

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – SEPTEMBER 12, 2023
VETERAN'S MEMORIAL HALL – 5:30 P.M.

AGENDA NO: A-1
MEETING DATE: October 10, 2023

PRESENT:	Carla Wixom Laurel Barton Cyndee Edwards Jennifer Ford Zara Landrum	Mayor Council Member Council Member Council Member Council Member
ABSENT:	None	
STAFF:	Yvonne Kimball Chris Neumeyer Dana Swanson Sarah Johnson-Rios Greg Kwolek Scot Graham Daniel McCrain Amy Watkins Ted Schiafone Nancy Hubbard	City Manager City Attorney City Clerk Assistant City Manager/Admin Services Dir. Public Works Director Community Development Director Fire Chief Police Chief Harbor Director Contract Planner

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Wixom called the meeting to order at 5:33 p.m., with all members present.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

RECOGNITION – None

CLOSED SESSION REPORT – City Attorney Neumeyer reported Item CS-1 was an anticipated future public agenda item. Regarding CS-4, depending on negotiations, there may be a public agenda item.

MAYOR & COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS

https://youtu.be/yJBzjhs9K7A?si=4vT_U8gnBo0mSX8j&t=138

CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS

https://youtu.be/yJBzjhs9K7A?si=yRDGuSG_LamIFHWa&t=822

PRESENTATIONS

<https://youtu.be/yJBzjhs9K7A?si=7avCT80NIhx5EBr&t=973>

- Proclamation recognizing the 65th Anniversary of the Estero Bay United Methodist Church.

PUBLIC COMMENT

https://youtu.be/yJBzjhs9K7A?si=lsdRSJN1_vlsTFyp&t=1194

Larry Newland expressed appreciation for the collaborative efforts and volunteers who helped make the San Salvador visit successful.

Scott Mather, Morro Bay Maritime Museum Board Member, urged the Council to approve Item A-3 and commented on recent Maritime Museum events.

Judy Salamacha, Morro Bay resident and Maritime Museum Board Member, announced upcoming Maritime Museum events.

Gail Johnson, Morro Bay, commented on the Request for Proposal issued for BESS facility safety consulting services.

Garry Johnson, Maritime Museum Board Member, announced upcoming events, thanked Larry Newland for his help organizing the San Salvador event and the Salinan Tribe for their participation.

Jude Long announced the Ducky Derby fundraiser and upcoming event hosted by Morro Bay Friends of the Library.

Val Seymour, Morro Bay, questioned the need for a lease agreement with the Maritime Museum, commented on traffic issues from the Rock to the freeway and need for more parking along the Embarcadero.

Greg Cronk commented on code enforcement issues pertaining to side lot fence heights.

Linda Winters, Morro Bay, commented on Monday Night Dinners and a bill sponsored by Assemblymember Addis to protect mobile home park residents.

Doug Rogers, Morro Bay, wished to understand the impacts of the citizens' initiative and encouraged the Council to request the report (Item C-1).

Aaron Ochs, Morro Bay, commented on the citizens' initiative and encouraged the City to deny the battery energy storage project.

Mary Ann Gustafson announced the upcoming Lighthouse Century Bicycling Event to be held September 23rd.

Ray Riordan, Board Chair Morro Bay Chamber of Commerce, invited residents to attend Thursday's Shop Sip & Stroll event.

Sheri Hafer, Atascadero, spoke on behalf of commercial fishermen asking the Council to approve a resolution encouraging the offshore wind developers to join the Morro Bay Lease Areas Mutual Benefits Corporation.

Barbara Doerr, Morro Bay, spoke regarding Item C-1 and encouraged the Council to immediately put the initiative to a vote of the people.

Tom Hafer, President of Morro Bay Commercial Fishermen's Organization, spoke regarding the organization's donation to help repair boat slips (Item A-9).

Betty Winholtz, Morro Bay, encouraged residents to submit written protests regarding the proposed garbage rate increase.

Melinda Elster, Morro Bay, offered her support for the proposed development at 1140 Allesandro and encouraged Council to deny the appeal (Item B-1).

Terry Simons, Morro Bay, requested clarification regarding public comment for the Consent Agenda.

An unnamed resident shared he was interviewing chemists for a film about potential fire concerns and ways to protect the community.

Bill Martony, Morro Bay, commented on closed session discussions regarding Morro Elementary and offered ways to alleviate traffic congestion along the Embarcadero.

Akash Patel spoke in opposition to Item C-2 and asked the City to redefine the meaning of rent in the tax code.

Darshan Patel voiced concerns with the ordinance proposed in Item C-2 and requested the existing ordinance be updated with clarifying instructions for hotel operators.

Thomas Shorey, Morro Bay, spoke in support of the project at 1140 Allesandro but sought strategies that would keep residents parking on Allesandro rather than Marengo.

Mayor Wixom closed public comment.

A. CONSENT AGENDA

<https://youtu.be/yJBzihs9K7A?si=a9jKqyODqzFiBv8s&t=4948>

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

A-1 APPROVAL OF MINUTES FOR THE AUGUST 22, 2023, CITY COUNCIL SPECIAL CLOSED SESSION MEETING; (CITY CLERK)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE AUGUST 22, 2023, CITY COUNCIL MEETING; (CITY CLERK)

RECOMMENDATION: Approve as submitted.

A-3 ADOPTION OF RESOLUTION NO. 55-23 APPROVING A 10-YEAR LEASE AGREEMENT WITH THE CENTRAL COAST MARITIME MUSEUM ASSOCIATION FOR PROPERTY LOCATED AT 1210 EMBARCADERO ROAD; (COMMUNITY DEVELOPMENT DEPARTMENT)

RECOMMENDATION: Staff recommends the City Council adopt Resolution No. 55-23 (Attachment 1), approving a 10-year Lease Agreement with the Central Coast Maritime Museum Association, a 501(c)(3), non-profit, public benefit corporation (“Maritime Museum”) for the City property located at 1210 Embarcadero Road including portions of APN: 066-311-041, portions of Front Street and portions of the Embarcadero Road Right-of-Way.

A-4 ACCEPTANCE OF CALIFORNIA OFFICE OF TRAFFIC SAFETY (OTS) GRANT; (FIRE DEPARTMENT)

RECOMMENDATION: 1) Authorize the Fire Department to accept the grant award from the California Office of Traffic Safety Grant program for hydraulic extrication equipment and airbags; and 2) Authorize the City Manager to approve execution of grant related documents.

A-5 ADOPTION OF RESOLUTION NO. 56-23 APPROVING AMENDMENT #1 TO THE LEASE AGREEMENT FOR CALIFORNIA COASTAL INVESTMENTS, LLC, DOING BUSINESS AS LIBERTINE BREWING COMPANY, LEASE SITE 86/86W, 801 EMBARCADERO, MORRO BAY; (HARBOR DEPARTMENT)

RECOMMENDATION: Staff recommends the City Council adopt Resolution No. 56-23 approving Amendment #1 to the lease agreement for Libertine Brewing Company, Lease Site 86/86/W.

- A-6 ADOPTION OF RESOLUTION NO. 57-23 APPROVING UPDATED RECORDS RETENTION SCHEDULE; (CITY CLERK)

RECOMMENDATION: Staff recommends the Council adopt Resolution No. 57-23 rescinding Resolution No. 76-19, approving the City of Morro Bay Records Retention Schedule, and authorizing subsequent minor updates without further Council action.

- A-7 APPROVAL OF A ONE-YEAR EXTENSION TO THE CONTRACT WITH LENSLOCK INC. FOR BODY WORN CAMERAS; (POLICE DEPARTMENT)

RECOMMENDATION: Staff recommends the City Council direct the City Manager to execute a one-year extension with LensLock Inc., service provider of the department's current Body Worn Camera (BWC) system.

- A-8 APPROVING A REVISED CONSENT OF LANDOWNER (COL) FORM; (HARBOR DEPARTMENT)

RECOMMENDATION: Staff recommends the City Council approve a revised Consent of Landowner Form.

- A-9 ACCEPT \$100,000 GRANT FUNDS FROM COMMERCIAL FISHERMAN'S ORGANIZATION OF MORRO BAY, INC., (MBCFO), AMEND HARBOR CIP BUDGET AND APPROVE USE OF FUNDS; (HARBOR DEPARTMENT)

RECOMMENDATION: Staff recommend the City Council adopt Resolution No. 58-23, approving the acceptance of the MBCFO grant funds of \$100,000 designated for the Harbor Commercial Fishing Dock Repair Project, approve the MOU, approve amending the Harbor budget for said amount and appropriating the funds for both the revenues (923-9960-3390) and expenditures in the Harbor CIP fund (923), and adding them to the "Storm Recovery-Dock Repairs" CIP project account number 923-9960-6106.

- A-10 ADOPTION OF RESOLUTION NO. 59-23 APPROVING A CONSENT OF LANDOWNER DOCUMENT FOR LEASE SITE 62/62W (MORRO BAY PADDLE SPORTS, 551 EMBARCADERO); (HARBOR DEPARTMENT)

RECOMMENDATION: Staff recommend the City Council adopt Resolution No. 59-23, approving a Consent of Landowner (COL) document for Morro Bay Paddle Sports, lease site 62/62W as presented.

- A-11 CONSIDERATION OF APPOINTMENT OF DOUG HILL TO THE PUBLIC WORKS ADVISORY BOARD; (CITY CLERK)

RECOMMENDATION: Staff recommends the City Council appoint Doug Hill to the Public Works Advisory Board ("PWAB") to fill an unscheduled vacancy for the remainder of a term through January 31, 2024.

- A-12 PROCLAMATION RECOGNIZING THE 65TH ANNIVERSARY OF THE ESTERO BAY UNITED METHODIST CHURCH; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

Mayor Wixom opened public comment for the Consent Agenda.

Terry Simons, Morro Bay, suggested the Council discuss Item A-3 and need for additional public restrooms in that area.

The public comment period was closed.

Council Member Ford announced she was recusing herself from Item A-3 due to potential economic interest. Item A-3 was pulled for a separate vote.

MOTION: Council Member Barton moved approval of all items on Consent except Item A-3. The motion was seconded by Council Member Edwards and carried 5-0.

Council Member Ford left the dais at 6:59 p.m.

A-3 ADOPTION OF RESOLUTION NO. 55-23 APPROVING A 10-YEAR LEASE AGREEMENT WITH THE CENTRAL COAST MARITIME MUSEUM ASSOCIATION FOR PROPERTY LOCATED AT 1210 EMBARCADERO ROAD; (COMMUNITY DEVELOPMENT DEPARTMENT)

Community Development Director Graham responded to questions raised during public comment.
<https://youtu.be/yJBzjhs9K7A?si=djeC3JahKqvKkR7E&t=5178>

MOTION: Mayor Wixom moved approval of Item A-3. The motion was seconded by Council Member Landrum and carried 4-0-1 with Council Member Ford having recused herself.

Council Member Ford returned to the dais at 7:02 p.m.

The Council took a brief recess at 7:02 p.m. The meeting reconvened at 7:14 p.m. with all members present.

B. PUBLIC HEARINGS

B-1 APPEAL OF THE PLANNING COMMISSION APPROVAL OF A PROPOSED MIXED USE RESIDENTIAL/LIVE-WORK PROJECT THAT INCLUDES 5 ATTACHED RESIDENTIAL DWELLINGS, 2 WITH LIVE/WORK SPACE ON THE GARAGE LEVEL LOCATED AT 1140 ALLESANDRO AVENUE; (COMMUNITY DEVELOPMENT DEPARTMENT)
<https://youtu.be/yJBzjhs9K7A?si=q9IZwWtQghZfcGSC&t=5384>

Contract Planner Hubbard presented the report and responded to Council inquiries.

Council Member Ford, Council Member Landrum, Council Member Edwards and Mayor Wixom disclosed ex parte communications with the appellant, Betty Winholtz, at the site.

Mayor Wixom opened the Public Hearing.
https://youtu.be/yJBzjhs9K7A?si=-NKL1HVw_zj9KJ9w&t=7198

Betty Winholtz, appellant, read comments submitted as agenda correspondence and requested the curb and gutter improvements along Marengo not be deferred to allow for parking on Marengo and that the required common open space be honored and provide

a public benefit. If curb and gutter improvements along both sides were a financial burden, she proposed improvements along Marengo be prioritized.

Gerald Luhr, applicant, provided background information on the project, responded to appellant's questions and concerns, and explained issues related to the proposed curb, gutter and sidewalk improvements.

Mayor Wixom opened Public Comment.

Nattalia Merzoyan, Morro Bay, expressed concern about light industrial businesses being allowed in that area and potential effect on the environment.

Jonathan King, Morro Bay, expressed parking and traffic concerns, opposed front doors facing Marengo, and suggested no parking on one side would not solve the problem.

Terry Simons, Morro Bay, raised various concerns regarding the project, stating it was overbuilt and under parked. He also questioned the validity of the 1992 encroachment permit.

Paul Donnelly, Morro Bay, recounted Planning Commission consideration of the project, questioned compliance with the City's municipal code, and commented on parking as well as curb, gutter and sidewalk improvements.

Lee Johnson, Morro Bay, commented on housing needs and urged the Council to support the Planning Commission's approval of the project.

Jamie Irons, Morro Bay, supported the project and asked how the deferral requirement would be documented.

Linda Donnelly, Morro Bay, commented on setback requirements and suggested the curb, gutter and sidewalk improvements be installed with the project.

Thomas Shorey, Morro Bay, expressed concern regarding parking impacts created if the garages became ADUs.

The public comment period and Public Hearing were closed.

The Council discussed community concerns and issues raised during public comment.

MOTION: Council Member Landrum moved to uphold the appeal. The motion died for lack of a second.

MOTION: Council Member Edwards moved to adopt Resolution No. 60-23, denying the appeal and upholding the Planning Commission approval of the Coastal Development Permit CDP22-004, Conditional Use Permit CUP22-06 and TTM22-04 for the proposed tentative map and new mixed-use project to be located at 1140 Allesandro Avenue with the following conditions: with respect to the deferral, a time limit of two years; request Public Works follow up to look into implementing no parking on Marengo Street; and that the landscaping plan include watering requirement. The motion was seconded by Council Member Ford.

The Council took a brief recess at 8:53 p.m. The meeting resumed at 9:03 p.m. with all members present.

Mr. Neumeyer and Mr. Graham spoke with the developer who indicated he was willing to agree on record with what the Council had directed and recommended a revised Resolution with those conditions be brought back on Consent at the next meeting.

Mayor Wixom reopened the public hearing and invited the applicant and appellant to the podium to comment on the added conditions.

Mr. Luhr preferred a 10-year deferment or improvement of the adjacent property but agreed to a 2-year deferment adding the community garden would be removed when the curb, gutter and sidewalk improvements are made.

Ms. Winholtz suggested the improvements be made now and not deferred.

The public hearing was closed.

The motion carried 4-1 by roll call vote with Council Member Landrum opposed.

Council Member Ford recused herself from Item C-1 out of respect for public perception and left the dais at 9:08 p.m.

C. BUSINESS ITEMS

- C-1 CERTIFY RESULTS OF CITIZENS INITIATIVE PETITION ENTITLED "INITIATIVE MEASURE TO AMEND CITY OF MORRO BAY'S GENERAL PLAN (PLAN MORRO BAY), ADOPTED BY CITY COUNCIL ON MAY 25, 2021, TO PROHIBIT, UNLESS APPROVED BY MORRO BAY VOTERS, ANY CHANGE TO LAND USE DESIGNATIONS OF VISITOR-SERVING COMMERCIAL OR COMMERCIAL/RECREATIONAL FISHING, ON CERTAIN DESIGNATED PARCELS WITHIN THE CITY" AND THEN: 1) ORDER A REPORT ON THE EFFECTS OF THE PROPOSED INITIATIVE; 2) ADOPT THE ORDINANCE WITHOUT ALTERATION; OR, 3) SUBMIT THE ORDINANCE WITHOUT ALTERNATION TO THE QUALIFIED VOTERS OF THE CITY AS A PROPOSED MEASURE AT A REGULAR MUNICIPAL ELECTION; (CITY MANAGER/CITY CLERK)

https://youtu.be/yJBzjhs9K7A?si=TtofboPUlw4I9j_Z&t=11642

City Clerk Swanson provided the report.

There was consensus to go past 9:30 to finish the item.

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

<https://youtu.be/yJBzjhs9K7A?si=IXAt4xJzvEw0LH5k&t=12294>

Casey Cordes, Morro Bay, urged the Council to order a report on the impacts of the initiative and then call the election.

Walter Heath, Morro Bay, was skeptical about the safety of the proposed battery storage facility and urged fellow community members to trust the deliberative process.

Rachel Wilson, Cayucos, commented on the citizens' initiative and desire to preserve current zoning as approved in Plan Morro Bay.

Terry Simons, Morro Bay, offered nearly every decision made by City Council must be ratified by the Coastal Commission and that agency would have final say on the Vistra Project.

Barry Branin, Morro Bay, urged the Council to let voters decide if the land use remains as approved in Plan Morro Bay.

Lee Johnson, Morro Bay, urged the Council to order the report and direct staff to provide information on state and federal clean energy initiatives like AB 205.

Betsy Gaudette-Cross, Morro Bay, disagreed with the previous speaker and felt decisions of this magnitude should be decided by the people.

A unnamed resident urged the Council to not order a report and send the initiative to the voters.

Nicole Dorfman, Morro Bay, suggested the City explore brownfield remediation grant assistance offered by EPA and the State Lands Commission to bring about economic development.

Bill Martony, Morro Bay, commented on the process and cost to remove the stacks, power plant, and remediate the site.

Betty Winholtz, Morro Bay, opposed using staff time to conduct a study and opined people will vote for safety.

Karen Aguilar, Morro Bay, urged the Council to place the initiative on the ballot.

Jamie Irons, Morro Bay, urged the Council to adopt recommendation #1 as described in report and direct the City Attorney to provide legal analysis of AB 205 as it relates to the proposed battery storage project.

Linda Donnelly, Morro Bay, thanked those who circulated and signed the initiative and urged the Council to put this to the vote of the people.

Paul Donnelly, Morro Bay, urged the Council to put the initiative to a vote of the people.

Judy Setting, Morro Bay, offered comments regarding the appraised value of the property and PG&E's responsibility to remediate the site.

Jeff Eckles, Morro Bay, suggested a report was not needed and urged Council to place the initiative on the next regular election.

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

MOTION: Council Member Barton moved to call for an election on the ordinance by adopting Resolution No. 61-23 calling for a General Municipal Election to be held on Tuesday, November 5, 2024, for the submission of Ordinance No. 659(b) to the qualified voters of the City as a proposed measure, and adopt Resolution No. 62-23 setting priorities for written argument(s), and directing the City Attorney to prepare an impartial analysis, striking section 2 with regard to Council preparing arguments against the measure. The motion was seconded by Council Member Landrum.

The Council discussed Resolution No. 63-23 providing for rebuttal arguments; there was consensus to not adopt that resolution.

Following comments, the motion carried 4-0-1 by roll call vote with Council Member Ford having recused herself.

Council Member Ford rejoined the meeting at 10:24 p.m.

- C-2 INTRODUCTION AND FIRST READING OF ORDINANCE NO. 660 AMENDING SECTION 3.24.100, AND REPEALING AND REPLACING SECTION 3.24.110, OF CHAPTER 3.24 OF THE MORRO BAY MUNICIPAL CODE, UPDATING THE TRANSIENT OCCUPANCY TAX APPEALS PROCESS; (CITY MANAGER/CITY ATTORNEY/ASSISTANT CITY MANAGER/ADMIN SERVICE DIRECTOR)
https://youtu.be/yJBzjhs9K7A?si=1XgV1F8v_yAeMlbS&t=16168

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

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

<https://youtu.be/yJBzjhs9K7A?si=JOfE6L3tCnArG92t&t=16468>

Terry Simons, Morro Bay, commented on the appeal fees noting they should not be penalized if the appeal is upheld.

Betty Winholtz, Morro Bay, agreed with Mr. Simon and suggested a person should not be penalized for trying to get a judicious decision.

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

Mayor asks at future date bring back code for future amendments.

MOTION: Council Member Ford moved the Council introduce for first reading by title only, with further reading waived, Ordinance No. 660 Amending Section 3.24.100, and Repealing and Replacing Section 3.24.110, of Chapter 3.24 of the Morro Bay Municipal Code, Updating the Transient Occupancy Tax Appeals Process. The motion was seconded by Council Member Barton and carried 5-0 by roll call vote.

- C-3 DISCUSSION OF WATERFRONT MASTER PLAN UPDATE AND AUTHORIZATION TO SUBMIT A GRANT APPLICATION FOR CALIFORNIA COASTAL COMMISSION LCP LOCAL ASSISTANT GRANT PROGRAM FUNDING; (COMMUNITY DEVELOPMENT)
https://youtu.be/yJBzjhs9K7A?si=9JO_FNIATcclS3bL&t=16754

This item was continued to the September 26, 2023 regular meeting.

- D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS
<https://youtu.be/yJBzjhs9K7A?si=9gBsnQ9BFTAOU7oB&t=16760>

Council Member Landrum requested discussion of the homeless impacts along Quintana Road. Staff explained draft ordinances are being prepared for consideration at a future meeting.

- E. ADJOURNMENT

The meeting adjourned at 10:37 p.m.

Recorded by:

Dana Swanson

Dana Swanson (Oct 11, 2023 14:11 PDT)

Dana Swanson, City Clerk

A1 CC_2023-09-12 Regular Meeting Minutes

Final Audit Report

2023-10-11

Created:	2023-10-11
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-  Document created by Heather Goodwin (hgoodwin@morrobayca.gov)
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-  Document e-signed by Dana Swanson (dswanson@morrobayca.gov)
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