticons sensor or potential installation of cameras in lieu of loop detectors)
- Striping improvements including crosswalks, bicycle conflict striping and buffers, and delineators for addressing level of stress for bicycle users
- Pavement restoration in intersection to accommodate new ADA ramps, signal upgrades, new loop installations, pavement markers, safety and bicycle features

Public Works Update – September 2022

Administration

Public Works New Administrative Technician:

The recruitment process for a new Public Works Administrative Technician was completed and the Department welcomed Gina Arias to the team in late August. Gina has spent the past 8 years working for the Community Development Department so she's familiar with the Public Works team and will be able to hit the ground running. Once she gets up to speed, Gina will be overseeing the day-to-day administrative duties for the Engineering & Administration, Consolidated Maintenance, Streets, and Transit divisions, in addition to working on special projects.

Transit Summer Youth Ride Free Program:

August saw many students heading back to school and with summer winding down, that meant the Youth Ride Free program completed another year of providing free fixed-route rides to K-12 students. The annual Summer Youth Ride Free program is put on by Morro Bay Transit, SLO Transit, Paso Express, SOCO Transit, and the RTA. During the summer months, students were able to ride fixed-route transit buses for free, no pass required. About 200 rides were provided on Morro Bay Transit this summer.



Water Reclamation Facility

FBV continues to circulate clean water through the WRF in anticipation of startup on October 4, which has provided ample time for Morro Bay operations staff to train on WRF operations and equipment and plan future routine maintenance activities. The biological treatment process membranes and reverse osmosis membranes were delivered in August and will be installed in mid-September. Paving and landscaping has been completed, and construction "punchlist" items are being resolved in anticipation of construction completion by January. Completion and full WRF operation will be completed in advance of the State regulatory order deadline of February 2023.

Public Works Update – September 2022

WRF - Conveyance

Anvil Builders is making excellent progress getting the pipelines and pump stations ready for WRF startup on October 4. Above-ground piping and electrical equipment is being installed at both pump stations and the electrical connections will be made in early September. Completing the electrical connections will allow Anvil to begin testing the pumps and pump controls and overall pump station operation, which is a major project milestone. The pipe bridge was set in early August and bridge piping installation will be completed by the end of September, which will complete all pipeline installation and move the project into closeout activities and restoration and paving. The City is anticipating that the bike path will reopen in early October and the project be fully completed in early 2023.



Recycled Water Facilities

The area surrounding the pilot injection well was cleared of underbrush in August, and the well driller has begun mobilizing equipment to drill the well. The pilot injection tests will begin in September once the pilot well has been completed, which will allow the hydrogeologists to enhance the computer model of the groundwater basin and confirm injection rates. After modeling has progressed, the City can move forward with design of the full-scale injection system.

**CITY OF MORRO BAY - PUBLIC WORKS DEPARTMENT
CAPITAL PROJECTS STATUS UPDATE - OCTOBER 2022**

Project Number	FY Initiated	Project	Estimated Total Cost	Funding Source	Justification and/or Deadlines	Current Status	Next Steps
FACILITIES							
915-9508	18/19	Vet's Hall Improvements	\$150,000	Trust, GF	Heavily used public facility for public meetings including City Council	Sewer plumbing under building upgraded/replaced. Wall and ceiling repair complete. A/V upgrades in progress, roofing work completed, improvements ongoing as maintenance has opportunities	Additional A/V needs, painting, other needs as presented
915-9942	20/21	Electric Vehicle Charging Stations - Embarcadero	\$58,000	APCD, Paking In Lieu, GF	Climate Action goal of city	Conceptual Design completed by vendor and updated cost estimate received. City to proceed with first dual-port installation at restroom near Harbor Office	Apply for service and electrical design w/ PG&E, final design in Fall 2022, construction to follow
N/A	21/22	Electric Vehicle Charging Stations - Del Mar Park	\$15,000	CaleVIP	Climate Action goal of city. Project funds not received by the city and project performed through CaleVIP program	Plans submitted to City Building have been approved. Vendor working with PG&E on final electrical drawings	Construction upcoming later in 2022 / early 2023
915-XXXX	21/22	Coleman Park Restroom Renovation and Park Improvements	\$1,500,000	Parks Grants, PCP/Park In-Lieu; \$318k funding from grant received for restrooms to be carried over; RRT grant for \$600k - pursuing other grants including a Land Stewardship grant from PG&E	Restroom was demolished due to age and condition. A replacement for the restroom is needed as well as improvements to the park. PW has done preliminary public outreach for ideas of park amenities. More outreach to be coordinated with design.	Restroom grant received, concept drawings have been discussed with public; other grant applications have been submitted. Facilitation with tribes and groups ongoing for artwork to be displayed in areas of park.	RFP for preliminary design; pursue other funding sources; community outreach; environmental, and plans, specifications, and estimate (PS&E)
New	22/23	Citywide Capital and Facilities Planning	\$200,000	GF	The City has a need for developing data-driven and planning-based master plans for guiding Public Works and city management in the allocation of funds and resources for capital project planning. An assessment of all city facilities and infrastructure is needed which can be analyzed with the assistance of a consultant to multi-year capital plans, asset management strategies, and return on investment of capital.	Recently approved in 22/23 budget	Develop RFP for consultant services to develop conditions assessment and plan

Project Number	FY Initiated	Project	Estimated Total Cost	Funding Source	Justification and/or Deadlines	Current Status	Next Steps
HARBOR							
923-8175	15/16	Beach Street Slips (North & South)	\$662,000	Harbor/CWBAF/JCFL C	25+ year old boat slips in need of replacement.	Preliminary design was completed	Design consultants procured, and design to be initiated once contracts have been completed. Develop plans and Specs, find additional funding
923-8351	14/15	South T-Pier Renovations	\$3,800,000	Harbor	Deteriorating sections of pier	Structural Analyses performed approx \$55k \$1.5 million in funding through Earmark Congressional funding obtained	Develop RFP for consultant services for PS&E, find additional funding, Over 60% underfunded
923-9921	17/18	Boat Launching Facility and Float Replacement	\$1,510,000	Harbor	Launch ramp severely deteriorated - conceptual design and estimate needed to be able to pursue funding sources; \$200k approved in FY 22/23 budget	Recently approved in 22/23 budget. Design consultants team is being assembled by Harbor, Engineering, and contract consultant. Preliminary design was completed before submitting for DBW grant several years ago, but was not pursued due to funding shortfall.	Design kickoff with assembled design team Find additional funding
New	22/23	Citywide Capital and Facilities Planning	\$200,000	Harbor	The City has a need for developing data-driven and planning-based master plans for guiding Public Works, Harbor, and city management in the allocation of funds and resources for capital project planning. An assessment of all harbor facilities and infrastructure is needed which can be analyzed with the assistance of a consultant to multi-year capital plans, asset management strategies, and return on investment of capital.	Recently approved in 22/23 budget	Develop RFP for consultant services to develop plan
PARKS							
915-8029	18/19	Bocce Ball and Recreation Improvements – 955 Shasta Ave	\$60,000	Park In Lieu, GF	Recreational priority for City	Concrete bays, hardscape, and grading construction completed in July 2022. PW to coordinate placement of materials for bocce surface and conceptual design for preliminary landscaping	Place last layer of Bocce Surface. Meet with Recreation and seniors to go over layout and design of landscaping / benches / other equipment

Project Number	FY Initiated	Project	Estimated Total Cost	Funding Source	Justification and/or Deadlines	Current Status	Next Steps
New	22/23	Lila Kaiser Parking Lot Rehabilitation and ADA Upgrades	\$120,000	GF	The project is to repair, rehabilitate, and restripe the asphalt parking lot at Lila Kaiser Park. In addition, there is need to upgrade ADA accessible parking to the lot.	Recently approved in 22/23 budget. Consultant has been identified for preparing design drawings and specifications for repaving parking lot and adding ADA parking.	Kickoff design for project
915-8028	18/19	City Park (and other parks) Play Equipment	\$250,000	GF	Recreational priority for city	Has not been procured. Project has been deferred for several years.	Prioritize Sites where greatest need exists; identify process for procurement - RFP, design/build, etc.
SEWER							
922-8312	13/14	WRF Project	\$160,000,000	Sewer/Water Fund	Order by RWQCB - Deadline in 2022	In progress - Plant and conveyance system in operation	Operation, testing, startup week of October 11
922-9928	21/22	Wastewater Collections System Improvements – Main Street and Atascadero Road	\$8,000,000	Sewer Fund	Identified in OneWater Plan as priority project Near capacity with risk of surcharge during peak flow periods	In design, 50% complete Design on hold until WRF conveyance complete.	Re-activate design process now that WRF conveyance is complete
922-9929	21/22	Wastewater Collections System Improvements - Beachcomber Main Replacement and Backyard Sewer Main Improvements	\$4,000,000	Sewer Fund	Identified in OneWater Plan as priority project Main line is aged and needs replacement Address inflow and infiltration issues during heavy rain events \$1.2 million in FY 22/23 budget for main line replacement construction	Beachcomber main line design is complete Backyard mains is separate project still in design - pipe bursting is leading, cost effective alternative for replacement.	Advertise for bid Beachcomber Main replacement in Fall/Winter 2022. Finish Backyard Main Lines design
New	22/23	Lift Station No. 1 Force Main Replacement	\$400,000	Sewer Fund	The force main was found to have a leak on April 11, 2022 and was removed from service with a bypass temporarily for assessment and repair. The repairs to the line were made, but the City would like to accelerate the design and construction of the line's replacement in FY 22/23.	Recently approved in 22/23 budget. Design awarded with kick off in July.	Design completion has been extended to late Oct / early Nov. Bid out for construction once design drawings and specifications have been approved by the City and Caltrans

Project Number	FY Initiated	Project	Estimated Total Cost	Funding Source	Justification and/or Deadlines	Current Status	Next Steps
New	22/23	Wastewater Treatment Plant Decomissioning	\$9,185,000	Sewer Fund	The Coastal Development Permit for the Water Reclamation Facility (WRF) Program requires removal and restoration (decommissioning) of the existing Wastewater Treatment Plant site to a safe and level configuration that roughly matches the surrounding areas. Funding for planning and project initiation is crucial to be in compliance with WRF permits.	Recently approved in 22/23 budget	Start planning process in 2023
STREETS							
915-9614	21/22	Annual Pavement Management Program (Arterial Digout Project) FY 21/22	\$1,415,000	GF/SB1/Measure Q&E	Pavement Condition of City-wide street network has declined rapidly from 66 (2020) to 62 (2022). Arterial roads showing structural failures and need rehab before failures escalate.	Project was awarded in Sept to Papich Construction. Contract has been executed. Pre-con scheduled for late Oct.	Construction to be begin in November 2022
915-8229	16/17	SR1/SR41/Main St Intersection Improvements	\$8,200,000	GF/CMAQ/Impact/SHA Partially funded - approx 50%	Level of Service for intersection is failing with congestion during peak hours, projected to be worse with general plan and buildout of city	Project Approval and Environmental Document (PA&ED) phase Still awaiting Extended Phase 1 Findings from Tribal / Caltrans and report Continued meetings with consultant and Caltrans project	Start CEQA / NEPA, Project Approval Document for Caltrans; complete PA&ED by June of 2023 Obtain shortfall of funding of approx \$3 million through grants
915-8423	21/22	Directional Sign/Wayfinding Project	\$188,000	ED Fund, \$150k in 21/22 budget	Tourism and business development, directional assistance for out-of-town visitors	In construction	Complete construction by mid-November
New	22/23	Annual Pavement Management Program (Surface Seal Project) FY 22/23	\$1,737,846	Bike Path Fund/SB1/Measure Q&E/LTF	Pavement Condition of City-wide street network has declined rapidly from 66 (2020) to 62 (2022). Arterial roads showing structural failures and need rehab before failures escalate. After digout project, these roads and others in city to be surface sealed (chip seal or slurry seal) based upon condition and functional classification	Initial major street list presented to PWAB in June 2022 and to City Council in August for adopted resolution that was presented to CTC in September.	FY 22/23 Project to focus on surface seals of streets in good condition to slow down declining PCI Design and bid doc prep to start in Fall 2022. Final street list to be reviewed by PWAB in Jan 2023. Construction in Spring of 2023.

Project Number	FY Initiated	Project	Estimated Total Cost	Funding Source	Justification and/or Deadlines	Current Status	Next Steps
New	22/23	ADA Accessibility Upgrades at Quintana and Main Streets Intersection	\$580,000	CDBG / Measure Q&E / SLOCOG Comm Betterment Grant	The nexus of the project was from requests from citizens that have disabilities for safety features at the City's sole traffic signal. The City has received partial funds for completing the project. If those funds are not used in a timely manner, the funds may be rescinded. This project contributes to the City's goals of improving infrastructure and promoting safe, active transportation for vulnerable populations.	Recently approved in 22/23 budget - \$180k SLOCOG recently selected this project to receive a grant in the amount of \$490k which was awarded at its 8/3 Board Meeting	Develop RFP for obtaining consultant services PS&E for this project
New	22/23	Citywide Speed Survey	\$75,000	Measure Q&E	The City's current speed survey will be out of date by May 2023. Speed surveys are used to set speed limits for sections of city-controlled roadways. Speed limits provide notice to drivers of the maximum speed limit on a roadway and are an enforcement tool to assist police in addressing violators.	Recently approved in 22/23 budget Consultant has been found to oversee Speed Survey process	Speed Survey Kick Off Meeting - late Oct
New	22/23	Local Roadway Safety Plan	\$50,000	Caltrans Grant / GF	Having an LRSP will give the City the ability to apply for competitive Highway Safety Improvement Program (HSIP) grants in future funding cycles. \$40k received in grant with \$10k of local match	Recently approved in 22/23 budget	Develop RFP for obtaining consultant services in preparing plan.
STORMWATER							
915- 9949	21/22	Emergency Storm Drain Repair Juniper/Elena	\$325,000.00	GF	Stormdrain has failed and needs repair to minimize future damage (Target completion by Dec 2022)	100% Design Completed, but sewer line replacement added to scope, bid docs prep in progress	Procure for construction in Fall/winter of 2022 Obtain temporary construction easements on neighboring property

Project Number	FY Initiated	Project	Estimated Total Cost	Funding Source	Justification and/or Deadlines	Current Status	Next Steps
New	22/23	Emergency Storm Drain Repair - Sequoia Court	\$120,000.00	GF	The failed storm drain line is currently stabilized, but with regular rains, it may damage an area with steep slopes and potentially the roadway. If repair is not done, heavy rains may cause damage to Sequoia Ct. and surrounding properties.	Recently approved in 22/23 budget	Procure design for repair
915-9933	20/21	Storm Drain System Install – SD-01A (Kern Street - Pecho to Anchor)	\$130,000.00	Impact Fees, GF Only \$72k in budget, but may be used for other priority storm drain projects first	Identified in OneWater to capture stormwater that currently runs on street	Deferred - lack of funding	Start design, identify other sources of funding
915-9934	20/21	Storm Drain System Install – SD-01B P (Anchor Street - Kern to Main)	\$1,660,000.00	Impact Fees, GF Only \$412k in budget, but may be used for other priority storm drain projects first	Identified in OneWater to capture stormwater that currently runs on street	Deferred - lack of funding	Start design, identify other sources of funding
TRANSIT							
920-9947	20/21	City Park Transit Hub Improvements	\$480,000	Rural Transit/SB1 State of Good Repair/LTF	Need for more user friendly, ADA accessible transit hub with modern shelters	Design complete; bid package prep in process	Advertise for bid later in 2022, construction early 2023
WATER							
921-9932	19/20	Nutmeg Tank and related Pressure Zone Improvements	\$18,000,000	Water Fund	Identified in OneWater Plan as priority project for water supply	30% design complete, assessing design for next steps for complete design; 30% design in review with Utilities and Engineering	Procure full PS&E design services, planning, environmental
921-9944	20/21	Water Tank Rehabilitation	\$3,300,000	Water Fund	Identified in OneWater Plan for water resiliency; rehabilitation due to deferred maintenance. \$600K added in FY 22/23 budget for full replacement of Blanca 3 and 4 tanks	Construction in progress; Kings #2 recoating complete; Blanca 1 and 2 recoating in process; Kings #1 to be completed soon after	Construction through mid-2023; maintenance contract part of bid for 10-year plan; Blanca 3 and 4 bolted tanks to be replaced with new bolted tanks and up to current structural code in lieu of factory rehab - Amendment 2 to contract to be presented before Council later Oct or Nov
921-9927	20/21	Reskin Reverse Osmosis Treatment Building	\$350,000	Water Fund	Building age and deterioration	Bids too high, when bid out first; additional funds requested in future FY 22/23 budget	Prepare scope, RFP and procure consultant for PS&E

Project Number	FY Initiated	Project	Estimated Total Cost	Funding Source	Justification and/or Deadlines	Current Status	Next Steps
921-9945	20/21	RO Facility Upgrades	\$380,000	Water Fund	The RO facility is necessary for removing Nitrates from the Morro Valley groundwater wells. \$80k in new funding from FY 22/23 budget. Upgrades needed such as tank relocation, back up power, rehabilitation of controls, etc.	Recently increase in funding approved in 22/23 budget	Develop RFP for consultant services to perform design
New	22/23	Morro Basin Wellfield Rehabilitation	\$3,485,000	Water Fund	These upgrades will provide the City with a resilient water supply that it can rely upon during periods of extended drought or State Water Project shutdowns.	Recently approved in 22/23 budget	Develop RFP for consultant services to perform design
New	22/23	OneWater Plan Update	\$250,000	Sewer/Water Fund	The original OneWater Plan, a masterplan of the City's water and sewer utilities' and stormwater capital improvements to address system deficiencies and future needs, was finalized in 2018. With changing costs/hyper inflation, needs, and updates in the system, this update is essential to keep that plan accurate and useful	Recently approved in 22/23 budget	Develop RFP for consultant services to update plan

Project Number	FY Initiated	Project	Estimated Total Cost	Funding Source	Justification and/or Deadlines	Current Status	Next Steps
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Other / Unfunded Projects

SD-06A		Pipeline West of Main/Hwy 1	\$ 1,350,000	GF	Drainage - OneWater	Deferred - Not funded	Find Funding
SD-06B		Pipeline West of Main/Hwy 1	\$ 2,500,000	GF	Drainage - OneWater	Deferred - Not funded	Find Funding
SD-04		Pipeline at Morro Bay/Quintana	\$ 50,000	GF	Drainage - OneWater	Deferred - Not funded	Find Funding
SD-07A		Pipeline - Main Street SD-07A	\$ 115,000	GF	Drainage - OneWater	Deferred - Not funded	Find Funding
SD-05		Pipeline at Beach Morro/Embar	\$ 476,500	GF	Drainage - OneWater	Deferred - Not funded	Find Funding
SD-07B		Pipeline - Main Street SD-07B	\$ 110,000	GF	Drainage - OneWater	Deferred - Not funded	Find Funding
SD-07C		Pipeline - Main Street SD-07C	\$ 18,000	GF	Drainage - OneWater	Deferred - Not funded	Find Funding
SD-11		Pipeline - Laurel Street SD-11	\$ 25,000	GF	Drainage - OneWater	Deferred - Not funded	Find Funding
SD-12		Pipeline - Avalon Street SD-12	\$ 95,000	GF	Drainage - OneWater	Deferred - Not funded	Find Funding
SD-16		Pipeline - Elena Street SD-16	\$ 330,000	GF	Drainage - OneWater	Deferred - Not funded	Find Funding
SD-02A		Pipeline - Marina Street SD-02A	\$ 16,000	GF	Drainage - OneWater	Deferred - Not funded	Find Funding
SD-02B		Pipeline - Marina Street SD-02B	\$ 30,000	GF	Drainage - OneWater	Deferred - Not funded	Find Funding
SD-03		Pipeline - Harbor Street SD-03	\$ 65,000	GF	Drainage - OneWater	Deferred - Not funded	Find Funding
		Streets Deferred Maintenance	\$ 21,000,000	GF	Keep PCI from continual decline	Deferred - Not funded	Find Funding
		Surf Street Pedestrian Accessible Access - Bluff top to Front Street	\$1.2m	GF		Deferred - Not funded	Find Funding
		Monte Young Restroom ADA Renovation	\$150k	GF		Deferred - Not funded	Find Funding
		North T-Pier Restroom ADA Renovation	\$85k	GF/Harbor		Deferred - Not funded	Find Funding
		Cloisters Park Play Equipment	\$ 150,000	GF, Cloisters LLMAI	Recreational priority for city		Find Funding
		Utility Undergrounding (Citywide)	Unknown	\$2 million	PG&E	Only enough for 1-2 blocks	Find Funding
		Morro Creek Restoration	Unknown	FEMA Grant		CCC CDP Issues	CCC Advocacy or Redesign
		New Civic Center					Find Funding
		Improvements Beach/Main					Find Funding
		Improvements Beach/Embarcadero					Find Funding
		Vehicluar Bridge Morro Creek					Find Funding
		ADA Transition Plan and Sidewalk Improvements					Find Funding
		Citywide Sidewalk Repair and Installation					Find Funding
		Street Tree Replacement Program					Find Funding
		Annual Striping Program					Find Funding
		Sign Replacement Program - Retro					Find Funding
		Reflectivity Compliance					Find Funding
		Seawall Rehab					Find Funding
		Teen Center					Find Funding

Project Number	FY Initiated	Project	Estimated Total Cost	Funding Source	Justification and/or Deadlines	Current Status	Next Steps
		Rock Restroom Expansion		FEMA or other grant			Find Funding
		Cloisters Drainage Basins and Channels					Find Funding
		Electric Vehicles Charging Infrastructure Plan					Find Funding
		Stormdrain Condition Analysis and Relining Project					Find Funding
		Del Mar Basketball Courts Relocation and Pickleball Court Expansion					Find Funding
		Bridge Preventive Maintenance Program (3 City bridges - Twin Bridges, Morro Creek, Beachcomber)					Find Funding
		Apply for Sustainable Communities Planning Grant - Active Transportation and EV Strategy and Infrastructure Plan					Find Funding

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)

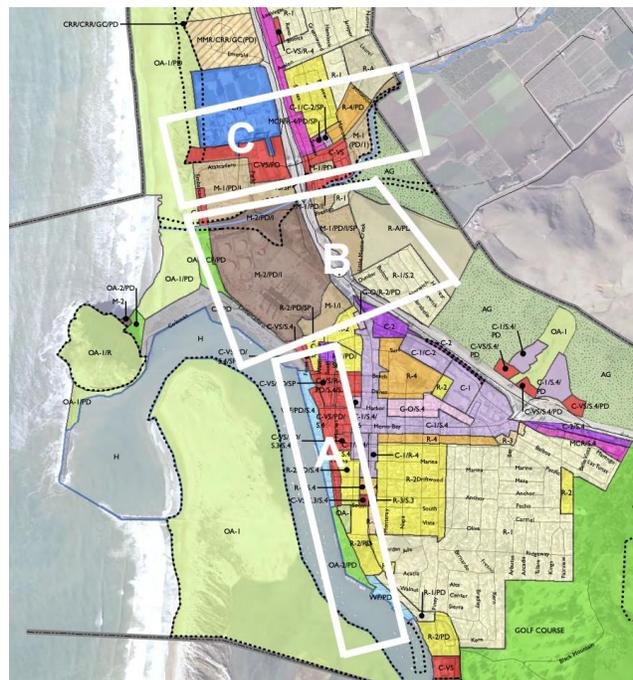
Process/Meetings

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)		