

# City of Morro Bay

## City Council Agenda

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### *Mission Statement*

*The City of Morro Bay is dedicated to the preservation and enhancement of the quality of life. The City shall be committed to this purpose and will provide a level of municipal service and safety consistent with and responsive to the needs of the public.*

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**REGULAR MEETING  
TUESDAY, JANUARY 28, 2014  
VETERANS MEMORIAL HALL - 6:00 P.M.  
209 SURF ST., MORRO BAY, CA**

ESTABLISH QUORUM AND CALL TO ORDER  
MOMENT OF SILENCE  
PLEDGE OF ALLEGIANCE  
CLOSED SESSION REPORT  
MAYOR & COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS

PUBLIC PRESENTATIONS – None

PUBLIC COMMENT - Members of the audience wishing to address the Council 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 Council at this time.

To increase the effectiveness of the Public Comment Period, the following rules shall be followed:

- When recognized by the Mayor, please come forward to the podium and state your name and address for the record. Comments are to be limited to three minutes.
- All remarks shall be addressed to Council, as a whole, and not to any individual member thereof.
- The Council respectfully requests that you refrain from making slanderous, profane or personal remarks against any elected official, commission and/or staff.
- Please refrain from public displays or outbursts such as unsolicited applause, comments or cheering.
- Any disruptive activities that substantially interfere with the ability of the City Council to carry out its meeting will not be permitted and offenders will be requested to leave the meeting.
- Your participation in City Council meetings is welcome and your courtesy will be appreciated.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk, (805) 772-6205. Notification 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

A. CONSENT AGENDA

Unless an item is pulled for separate action by the City Council, the following actions are approved without discussion.

A-1 APPROVAL OF MINUTES FOR THE SPECIAL CLOSED SESSION CITY COUNCIL MEETING HELD ON JANUARY 9, 2014; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-2 APPROVAL OF MINUTES FOR THE SPECIAL CLOSED SESSION CITY COUNCIL MEETING HELD ON JANUARY 14, 2014; (CITY ATTORNEY)

**RECOMMENDATION: Approve as submitted.**

A-3 APPROVAL OF MINUTES FOR THE REGULAR CITY COUNCIL MEETING HELD ON JANUARY 14, 2014; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-4 APPROVAL OF MINUTES FOR THE SPECIAL CLOSED SESSION CITY COUNCIL MEETING HELD ON JANUARY 17, 2014; (CITY ATTORNEY)

**RECOMMENDATION: Approve as submitted.**

A-5 RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA CALLING A PRIMARY MUNICIPAL ELECTION TO BE HELD ON TUESDAY, JUNE 3, 2014 FOR THE PURPOSE OF ELECTING CERTAIN OFFICERS OF SAID CITY; AND REQUESTING THE BOARD OF SUPERVISORS OF SAN LUIS OBISPO COUNTY TO CONSOLIDATE SAID ELECTION WITH THE CONSOLIDATED DISTRICTS ELECTION TO BE HELD IN THE COUNTY ON TUESDAY, JUNE 3, 2014; AND OTHER ELECTION MATTERS AS REQUIRED BY LAW; (ADMINISTRATION)

**RECOMMENDATION: Adopt Resolution 10-14.**

A-6 RESOLUTION NO. 09-14 ADOPTING THE CITY OF MORRO BAY INVESTMENT POLICY AND DELEGATING AUTHORITY TO THE CITY TREASURER TO INVEST IDLE FUNDS; (ADMINISTRATIVE SERVICES)

**RECOMMENDATION: Adopt Resolution No. 09-14**

A-7 RESOLUTION NO. 08-14 AUTHORIZING SUBMISSION OF RURAL TRANSIT FUND GRANT APPLICATION; (PUBLIC SERVICES)

**RECOMMENDATION: Adopt Resolution No. 08-14.**

A-8 AWARD OF BASE BID CONTRACT FOR MORRO BAY NORTH T-PIER REPAIR PROJECT # MB-2013-H1; (HARBOR)

**RECOMMENDATION: Award of the North T-Pier Repair Project # MB-2013-H1 contract to Associated Pacific Constructors of Morro Bay in the base bid amount of \$532,500.**

A-9 RESOLUTION NO. 11-14 AUTHORIZING THE CITY OF MORRO BAY TO ENTER INTO A 2013/2014 BOATING SAFETY AND ENFORCEMENT EQUIPMENT GRANT CONTRACT WITH THE STATE OF CALIFORNIA DIVISION OF BOATING AND WATERWAYS IN THE AMOUNT OF \$11,000 FOR PURCHASE OF A NEW HARBOR PATROL VESSEL TRAILER (HARBOR)

**RECOMMENDATION: Adopt Resolution 11-14.**

B. PUBLIC HEARINGS

B-1 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM FUNDING RECOMMENDATIONS FOR 2014/2015; (PUBLIC SERVICES)

**RECOMMENDATION: Review, and approve final funding recommendations for the 2014 Community Development Block Grant (CDBG) program as shown below and approve adjustment of awards on a proportional basis upon final receipt of the 2014/2015 funding allocation from the Department of Housing and Urban Development (HUD).**

B-2 A00-018; REVIEW OF AMENDMENTS TO TITLE 17 (ZONING ORDINANCE) OF THE MUNICIPAL CODE AND MASTER FEE SCHEDULE; (PUBLIC SERVICES)

**RECOMMENDATION: Adopt Ordinance No. 584-2014, approving the proposed amendments to Title 17 (Zoning Regulations) of the Municipal Code and Master Fee Schedule (Exhibit B).**

C. UNFINISHED BUSINESS – NONE

C-1 CITY COUNCIL ANNUAL MEETING SCHEDULE - 2014; (ADMINISTRATION)

**RECOMMENDATION: Adopt the proposed meeting schedule for calendar year 2014, as well as determine dates for the Joint City Council and Planning Commission meetings.**

C-2 DISCUSSION AND CONSIDERATION OF HIRING A CONSULTANT TO HELP DEVELOP FUNDING SOURCES FOR WATER RECLAMATION FACILITY OPPORTUNITIES (ADMINISTRATION)

**RECOMMENDATION: Discuss and direct staff accordingly.**

D. NEW BUSINESS

D-1 REVIEW OF STOP SIGN REQUEST FOR THE INTERSECTION OF MARINA AND FRESNO AND GENERAL POLICY FOR STOP SIGN INSTALLATION; (PUBLIC SERVICES)

**RECOMMENDATION: Review the particulars of the stop sign analysis for Marina Street and Fresno Avenue along with the applicable regulations and provide direction to staff to bring back a Resolution to Council adopting a stop sign policy and procedure.**

D-2 CONSIDERATION OF FEE WAIVER TO USE THE VETERAN'S MEMORIAL BUILDING FOR THE COMMUNITY DINNER PROVIDED BY THE MORRO BAY FOOD GROUP, A SUB-COMMITTEE OF THE ESTERO BAY ALLIANCE FOR CARE; (RECREATION & PARKS)

**RECOMMENDATION: Review and discuss the possibility of waiving rental fees for St. Peter's Episcopal Church related to the use of the Veteran's Memorial Building (VMB) to serve a community dinner as part of the Estero Bay Alliance for Care (EBAC).**

D-3 ADOPTION OF RESOLUTION NO 12-14 ASSIGNING LEASE SITE 30W-33W LOCATED AT 201 MAIN STREET TO BRUCE FOSTER AND DEAN MARCHANT AND APPROVAL OF A NEW 20-YEAR MASTER LEASE AGREEMENT FOR LEASE SITE 30W-33W BETWEEN THE CITY OF MORRO BAY AND BRUCE FOSTER AND DEAN MARCHANT; (HARBOR)

**RECOMMENDATION: Approve the attached Assignment and Assumption Agreement and the attached new 20-year Master Lease for Lease Site 30W-33W with Bruce Foster and Dean Marchant by adopting Resolution No. 12-14.**

D-4 UPDATE ON THE CITY'S WATER SUPPLY; (PUBLIC SERVICES)

**RECOMMENDATION: Council to receive this verbal report.**

E. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

F. ADJOURNMENT

**THIS AGENDA IS SUBJECT TO AMENDMENT UP TO 72 HOURS PRIOR TO THE DATE AND TIME SET FOR THE MEETING. PLEASE REFER TO THE AGENDA POSTED AT CITY HALL FOR ANY REVISIONS OR CALL THE CLERK'S OFFICE AT 772-6205 FOR FURTHER INFORMATION.**

**MATERIALS RELATED TO AN ITEM ON THIS AGENDA SUBMITTED TO THE CITY COUNCIL AFTER DISTRIBUTION OF THE AGENDA PACKET ARE AVAILABLE FOR PUBLIC INSPECTION AT CITY HALL LOCATED AT 595 HARBOR STREET; MORRO BAY LIBRARY LOCATED AT 625 HARBOR STREET; AND MILL'S COPY CENTER LOCATED AT 495 MORRO BAY BOULEVARD DURING NORMAL BUSINESS HOURS.**

**IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN A CITY MEETING, PLEASE CONTACT THE CITY CLERK'S OFFICE AT LEAST 24 HOURS PRIOR TO THE MEETING TO INSURE THAT REASONABLE ARRANGEMENTS CAN BE MADE TO PROVIDE ACCESSIBILITY TO THE MEETING.**

MINUTES – MORRO BAY CITY COUNCIL  
SPECIAL CLOSED SESSION MEETING –  
JANUARY 9, 2014  
CITY HALL CONFERENCE ROOM – 9:00 A.M.

PRESENT:	Jamie Irons	Mayor
	Christine Johnson	Councilmember
	Nancy Johnson	Councilmember
	George Leage	Councilmember
	Noah Smukler	Councilmember
STAFF:	Anne Russell	Interim City Attorney
	Susan Slayton	Acting City Manager

ESTABLISH QUORUM AND CALL TO ORDER

SUMMARY OF CLOSED SESSION ITEMS - The Mayor read a summary of the Closed Session items.

CLOSED SESSION PUBLIC COMMENTS - Mayor Irons opened the meeting for Public Comment.

Bill Martoney spoke on the potential Hayashi litigation. He asked if George Nagano was involved in this or not as he is “quasi” representing the Naganos. With regards to nitrates, there are nitrate markers which need to be determined to be human sewage or farming/ag sewage. If the City comes after the farmers for water rights, we have to realize their water rights are superior to the City’s. And farming behind Morro Bay has been going on forever; we might be getting false readings due to snow pea farming.

The public comment period was closed.

The City Council moved to Closed Session and heard the following items:

**CS-1 GOVERNMENT CODE SECTION 54956.8 - PROPERTY TRANSACTIONS:**  
Conference with Real Property Negotiator.

- Properties: APN Nos. 066-461-002, 066-461-015, and Portions of APN No. 066-331-039 (Lila Keiser Park and Various Parking Lots)  
City Negotiator: Anne Russell, Interim City Attorney  
Negotiating Parties: Dynegy Morro Bay, LLC and City of Morro Bay  
Negotiations: Price and Terms of Payment

**CS-2 GOVERNMENT CODE SECTION 54957(b)(1) – PUBLIC EMPLOYMENT:**

Title: Interim City Manager  
Title: Interim City Attorney

**CS-3 GOVERNMENT CODE SECTION 54956.9(d)(4) - CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:** Deciding to initiate litigation (one matter).

- City of Morro Bay v. Hayashi and Sons

**CITY COUNCIL CONVENED TO OPEN SESSION** – The City Council convened to open session; Interim City Attorney Anne Russell reported that with regards to Item CS-3, Government Code Section 54956.9(d)(4), Conference with Legal Counsel – anticipated litigation: City of Morro Bay v. Hayashi and Sons, Council approved and directed staff to execute a First Extension of Tolling and Standstill Agreement with the Hayashi's. With regards to CS-1, Government Code Section 54956.8, Property Transactions (Lila Keiser Park and various parking lots), Dynegy Morro Bay, LLC and City of Morro Bay and CS-2, Government Code Section 54957(b)(1), Public Employment: Interim City Manager and Interim City Attorney, no reportable action was taken.

ADJOURNMENT

The meeting adjourned at 10:37am.

Recorded by:

Jamie Boucher  
City Clerk

MINUTES – MORRO BAY CITY COUNCIL  
SPECIAL CLOSED SESSION MEETING –  
JANUARY 14, 2014  
CITY HALL CONFERENCE ROOM – 4:30PM

PRESENT:            Jamie Irons                            Mayor  
                         Christine Johnson                    Councilmember  
                         Nancy Johnson                        Councilmember  
                         George Leage                            Councilmember  
                         Noah Smukler                            Councilmember

STAFF:              Susan Slayton                            Acting City Manager  
                         Anne M. Russell                        Interim City Attorney  
                         Eric Endersby                            Harbor Director

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Irons called the meeting to order at 4:30pm.

SUMMARY OF CLOSED SESSION ITEMS - The Mayor read a summary of Closed Session items.

CLOSED SESSION PUBLIC COMMENTS - Mayor Irons opened the meeting for Public Comment

Bill Martony spoke regarding Lease Site 30W-33W, noting that he had met with the proposed buyers and learned there may be a lot line adjustment that would affect the boat slip to the north. He does not believe the buildings on the lease site are any issue and that the improvements and lease lines should be left as is.

Cathy Novak, representing the Coakleys and new buyers, provided information on suggested changes to the lease terms, including boundary line adjustments, language regarding the building on Lot 20, Clean Marina program, fire sprinkler improvements, lease commencement date and payment terms.

Sandy Bean, a real estate broker representing the Coakleys and the new buyers, stated that with any transaction there are negotiable and non-negotiable items. This particular case involves a financial condition that is non-negotiable. The loan that is in place is very temporary and requires clear title. They must have a boundary line adjustment to gain clear title.

Bernadette Pekarek, spoke regarding Lease Site 30W-33W, stating that it would be confusing to start pushing boundary lines out into the bay as it could affect all water leases. She asked if this will affect the boat yard south of the boat launch and the rest of the Embarcadero.

The Public Comment period was closed.

The City Council moved to Closed Session and heard the following items:

**CS-1 GOVERNMENT CODE SECTION 54956.9(d)(2) - CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:** Exposure to litigation exists based upon existing facts and the advice of legal counsel as to one matter.

- Buddenhagen v. City of Morro Bay

**CS-2 GOVERNMENT CODE SECTION 54956.8 - PROPERTY TRANSACTIONS:**

Instructing City's real property negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease of real property as to one parcel.

- **Property: Lease Site 30W-33W; Bay Front Marina, Water Lease Adjacent to 201 Main Street**

Negotiating Parties: Coakley and City of Morro Bay

Negotiations: Price and Terms of Payment

**CS-3 GOVERNMENT CODE SECTION 54957(b)(1) – PUBLIC EMPLOYMENT:**

Title: Interim City Manager

Title: Interim City Attorney

CITY COUNCIL CONVENED TO OPEN SESSION – The City Council convened to open session; Interim City Attorney Anne Russell reported that with regards to the items heard in Closed Session, no reportable action under the Brown Act was taken.

**ADJOURNMENT**

The meeting adjourned at 5:53pm.

Recorded by:

Dana Swanson  
Deputy City Clerk

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – JANUARY 14, 2014  
VETERAN’S MEMORIAL HALL – 6:00P.M.

PRESENT:	Jamie Irons	Mayor
	Christine Johnson	Councilmember
	Nancy Johnson	Councilmember
	George Leage	Councilmember
	Noah Smukler	Councilmember
STAFF:	Susan Slayton	Acting City Manager
	Anne Russell	Interim City Attorney
	Jamie Boucher	City Clerk
	Amy Christey	Police Chief
	Steve Knuckles	Fire Chief
	Joe Woods	Recreation & Parks Director
	Eric Endersby	Harbor Director
	Rob Livick	Public Services Director
	Kathleen Wold	Planning Manager
	Cindy Jacinth	Associate Planner
	Rick Sauerwein	Capital Projects Manager
	Barry Rands	Associate Civil Engineer

Mayor Irons called the meeting to order at 6:00 p.m.

ESTABLISH QUORUM AND CALL TO ORDER  
MOMENT OF SILENCE  
PLEDGE OF ALLEGIANCE

CLOSED SESSION REPORT – Interim City Attorney Anne Russell reported that with regards to the three Closed Session Items: 54956.9(d)(2), Conference with legal counsel – Anticipated Litigation; Government Code Section 54956.8: Property Transaction regarding Lease Site 30W-33W, water lease adjacent to 201 Main Street; and, Government Code Section 54957(b)(1) Public Employment with regards to the Interim City Manager and Interim City Attorney; no reportable action under the Brown Act was taken.

MAYOR AND COUNCILMEMBERS’ REPORTS, ANNOUNCEMENTS & PRESENTATIONS

PUBLIC PRESENTATIONS

Morro Bay High School ASB representative Mona Panchal, presented a summary of the high school’s activities. They have instigated some outreach programs which has provided money, food and clothes that was donated to the Pirate Plaza. The Teens Club, Asian Pacific Club and Key Club raised over \$200 for Typhoon Haiyan in the Philippines. In December there was a

Week of Spirit to boost students for finals and get them prepared for the next semester; the HIT Boys' Basketball Tournament was held; the boys football team and girls' volleyball team participated in CIF playoffs; and, the CIT Wrestling Tournament was held this past weekend.

Steve Mahr, Communications Manager with Community Health Centers (CHC) presented CHC's response to the current health care needs of CHC patients due to the closure of the Morro Bay office. As of January 6<sup>th</sup>, CHC Morro Bay merged with their facility in San Luis Obispo. The last day for services was January 3<sup>rd</sup>. Patients were alerted to the move and all patient records have automatically transferred to the SLO Clinic. The goal of the merge is to reallocate resources assigned to the Morro Bay Clinic and apply them to the development of larger "super-centers" which should increase access and capacity for the influx of new users through the Affordable Care Act. These "super-centers" will soon be open 12 hours/day, 7 days/week. Another reason for the move was that the Morro Bay facility isn't conducive for expanded access or increased patient capacity. Immediate benefits to Morro Bay residents include extended hours as well as the addition of pediatrics, chiropractic, lab and mental health. Transportation services will be offered to all Morro Bay patients in need. RTA bus passes will be provided by request; transportation will also be available by appointment using CHC's in-house shuttle service. No changes will be made to pharmacy/prescription services. CHC has been in contact with Dr. John Headding who has offered to act as an "information access point" for information about the merge. Dr. Headding has agreed to distribute bus passes that can be redeemed by CHC patients. Passes will also be mailed directly to the patient's homes if preferred. In closing, should new resources present themselves in the future, CHC would gladly consider re-establishing a health center in Morro Bay.

Dr. John Headding, local Pharmacist, became concerned about access issues for Morro Bay residents. He feels this interim plan is being driven by the way people are being insured in our County/Country as a result of the Affordable Care Act. He has concerns about the interim plan which include the need for a 48 hour notice for door to door service. He wants to be a conduit with CHC regarding transportation. He supports the notion of "super-centers". He asked the Council to consider asking CHC to come back to Council in 90 days with a status report of how the program is going.

Michele Jacquez, Karin Moss and John Sorgenfrei provided Council with an accounting for the General and Assessment funds in the form of an "Annual Report". Michele provided responses as to how the money is spent as well as demonstrated how they market and promote the City. Approximately 3/4ths of their funding comes from TBID assessment funds collected from the 33 Morro Bay hoteliers. She presented the Tourism Bureau's 2014 Budget Summary which included numbers for the Visitor's Center (to include the renovation expenditures), and the regional and destination marketing costs. They are currently accepting resumes for a new Executive Director; Karin Moss is currently serving as the Interim Executive Director. The bureau functions mostly as an "in house" advertising agency supporting the Visitor Center, regional, destination marketing and local initiatives. They use outside advertising agencies to extend their reach beyond the regional market to engage destination clients. The Executive Director oversees all of these activities. The Visitor Center's goal is to provide visitors with the information they need to make their visit memorable and want to return. They have seen over 10,000 visitors in the first 10 months at their new location; of those, 90% are day visitors or

already have a place to stay; they are open 362 days a year at least 8 hours a day and are fully staffed. Regional marketing efforts are funded by \$116,500 of general funds. Their regional marketing efforts' goal is to increase visitors to Morro Bay within a day drive, destination visitors staying in other parts of the county and tourists passing through. The bureau's in-house agency does this through strategy development, graphic and creative content development, media planning and buying, promotion development and execution, regional public relations, social media, website content, billboards, advertising and database development, and email marketing. Destination marketing is funded entirely by assessment funds. The goal of destination marketing is to increase the number of overnight visitors to Morro Bay. The bureau delegates this to an outside agency who provides brand design and development, out of area advertising, public relations, social media, internet advertising, website content, development and search engine optimization and internet marketing. The bureau's accomplishments thru December 2013 include development of new revised budget; production of a new media plan for destination marketing; enhanced social media program; conducted an audit and analysis of the morrobay.org website; and, produced strong call to action creative with contest element. The end result is TOT numbers that continue to climb; the projected fy2014 TOT is \$2,424,000 which represents an increase of 30% and is a cumulative \$942,000 over budget since 2011. They think its working and ask Council for continued support.

#### PUBLIC COMMENT

Robert Davis, Melinda Elster and Taylor Newton introduced Morro Bay in Bloom, part of a national organization, America in Bloom. Their purpose is to get people working together for a beautiful Morro Bay. This is a multi-faceted program whereby they promote public art, historical heritage, and show people we have pride in our community and pride in each other. They work every Saturday morning and have adopted 3 areas – Morro Bay Library, Chamber of Commerce and Centennial Parkway. They encourage everybody to come out and help. Melinda shared some success stories with the Arroyo Grande in Bloom program. Taylor stated that here in Morro Bay, and across the nation, what builds communities are the people that live in them and the projects we work on together. When we have projects every weekend, those stories are what makes our community. Morro Bay in Bloom will allow us to nationally recognize what we are doing together as a community.

Marlys McPherson spoke on behalf of the Morro Bay Winter Bird Festival. The 17<sup>th</sup> Annual Festival is being held starting this Friday and running through Monday, January 20<sup>th</sup>. There are 550 people registered. Family Day is being held on Saturday and the public is welcome.

Robert Davis presented the Unmet Bike and Pedestrian Needs report that has been forwarded to SLOCOG. The items they feel deserve the most consideration include: tree root damage underneath the Class 1 multiuse trail from Main Street, past the high school to the Cloisters; look at the intersection at Main and Quintana, we need a safe way for bicyclists to enter and exit the bike path from this intersection; remove the fixed metal bollards that are placed in the center of the Class 1 bike paths with flexible delineator posts; provide more bike parking spaces; he thanked the Council for the Harborwalk extension and the new bridge across Morro Creek; for installing bike/ped lanes on San Jacinto to create a safe route to Del Mar School; for installing crosswalks on Atascadero Road near the high school to connect the north-south bike path;

designating Beachcomber and Sandalwood as a Class III bikeway; and for developing a bike map.

Ken Vesterfelt spoke representing the Morro Bay Car Show. He thanked the Morro Bay Tourism Bureau for supplying the \$2,000 to bring the television show, My Classic Car, to Morro Bay. There is also a 3 page article in Car Craft Magazine on the Morro Bay Car Show.

Lynda Merrill asked that in the future, the Morro Bay 50<sup>th</sup> Committee would include activities for children, picnics, fun houses, ice cream and cake for everyone. She hopes everybody would be invited. She also supports of Items B-1, B-2 and D-7.

Linda Fidel thanked the Mayor and Council for their time and effort to make Morro Bay a lovely place. She's been working with the Central Coast Circle of Friends and one of their activities is to feed people who are homeless or are in need of food. They are about to co-op with the food/meal program that is being started in Morro Bay. She hoped that the fee for the Vet's Hall can be waived on Monday nights.

Jennifer Ford, both as President of the Del Mar PTA and a parent, thanked the Mayor, Council and staff for eliminating parking on San Jacinto making it a much safer route as well as for the continued support of the school.

Gary Hixon talked about his family, his u-tube video hits for 2014 and stated he is on his way up. He thanked everybody for their support.

Sidney Symington, Priest at the Morro Bay Episcopal Church, is part of the food group feeding the hungry on Mondays at the Veteran's Hall. The food group, a sub-group of EBAC, is charged with feeding the hungry here in Morro Bay. Their first effort was the initiation of the Monday meals, they are up and running and seems like it's going to be a good thing. It is an alliance, many groups getting together creating a real cross section of the community. The group has requested Mr. Symington ask the Council to endorse their venture and assist in their efforts by waiving the fees of the room.

Susan Stewart attended the wonderful event Saturday night, Morro Bay's 50<sup>th</sup> Celebration. The food was fabulous and there was a lot of good energy generated. She presented a certificate of recognition from the California State Legislature, to the City in honor of the 1<sup>st</sup> City Councilmembers for their foresight and their commitment to the community of Morro Bay. She also announced the Business Forum being held at the Embarcadero Grill, Thursday from 9-10am. The topic will be the Morro Bay Chamber – What do you want to see the Chamber doing for you?

John Heading stated that the H1N1 virus is coming with a vengeance. The health community is predicting a significant outbreak within the next couple of weeks. He encouraged the public to get their flu shot; if you received the shot over 3 months ago, your immunities are down and you may need a new one; he challenged the Council to get their flu shot. He also thanked Nancy Johnson for her efforts at Saturday's event. He then thanked Carla Wixom and George Leage for their wonderful food.

Richard Sadowski stated that several years ago, he compiled a bunch of reports about the condition of the wastewater collection system in Morro Bay and then put out a rebuttal report on the nitrate issue on the Morro Basin drinking water aquifer. The staff and consultant concluded the majority of nitrates were coming from farming operations in the Morro Basin. He did an analysis and concluded its coming from sewage from Morro Bay and Cayucos. This issue will be revisited by Water Quality Board in the next couple of months and he urges staff and Council to look into it. At the last JPA meeting, Cayucos urged us to do a parallel analysis on the water reclamation facility and he urges us to stay the course on what our consultants are recommending. He is concerned that the CMC option uses our existing outfall. Finally, as a member of the Coast Alliance, he asked the City to look at the Chumash National Marine Sanctuary, work with the Surfriders and the Sierra Club in getting a Resolution to help support this historical event.

Brad Snook stated the Chumash Heritage National Marine Sanctuary is a great opportunity for the City of Morro Bay and the County and is something we should all investigate and contribute to. He is thankful to the City in 2013 for their planning efforts on the water reclamation facility. All the workshops were well attended and very focused. There is a beach cleanup at the pit on Sunday, January 19<sup>th</sup> from 10am-noon. The Blue Water Task Force is doing water sampling and information is posted on their website.

Dorothy Cutter commended the Mayor on the great direction he is now taking the City. She also urged the public to support Morro Bay in Bloom either in labor or in monetary donations.

Betty Winholtz spoke on Items B-1 and B-2. She doesn't feel that the Climate Action Plan (B-1) is ready to be passed this evening and urged the Council to look at bicyclist recommendations not in the plan. C3 and C4 have to do with solar, the solar policies could be stronger; you ask about making a list but that list needs to be prioritized and made into plans, not just lists; she felt that the hybrid car situation could be stated more strongly, if a car is replaced at the City that car needs to be hybrid or electric; regarding transportation and land use, she felt that the use of golf carts, which currently aren't allowed outside of a 1 miles radius of the golf course, should be allowed which would reduce the footprint usage; regarding TL4 which says that reducing our requirements for parking reduces our need for cars is not a legitimate argument and should be taken out; there should be a restriction of mansionization; and the following 3 items need to be addressed in the document: the closing of the power plant; the water reclamation facility and its use of solar, methane or water; and, water reclamation as only conservation. She hopes this item will be continued. Regarding Item B-2, she was disappointed that there was no visual of the bridge in the staff report.

Andrew Christey, Director of the Santa Lucia Chapter of the Sierra Club, said happy anniversary to the Council as it has been one year since the Coastal Commission helped set the City on the right path with their water reclamation facility. Congratulations on the letter received last month from the Coastal Commission staff commending you for being on the right course. It's been a difficult year but they think it has strengthened your resolve. He thanked Council for doing right by coastal protection and water quality and bringing Morro Bay into the 21<sup>st</sup> century.

David Nelson hopes the Council waives the fees for the food program; the City can well afford to give them a room. He feels staff is recycling their reports as there are too many mistakes and staff should be held to higher standard.

Nancy Bast has regained hopefulness by the majority of the Council. She thanked Mayor Irons and Councilmembers Christine Johnson and Noah Smukler for their courageous actions. She feels that now everybody has a say.

Barbara Doerr hopes that the Council will waive the fees for the Monday night meals. She also feels that golf carts can save a lot of energy by their usage.

Jane Von Keohe appealed to the public to return her cane, it was her father's and carries with it a lot of sentimental value.

Janice Peters stated that the public is still looking for reasons for the dismissal of our City Manager and City Attorney. There were no stated complaints or charges against the City Manager or City Attorney which means no wrong doing by either of them. She questioned the reasoning for spending \$30,000+ from an outside attorney to give them what they were due. Through this long drawn out process, she kept waiting for any of the 3 Councilmembers to recognize the City Manager's and City Attorney's dedication and service and maybe say thank you. The lack of words that the 3 Councilmembers provided during this whole process has been very disappointing and she expected better.

Barry Branin requested that Council consider opening up one of the wi-fi channels for the audience at the Morro Bay Vet's Hall. All of the minutes and agendas are paperless so if you came to the meeting, you aren't able to follow along. So that it's not abused, maybe give out a new password each night. He also commended the Council for initiating transparent lease negotiations.

Carla Wixom thanked Joe Woods for the 4 teens that helped out at the Morro Bay 50<sup>th</sup> event, they cleaned up and set up and were there until the very end. They should be commended as they did a wonderful job. The Morro Bay 50<sup>th</sup> was a grass roots effort started 6 months ago with a diverse make-up of members. It was a fundraiser with those donating most of what they provided. She hopes people will continue to attend future events.

The Public Comment period was closed.

A. CONSENT AGENDA

Unless an item is pulled for separate action by the City Council, the following actions are approved without discussion.

A-1 APPROVAL OF MINUTES FOR THE SPECIAL CLOSED SESSION CITY COUNCIL MEETING HELD ON SEPTEMBER 12, 2013; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-2 APPROVAL OF MINUTES FOR THE REGULAR CITY COUNCIL MEETING HELD ON SEPTEMBER 24, 2013; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-3 APPROVAL OF MINUTES FOR THE SPECIAL CLOSED SESSION CITY COUNCIL MEETING HELD ON DECEMBER 10, 2013; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-4 APPROVAL OF MINUTES FOR THE REGULAR CITY COUNCIL MEETING HELD ON DECEMBER 10, 2013; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-5 APPROVAL OF MINUTES FOR THE SPECIAL CLOSED SESSION CITY COUNCIL MEETING HELD ON DECEMBER 12, 2013; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-6 STATUS OF STATE PARK MARINA OPERATING AGREEMENT AS IT RELATES TO CITY OPERATIONS AND MANAGEMENT OF THE MARINA INCLUDING MARINA DREDGING AND RENOVATION; (HARBOR)

**RECOMMENDATION: Receive and file, this is an informational item only.**

A-7 RESOLUTION NO. 04-14 ADOPTING THE AGREEMENT WITH THE MORRO BAY MANAGEMENT EMPLOYEES AND RELATED COMPENSATION; (ADMINISTRATIVE SERVICES)

**RECOMMENDATION: Adopt Resolution No. 04-14, approving the Agreement with the Morro Bay Management Employees.**

A-8 ANNUAL REPORT ON UNFUNDED LIABILITIES IN VACATION AND SICK LEAVE ACCRUALS; (ADMINISTRATIVE SERVICES)

**RECOMMENDATION: Receive and file; informational item only.**

A-9 AUTHORIZATION TO FILE NOTICE OF COMPLETION FOR THE 2012 WATER TREATMENT PLANT IMPROVEMENTS – PHASE 1 (MB-2012-W1); (PUBLIC SERVICES)

**RECOMMENDATION: Authorize staff to file a Notice of Completion for the 2012 Water Treatment Plant Improvements – Phase 1 (MB-2012-W1).**

A-10 APPROVAL OF RESOLUTION NO. 01-14 RESCINDING RESOLUTION 57-13 (RELATING TO 2783 CORAL AVENUE IN MORRO BAY, CALIFORNIA); (CITY ATTORNEY)

**RECOMMENDATION: Adopt Resolution 01-14 rescinding Resolution 57-13.**

A-11 RESOLUTION NO. 02-14 AUTHORIZING THE CITY OF MORRO BAY TO ENTER INTO 2014/2016 ABANDONED WATERCRAFT ABATEMENT FUND CONTRACT WITH THE DIVISION OF BOATING AND WATERWAYS; (HARBOR)

**RECOMMENDATION: Adopt Resolution 02-14.**

A-12 RESOLUTION NO. 03-14 AUTHORIZING THE CITY OF MORRO BAY TO ENTER INTO 2014/2016 VESSEL TURN-IN PROGRAM FUND CONTRACT WITH THE DIVISION OF BOATING AND WATERWAYS; (HARBOR)

**RECOMMENDATION: Adopt Resolution 03-14.**

A-13 RESOLUTION NO. 05-14 ADOPTING THE MEMORANDUM OF UNDERSTANDING WITH THE MORRO BAY POLICE EMPLOYEES AND RELATED COMPENSATION; (ADMINISTRATIVE SERVICES)

**RECOMMENDATION: Adopt Resolution No. 05-14, approving the Memorandum of Understanding with the Morro Bay Peace Officers Association.**

Mayor Irons opened up the public comment period for items on the Consent Calendar.

Janice Peters spoke on Item A-1; Approval of the Minutes for the September 12, 2013 Special Closed Session Meeting. Due to the aura of suspicion created by the hearing to discuss the termination of Rob and Andrea, it is important that we have in the minutes that the Mayor did state that there were no complaints or charges and that they had waived their right of confidentiality because they wanted the ability to refute any claims or charges that may have been leveled against them. To not include that in the minutes is a big mistake.

Barbara Doerr stated that since it's the minutes of a closed session, she wanted it made clear that these are private personnel matters, nothing can be disclosed about why the City Manager or City Attorney were removed; it's time to move forward.

Carla Wixom also spoke on Item A-1. Mayor Irons stated 6 times that there were no charges or complaints prior to going to closed session, it was stated and should remain in the minutes.

David Nelson stated that it is a closed session personnel item and that Council has the right to say no comment.

The public comment period for the Consent Calendar was closed.

Mayor Irons pulled Items A-1, A-6, A-9 and A-10.

Councilmember Nancy Johnson pulled Item A-2.

**MOTION:** Councilmember Christine Johnson moved the City Council approve Items A-3, A-4, A-5, A-7, A-8, A-11, A-12 and A-13 of the Consent Calendar as presented. The motion was seconded by Councilmember Smukler and carried unanimously 5-0.

**A-1 APPROVAL OF MINUTES FOR THE SPECIAL CLOSED SESSION CITY COUNCIL MEETING HELD ON SEPTEMBER 12, 2013; (ADMINISTRATION)**

Mayor Irons pulled this item.

**MOTION:** Mayor Irons move to approve the September 12, 2013 Special Closed Session City Council minutes as presented. The motion was seconded by Councilmember Smukler.

Councilmember Nancy Johnson stated this is a very important issue, there were no charges or complaints presented, why was the statement crossed out. Interim City Attorney Anne Russell explained that she and the City Clerk had a discussion months ago and neither of them can recall why the phrase was crossed out. Mayor Irons had thought he had motioned to approve the minutes as originally submitted back at the September 24, 2013 meeting hoping to keep the “crossed out phrase” in the document.

**MOTION:** Mayor Irons rescinded his original motion. The motion was seconded by Councilmember Smukler and carried unanimously 5-0.

**MOTION:** Mayor Irons moved approval of the September 12, 2013 Special Closed Session City Council minutes as originally stated without the redaction; as they were originally written. The motion was seconded by Councilmember Smukler and carried unanimously 5-0.

**A-2 APPROVAL OF MINUTES FOR THE REGULAR CITY COUNCIL MEETING HELD ON SEPTEMBER 24, 2013; (ADMINISTRATION)**

Councilmember Nancy Johnson pulled this item stating that in Item A-7 of those minutes, it was stated that obtaining legal counsel was the path to why. She asked Mayor Irons if he was going to tell us why.

**MOTION:** Mayor Irons moved approval of the September 24, 2013 City Council minutes as presented. The motion was seconded by Councilmember Smukler and carried unanimously 3-2 with Councilmembers Nancy Johnson and Leage voting no.

**A-6 STATUS OF STATE PARK MARINA OPERATING AGREEMENT AS IT RELATES TO CITY OPERATIONS AND MANAGEMENT OF THE MARINA INCLUDING MARINA DREDGING AND RENOVATION; (HARBOR)**

Mayor Irons pulled this item in an effort to have staff revisit this at the Harbor Advisory Board level in 6 months and then 12 months and return to Council with a status each time.

MOTION: Councilmember Smukler moved approval of Item A-6 with a request to bring this item back in 6 months and 12 months with the Harbor Advisory Boards discussion and status. The motion was seconded by Councilmember Christine Johnson and carried unanimously 5-0.

A-9 AUTHORIZATION TO FILE NOTICE OF COMPLETION FOR THE 2012 WATER TREATMENT PLANT IMPROVEMENTS – PHASE 1 (MB-2012-W1); (PUBLIC SERVICES)

Mayor Irons pulled this item so that Public Services Director Rob Livick could give a brief explanation of the \$32,000 overage. Mr. Livick stated that there were 13 change orders and that the cost of the project was still within the budgeted amount.

MOTION: Mayor Irons moved approval of Item A-9, authorization to file a Notice of Completion for the 2012 Water Treatment Plant improvements – Phase 1. The motion was seconded by Councilmember Smukler and carried unanimously 5-0.

A-10 APPROVAL OF RESOLUTION NO. 01-14 RESCINDING RESOLUTION 57-13 (RELATING TO 2783 CORAL AVENUE IN MORRO BAY, CALIFORNIA); (CITY ATTORNEY)

Mayor Irons requested Interim City Attorney Anne Russell give a brief explanation as to why this Resolution was being rescinded. Ms. Russell stated that the Council approved a purchase agreement to sell this property and one of the requirements was for the Council to confirm in open session that the tentative map was valid. She requested that the Planning Commission determine the project was consistent with the General Plan. In the course of that, the Public Services Department became aware there was a problem because in the process of approving the Cloisters development, the residential density had been transferred from all of the properties to just 120 residential lots. This lot has subsequently been subdivided into 6 lots but there is no residential density left in the project. The California Coastal Commission feels that all of the residential density has been removed from this property and both a local coastal plan amendment and a coastal development plan amendment are required before it is sold for residential purposes.

MOTION: Mayor Irons moved approval of Item A-10, approval of Resolution 01-14, rescinding Resolution 57-13. The motion was seconded by Councilmember Leage and carried unanimously 5-0.

B. PUBLIC HEARINGS

B-1 ADOPTION OF THE CITY OF MORRO BAY'S CLIMATE ACTION PLAN (CAP); (PUBLIC SERVICES)

Planning Manager Kathleen Wold presented the staff report.

Richard Dalton, Principal with Rincon Consultants, presented a power point presentation on the City's proposed Climate Act Plan. He provided highlighted background, the CAP's purpose of the plan, the CAP's content, the CAP development process we went through, GHG emissions and reduction targets, key reduction strategies used to meet the target as well as the implementation process. AB 32 is the law that codified the targets we are trying to achieve with this plan which is to hit 1990 GHG levels by the year 2020. AB 32 also created a scoping plan which was the state's plan to reduce its own emissions. This plan only looks at the items the City has discretionary authority over or controls directly through their facilities. This is the City doing its part of the large California strategy. This CAP is part of a larger coordinated effort with APCD, SLOCOG, Arroyo Grande, Atascadero, Grover Beach, Paso Robles, Pismo Beach, City of San Luis Obispo, County of San Luis Obispo and Morro Bay to collaboratively work towards reducing GHG's and address climate change. The CAP provides a road map for cost effectively reducing Morro Bay's GHG emissions and hitting those AB 32 targets. It also provides CEQA streamlining benefits. The CAP is a long range plan to reduce GHG emission impacts and identifies GHG emissions from municipal operations and the community as a whole; GHG reduction targets; measures and actions to reduce GHG's and meet the target, potential costs, savings; and, GHG reduction and implementation and monitoring steps. The plan development process recommended by the State was developed as follows: GHG inventory update; GAP analysis and establish target; ongoing public input; GHG measurement evaluation toolbox; adaptation planning; create City CAP; and CEQA review. Mr. Dalton spoke to the City's GHG emissions inventory stating that in 2005, transportation accounted for 40%, commercial/industrial 21%, residential 29%, off road 5%, waste 5% and wastewater under 1% of the total emissions. The baseline numbers was moved to the year 2005 as that is a time period that was measurable (1990 was not). Mr. Dalton spoke to the development of the plan measures which included identifying opportunities, building on existing efforts, reviewing best practices from other jurisdictions and receiving community input; evaluating GHG reduction potential, costs, savings and funding resources; gathering input from decision makers and the community; and, implementing and monitoring procedures. The key measures to the CAP include incentivizing energy efficiency and use of renewable energy; promoting alternative transportation modes, encouraging infill, mixed use, and higher density development in key areas; facilitating use of low and zero emission vehicles and equipment; increasing solid waste diversion; and, tree planting. Mr. Dalton finished with implementation and monitoring tactics. The program will largely be implemented through existing programs, practices, City staff and/or outside resources. Many of the measures will result in long term cost savings. City staff will monitor and report on the performance of individual measures and the CAP as a whole on a regular basis to ensure you are still on target for meeting those State standards.

Mayor Irons opened up the public comment period for Item B-1.

David Nelson felt that there were many items in the plan that shouldn't be there. For example, Dynegy is closing which should be reflected in the report and should be addressed before we adopt it. We will also be moving the sewer plant which will also produce different numbers.

Barbara Doerr stated that it is wonderful that we are doing this. However, after reviewing it, factual information is not included. The Morro Bay Power Plant closure should be in the document before it is approved. Reference to the once thru cooling regulations are not discussed

in the report, they can no longer use this process which should also be included. PG&E and So Cal Gas both provided usage for residential and commercial/industrial areas however the CAP doesn't isolate that amount of usage by the power plant and when its done and gone, how much it's going to save the City – this too should be included in the report. The projections forecast for the commercial/industrial shows in increate of 18% in emissions and the residential sector a reduction of -1%; this is a critical area that should be specifically identified. The Wastewater Treatment Plant shouldn't be in there appearing to be one of your future goals. The plan references an all age dial-a-ride system and we don't have one anymore.

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

Councilmember Smukler stated that overall it's a really good start and an exciting plan. He has some concerns about language; for example with the WWTP/WRF, the area that is talking about relocation, we need to recognize that commitment in the document - Page 4-6, under adaptation some clarity would be preferred. Public Services Director Rob Livick suggested the following language: "develop mitigation plans for the relocation of the wwtp/wrf consistent with the state's sea-level rise policies and climate change documents and consistency with the LCP and Coastal Act." Councilmember Smukler wanted to ensure that the entire Council was amenable to suggested changes but feels that there are some areas that need firmed up and addressed. He was hopeful those areas could be brought up and staff come up with acceptable language amendments. Other areas of concern to him include encouraging the use of electric vehicles and golf carts. Mr. Livick stated that the prior language about the wwtp is more about policy and needed while the encouragement of electric vehicles is more about implementation. Councilmember Smukler called for further work on the action plan and implementation document and revisit the goal resolution that has got us to this point as well as the milestones which will help us get into more of the nuts and bolts about the implementation side; ie: the CAP coordinator, progress report, etc.

Councilmember Nancy Johnson stated most of her comments are on the implementation stage so she will save them.

Councilmember Christine Johnson stated that based on what we have now, we need to move forward and look towards the implementation phase.

Mayor Irons asked about the implementation timeline after tonight. Ms. Wold stated that some processes need to take place - the City will have to have a coordinator to ensure things are placed on the website, to ensure that as people apply for business licenses or permits, they are informed of the encouraging elements of the CAP. As far as the major community outreach or education, we will all be working together. The idea is that the implementation shouldn't be a burden on staff or monies. Staff could bring back periodic updates. Mayor Irons reiterated that this isn't a regulated document.

Councilmember Smukler reviewed the waste management side and wanted to ensure that it included organics. We have talked about trying to develop an energy neutral wastewater treatment system and wondered if it would it be beneficial to try and weave some of that

language into the document. Mr. Livick said it could but would leave it to Council; although he does see it as more project specific.

Mr. Livick recapped: section 4-6 regarding the WWTP, we would make that change so that it is consistent with current City policy and so it conforms with the State's climate change guidelines and sea-level rise documents.

MOTION: Councilmember Smukler moved adoption of Resolution 06-14, making the necessary findings for the adoption of the Climate Action Plan with adjustments as suggested to the WRF/WWTP relocation as well as to ask staff to provide updates on the progress and to bring back a revistiation of the goal resolution and milestone documents as part of the implementation effort. The motion was seconded by Mayor Irons and carried unanimously 5-0.

**B-2 CONDITIONAL USE PERMIT (#UP0-371) - THE MORRO CREEK MULTI-USE TRAIL AND BRIDGE PROJECT; (PUBLIC SERVICES)**

Planning Manager Kathleen Wold presented the staff report.

Mike Sherrod with RRM, presented a power point presentation focusing on the project's 3 major components – pedestrian boardwalk, class 1 bike path, and the bridge over Morro Creek. He provided the multi-use trail alignment which includes a 6'-8' boardwalk, a 2' bioswale, a 12' bike path, a 2' shoulder and 20' road width along the Embarcadero extension. This will also provide some overlooks to include seating and interpretive panels as well as some beach access points. He also provided materials being used for the bike path (asphalt), boardwalk (stamped concrete), bike racks (stainless steel), stone seawalls and nautical themed boulders and pier pilings and interpretive elements. The bridge itself will be 130 feet long, and is called a thru truss structure which has a low profile and is a light structure. It will provide for emergency response traffic but no daily traffic. Also included were views of the bridge from before and after the project to provide conceptual views. Richard Dalton with Rincon provided the environmental analysis. The California Environmental Quality Act (CEQA) is required for local action – the City is the lead agency; and the National Environmental Policy Act (NEPA) is the document required due to the need for federal funding – Caltrans is the lead agency. There were technical studies required for both CEQA and NEPA analysis that included a natural environment study (NES), a biological assessment (BA), wetland delineation, and an archaeological survey report. The key results of the biological resources assessment show that the proposed bridge is free span and avoids direct impacts to the Morro Creek Channel; there were no listed plant or animal species identified during the surveys; there is sensitive habitat; and, there is potential for species occurrences. Mitigation measures for potential impacts include avoidance and minimizations, pre-construction surveys and relocation, construction personnel training, construction monitoring and habitat restoration. It was determined that all project environmental impacts are either less than significant or can be mitigated below a level of significance.

Mayor Irons opened up the public comment period for Item B-2.

David Nelson stated that Duke tried to do this and their mitigation was pretty staggering. He feels the consultant is making light of the sensitive habitat there and the creatures that might be endangered and urges us to keep our eyes open on that.

Dan Rivoire, Executive Director of the SLO County Bicycle Coalition stated that their organization strongly supports the Morro Creek Multi-use Trail and Bridge project and asks that the Council adopt Resolution 07-14 approving conditional use and construction permits. Their efforts to improve transportation infrastructure are motivated directly by the needs and wants of local citizens and the Morro Creek Bridge project is a direct response to these needs. It will prove a direct and positive impact to the community through improved active transportation access. On a local level, establishing a safe and convenient bicycle and pedestrian connection between the northern part of Morro Bay, the high school, Embarcadero and downtown will reduce gaps in the system and will allow residents the ability to use walking and biking for everyday transportation.

Amy Burton is thrilled to see the bridge on the agenda for the first City Council meeting of the new year. She is in support of the bridge as it will provide a safer and more enjoyable connection of North Morro Bay to the Embarcadero for our pedestrians and cyclists. She urges approval of the CUP so this valuable project can move forward. People currently trample across that area now, by building the bridge, it will better protect our environment.

Geiska Baker Velasquez of SLOCOG is pleased to see this project move forward. SLOCOG want to support the CUP with grants and this deadline is a hard and fast one. This project has been envisioned for 7 years and was a high priority in the scenic byway plan and a high priority in the bike plan and we strongly encourage its approval.

Abbie Diodati has seen first-hand the desire and need for the proposed bridge. This will literally bridge our community providing an enjoyable and safe route from North Morro Bay to the Embarcadero.

Barbara Doerr enthusiastically supports your efforts tonight in completing the trail and bridge and urges a vote of yes as we need to get the grant. She had some questions: does the project preclude the extension of Embarcadero Road across the creek in the future? Does the City currently own road right of way for future extension of Embarcadero Road to connect the north and south ends of the community? Is there any way to proceed with the project without using Dynegy land?

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

Councilmember Nancy Johnson has been a proponent of this project for years. She wondered if the bridge would be strong enough and will Dynegy be allowed to use the facility to take their stuff out of town as opposed to taking their things through the City. She likes the Harborwalk decking surface better than the proposed stamped concrete. She hopes that we are not planting or restoring ice plant anywhere.

Councilmember Smukler feels that the revetment and 100 year flood plus sea level rise scenarios have been recognized and addressed to the best extent possible.

Councilmember Leage wondered if Dynegy could put some money towards the project which could make the bridge bigger and stronger so they could use it for removal and we would get additional funding.

Councilmember Christine Johnson stated that if we had to make concessions for Dynegy to remove their items, it would be a temporary situation and it wouldn't be a regular re-occurring use. The load has been increased to ensure its stable for emergency vehicles which is a benefit to the community should the need arise. She asked if we are fully funded for the project as it is designed today. Mr. Livick stated that based on current estimates, we probably couldn't build the project with the funding that we have so will look at permitting the entire project but there are certain components that don't have to be built with the initial construction. The bridge itself and the connecting pathways will have the highest priority.

Mayor Irons is concerned with the lighting issue; he feels we need additional pedestrian lighting to ensure it is a safe trail. He wants to see appropriate lighting for safe travel from Coleman to the other side of the bridge. He doesn't want to see this derail the project but wants to do what we can in an effort to assure safety.

Mr. Livick and Mr. Dalton both stated that allowing for low level, pedestrian scale type lighting wouldn't necessitate recirculation of the document. There should be some kind of documentation that supports that there wouldn't be an impact which can be prepared but would require it to come back to a future meeting.

Councilmember Nancy Johnson has questions on the map - BR-1; the 100 year flood elevation on the project plans does not jive with the 100 year flood elevation depicted in the flood hazard analysis prepared for the waste water treatment plant in 2009. That analysis depicts the elevation at the proposed bridge location at approximate 18.5 feet. The project plans indicate 15.81 feet. As there are federal funds involved, the bridge must comply with federal regulations to be eligible for additional funding. The proposed new bridge must be 1 foot above the 100 year flood elevation to get the money. Public Works needs to verify this before asking City Council for its blessing on this bridge. This proposed bridge is designed too low and the engineer needs to recalculate the flow before using these numbers.

Associate Civil Engineer Barry Rands stated that the analysis he did for bridge was done at the bridge location and the water surface drops very rapidly through that reach. His analysis was peer reviewed and was used to modify the flood plain and FEMA map was redone based on the evaluation done for the waste water treatment plant. It shows a much lower elevation at the bridge location. He stated that if there were an event there would be a split where a large portion of water will flow to the north by Lila Keiser and Atascadero Road and the existing wastewater treatment plant and another portion would go to the south through the existing power plant. What's left in the creek would be approximately 5000 cubic feet and that flows at an elevation much lower than 18 feet.

Rick Sauerwein, Capital Project Manager provided Council with replacement verbiage of Planning Condition #1 of the Resolution – “applicant shall coordinate with regulatory agencies as necessary to provide a minimum level of lighting along the path to assure basic safety and security of the public. Said lighting will be no higher than 4’ from the ground surface and shielded to prevent impacts to the visual beauty of the night skyline.”

MOTION: Mayor Irons moved approval of Resolution 07-14, the Morro Creek Multi-Use Trail and Bridge Project and associated negative declaration approving Conditional Use Permit #UPO-371 with the elimination of Planning Condition #1, “no new lighting shall be installed beyond that which currently exists” and replace it with the following language – “applicant shall coordinate with regulatory agencies as necessary to provide a minimum level of lighting along the path to assure basic safety and security of the public. Said lighting will be no higher than 4’ from the ground surface and shielded to prevent impacts to the visual beauty of the night skyline.” The motion was seconded by Councilmember Leage and passed 4-1 with Councilmember Nancy Johnson voting no.

C. UNFINISHED BUSINESS - NONE

D. NEW BUSINESS

D-1 CONSIDERATION OF PROPOSAL SUBMITTED BY VIRG’S SPORTFISHING IN RESPONSE TO REQUEST FOR PROPOSALS MB-2013-HRFP2 TO DEVELOP VACANT LEASE SITE 107W-108W; (HARBOR)

Councilmember Leage stepped down as his property located within 500 feet of the proposed project.

Harbor Director Eric Endersby presented the staff report.

Cathy Novak, representing Virg’s on the project, spoke on the conceptual project, on the comments from the Harbor Advisory Board and the criteria that staff had set to evaluate this proposal. Virg’s proposes to construct a new building and floating dock and relocate Virg’s Fishing back to the waterfront. This site was selected to minimize any impacts to the main retail area located to the south. This site also has had traditional uses with both commercial fishing and sport fishing operations. Their project will be 1450 square feet and will include a tackle shop, ADA restrooms, an office, rental pole, storage and a 250 square foot public waiting dock. The proposed building will be 17 feet in height above the South T-Pier which will minimize any impacts to the view shed. This project also includes a 60 foot long by 8 foot wide side tie dock with a gangway to the South T-Pier. There has been discussion of a possible problem with the accessibility to the hoist at the end of the pier and loss of tie up space at the T-pier. They believe they have mitigated those problems and to date have yet to hear any issues raised by the fishermen. One space will be lost at the pier. With regards to comments made about this location as a possible boat haul out location; they believe that the project as proposed, will leave enough room to accommodate a travel lift as well as their project. They feel that this proposed use by Virg’s is consistent with the type of development the City has supported under Measure D. They realize that if the project for this lease is accepted, an eelgrass survey done by a

qualified biologist will need to be done. They also feel that this smaller footprint and proposed amenities will provide a quality design that fits within the area. She stressed this project includes a lengthy list of green building techniques and they plan to integrate as many green building and energy efficient uses as feasible. They also feel that they would like to continue on with the Virg's legacy started in the 1050's and as such, their commitment to this in addition to the cost associated with this development warrants a long term lease. Regarding parking, there has been historical sportfishing at this location so as far as parking goes, the City has always credited historical parking spaces – there would only be one in this case. With one boat and the tackle shop, they would be looking at needing 9 parking spaces. The zoning ordinance allows parking within 600 feet so the parking lot at the triangle parking lot at the power plant could qualify for parking. With these boats already operating at GAFCO, there are no new impacts for parking from the boats because the boats are already operating down there.

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

Dana McLish, a Harbor Advisory Board member as well as a chair of the boat haul-out ad-hoc sub-committee stated it has been his job to review the proposal of the development for Virg's Fishing. The Harbor Advisory Board felt the basic criteria of the project, fit the lease site. In the proposal it stated that there was room for a boat haul-out facility in the southern portion of the 2 sites but unfortunately that doesn't work. For ease of hauling and launching of vessels, the area and pathway needed for the travel lift requires a diagonal configuration from shore. This angle will also reduce significant loss of parking. Of the 3 haul out sites presented, this site is the most feasible at this time. He thinks the site needs to be looked at more thoroughly before moving forward with this item.

Barbara Doerr feels this item should be referred back to staff and the Harbor Advisory Board for further consideration. You might be giving away your last spot for your needed boat haul-out facility. She feels there are parking issues, she feels there needs to be a 12 space requirement. She also feels you need a written legal opinion prepared to show compliance with Measure D. She hopes Council does not act on this tonight.

David Nelson agrees with the last 2 speakers as parking is a big concern. The haul-out has been simmering for a long time. He asked about the triangle property as a haul-out spot, then this is the location for it.

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

Councilmember Christine Johnson thanked Virg's for a thoughtful project with good design. Unfortunately the project conflicts with the City's Goal #7, Improve City Infrastructure; Key Task F) Continue to work on boat haul-out. This project and that goal doesn't balance for her. Her two main concerns for the project are – are we seriously considering a boat haul out and if so, this is very likely the best spot; and we need to consider focusing on Measure D and ensuring a project follows its intent.

**MOTION:** Mayor Irons moved to continue the meeting past 11:00pm. The motion was seconded by Councilmember Nancy Johnson and carried 4-0-1 with Councilmember Leage being recused from this item.

Councilmember Nancy Johnson felt that before we get any further discussion on parking, Public Services needs to do some research what the arrangement was. She also would like to know if there is enough room for Virg's and the boat haul out facility – both Ms. Novak and Mr. Endersby felt so. Along the terms of the boat haul-out, why didn't the sub-committee answer the RFP and say that's where we want to put the boat haul-out.

Mayor Irons stated there may have been some disconnect on timing with the RFP going out and the discussion about the boat haul-out facility. He isn't sure if the sub-committee was even formed when the RFP was sent out. It's important to vet out the boat haul-out facility completely before moving forward with a project – it would be only fair to the applicant. With momentum with the boat haul-out, its definitely worth a second look.

Councilmember Smukler is uncomfortable with the timing as well as the boat haul-out having now gained some momentum. He feels we need to prioritize the boat haul-out and give the committee more time to evaluate if this is the best location. He'd like to support that process before moving forward with this proposal.

Mayor Irons stated that we have consensus to vet the haul-out facility; and to keep the proposed project as a possibility for this site. There is also consensus to send this back to the Harbor Advisory Board. There is also a question as to whether or not there are funds available to look this location with a consultant. Mr. Endersby believes there is \$50,000 in the budget that could be used for this.

The public comment period for Item D-1 was reopened.

Dana McLish stated that he felt the ad-hoc committee could provide a presentation at the March Harbor Advisory Board meeting followed by a presentation to Council. He did say that things are up in the air somewhat due to questions about the power plant property.

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

**MOTION:** Councilmember Smukler moved that Council recognize Virg's proposal, but prioritize the boat haul-out facility as a priority in that area and support the Harbor Advisory Board's Ad-hoc Committee on the haul-out to continue their evaluation on that site and report back to the Council with a plan moving forward by April 2014. The motion was seconded by Councilmember Christine Johnson and carried unanimously 3-1-1 with Councilmember Nancy Johnson voting no and Councilmember Leage having recused himself.

Councilmember Nancy Johnson stated that at this point, a discussion of a boat haul-out facility at this location is too tentative; and we have before us a viable proposal that she will be supporting.

D-2 DEFERRAL OF DYNEGY COMMUNITY DEVELOPMENT FUND PAYMENT;  
(CITY ATTORNEY)

Interim City Attorney Anne Russell presented the staff report.

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

David Nelson is totally against this without something coming to the City. As of today, we still don't own the triangle property which we should have gotten back in November 2013. There is no reason not to have them pay; or at least have them give us something for the deferral.

Barbara Doerr stated we have a land use emergency situation with the closure of the power plant. Good land use planning and the reuse of the power plant site is the best opportunity to require land dedications for public purposes of the power plant site. She questioned the City's ability to hold a closed session without specific parcels listed to be required in lieu of their payment. If you have a list of dream parcels to acquire, you should hold public hearings. She questions: if they don't pay the \$525,000 to the City, aren't they in default? And is agreement then terminated? Stand firm on the agreement and find out what your legal rights are. First and foremost, get your general plan update and get a plan for reuse.

The public comment period for item D-2 was closed.

Councilmember Leage feels this is to our advantage because it allows us to look into what property we want to ask for or about.

Councilmember Christine Johnson thinks this is early enough in the process and this is an opportunity for us to do some negotiating.

MOTION: Mayor Irons moved to follow staff's recommendation to defer Dynegy's Community Fund payment to March 14, 2104 together with a waiver of any applicable late fees or default claims related to the deferral. The motion was seconded by Councilmember Christine Johnson and carried unanimously 5-0.

D-3 DISCUSSION AND CONSIDERATION OF HIRING A CONSULTANT TO HELP DEVELOP FUNDING SOURCES FOR WATER RECLAMATION FACILITY OPPORTUNITIES; (ADMINISTRATION)

MOTION: Mayor Irons moved to continue Item D-3 to a future meeting. The motion was seconded by Councilmember Leage and carried unanimously 5-0.

D-4 APPROVAL OF THE 2014/15 BUDGET CALENDAR; (ADMINISTRATIVE SERVICES)

Acting City Manager Susan Slayton presented the staff report.

MOTION: Mayor Irons moved approval of the 2014/15 Budget Calendar to include the addition of a Goal Setting Review to be held on March 11, 2014 prior to the Council meeting. The motion was seconded by Councilmember Nancy Johnson and carried unanimously 5-0.

D-5 DISCUSSION OF RECRUITMENT FOR CITY MANAGER AND AWARD OF CONTRACT TO RECRUITMENT FIRM; (ADMINISTRATIVE SERVICES)

Acting City Manager Susan Slayton presented the staff report.

Councilmember Smukler felt it important to wait on making a decision until we get an Interim City Manager on board to help determine if this is the most effective way to proceed.

Councilmembers Nancy Johnson and Leage concurred.

Councilmember Christine Johnson wanted to discuss the firms, select one and then talk about timing. She feels we might be getting behind the eight ball if we wait.

Mayor Irons is in favor of moving forward on this tonight in discussing and selecting a firm.

MOTION: Councilmember Smukler moved to postpone the discussion of the recruitment for a City Manager and award of a contract to a recruitment firm until we have an Interim City Manager on board. The motion was seconded by Councilmember Nancy Johnson and carried 4-1 with Mayor Irons voting no.

D-6 CITY COUNCIL ANNUAL MEETING SCHEDULE - 2014; (ADMINISTRATION)

Acting City Manager Susan Slayton presented the staff report.

Mayor Irons wanted to discuss moving the Council meetings from the 2<sup>nd</sup> and 4<sup>th</sup> Tuesdays to the 1<sup>st</sup> and 3<sup>rd</sup> Tuesdays and swap with the Planning Commission. This way there won't be the need to cancel the meeting in late November and late December.

Councilmember Smukler stated that from experience, changing meeting dates will bring up unforeseen challenges; for example, AGP and other Advisory Board meetings. It is an interesting concept but might be bigger than it seems on the surface.

Councilmember Nancy Johnson doesn't see any real reason to cancel the 2<sup>nd</sup> meeting in July. The cancellation of the November and December meetings work well with the holiday plans.

Councilmember Christine Johnson reiterated Interim City Attorney Anne Russell's response that the RFP's for the City Attorney's services requested asked for availability on the 2<sup>nd</sup> and 4<sup>th</sup> Tuesdays and that is a concern for her.

There was a request of staff to ask the Planning Commissioners and AGP if they were able to make a change in schedule.

MOTION: Mayor Irons moved to continue this item to the next meeting bringing back the requested information. The motion was seconded by Councilmember Nancy Johnson and carried unanimously 5-0.

D-7 APPOINTMENT OF VICE-MAYOR AND APPOINTMENT OF REPRESENTATIVES ON DISCRETIONARY BOARDS, COUNCIL LIAISON ASSIGNMENTS AND COUNCIL SUB-COMMITTEES; (MAYOR)

Mayor Irons stated that per the Council Policies and Procedures, Councilmember Christine Johnson is appointed Vice Mayor.

MOTION: Councilmember Nancy Johnson moved to appoint Councilmember Christine Johnson as Vice Mayor. The motion was seconded by Mayor Irons and carried unanimously 5-0.

Mayor Irons stated that he didn't see a lot of changes in liaisons but did want to discuss a couple of them, specifically the EVC and the Chamber Economic Development Committee. Currently Councilmembers Nancy Johnson and Christine Johnson are members of both. Mayor Irons posed his interest in membership on the Economic Development Committee and wanted to discuss rotating positions. Councilmember Nancy Johnson really would fight against giving up the EVC position; according to them, they feel she does a good job and is a valuable member of their committee. Mayor Irons asked Christine Johnson if she was interested in the member spot of the EVC. Councilmember Nancy Johnson stated that since the Chamber Economic Development Committee changed their meeting dates to Tuesday, she needs to step down from that one. She would be willing to trade for something else there. On the EVC, there is great value in the continuity that one maintains as a member of that committee; possibly Councilmember Christine Johnson would give up her alternate spot and Mayor Irons could fill that spot. Mayor Irons feels the continuity is to maintain the same membership on the EVC and the Chamber Economic Development. Councilmember Nancy Johnson disagrees as they are two very different committees. Mayor Irons is suggesting appointing Christine Johnson and himself as members of the Chamber Economic Development Committee. On the EVC the appointment would go to Councilmember Christine Johnson as the member and himself as the alternate.

Councilmember Christine Johnson felt that for consistency purposes, it's important to have the same people on both the EVC and the Chamber Economic Development Committee. If there is a change on the Chamber, it would preclude a change on the EVC. She will accept what is best for the City and would accept that position. Both Mayor Irons and Councilmember Smukler concurred that the two positions were linked.

Councilmember Nancy Johnson stepped down from the dias.

Councilmember Leage is fine with staying on the IWMA Board.

Councilmember Christine Johnson stated that the City's role on the CAPSLO Board has termed out for the next three years.

MOTION: Mayor Irons moved approval of the discretionary appointments as presented with amendments to the EVC naming Councilmember Christine Johnson as the member and Mayor Irons as the alternate as well as naming Mayor Irons to the Chamber of Commerce Economic Development Committee as a member along with Councilmember Christine Johnson. The motion was seconded by Councilmember Smukler and carried 3-1-1 with Councilmember Leage voting no and Councilmember Nancy Johnson having recused herself.

E. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

Councilmember Smukler requested a discussion of the authorization of funds to implement planning and review of possible boat haul-out locations; Mayor Irons and Councilmember Christine Johnson concurred.

Councilmember Smukler requested a discussion of the City's Planned Action on the Bicycle Unmet Needs request; Mayor Irons and Councilmember Christine Johnson concurred.

Councilmember Smukler requested an update on the City's Water supply situation to include information from the State on our future allotments; Mayor Irons and Councilmember Christine Johnson concurred.

Councilmember Smukler requested an update from the Chamber of Commerce on the status of their Economic Development Program (at the next meeting); Mayor Irons and Councilmember Christine Johnson concurred.

Councilmember Christine Johnson requested an item to consider waiving the City fees for the Monday Community Dinner held at the Veteran's Hall and coordinated through EBAC; Mayor Irons and Councilmember Smukler concurred.

Councilmember Christine Johnson requested another presentation from CHC on the status of their transition of care from Morro Bay to San Luis Obispo (to occur in 90 days); Mayor Irons and Councilmember Smukler concurred.

ADJOURNMENT

The meeting adjourned at 12:31am.

Recorded by:

Jamie Boucher  
City Clerk

MINUTES – MORRO BAY CITY COUNCIL  
SPECIAL CLOSED SESSION MEETING –  
JANUARY 17, 2014  
CITY HALL CONFERENCE ROOM – 9:00AM

PRESENT:	Jamie Irons	Mayor
	Christine Johnson	Councilmember
	Nancy Johnson	Councilmember
	George Leage	Councilmember
	Noah Smukler	Councilmember
STAFF:	Susan Slayton	Acting City Manager
	Anne M. Russell	Interim City Attorney

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Irons called the meeting to order at 9:00am.

SUMMARY OF CLOSED SESSION ITEMS - The Mayor read a summary of Closed Session items.

CLOSED SESSION PUBLIC COMMENTS - Mayor Irons opened the meeting for Public Comment

Bill Martony spoke regarding Lease Site 30W-33W, expressing concern that the public does not have access to maps or proposals being considered with regard to property line adjustments. He stated that it may not be an issue but until he has all of the facts it is difficult to comment. He also noted there may be other answers rather than moving the property line out into the bay.

Sandy Bean, a real estate broker representing the Coakleys and the new buyers, thanked the Council and noted that the boundary line adjustment being proposed on the north end will take away the Mr. Martony's concern. The proposal has been submitted in good faith and they have supplied what they hope will be considered a reasonable proposal.

The Public Comment period was closed.

The City Council moved to Closed Session and heard the following items:

**CS-1 GOVERNMENT CODE SECTION 54957(b)(1) – PUBLIC EMPLOYMENT:**

Title: Interim City Manager

Title: Interim City Attorney

**CS-2 GOVERNMENT CODE SECTION 54956.8 - PROPERTY TRANSACTIONS:**

Instructing City's real property negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease of real property as to two parcels.

- **Property: Lease Site 141; United States Coast Guard, located at 1279 Embarcadero**  
Negotiator: Council Subcommittee consisting of Mayor Irons and Councilmember Leage  
Negotiating Parties: United States Coast Guard and City of Morro Bay  
Negotiations: Price and Terms of Payment

- **Property: Lease Site 30W-33W; Bay Front Marina, Water Lease Adjacent to 201 Main Street**  
Negotiator: Anne M. Russell, Interim City Attorney  
Negotiating Parties: Coakley and City of Morro Bay  
Negotiations: Price and Terms of Payment

CITY COUNCIL CONVENED TO OPEN SESSION – The City Council convened to open session; Interim City Attorney Anne Russell reported that with regards to the items heard in Closed Session, no reportable action under the Brown Act was taken.

#### ADJOURNMENT

The meeting adjourned at 12:05pm.

Recorded by:

Dana Swanson  
Deputy City Clerk

**RESOLUTION NO. 10-14**

**RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF MORRO BAY, CALIFORNIA  
CALLING A PRIMARY MUNICIPAL ELECTION TO BE HELD ON  
TUESDAY, JUNE 3, 2014 FOR THE PURPOSE OF ELECTING  
CERTAIN OFFICERS OF SAID CITY; AND REQUESTING THE BOARD OF  
SUPERVISORS OF SAN LUIS OBISPO COUNTY TO CONSOLIDATE SAID  
ELECTION WITH THE CONSOLIDATED DISTRICTS ELECTION  
TO BE HELD IN THE COUNTY ON TUESDAY, JUNE 3, 2014;  
AND OTHER ELECTION MATTERS AS REQUIRED BY LAW**

**THE CITY COUNCIL  
City of Morro Bay, California**

**WHEREAS**, Measure “S” was passed by the citizens of Morro Bay at the election held in November 2007 and codified as Ordinance 528, amending Morro Bay Municipal Code Section 2.09.010 to have the General Municipal Election held at the time of the Statewide Primary Election with a runoff election, if necessary, to follow in the November election. For municipal general elections held at the time of the statewide primary, California Election Code Section 8140, together with Election Code Section 10260 and other applicable Election Code provisions provide that a candidate is elected at that time only if he or she receives votes on a majority of the ballots cast; and

**WHEREAS**, the City Council of the City of Morro Bay called a Primary Municipal Election to be held on Tuesday, June 3, 2014 for the purpose of the election of two (2) members of the City Council of said City for the full term of four (4) years, and for the election of one (1) Mayor of the City Council of said City for the full term of two (2) years; and

**WHEREAS**, it is desirable that the Primary Municipal Election be consolidated with the Statewide Primary Election to be held on the same date and that within the City the precincts, polling places and election officers of the two elections be the same, and that the County Election Department of the County of San Luis Obispo canvass the returns of the Primary Municipal Election and that the election be held in all respects as if there were only one election.

**NOW, THEREFORE**, the City Council of the City of Morro Bay, California, does resolve, declare, determine and order as follows:

**SECTION 1.** That pursuant to the requirements of Section 10403 of the Elections Code, the Board of Supervisors of the County of San Luis Obispo is hereby requested to consent and agree to the consolidation of a Primary Municipal Election with

the Statewide Primary Election on Tuesday, June 3, 2014, for the purpose of the election of one (1) Mayor, and two (2) Members of the City Council.

**SECTION 2.** That the County Election Department is authorized to canvass the returns of the Primary Municipal Election. The election shall be held in all respects as if there were only one election, and only one form of ballot shall be used.

**SECTION 3.** That the Board of Supervisors is requested to issue instructions to the County Election Department to take any and all steps necessary for the holding of the consolidated election.

**SECTION 4.** That the City of Morro Bay recognizes that additional costs will be incurred by the County by reason of this consolidation and agrees to reimburse the County for any costs.

**SECTION 5.** That the City Clerk is hereby directed to file a certified copy of this Resolution with the Board of Supervisors and the County Election Department of the County of San Luis Obispo.

**SECTION 6.** That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original resolutions.

**PASSED AND ADOPTED** by the City Council of the City of Morro Bay at a regular meeting thereof held on the 28<sup>th</sup> day of January 2014 following vote:

AYES:

NOES:

ABSENT:

ATTEST:

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JAMIE L. IRONS, Mayor

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JAMIE BOUCHER, City Clerk



AGENDA NO: A-6  
MEETING DATE: 01/28/2014

# Staff Report

**TO:** Honorable Mayor and City Council      **DATE:** January 17, 2014  
**FROM:** Susan Slayton, Acting City Manager/City Treasurer  
**SUBJECT:** Resolution No. 09-14 Adopting the City of Morro Bay Investment Policy and Delegating Authority to the City Treasurer to Invest Idle Funds

**RECOMMENDATION:**

Staff recommends that Council adopt Resolution No. 09-14.

**ALTERNATIVES**

City Council may choose to continue receiving this item on an annual basis, whether or not there have been any changes.

**FISCAL IMPACT:**

None.

**SUMMARY:**

Presented for Council’s review is the City of Morro Bay’s Investment Policy. Staffs recommends that Council review the policy, and adopt Resolution No. 09-14, with any amendments made at this meeting. Included in this Resolution is a statement that this item will only be brought back to Council when material changes are needed, with a corrected (red-lined) copy of the existing policy included.

**BACKGROUND:**

Since 1985, the City Council has been annually presented with the City’s Investment Policy to review and adopt. Each year, the Treasurer (Administrative Services Director) reviews the existing policy for recommended changes from the State of California and other governmental agencies, and implements them.

**DISCUSSION**

For 2014, there are no changes to the Investment Policy that was adopted on January 8, 2013, by Resolution 01-13. Staff is requesting that this Policy only come back to Council for review and approval when material changes need to be made; for example, if additional investment opportunities are authorized by the State. Per Government Code Sections 53607 and 53646(a)(2), staff is not mandated to bring the Policy back to the City Council; the terminology used in both Sections is that authority **may** be delegated for a one-year period (53607), and that the Treasurer **may** render a statement of investment policy to the governing board (53646(a)(2)). Since this is not a State requirement, staff feels that this policy should only come before Council if material changes are made, with a corrected copy (red-lined) of the existing policy included.

Prepared By: \_\_\_\_\_ Dept Review: \_\_\_\_\_  
City Manager Review: \_\_\_\_\_  
City Attorney Review: \_\_\_\_\_

**RESOLUTION NO. 09-14**

**RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF MORRO BAY, CALIFORNIA,  
ADOPTING THE CITY OF MORRO BAY INVESTMENT POLICY AND  
DELEGATING AUTHORITY TO THE CITY TREASURER  
TO INVEST IDLE FUNDS**

**THE CITY COUNCIL  
City of Morro Bay, California**

**WHEREAS**, the City Council of the City of Morro Bay desires to prudently invest the idle funds of the City to maximize the use of taxpayer funds; and

**WHEREAS**, the California Government Code Section 53600.3 states that “all governing bodies of local agencies, or persons authorized to make investment decisions on behalf of those local agencies, investing public funds, pursuant to this chapter, are trustees, and therefore, fiduciaries subject to the prudent investor standard;” and

**WHEREAS**, per California Government Code Section 53646(a)(2), all local agency governing boards may render, to the legislative body of that local agency, a statement of investment policy, which the legislative body of the local agency shall consider at a public meeting, and shall also consider any change in the policy; and

**WHEREAS**, per California Government Code Section 53607, the legislative body may delegate investment authority and responsibility to the Treasurer, and/or designated staff, for a period of one year subject to annual review and monthly review of transactions initiated by the designee; and

**WHEREAS**, the City Council determines that future presentation of the Investment Policy is to occur when material changes are made, and include a corrected (red-lined) copy of the existing policy.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Morro Bay that the Statement Policy, attached hereto, is adopted, and that the City Treasurer is hereby authorized to carry out this policy on behalf of the City Council.

**PASSED AND ADOPTED** by the City Council of the City of Morro Bay, on the 28<sup>th</sup> day of January, 2014, by the following vote:

AYES:  
NOES:  
ABSENT:

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JAMIE L. IRONS, Mayor

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JAMIE BOUCHER, City Clerk



# **CITY OF MORRO BAY INVESTMENT POLICY JANUARY 2014**

## **PURPOSE**

This investment policy establishes the practices and procedures to be used in managing the City of Morro Bay's (City) portfolio in accordance with the requirements of the State of California Government Code and the guidelines provided by the California Debt and Investment Advisory Commission (CDIAC) and the Government Finance Officers Association (GFOA).

## **SCOPE OF THE POLICY**

This policy governs the investment of money that is not required to meet the immediate needs of the City.

## **LEGAL AUTHORITY**

*Government Code Sections:* California Government Code Sections 53600 to 53609, 53635, and 16429.1 govern the investment of local agency funds.

*Legislative Changes:* Any applicable legislative actions will be acted on as of their effective dates and will be incorporated into the policy annually, specifying the California Government Code sections that have been added, deleted or amended.

## **OBJECTIVES**

The City Treasurer will consider the following factors in priority order when assessing investment opportunities:

*Safety:* The primary objective is the preservation of principal. Capital losses will be avoided, whether from default or erosion of market value, meaning that the City will not sell or trade an investment because of market fluctuation. The two types of risk to be minimized are:

1. Credit risk – the risk that an issuer or other counterparty to an investment will not fulfill its obligations; and
2. Interest rate or market risk – the risk that changes in interest rates will adversely affect the fair value of an investment.

*Liquidity:* The second objective is the liquidity of the portfolio. The portfolio should remain sufficiently flexible to enable the City to meet the operating requirements that are reasonably anticipated. In order to ensure liquidity, the investment policy must recognize that calculating cash flows are the basis of any good investment strategy. Meeting the daily cash flow demand goes hand-in-hand with meeting the City's liquidity needs.

*Yield:* The third objective, behind safety and liquidity, is attaining a market rate of return throughout the budgetary and economic cycles.

While managing the portfolio, the Treasurer and designated staff will strive to maintain public trust by avoiding any transactions that might impair public confidence in the City. When selecting investment instruments, the Treasurer and designated staff will remain cognizant of any social and policy considerations that have been established and defined in this policy.

## **GENERAL STRATEGY**

The Treasurer and designated staff may follow a passive or active investment strategy. Passive investment policies adhere to the investment goal of holding investments to maturity. Active investment strategy is the buying and selling of investments to achieve a certain benchmark objective. Great care, coupled with the advice of a fiscal agent, should be followed with an active investment policy.

The City, as stated above in the Objectives section under Safety, follows the passive investment strategy of holding investments to maturity.

## **STANDARD OF CARE**

*Prudent Investor Standard:* The prudence standard for trust investing traces back to Harvard College v. Amory, 26 Mass. (9 Pick.) 446 (1830). Judge Samuel Putnam stated that trustees should "observe how men of prudence, discretion and intelligence manage their own affairs, not in regard to speculation, but in regard to the permanent disposition of their funds, considering the probable income, as well as the probable safety, of the capital to be invested."

This standard will be followed by the Treasurer and designated staff.

*Ethics and Conflict of Interest:* The Treasurer and designated staff shall refrain from personal business activities that could conflict with the proper execution of the investment program or which could impair their ability to make impartial decisions.

*Delegation of Authority:* The following positions and corresponding City personnel are delegated the power to invest the funds of the City:

City Manager:	<del>Andrea Lueker</del>
Admin Services Dir/Treasurer:	Susan Slayton
Human Resources Analyst:	Laurie Goforth
Senior Accounting Technician:	Cristie Brazzi

These designations may change with the annual affirmation of this policy. Each delegate is required to adhere to the requirements set forth in the investment policy.

## **SAFEKEEPING AND CUSTODY**

*Third-party Safekeeping:* Ownership of the City's investment securities will be protected through third-party custodial safekeeping. The custodian will provide the City with a safekeeping receipt or monthly, itemized statement. Exceptions to this requirement are made for certificates of deposit, money market funds and investment pools.

*Internal Controls:* These are designed to ensure that the assets of the City are protected from theft, loss, or misuse. Such internal controls that are in place include:

1. Control of collusion;
2. Separation of duties;
3. Safekeeping of securities; and
4. Written confirmation of telephone transactions and wire transfers.

The City will separate the person who authorizes or performs the transaction from the person or people who ultimately record or otherwise account for the transaction to achieve separation of duties.

*Delivery vs. Payment:* All investment transactions should be conducted using standard delivery vs. payment procedures. In delivery vs. payment, the purchaser pays for the securities when they are delivered either to the purchaser or his/her custodian, and ensures that securities are deposited in an eligible financial institution prior to the release of funds.

## **AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS**

The City will only conduct business with approved banks, savings and loans, credit unions, and securities brokers/dealers. A list of financial dealers and institutions is to be maintained. Broker/dealers and institutions must meet all requirements established by federal and state law.

## **SUITABLE AND AUTHORIZED INVESTMENTS**

*Authorized Investment Types:* The City, by virtue of California Government Code Sections 53600 – 09, has the ability to invest in numerous types of instruments. The City has looked at its goals, objectives, and standards of care in establishing a list of authorized investment types that also meet statutory requirements. Those types of investment instruments that meet the criteria for the City are:

1. Securities of the U. S. Government, or its agencies;
2. California's Local Agency Investment Fund (LAIF) pool;
3. FDIC Insured Certificates of Deposit up to \$250,000;
4. Bankers' Acceptances (not exceeding 40% of the City's portfolio/max maturity 180 days);
5. Money Market funds;
6. Collateralized deposits ;
7. Passbook savings accounts; and
8. Repurchase agreements and reverse repurchase agreements (no more than 25% of the City's portfolio).

*Prohibited Investment Types:* In addition to a listing of authorized investments, California Government Code Section 53601.6 prohibits local agencies from investing in the following instruments:

1. Inverse floaters;
2. Range notes or mortgage-derived, interest-only strips;
3. Any security that could result in zero interest accrual if held to maturity;
4. Stock; and
5. Futures or options.

There may be additional investment instruments in which the City does not want the Treasurer to invest, and those will be defined in future investment policies.

## **INVESTMENT PARAMETERS**

*Diversification of Investments:* The City may choose to impose more stringent restrictions or further restrictions on other investment instruments, depending on its investment goals and risk tolerances, than those proposed in the California Government Code Sections 53600 - 09. The City has indicated those authorized investments as follows:

1. Money market funds;
2. Collateralized deposits;
3. Securities of any one issuer, not to exceed 5% of the City's portfolio, except those obligations of the U.S. government, U.S. governmental agencies, and U.S. government-sponsored enterprises;
4. Mutual funds; and

5. FDIC insured certificates of deposits.

*Maximum Maturity:* California Government Code Section 53601 lists the maximum maturity for any instrument as five (5) years. The exception to this time frame is made for investments with LAIF or collateralized deposits.

*Minimum Credit Requirements:* The City has chosen to follow the California Government Code Section 53601 that sets the minimum credit rating required for certain investment instruments as follows:

1. Short-term debt shall be rated at least "A-1" by Standard & Poor's Corporation, "P-1" by Moody's Investors Service, Inc., or "F-1" by Fitch Ratings. If the issuer of short-term debt has also issued long-term debt, this long-term debt rating shall be rated at least "A," without regard to +/- or 1, 2, 3 modifiers, by Standard & Poor's Corporation, Moody's Investors Service, Inc., or Fitch Ratings.
2. Long-term debt shall be rated at least "A," without regard to +/- or 1, 2, 3 modifiers, by Standard & Poor's Corporation, Moody's Investors Service, Inc., or Fitch Ratings.

*Maximum Weighted Average Maturity of a Portfolio:* As part of the monthly portfolio performance report that is provided to the City Council, a weighted average maturity (WAM) of the portfolio is calculated. While there are no requirements under state law for a maximum WAM of a portfolio, CDIAC's Local Agency Investment Guidelines suggest that local agencies include and monitor WAM to arrive at an acceptable range for future implementation of a maximum benchmark.

## **PORTFOLIO MANAGEMENT ACTIVITY**

*Active or Passive Portfolio Management:* In active portfolio management, treasurers buy and sell securities based on how to maximize portfolio values over a given timeframe. In passive portfolio management, the goal is to match a market rate of return (usually a benchmark). Weighing the pros and cons of each strategy in light of staff resources and investment, the City has chosen to follow a passive portfolio management strategy.

*Competitive Bidding:* Investments are purchased in the most cost effective and efficient manner utilizing approved brokers/dealers on all investment transactions.

*Reviewing and Monitoring of the Portfolio:* The portfolio is to be reviewed on a monthly basis to ensure that the investments are being properly tracked and reported.

*Portfolio Adjustments:* If the portfolio demonstrates non-compliance with the investment policy, the Treasurer and designated staff may hold the affected securities to maturity to avoid losses; however, the Treasurer may choose to rebalance the portfolio earlier to bring it back into compliance **only** if the portfolio will not suffer any losses for selling the investment prior to maturity.

*Performance Standards:* The objective of investing is to obtain a rate of return throughout budgetary and economic cycles, commensurate with investment risk constraints and cash flow needs.

## **REPORTING**

*Reporting Methods:* On a quarterly basis, the investment portfolio will be presented at a City Council meeting along with the quarterly financial reports, and will list the following components:

1. Types of investment;
2. Issuer names;
3. Dates of maturity;
4. Par amounts;
5. Dollar amounts;
6. Market values;
7. Descriptions of programs under the management of contracted parties;
8. A statement of compliance with the investment policy; and
9. A statement of the ability to meet cash flow needs for six months.

*Governmental Accountings Standards Board (GASB) Statement No. 31 - Marking to Market:* The City's portfolio is to be marked-to-market for the monthly investment report provided to the City Council and at minimum, annually for the financial statements. Market values are to be obtained from a reputable and independent source and disclosed to the City Council in the monthly written report. The independent source of pricing should not be one of the parties to the transaction being valued. Such an independent source could include a broker or other financial institution that was not counterparty to the transaction, the custodial bank if the bank was not a counterparty to the transaction, publicly available publications such as *The Wall Street Journal*, or other pricing services for which a separate fee would be paid.

This is consistent with GASB Statement No. 31, which requires that governmental entities report investments at fair value, and with the California Governmental Code, which also requires market values of investments be reported.

*Calculation of Yield and Costs:* All yield rates on investments will be presented at book value.

*Investment Policy Adoption, Review, and Amendment:* The investment policy will be reviewed, amended, and presented to the City Council annually at the beginning of the calendar year. The review should ensure that the policy is consistent with the overall objectives of preservation of principal, liquidity, and return, and is in conformance with the law, financial and economic trends, and the cash flow needs of the local agency.

*Definitions or Glossary of Terms:* This investment policy includes a definition section (Appendix A) in order to establish a common vocabulary between the Treasurer and designated staff, the City Council, and the public.

## APPENDIX A – INVESTMENT POLICY TERMINOLOGY

The following are examples of terminology commonly found in California City investment policies. The inclusion of these sections provides clarity to investment policies and better enables readers to understand important concepts.

**Authorized Financial Dealers and Institutions:** A list of financial institutions authorized to provide investment services. May also include a list of approved security broker/dealers with which the City can do business. These institutions and broker/dealers are usually selected by their ability to add value to the investment process. Some criteria to consider when choosing an approved broker/dealer include creditworthiness, expertise, and the products in which the financial dealer or institution is familiar. GFOA suggests that all entities qualifying for investment transactions provide audited financial statements; proof of industry group (National Association of Securities Dealers [NASD]) certification; proof of state registration; completed broker/dealer questionnaire; and certification of having read, understood, and agreeing to comply with the investment policy.

**Bankers' Acceptance:** A draft, bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

**Certificate of Deposit:** A time deposit with a specific maturity evidenced by a certificate.

**Collateralization:** Process by which a borrower pledges securities, property, or other deposits for the purpose of securing the repayment of a loan and/or security. California Government Code Section 53601 requires that all repurchase agreements be secured by eligible securities with a market value of 102 percent or greater of the funds borrowed. California Government Code requires public deposits to be collateralized at 110%.

**Delegation of Authority:** The granting of authority to manage the investment program to designated officials. Such authority is usually derived from code sections, ordinance, charters, or statutes. Government Code Section 53607, ~~for example states, allows~~ the City Council may ~~to~~ delegate, for a one-year period, its authority to invest or reinvest funds or to sell or exchange securities held by the local government.

**Delivery vs. Payment:** A type of securities transaction in which the purchaser pays for the securities when they are delivered either to the purchaser or his/her custodian. It ensures that securities are deposited in an eligible financial institution prior to the release of funds. A third-party custodian as evidenced by safekeeping receipts should hold securities.

**Diversification:** A process of investing assets among a range of security types by sector, maturity, credit rating, and call type or structure. This reduces exposure to risk by combining a variety of investments, which are unlikely to all move in the same direction. GFOA suggests diversifying a city's investment portfolio by limiting investments to avoid exposure to a specific sector, limiting investment in securities with higher credit risks, investing in instruments with varying maturities, and continuously investing a portion of the portfolio in readily available funds such as a local government investment pool, money market funds, or

overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

**Ethics and Conflicts of Interest:** The California Political Reform Act of 1974 requires certain designated public officials at all levels of government to publicly disclose their private economic interests and requires all public officials to disqualify themselves from participating in decisions in which they have a financial interest. As part of this requirement, local agencies are required to adopt and promulgate a Conflict of Interest Code, with certain required sections. To further promulgate this Code, investment policies sometimes include language requiring the ethical conduct of investment officers and statements regarding refraining from personal business activity that could conflict with the proper execution and management of the investment program or that could impair their ability to make impartial decisions. To avoid conflicts, GFOA recommends that investment officers disclose material interests in financial institutions with which they do business, disclose personal financial interests that could be related to the performance of the investment portfolio, and refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the local government.

**Exemption:** Language that grandfathers prohibited investments into the investment policy because they may have been held in the portfolio prior to the prohibition. When these investments mature or are liquidated, the money should be reinvested as provided by the policy and the exemption language should be removed from the policy.

**FDIC:** Federal Deposit Insurance Corporation is a federal agency that insures bank deposits up to \$250,000 per deposit.

**General Objectives:** The section of an investment policy that illustrates the three main objectives (safety, liquidity, and yield), in order of priority, of a good investment policy. In addition to these commonly included objectives, there are a myriad of other objectives for which an investment policy can strive. Safety is the preservation of principal. Liquidity is how easily an investment may be redeemed for cash. Yield is the current rate of return on a security generally expressed as a percentage of its current price. As per California Government Code Section 53600.5, safeguarding the principal of the funds under its control should be the primary objective of local agencies. Liquidity also should be a principal objective of a portfolio. The portfolio should maintain sufficient liquidity to meet operating requirements. To accomplish this, a local agency can structure a portfolio so that investments mature when cash is needed and also by investing in liquid securities with an active secondary market. Yield should be the last objective an investment portfolio should strive for, behind safety and liquidity. Since there are many different ways for yield to be calculated, the investment policy should specify how it is to be calculated.

**Internal Controls:** The system used to ensure that the local government assets are protected from loss, theft, or misuse. Such a system should provide a reasonable assurance that such loss, theft, or misuse can be prevented. Examples include separation of duties, delegation of authority, and documentation. GFOA suggests that an internal control system address the following points: control of collusion, separation of transaction authority from

accounting and recordkeeping, custodial safekeeping, avoidance of physical delivery of securities, clear delegation of authority to subordinate staff, written confirmation of transactions for investments and wire transfers, and development of a wire transfer agreement with the lead bank and third-party custodian.

**Investment Parameters:** Specified restrictions on investments to limit the amount of risk in a portfolio. These parameters may be specified in the California Government Code; however, the local agency may choose to further restrict investment options depending on its risk tolerance. Such parameters may include diversification of investments types, percentages, or dollar limits per issuer and setting maximum maturities.

**Investment Types:** A recitation of the investment types the local agency has been given authority in which to invest. This may be a list of securities allowable under California Government Code Section 53601 et seq., and may be further restricted by the agency itself. For a description of the allowable California local agency investment instruments, please see CDIAC's latest version of its Local Agency Investment Guidelines, available on its website at [www.treasurer.ca.gov/cdiac](http://www.treasurer.ca.gov/cdiac). GFOA recommends the investment in the following types of securities: U.S. government securities and agency obligations; highly-rated certificates of deposit, bankers' acceptances, commercial paper; investment-grade state and local government obligations; repurchase agreements securitized by the previously-mentioned securities; SEC-regulated, dollar-denominated money market mutual funds; and local government investment pools.

**LAIF:** Local Agency Investment Fund, the State of California's investment pool in which cities, counties and special districts may participate.

**Liquidity:** A liquid asset is one that can be quickly and easily converted into cash without loss in value.

**Market Value:** The price at which a security is trading at a point in time. Selling an investment at market value can result in a gain (\$500,000 investment sold for \$515,000 = \$15,000 gain) or loss (\$500,000 investment sold for \$498,000 = \$2,000 loss). Gains and losses are dependent on changes in the current rate of interest as compared to the interest rate of the investment that is being considered for sale.

**Marking-to-Market:** The act of recording the price or value of a security to reflect its current market value rather than its book value.

**Maximum Maturities:** Maturity is the date on which the security or obligation is redeemed by the issuer in exchange for cash. California law states that local governments cannot invest in instruments with terms remaining to maturity in excess of five years unless they receive express authority from their legislative bodies to do so. Local governments should attempt to match investment maturities with anticipated cash flow requirements. There is no requirement under California law for local governments to have a weighted average maturity (WAM) restriction for their portfolio, although CDIAC's Local Agency Investment Guidelines suggests that local agencies consider adopting a WAM restriction.

**Performance Standards:** The criteria by which a stated goal is measured. An investment portfolio's performance and risk exposure should be evaluated against appropriate benchmarks on a regular basis. One standard that should be strived for should be a market rate of return in a given interest rate environment.

**Policy Considerations:** The local ordinances or other requirements that place restrictions on the policy. Local governments should consider what should be exempted from the policy and also when, or under what circumstances, the policy should be amended.

**Pooling of Funds:** A statement in the investment policy that except for certain restricted or special funds, cash balances should be consolidated from all funds to maximize investment earnings.

**Portfolio:** The collection of investment instruments held.

**Prudent Investor Standard:** Legal maxim that all investments should be made with care, skill, prudence and diligence under the circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the professional management of their business affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

**Reporting:** Presentation of evaluation data or other information to communicate processes, roles, and results. Investment policies should include reporting requirements such as methods of reporting investments, the standards against which investments should be reported, and the requirement for calculating market value.

**Reporting Methods:** Ways in which investment outcomes are reported including listing of instrument values, dollar value returns, percentage yields, etc. GFOA suggests that local governments prepare investment reports at least quarterly. In California, investment reports are no longer required to be submitted to legislative bodies. This requirement is now permissive. If a local government chooses to submit an investment report in accordance with California Government Code Section 53646 to their legislative bodies, they are still required to submit copies to CDIAC for the second and fourth quarter of every calendar year until January 1, 2007. GFOA goes on to list some suggested components of investment reports including listing of securities, gains and losses, average weighted yield to maturity as compared to benchmarks, listing of investment by maturity date, and percentage of the total portfolio which each type of investment represents.

**Repurchase Agreements:** A repurchase agreement is a form of short-term borrowing for dealers in government securities, which are highly valued and thus considered a good source of collateral. The dealer sells the government securities to investors, usually on an overnight basis, and buys them back the following day. Investments in repurchase agreements may be made when the term of the agreement does not exceed one year.

**Risk:** Two of the most common risks associated with local government portfolio investing are credit risk and interest rate risk. Credit risk is the risk to an investor that an issuer will default in the timely payment of interest and/or principal on a security. Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. Limiting investment to the safest types of securities, pre-qualifying financial institutions, broker/dealers, and others with which the local agency will do business, and diversifying the number of issuers in an investment portfolio can minimize credit risk. Interest rate risk can be minimized by structuring the portfolio so that investments mature at the same time that cash is required or investing operating funds in highly liquid, shorter-term securities (e.g., U.S. Treasury bills or notes).

**Safekeeping and Custody:** Rules derived to ensure the safety of an investment and within whose control the investment resides. Some examples include third-party safekeeping, developing lists of authorized financial dealers and institutions, developing internal controls, and using a delivery vs. payment standard for transactions. Local agencies should consider requiring securities to be held by third-party custodians, evidenced by timely statements illustrating the balance held by these custodians.

**Scope:** The types of funds that the policy covers (e.g., operating funds, bond proceeds, etc.). In general, investment policies cover short-term operating funds. Longer-term funds such as retirement funds are covered by other policies. The investment of bond funds usually is governed by the bond documents such as the trust indenture.

**Standards of Care:** The degree of care that a reasonably prudent person would exercise in the investment of local agency funds.



AGENDA NO: A-7  
MEETING DATE: January 28, 2014

# Staff Report

**TO:** Honorable Mayor and City Council **DATE:** January 21, 2014  
**FROM:** Janeen Burlingame, Management Analyst  
**SUBJECT:** Resolution No. 08-14 Authorizing Submission of Rural Transit Fund Grant Application

### RECOMMENDATION

Staff recommends the City Council adopt Resolution No. 08-14.

### ALTERNATIVES

There is no alternative to not applying for the grant, as this is the City’s funding source for replacing transit vehicles once they are beyond the Federal Transit Administration’s (FTA) useful life criteria.

### FISCAL IMPACT

There is no fiscal impact to the City as the total estimated cost for the project is \$73,000 and would be paid for with RTF and Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) grant funds.

### SUMMARY

On December 5, 2002 the San Luis Obispo Council of Governments (SLOCOG) adopted Resolution No. 02-16 to create a RTF program designed to streamline the lengthy federal process of applying for, receiving and using Federal Transportation Administration Section 5311 funds for rural transit agency projects by programming the region’s share of Section 5311 funds to the Regional Transit Authority (RTA) for operations and exchanging it with a like amount of State Transportation Development Act (TDA) funds, programmed through SLOCOG.

Program policies and procedures that would govern the RTF program were developed to preserve the intent of the Section 5311 program in terms of who and what projects would be eligible for funds. The SLOCOG Board adopted the policies and procedures in October 2003.

The City of Morro Bay is an eligible recipient to apply for these funds. Approximately \$453,000 is available for competitive distribution for the FY 2014/2015 cycle. Applications are due February 3.

### DISCUSSION

The City intends to submit an application for the RTF FY 2014/2015 cycle for the purchase of a Morro Bay Transit vehicle to replace an existing one that is beyond the Federal Transit Administration useful life criteria. The estimated project cost is \$73,000, of which \$64,240 will be requested from the RTF FY 2014/2015 funding cycle and the remaining \$8,760 will come from the PTMISEA grant received last fiscal year.

### CONCLUSION:

Staff recommends the City Council adopt Resolution No. 08-14.

<b>Prepared By:</b> <u>J Burlingame</u>	<b>Dept Review:</b> _____
<b>City Manager Review:</b> _____	
<b>City Attorney Review:</b> _____	

**RESOLUTION NO. 08-14**

**RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF MORRO BAY, CALIFORNIA  
AUTHORIZING SUBMISSION OF APPLICATION  
TO THE RURAL TRANSIT FUND GRANT PROGRAM**

**THE CITY COUNCIL  
City of Morro Bay, California**

**WHEREAS**, the San Luis Obispo Council of Governments (SLOCOG) annually adopts the Federal Transit Administration (FTA) Section 5311 formula funds Program of Projects (POP); and

**WHEREAS**, SLOCOG began the Rural Transit Fund (RTF) program with Resolution 02-16 on December 5, 2002 by programming FTA Section 5311 funds to the San Luis Obispo Regional Transit Authority (RTA); and

**WHEREAS**, RTA has agreed to use these Federal funds for operating support and SLOCOG has agreed to exchange a similar amount of Transportation Development Act (TDA) funds for use in the RTF program; and

**WHEREAS**, SLOCOG, RTA, and other rural transit operators worked together to develop a process to exchange FTA Section 5311 formula funds with TDA funds to create the RTF, including Policies and Procedures to govern the RTF program; and

**WHEREAS**, the Policies and Procedures developed ensure that all funds will be used solely for rural transit projects consistent with the original intent of the FTA Section 5311 program; and

**WHEREAS**, there is \$453,000 available for competitive distribution with project applications for the 2014/2015 RTF cycle due February 3, 2014.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Morro Bay, California, that the Public Services Director, or his duly appointed representative, is authorized to submit an application to the Rural Transit Fund for the purchase of a transit vehicle.

**PASSED AND ADOPTED** by the City Council of the City of Morro Bay at a regular meeting thereof held on the 28<sup>th</sup> day of January, 2014 on the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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Jamie L Irons, Mayor

ATTEST:

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Jamie Boucher, City Clerk



AGENDA NO: A-8

MEETING DATE: January 28, 2014

## Staff Report

**TO:** Honorable Mayor and City Council                      **DATE:** January 22, 2014

**FROM:** Eric Endersby, Harbor Director

**SUBJECT:** Award of Base Bid Contract for Morro Bay North T-Pier Repair Project  
# MB-2013-H1

### **RECOMMENDATION**

Staff recommends award of the North T-Pier Repair Project # MB-2013-H1 contract to Associated Pacific Constructors of Morro Bay in the base bid amount of \$532,500.

### **ALTERNATIVES**

1. Award base bid contract to Associated Pacific Constructors (staff recommendation).
2. Reject all bids and re-issue bid document.

### **FISCAL IMPACT**

This project was previously authorized and funded; after accounting for the engineering and construction consultant and other costs to date, approximately \$639,000 is currently remaining in the Harbor Capital Project account for this project.

### **SUMMARY**

The Morro Bay North T-Pier Repair Project was authorized, funded and put out for bid late last year. Bids were opened on January 22, 2014, with the apparent low bidder being Associated Pacific Constructors with a base bid of \$532,500. After Award of Contract and Notice to Proceed (NTP), commencement of construction is anticipated to begin in mid spring of 2014.

### **BACKGROUND**

In 2010, a comprehensive dive inspection and subsequent structural assessment and repair recommendations were completed by our engineering consultant, Shoreline Engineering of Morro Bay. As a result of that assessment, during the budget process for fiscal years 2011/2012 and 2012/2013, the City Council authorized the funding for this much needed and long-deferred repair project.

That assessment also culminated in Shoreline producing a comprehensive Repair Plan for the pier,

Prepared By: EE                      Dept Review: \_\_\_\_\_  
City Manager Review: \_\_\_\_\_  
City Attorney Review: \_\_\_\_\_

from which construction management consultant MarWal Construction produced bid and construction agreement documents that were put out for bid on November 4, 2013. The bid methodology called for a base bid for the most crucial and important repair items including numerous piling replacements and rebuilding of several “bents” or sections of the pier in order to help regain its design strength and integrity. Beyond the base bid items, the bid document calls for unit-rate additive alternates, such as further piling and piling cap replacements, stringer replacements, and other structural items in need of attention, from which the City can choose which to proceed with based on remaining funds and prioritization recommendations from the consultant engineer and construction manager.

### **DISCUSSION**

Bids from four companies were received by the 2:00 p.m. deadline on Wednesday, January 22, 2014 with the apparent low bidder being Associated Pacific Constructors of Morro Bay with a \$532,500 base bid. The next lowest bidder was Cushman Contracting of Goleta at \$998,300. A copy of the bidding spreadsheet is included with this staff report.

Now that the base bid amount is known, staff will evaluate the funds remaining after accounting for the base bid amount in addition to our construction and engineering consultant and other “soft” cost obligations, and work with our consultants to develop which unit additive alternates to exercise in order to maximize the effectiveness of the repair work being done. Therefore, staff expects to come back to Council at the February 11<sup>th</sup> meeting with request for authorization and award of alternates to Associated Pacific, however, it is important that the base bid be awarded now so that the core project gets underway as soon as possible.

According to the bid documents, the required completion date for the project is 206 calendar days from the City’s NTP. Barring unforeseen circumstances, the NTP is expected to begin approximately two weeks from Award of Contract, and commencement of construction is anticipated to begin this spring. Factors that may affect this schedule may include the contractor’s schedule as well as lead times necessary for the ordering of materials and supplies.

### **CONCLUSION**

Staff recommends award of the North T-Pier Repair Project # MB-2013-H1 base bid to Associated Pacific Constructors with an apparent low bid of \$532,500.





AGENDA NO: A-9

MEETING DATE: January 28, 2014

## Staff Report

**TO:** Honorable Mayor and City Council                      **DATE:** January 21, 2014

**FROM:** Eric Endersby, Harbor Director

**SUBJECT:** Resolution No. 11-14 Authorizing the City of Morro Bay to Enter Into a 2013/2014 Boating Safety and Enforcement Equipment Grant Contract with the State of California Division of Boating and Waterways in the Amount of \$11,000 for Purchase of a New Harbor Patrol Vessel Trailer

### **RECOMMENDATION**

Staff recommends the City Council adopt Resolution No. 11-14 authorizing the Harbor Director to execute the attached Boating Safety and Enforcement (BS&E) Equipment and Operation Grant Contract Agreement #C89561009 with the California Division of Boating and Waterways (DBW) for \$11,000 for the funding of a new trailer for our 29-foot Harbor Patrol vessel that is currently under construction.

### **ALTERNATIVES**

There are no alternatives being offered as the grant amount will cover a majority, if not all, of the cost of the trailer.

### **FISCAL IMPACT**

There is no required funding match to this grant; it is fully-funded. The estimated cost for the trailer is \$11,000-\$12,000. Any funds required beyond the \$11,000 grant amount will come from existing budgeted department funds.

### **BACKGROUND**

The Harbor Department has obtained numerous BS&E grants from DBW for engine re-powers, miscellaneous equipment, two rescue personal watercraft, and most recently, funding towards a new 29-foot rescue/patrol vessel purchase. This new 29-foot vessel is too large to be safely and legally carried on the department's existing vessel trailers; as such we are in need of a new trailer in order to haul and transport the vessel for necessary maintenance and repairs.

Prepared By: EE

Dept Review: \_\_\_\_\_

City Manager Review: \_\_\_\_\_

City Attorney Review: \_\_\_\_\_

In April of 2013, the Harbor Department applied for and was approved an \$11,000 BS&E Grant from DBW for the purchase of this needed trailer.

**DISCUSSION**

Grant funds will be used towards the purchase of a new triple-axel, galvanized steel trailer allowing 18,000 pounds gross vehicle weight in order to handle the department's new custom built 29-foot twin-engine Harbor Patrol vessel. The City's purchasing policies will be followed for acquisition of the trailer.

**CONCLUSION**

Staff recommends that the City Council adopt Resolution No. 11-14 accepting an \$11,000 BS&E Grant from the California Division of Boating and Waterways towards the purchase of a new trailer suitable to haul the department's new 29-foot rescue/patrol vessel currently nearing the completion of construction.

**RESOLUTION NO. 11-14**

**AUTHORIZATION FOR THE CITY OF MORRO BAY  
TO ENTER INTO 2013/2014 BOATING SAFETY & ENFORCEMENT GRANT  
CONTRACT WITH THE STATE OF CALIFORNIA, DIVISION OF BOATING  
AND WATERWAYS IN THE AMOUNT OF \$11,000 FOR PURCHASE OF A  
NEW HARBOR PATROL VESSEL TRAILER**

**THE CITY COUNCIL  
City of Morro Bay, California**

**WHEREAS**, City of Morro Bay (City) applied for a grant from the Division of Boating and Waterways (DBW) under the Boating Safety and Enforcement (BS&E) grant program; and

**WHEREAS**, DBW awarded a grant of \$11,000 under the BS&E program for the purchase of a new Harbor Patrol vessel trailer.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Morro Bay, California, that the City of Morro Bay is hereby authorized to enter into BS&E contract #C8956109 with DBW for the purchase of a new boat trailer; and

**BE IT FURTHER RESOLVED**, that the Harbor Director is hereby authorized to act as the City's agent in regard to all aspects of the grant agreement.

**PASSED AND ADOPTED** by the City Council of the City of Morro Bay at a regular meeting thereof held on the 28th day of January, 2014 on the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Jamie L. Irons, Mayor

ATTEST:

\_\_\_\_\_  
Jamie Boucher, City Clerk

State of California – Natural Resources Agency  
DEPARTMENT OF PARKS AND RECREATION  
DIVISION OF BOATING AND WATERWAYS

**GRANT AGREEMENT**

GRANTEE CITY OF MORRO BAY HARBOR DEPARTMENT

THE TERM OF THIS AGREEMENT IS JANUARY 15, 2014 THROUGH JUNE 30, 2029

GRANT TITLE: LAW ENFORCEMENT EQUIPMENT GRANT PROGRAM

GRANT NUMBER: C8956109

The Grantee agrees to the terms and conditions of this contract, hereinafter referred to as Agreement, and the State of California, acting through its Director of Parks and Recreation, pursuant to the State of California agrees to fund the total State grant amount indicated below. The GRANTEE agrees to complete the SCOPE OF WORK as defined in the Agreement.

The General and Special Provisions attached are made a part of and incorporated into the Agreement.

**Grantee:** CITY OF MORRO BAY  
HARBOR DEPARTMENT  
**Address:** 1275 EMBARCADERO  
MORRO BAY, CA 93442

**Agency:** Department of Parks and Recreation,  
Division of Boating and Waterways  
ATTN: Corrina Dugger  
**Address:** One Capitol Mall, Suite 500  
Sacramento, CA 95814

BY: \_\_\_\_\_  
(Authorized Signature)

BY: \_\_\_\_\_  
(Authorized Signature)

\_\_\_\_\_  
(Printed Name and Title of Authorized Representative)

SYLVIA ORTEGA HUNTER, DEPUTY DIRECTOR  
(Printed Name and Title of Authorized Representative)

Date \_\_\_\_\_

Date \_\_\_\_\_

**CERTIFICATE OF FUNDING**

GRANT NO <b>C8956109</b>	AMENDMENT NO	CALSTARS VENDOR NO		PROJECT NO
AMOUNT ENCUMBERED BY THIS DOCUMENT <b>\$ 11,000.00</b>	FUND TITLE <b>Federal Trust Fund #0890</b>			AGENCY BILLING CODE NO <b>032011</b>
PRIOR AMOUNT ENCUMBERED BY THIS DOCUMENT <b>\$0.00</b>	ITEM <b>3790-101-0890</b>	CHAPTER <b>20</b>	STATUTE <b>2013</b>	FISCAL YEAR <b>2013/14</b>
TOTAL AMOUNT ENCUMBERED TO DATE <b>\$0.00</b>	INDEX <b>1700</b>	OBJECT CODE <b>702</b>	PCA CODE <b>68104</b>	PROJECT/WORK PHASE
T.B.A. NO	<i>I hereby certify upon my own personal knowledge that the budgeted funds are available for this encumbrance.</i>			
B.R.NO	ACCOUNTING OFFICER'S SIGNATURE		DATE	



AGENDA NO: B-1

MEETING DATE: January 28, 2014

## Staff Report

**TO:** Honorable Mayor and City Council **DATE:** January 23, 2014  
**FROM:** Rob Livick, PE/PLS – Public Services Director/City Engineer  
Cindy Jacinth – Associate Planner  
**SUBJECT:** Community Development Block Grant (CDBG) program funding recommendations for 2014/2015

### **RECOMMENDATION:**

Council review, and approve final funding recommendations for the 2014 Community Development Block Grant (CDBG) program as shown below and approve adjustment of awards on a proportional basis upon final receipt of the 2014/2015 funding allocation from the Department of Housing and Urban Development (HUD).

### **ALTERNATIVES**

Alternative 1. The City Council may move to change draft funding recommendations and forward a final funding recommendation to the Urban County Consortium which funds CAPSLO's application for the amount of \$7,830 and fund the City's Pedestrian Accessibility Project for \$33,934 and Program Administration amount of \$10,441.

Alternative 2. The City Council may move to change draft funding recommendations and forward a final funding recommendation to the Urban County Consortium which funds Senior Nutrition Program of SLO County's application for the amount of \$7,830 and fund the City's Pedestrian Accessibility Project for \$33,934 and Program Administration amount of \$10,441.

### **FISCAL IMPACT:**

Available funds are estimated at \$52,205 for the 2014/2015 cycle. Approving staff recommendations would allow for \$41,764 in accessibility improvements (sidewalk and curb ramps) along with \$10,441 for the offset of administrative costs, including planning and engineering.

### **BACKGROUND/DISCUSSION:**

The 2014 CDBG funding cycle began in the Fall of 2013. The first of two workshops were held throughout the County to solicit public comment on community needs. A needs workshop was held in Atascadero with the Cities of Morro Bay, Atascadero and Paso Robles participating on September 16, 2013 at the Atascadero City Hall. The County published a request for CDBG proposals and the City received three applications. Total funding is anticipated to be approximately \$52,205 which is

Prepared By: CJ

Dept Review: RL

City Manager Review: \_\_\_\_\_

City Attorney Review: \_\_\_\_\_

approximately 10% less than the FY2013 award. Final funding amounts will be released by the Department of Housing and Community Development (HCD) in mid 2014.

<b><i>2014 Applications Received by Category</i></b>		
<b><i>Public Facilities</i></b>	<b>Amount Requested</b>	<b>Amount Recommended At 11-12-13 Council Meeting</b>
City of Morro Bay – <i>Handicapped Accessibility - Barrier Removal Projects</i>	\$100,000	\$41,764
<b><i>Public Services – Limited to 15% of 2014 Allocation (or a maximum of \$7,830)</i></b>		
CAPSLO – <i>Maxine Lewis Memorial Shelter Operation expenses</i>	10,000	0
Senior Nutrition Program of SLO County – <i>Senior Nutrition Program</i>	15,000	0
<b><i>Administration – Limited to 20% of 2013 Allocation</i></b>		
City Program Administration Costs	10,441	10,441
<b>Total Funds Requested</b>	<b>\$135,441</b>	
<b>Estimated Total Funding Available</b>		<b>52,205</b>

On November 12, 2013, after reviewing the applications, Council approved draft funding recommendations for the 2014/2015 cycle to fund the Pedestrian Accessibility Sidewalk Phase 3 (ADA) project estimated at \$41,764 and program administration at \$10,441 for a total anticipated funding allocation of \$52,205. The recommendations were then published for the required minimum of 30 days during which a second public workshop was held on January 7, 2014. At that workshop, County and City staff was available to discuss the recommendations and answer any questions regarding the CDBG program.

Upon approval, the final funding recommendations will be forwarded to the County for submittal to and approval by the County Board of Supervisors and inclusion in the countywide Consolidated Plan.

**CONCLUSION**

Council may modify the grant funding recommendations prior to final approval. However, awards must meet federal program requirements, providing a minimum of 70% of funding for benefit to low and moderate-income persons, and no more than 15% of the City’s allocation can be funded to the public service category.

**ATTACHMENTS**

1. Entitlement Program Fact Sheet
2. US Census Data sheet
3. City of Morro Bay – Pedestrian Accessibility Project Phase 3 – Barrier Removal
4. CAPSLO – Maxine Lewis Memorial Shelter Operation Expenses
5. Senior Nutrition Program for SLO County – Senior Nutrition Program

# ATTACHMENT 1

APPENDIX A

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

## ENTITLEMENT PROGRAM FACT SHEET

### Introduction

The program provides annual grants on a formula basis to entitled cities and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons.

### In This Fact Sheet

- ✓ Grantee Eligibility
- ✓ Requirements
- ✓ Citizen Participation
- ✓ Legal Authority/Information Sources

### Nature of Program

HUD awards grants to entitlement communities to carry out a wide range of community development activities directed toward revitalizing neighborhoods, economic development, and providing improved community facilities and services.

Entitlement communities develop their own programs and funding priorities. However, grantees must give maximum feasible priority to activities which benefit low- and moderate-income persons. A grantee may also carry out activities which aid in the prevention or elimination of slums or blight, or to which it certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs. CDBG funds may not be used for activities which do not meet these broad national objectives.

CDBG funds may be used for activities which include, but are not limited to:

- ❖ Acquisition of real property;
- ❖ Relocation and demolition;
- ❖ Rehabilitation of residential and non-residential structures;
- ❖ Construction of public facilities and improvements, such as water and sewer facilities, streets, neighborhood centers, and the conversion of school buildings for eligible purposes;
- ❖ Public services, within certain limits;
  
- ❖ Activities relating to energy conservation and renewable energy resources; and

- ❖ Providing assistance to profit-motivated businesses to carry out economic development and job creation/retention activities.

Generally, the following types of activities are *ineligible*: acquisition, construction, or reconstruction of buildings for the general conduct of government; political activities; certain income payments and construction of new housing by units of general local government.

## **Grantee Eligibility**

Central cities of Metropolitan Statistical Areas (MSAs), other metropolitan cities with populations of at least 50,000, and qualified urban counties with populations of at least 200,000 (excluding the population of entitled cities) are entitled to receive annual grants. HUD determines the amount of each entitlement grant by a statutory dual formula which uses several objective measures of community needs, including the extent of poverty, population, housing overcrowding, age of housing, and population growth lag in relationship to other metropolitan areas.

## **Requirements**

To receive its annual CDBG entitlement grant, a grantee must develop and submit to HUD its Consolidated Plan, (which is a jurisdiction's comprehensive planning document and application for funding under the following Community Planning and Development formula grant programs: CDBG, HOME Investment Partnerships, Housing Opportunities for Persons with AIDS (HOPWA), and Emergency Shelter Grants (ESG)). In its Consolidated Plan, the jurisdiction must identify its goals for these programs, as well as for housing programs. The goals will serve as the criteria against which HUD will evaluate a jurisdiction's Plan and its performance under the Plan. Also, the Consolidated Plan must include several required certifications, including the certification that not less than 70% of the CDBG funds received, over a one, two, or three year period specified by the grantee, will be used for activities that benefit low- and moderate-income persons, and that the grantee will affirmatively further fair housing. HUD will approve a Consolidated Plan submission unless the Plan (or a portion of it) is inconsistent with the purposes of the National Affordable Housing Act or is substantially incomplete.

Following approval, the Department will make a full grant award unless the Secretary has made a determination that the grantee: (1) has failed to carry out its CDBG-assisted activities in a timely manner; (2) has failed to carry out those activities and its certifications in accordance with the requirements and the primary objectives of Title I of the Housing and Community Development Act of 1974, as amended, and with other applicable laws; or (3) lacks a continuing capacity to carry out its CDBG-assisted activities in a timely manner.

## **Citizen**

A grantee must develop and follow a detailed plan which provides for and encourages citizen participation and which emphasizes participation by

## **Participation**

persons of low- or moderate-income, particularly residents of predominantly low- and moderate-income neighborhoods, slum or blighted areas, and areas in which the grantee proposes to use CDBG funds. The plan must: provide citizens with reasonable and timely access to local meetings, information, and records related to the grantee's proposed and actual use of funds; provide for public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program, including at least the development of needs, the review of proposed activities, and the review of program performance; provide for timely written answers to written complaints and grievances; and identify how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate.

## **Legal Authority**

Title I of the Housing and Community Development Act of 1974, Public Law 93-383, as amended; 42 U.S.C.-5301 *et seq.*

## **Information Sources**

If you are an interested citizen, contact your local municipal or county officials for more information. If your local government officials cannot answer your questions, or if you are a local official, contact the HUD field office\* that serves your area. Note that the local government administers the program and determines which local projects receive funding.

Information about HUD field offices may be found on the World Wide Web at <http://www.hud.gov/local.html>.

\* Hearing impaired users may call the Federal Information Relay Service at 1-800-877-8339.

# ATTACHMENT 2



## COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM APPLICATION FOR THE 2014 PROGRAM YEAR

SAN LUIS OBISPO COUNTY DEPARTMENT OF PLANNING AND BUILDING  
976 OSOS STREET • ROOM 200 • SAN LUIS OBISPO • CALIFORNIA 93408 • (805) 781-5600

*Promoting the Wise Use of Land • Helping to Build Great Communities*

RECEIVED  
OCT 10 2013  
City of Morro Bay  
Public Services Department

Organization Name: City of Morro Bay  
(Attach additional sheets if necessary)

To be considered for CDBG assistance, please submit this completed application with any exhibits, budgets or beneficiary data as needed. **PLEASE READ ALL INFORMATION IN THE APPLICATION.** Applications can be mailed to one of the participating jurisdictions listed in this application or to: Tony Navarro, Planner III, Department of Planning and Building, 976 Osos Street, Room 300, San Luis Obispo, CA., 93408 or hand delivered to Tony Navarro at 1035 Palm Street, Room 370, San Luis Obispo, CA., faxed to (805) 781-5624, or e-mailed to [tnavarro@co.slo.ca.us](mailto:tnavarro@co.slo.ca.us). **The application deadline is 5:00 P.M., Tuesday, October 15, 2013.** Applications must be received by the County or one of the participating cities (Arroyo Grande, Atascadero, Morro Bay, Paso Robles, San Luis Obispo) prior to close of the business day. **POSTMARKED DATED MAIL RECEIVED AFTER THE DEADLINE WILL NOT BE ACCEPTED.**

### NOTE:

- (1) Please review the CDBG regulations and guidelines and the Request for Proposals before completing this proposal. The CDBG regulations, under 24 CFR 570, are available at [www.sloplanning.org](http://www.sloplanning.org) under "Federal HUD Grants."
- (2) **HMIS Reporting for 2014 homeless services, housing and shelter** - All homeless service providers applying for CDBG funds to assist, house or shelter the homeless must identify and demonstrate its capacity to participate in the County of San Luis Obispo Homeless Management Information System (HMIS) to provide: personnel for data entry, user licensing, and hardware and software necessary for compatibility with HMIS. HMIS is an electronic data collection system that stores client level information about persons who access the homeless services system in a Continuum of Care, and reports aggregate data for the County as per the U.S. Department of Housing and Urban Development's Data Standards found in [http://www.hudhre.info/documents/FinalHMISDataStandards\\_March2010.pdf](http://www.hudhre.info/documents/FinalHMISDataStandards_March2010.pdf).
- (3) The Project Proposal submitted to the County of San Luis Obispo shall be examined in relation to the County's community development goals and funding priorities as presented in the Urban County of San Luis Obispo 2010-2014 Consolidated Plan. The Consolidated Plan is available at [www.sloplanning.org](http://www.sloplanning.org). The County of San Luis Obispo Housing and Economic Development team will consider the criteria stated in the 2014 Request for Proposals as one of many tools to help make funding recommendations to the County Board of Supervisors. The Housing team will use other information and sources including but are not limited to: the County Board of Supervisors, recommendations from the Homeless Services Oversight Council, other participating jurisdictions of the Urban County of San Luis Obispo, identified needs that could be addressed by the grant funds, consistency with goals and priorities in the 2010-2014 Consolidated Plan and the Ten Year Plan to End Homelessness, results of the Needs Workshops, working knowledge of the project and/or organization, and availability of limited funds, to help with the funding recommendations.

Please call County and/or city CDBG staff with any questions about how to complete the form or about the rating criteria and process.

If the information for any of the questions below requires more room to provide a complete explanation of your proposed project or program, please attach additional sheets.

**CONTACT INFORMATION**

**1. Name and mailing address of applicant organization, with contact person, phone and fax numbers, and e-mail address:**

Name: City of Morro Bay

Address (mailing and physical address requested if different):

Contact person/title: Cindy Jacinth, Associate Planner

Phone: 805-772-6577

Fax: 805-772-6268

E-mail address: cjacinth@morro-bay.ca.us

Is the organization a Faith Based Organization? Yes  No

**Organization's DUNS number:** 060890571

If you are awarded CDBG funds or your proposal involves economic development, i.e., directly benefit a business, private property owner, business, involves façade improvements, provide technical assistance to a new or existing business, job creation, loan guarantee, the beneficiary must obtain a Dun and Bradstreet (DUNS) number that must be reported to HUD. Please contact Tony Navarro, (805) 781-5787, tnavarro@slo.co.ca.us for information on how to obtain a DUNS number prior to incurring and obligating the federal funds.

Is your agency currently participating in HMIS?

No

If not, does your agency have the capacity to participate in HMIS? If yes, how so?

N/A

**PROJECT DESCRIPTION**

**2. Title/name/address of proposed project or program:**

Morro Bay Pedestrian Accessibility Project – Phase 3  
City wide – Morro Bay

**3. Please describe the proposed project or program.** In one or two short paragraphs, include a brief project/program description, the groups who will benefit and an explanation of how they will benefit from

## ATTACHMENT 2

the proposed project or program. For projects, describe the location of the project (be as specific as possible, e.g. street address). For programs, state the location from which the program will be operated and/or describe the geographic area served by the program. Also, please include a schedule of project/program milestones.

Installation and repair of sidewalk and curb ramps throughout the City of Morro Bay will provide an accessible path of travel for those disabled low and very low income residents throughout the County. Project will include installation of curb ramps and sidewalk and repair of curb ramps and sidewalk so that this infrastructure meets current accessibility requirements.

**4. Will the services offered by your organization increase or expand as a result of the CDBG assistance? If yes, please answer the following questions:**

a. What new programs and/or services will be provided?

N/A

b. Describe how existing programs and/or services will be expanded and what percentage of an increase is expected?

**5. Check any of the following eligible activity categories that apply to the proposed project or program: (Refer to CDBG regulations and the Guide to Eligible CDBG Activities).**

Acquisition of real property\*

Disposition of real property

Public facilities and improvements (may include acquisition, construction, reconstruction, rehabilitation or installation)\* and/or \*\*

Privately owned utilities

Clearance and remediation activities\*\*

Public services

Interim assistance

Relocation of individuals, families, businesses, non-profit organizations, and/or farms

Loss of rental income

- Removal of architectural barriers
- Housing rehabilitation\*\*
- New housing construction (under limited circumstances)
- Homeownership assistance
- Housing services
- Code enforcement
- Historic preservation\*\*
- Commercial or industrial rehabilitation\*\*
- Special economic development
- Technical assistance and planning studies

\* **Relocation:** Any project that involves the acquisition of property and/or rehabilitation and is funded in whole or in part with federal funds, even if the federal funds are not used for the acquisition itself, is subject to federal requirements connected to acquisition and relocation. A project cannot be broken into separate "projects" in order to avoid the federal requirements connected with property acquisition and relocation. Any questions concerning whether the relocation regulations apply to a specific property acquisition project should be directed to the Community Development Division staff before any action is taken on the project.

If HUD funded project will cause a household or a business to move, even temporarily, the relocation regulations will apply.

Along with application submit:

- Estimate of relocation cost (moving costs, subsidy amount for suitable replacement dwelling)
- Letter to owner or voluntary acquisition, plus proof of delivery to owner.
- General Information letter to tenants (both business and residential tenants), plus proof of delivery to all).
- List of tenants (both business and residential tenants) at the time of application submittal.
- Refer to SLO Col website for sample relocation letters.

\*\* **Lead based paint/asbestos:** If HUD funded project involves acquisition or rehabilitation of a residential units that was built in 1978 or earlier, then Lead-Based paint regulations will apply.

- Along with application submit an estimate of costs for LBP work, provided by certified LBP consultant. Or statement by LBP consultant explaining that project is exempt.
- Include any temporary housing costs.

## 6. Describe the need and the degree of urgency for the proposed project or program.

**What would be the consequences if the proposed project or program is not funded in the next year?**

Removal of barriers through the construction and rehabilitation of sidewalks and curb ramps will remove the restriction that disabled and elderly face in accessing the City's pedestrian facilities.

- 7. Please describe the specific organizational method used to implement the proposed project or program (single or multiple group, public agency, non-profit, for-profit, experience in operating similar programs, etc.):**

The City of Morro Bay will be implementing the program.

- 8. Does the project require the issuance of a permit (from local, state or federal agencies)?**

Yes  No

- a. If yes, please identify the permits necessary to complete the project.

An encroachment permit will be required prior to construction.

- b. Have the necessary permits been issued? Please provide proof of permit issuance.

The permits will be issued during implementation.

- c. If permits are required but not yet obtained, when will the permits be issued?

The permits will be issued during implementation.

#### NATIONAL OBJECTIVES CRITERIA

- 9. Does the proposed project or activity meet one of the three national objectives of the CDBG program? Please check one of the objectives below that applies to the proposal, and explain how the project or activity meets that national objective.**

- a.   X   Benefits low- and moderate-income persons as defined by the U.S. Department of Housing and Urban Development (HUD).

Select one:

**Low/Moderate-Income Area Benefit** – The project serves only a limited area which is proven by 2000 Census data or survey to be a predominately (51% or more) low/moderate-income area. Applicants choosing this category must be able to prove their project/activity primarily benefits low/moderate-income households.

**Low/Moderate-Income Limited Clientele** – The project benefits a specific group of people (rather than all areas in a particular area), at least 51% of whom are low/moderate-income persons;. Note: Income verification for clients must be provided for this category. The following

groups are presumed to be low/moderate-income: abused children; elderly persons; battered spouses; homeless persons; adults meeting census definition of severely disabled; persons living with AIDS; and migrant farm workers

**Low/Moderate-Income Housing** – The project adds or improves permanent residential structures that will be/are occupied by low/moderate-income households upon completion.

**Low/Moderate-Income Jobs** – The project creates or retains permanent jobs, at least 51% of which are taken by low/moderate-income persons or considered to be available to low/moderate-income persons.

Explain: Provides barrier-free pedestrian accessibility

**NOTE:** To meet this national objective, the proposed activity must benefit a specific clientele or residents in a particular area of the County or participating city, at least 51 percent of who are low- and moderate-income persons.

b. \_\_\_\_\_ Aids in the prevention or elimination of slums or blight.

Explain:

Select one:

**Addressing Slums or Blight on an Area Basis -**

**Addressing Slums or Blight on a Spot Basis** – This project will prevent or eliminate specific conditions of blight or physical decay. Activities are limited to clearance, historic preservation, rehabilitation of buildings, but only to the extent necessary to eliminate conditions detrimental to public health and safety.

**Is the project located in a Redevelopment Area?**    Yes             No

If yes, attach a map of the area with the site highlighted, and provide the Redevelopment Project Area (excerpts accepted) which documents the existence of slum/blight. Also, document the specific redevelopment objectives pertaining to the proposed project.

**NOTE:** To meet this national objective, the proposed activity must be within a designated slum or blighted area and must be designed to address one or more conditions that contributed to the deterioration of the area.

c. \_\_\_\_\_ Meets community development needs having a particular urgency where existing conditions pose a serious and immediate threat to the health or welfare of the community, and no other funding sources are available, i.e., a major catastrophe such as a flood or earthquake.

Explain:

**NOTE:** To meet this national objective, the proposed activity must deal with major catastrophes or emergencies such as floods or earthquakes.

**10. If the project or program is designed to meet the national objective of providing benefit to low- and moderate-income persons, please estimate the number of unduplicated number of persons (or households) to benefit from the project and break that estimate down by income group (unduplicated means the number who are served, i.e., the grant will allow 25 children to participate in preschool – not 25 children x 5 days x 52 weeks = 6,500).**

a. Total number of persons or households who will benefit from the project or program (regardless of income group):

5,000 Persons/households (circle the applicable unit)

b. Of the total number of persons or households entered above, how many will be low-income (earning 51% - 80% or less of the County median-income)?

n/a Persons/households (circle the applicable unit)

c. Of the total number of persons or households entered above, how many will be very low-income (earning 50% or less of the County median-income)?

n/a Persons/households (circle the applicable unit)

**11. Who are the clients of your organization? (Example: low- to moderate-income persons, elderly persons, severely disabled persons, migrant farm workers, battered spouses, etc.)**

Low- to moderate-income persons.

**12. How will the clients benefit from this project?**

Provides for barrier free access to sidewalk and services the clients use.

**13. If your project serves homeless households, please describe how your program coordinates with other continuum of care projects and entities and how it aligns with the San Luis Obispo Countywide 10-Year Plan to Homelessness.**

N/A

**BENEFICIARY DATA**

**NOTE: You are required to provide beneficiary data at the end of each quarter and year end data of the fiscal year.**

**14. How do you collect demographic data on the beneficiaries of the proposed project or program?  
(Example: racial/ethnic characteristics)**

City staff will be using census data to determine city-wide benefit.

**15. How do you document and maintain income status of each client in compliance with HUD regulations? (Example: very low, low- and moderate-income)**

See #14.

**16. Provide the following information for the person(s) in your organization responsible for the preparation and submittal of the quarterly reports and for collecting and reporting the beneficiary data to the Urban County.**

Contact person/title: Cindy Jacinth, Associate Planner

Phone number: 805-772-6577

E-mail address: [cjacinth@morro-bay.ca.us](mailto:cjacinth@morro-bay.ca.us)

FINANCIAL INFORMATION

For CDBG applications to the County of San Luis Obispo involving acquisition, construction or rehabilitation projects please provide the required additional budget information on BUDGET FORM A and BUDGET FORM B attached to the back of this application.

17. Total amount of CDBG funds requested: \$ 100,000

18. Please identify the cities to which you are applying. If you are applying to one or more cities, please provide a copy of the application to the county by the application deadline. If you are requesting CDBG funds from more than one city, please break down the amount shown above by the jurisdiction listed below.

City of Arroyo Grande: City of Paso Robles:
City of Atascadero: City of San Luis Obispo:
City of Morro Bay: 100,000 County of San Luis Obispo:

19. Please describe the budget for the proposed project or program. Itemize all sources of funding expected to be available and used for this project

Table with 2 columns: Description and Amount. Row 1: CDBG Funds requested, \$ 100,000. Row 2: Other Federal fund(s) (please describe below), \$. Row 3: State source(s) (please describe below), \$. Row 4: Local source(s) (please describe below), \$. Row 5: Other funds (please describe below), \$. Row 6: Total Revenues, \$ 100,000.

b. Expenditures: List below by item or cost category.



## ATTACHMENT 2

Prior to HUD's release of grant conditions and/or funds for the CDBG-funded project, a review of the project's potential impact on the environment must be conducted by the awarding jurisdictions and approved by the County of San Luis Obispo **prior to obligating or incurring project costs**. The County must certify to HUD that it has complied with all applicable environmental procedures and requirements. Should project costs be obligated or incurred prior to the completion of the necessary environmental review, the project **shall not** benefit from the federal funds. Environmental review requirements pursuant to 24 CFR Part 58 must be fully satisfied for any project selected for funding prior to the CDBG Program issuing a Notice to Proceed for the project. The level of environmental review required depends on the nature of the project. 24 CFR Part 58 is available at [www.hud.gov/offices/cpd/environmental/lawsandregs/regs](http://www.hud.gov/offices/cpd/environmental/lawsandregs/regs).

If you need assistance or have questions regarding this application, please contact any of the persons listed below. Your application(s) can be dropped off or mailed to the following locations:

- Kelly Heffernon, Community Development Dept., City of Arroyo Grande, 214 E. Branch Street (P.O. Box 550), Arroyo Grande, CA 93421, (805) 473-5420.
- Valerie Humphrey, Public Works Dept., City of Atascadero, 6907 El Camino Real, Atascadero, CA 93422, (805) 470-3460.
- Rob Livick, Public Services Dept., City of Morro Bay, 955 Shasta Avenue, Morro Bay, CA, 93442, (805) 772-6261
- Darren Nash, Community Development Dept., City of Paso Robles, 1000 Spring St., Paso Robles, CA 93446, (805) 237-3970.
- Tyler Corey, Community Development Dept., City of San Luis Obispo, 919 Palm St., San Luis Obispo, CA 93401, (805) 781-7175.

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### COUNTY OF SAN LUIS OBISPO CDBG SUPPLEMENTAL BUDGET INFORMATION SHEET

## BUDGET FORM A

**For CDBG applications to the County of San Luis Obispo involving acquisition, construction or rehabilitation projects must provide the applicable project budget information.**

Financial considerations are key in assessing a project's ability to be completed successfully and timely. Factors to be considered in this area include (a) availability and sufficiency of resources (including all non-CDBG, federal, state, county or private funding sources), (b) the leveraging of resources, (c) fiscal support for the project for its continued viability and (d) the project budget's accuracy, reasonableness and completeness in determining the financial needs of the project.

**Source of Funds.** Provide for entire project and round to the nearest hundred dollars. Do NOT include operating costs as this is not an eligible CDBG costs for projects involving acquisition, construction or rehabilitation projects.

Description of Cost	Date Funds Available	Amount Requested	Approved - Secured	Total	% of Total Budget
<b>CDBG Funds: This Request</b>		100,000		100,000	100,000
Previous Award					
Previous Award					
<b>CDBG Funds: This request</b>					
Previous Award					
Other Federal Funds Source:					
State Funds Source:					
Private Funds:					
Private Funds:					
Private Funds:					
In-Kind Contributions: Labor					
In-Kind Contributions					
Other:					
Other:					
Other:					
<b>Totals</b>					<b>100%</b>

Comment on your entity's strategy and plans on the leveraging and sufficiency of resources to implement the proposed project. If project is not leveraged with other funds, explain why CDBG funds are being relied on solely to fund the proposed project.

## COUNTY OF SAN LUIS OBISPO CDBG SUPPLEMENTAL BUDGET INFORMATION SHEET

### BUDGET FORM B

#### Project Budget

# ATTACHMENT 2

## Budget Form – Acquisition, Construction and Rehabilitation Project Preliminary Budget & Project Funding Requirements

Agency name: \_\_\_\_\_ City of Morro Bay \_\_\_\_\_  
 Project: \_\_\_\_\_ Morro Bay Pedestrian Accessibility Project \_\_\_\_\_

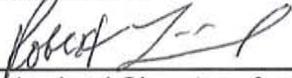
**Preliminary Budget:** List all funding necessary to complete the proposed project. You must provide a **DETAILED** budget line-item worksheet for all costs associated with the project. **NOTE: YOU MUST USE THIS FORMAT.** Additionally, you must provide a **DETAILED** budget narrative explaining how you arrived at each line item.

Activity	CDBG Funds	Other Funds	Total Cost
<b>ACQUISITION</b>			
Purchase of Land			
Purchase of Units			
Other Expenses (List)			
<b>HARD COSTS</b>			
Site Work			
Demolition			
Construction	83,200		83,200
Appliances			
Accessory Buildings			
General Requirements			
Contractor Overhead			
Contractor Profit			
Construction Contingency			
Other (List on separate sheet			
<b>SOFT COSTS</b>			
Architect Fee – Design	4,200		4,200
Architect Fee – Supervision			
Legal Fees			
Engineering Fees	4,200		4,200
Other Professional Fees (List) – Surveying	4,200		4,200
Appraisal			
Market Study			
Environmental Report			
Title & Recording Expenses			
Relocation Expenses			
Consultants	4,200		4,200
Other Soft Costs (List)			
<b>INTERIM COSTS</b>			
Construction Insurance			
Construction Interest			
Credit Enhancement			
Real Estate Taxes			
<b>FINANCING COSTS</b>			
Bond Premium			
Permanent Loan Origination			
Permanent Loan Credit Enhance			

Other Financing Costs (List)			
DEVELOPER'S FEE (Determined individually for each project)			
TOTAL DEVELOPMENT COST	\$100,000		\$100,000

Budget must be specific and reflect the applicant's financial commitment, including items paid for by other sources. This includes in-kind contributions and volunteer labor. It should not include amounts of administration. Indicate the circumstances/consequences of partial funding is awarded for this project.

Authorization:

  
 \_\_\_\_\_  
 Authorized Signature for Project

\_\_\_\_\_  
 PS Director/City Engineer  
 Title

10-11-2013  
 10-12-2012  
 \_\_\_\_\_  
 Date

Robert A. Livick \_\_\_\_\_  
 Print name

COUNTY OF SAN LUIS OBISPO CDBG SUPPLEMENTAL BUDGET INFORMATION SHEET

TIMELINE FORM C

WORK PLAN & PERFORMANCE SCHEDULE

List all project milestones and their anticipated work period. There will be an opportunity to update the project timeline after grant notification and before executing a grant agreement. Any proposed changes, including extension and early completion, must be requested in writing and approved in advance by the jurisdiction receiving the funding application. Note: Applicant will assume all financial risk if work on the proposed project begins before environmental clearance is obtained. You may either use or recreate this form to add tasks and activities and extended timeline. **YOU MUST USE THIS FORMAT.**

COUNTY OF SAN LUIS OBISPO CDBG SUPPLEMENTAL BUDGET INFORMATION SHEET

TIMELINE FORM C

WORK PLAN & PERFORMANCE SCHEDULE

List all project milestones and their anticipated work period. There will be an opportunity to update the project timeline after grant notification and before executing a grant agreement. Any proposed changes, including extension and early completion, must be requested in writing and approved in advance by the jurisdiction receiving the funding application. Note: Applicant will assume all financial risk if work on the proposed project begins before environmental clearance is obtained. You may either use or recreate this form to add tasks and activities and extended timeline. **YOU MUST USE THIS FORMAT.**

Task/Activity – (Starts July 2014)	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Environmental Review	X	X	X									
Contract Execution				X	X							
Project Activity Design						X	X					
Project Activity Implementation								X	X	X	X	X

# ATTACHMENT 3



## COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM APPLICATION FOR THE 2014 PROGRAM YEAR

SAN LUIS OBISPO COUNTY DEPARTMENT OF PLANNING AND BUILDING  
976 OSOS STREET • ROOM 200 • SAN LUIS OBISPO • CALIFORNIA 93408 • (805) 781-5600

*Promoting the Wise Use of Land • Helping to Build Great Communities*

RECEIVED

OCT 15 2013

City of Morro Bay  
Public Services Department

**Organization Name:** Community Action Partnership of San Luis Obispo County, Inc.  
(Attach additional sheets if necessary)

To be considered for CDBG assistance, a completed application with any necessary exhibits, budgets or beneficiary data is required. **PLEASE CAREFULLY READ ALL OF THE INFORMATION IN THIS APPLICATION.** Applications can be mailed to one of the participating jurisdictions listed in this application or to: Suzan Ehdaie, Department of Planning and Building, 976 Osos Street, Room 300, San Luis Obispo, CA, 93408 or hand delivered to Suzan Ehdaie at 1035 Palm Street, Room 370, San Luis Obispo, CA, faxed to (805) 781-5624, or e-mailed to [sehdaie@co.slo.ca.us](mailto:sehdaie@co.slo.ca.us). **The application deadline is 5:00 P.M., Tuesday, October 15, 2013.** Applications must be received by the County or one of the participating cities (Arroyo Grande, Atascadero, Morro Bay, Paso Robles, San Luis Obispo) prior to close of the business day. **POSTMARKED MAIL RECEIVED AFTER THE DEADLINE WILL NOT BE ACCEPTED.**

### NOTES:

- (1) Please review the CDBG regulations and guidelines and the Request for Proposals before completing your proposal. The CDBG regulations, under 24 CFR 570, are available at [www.sloplanning.org](http://www.sloplanning.org) under "Federal HUD Grants."
- (2) **HMIS Reporting for 2014 homeless services, housing and shelter** - All homeless service providers applying for CDBG funds to assist, house or shelter the homeless must identify and demonstrate its capacity to participate in the County of San Luis Obispo Homeless Management Information System (HMIS) to provide: personnel for data entry, user licensing, and hardware and software necessary for compatibility with HMIS. HMIS is an electronic data collection system that stores client level information about persons who access the homeless services system in a Continuum of Care, and reports aggregate data for the County per the U.S. Department of Housing and Urban Development's Data Standards found in [http://www.hudhre.info/documents/FinalHMISDataStandards\\_March2010.pdf](http://www.hudhre.info/documents/FinalHMISDataStandards_March2010.pdf).
- (3) The Project Proposal submitted to the County of San Luis Obispo shall be examined in relation to the County's community development goals and funding priorities as presented in the Urban County of San Luis Obispo 2010-2014 Consolidated Plan. The Consolidated Plan is available at [www.sloplanning.org](http://www.sloplanning.org). The County of San Luis Obispo Housing and Economic Development team will consider the criteria stated in the 2014 Request for Proposals as one of many tools to help make funding recommendations to the County Board of Supervisors. The Housing team will use other information and sources including but are not limited to: the County Board of Supervisors, recommendations from the Homeless Services Oversight Council, other participating jurisdictions of the Urban County of San Luis Obispo, identified needs that could be addressed by the grant funds, consistency with goals and priorities in the 2010-2014 Consolidated Plan and the Ten Year Plan to End Homelessness, results of the Needs Workshops, working knowledge of the project and/or organization, and availability of limited funds, to help with the funding recommendations.

Please call County or City CDBG staff with any questions about the application form, the process, and the rating criteria.

Please attach additional sheets for more detailed information of your proposed project or program for any of the questions below.

**CONTACT INFORMATION**

**1. Name and mailing address of applicant organization, with contact person, phone and fax numbers, and e-mail address:**

Name: *Community Action Partnership of San Luis Obispo County, Inc. (CAPSLO)*

Address (mailing and physical address requested if different):

*1030 Southwood Drive,  
San Luis Obispo, CA 93401*

Contact person/title: *Elizabeth "Biz" Steinberg, Chief Executive Officer*

Phone: *(805) 544-4355*

Fax: *(805) 549-8388*

E-mail address: *esteinberg@capslo.org*

**Organization's DUNS number:** *0589019500000*

If you are awarded CDBG funds or your proposal involves economic development, i.e., directly benefit a business, private property owner, business, involves façade improvements, provide technical assistance to a new or existing business, job creation, loan guarantee, the beneficiary must obtain a Dun and Bradstreet (DUNS) number that must be reported to HUD. Please contact Suzan Ehdaie, (805) 781-4979, [sehdaie@slo.co.ca.us](mailto:sehdaie@slo.co.ca.us) for information on how to obtain a DUNS number prior to incurring and obligating the federal funds.

Is the organization a Faith Based Organization?    Yes             No

Is your agency currently participating in HMIS?    Yes

If not, does your agency have the capacity to participate in HMIS? If yes, how so?

## PROJECT DESCRIPTION

**2. Title/name/address of proposed project or program:**

*Maxine Lewis Memorial Shelter  
750 Orcutt Road  
San Luis Obispo, CA 93401*

**3. Please describe the proposed project or program.** In one or two short paragraphs, include a brief project/program description, the groups who will benefit and an explanation of how they will benefit from the proposed project or program. For projects, describe the location of the project (be as specific as possible, e.g. street address). For programs, state the location from which the program will be operated and/or describe the geographic area served by the program. Also, please include a schedule of project/program milestones.

***Program description:*** *The San Luis Obispo homeless shelter program has two shelter sites: the Maxine Lewis Memorial (MLM) Shelter at Orcutt and South Broad Street, and the Interfaith Coalition for the Homeless (ICH) Shelter. ICH is a coalition of 14 faith-based groups (supported by volunteers) that formed nearly two decades ago to support emergency overnight sheltering in the community. A different church or synagogue hosts the ICH Shelter each month. Both shelter sites are open seven nights a week, year-round. The MLM Shelter opens at 5:00pm for dinner, showers, client screening/intake for shelter beds, and client information/referral assistance. Families are transported from the MLM Shelter to the ICH Shelter where they will sleep. Individuals and persons with special needs stay at the MLM Shelter.*

***Who/how will benefit:*** ***Who:*** *According to the 2011 Homeless Enumeration Report, 3,774 county residents were identified as homeless. A staggering 1,847 (49%) of those counted were younger than 18. Of those homeless persons surveyed, 39% countywide said they used shelter services and within the City of San Luis Obispo 53% said they had accessed shelter services in the past year. 70% reported having been homeless for more than a year, 19% have been homeless for more than three months, but less than a year, and 11% of have been homeless less than three months. All shelters were filled to capacity on the night of the count and many people had been turned away due to overcapacity. The Community Action Partnership's Homeless Services Program is the largest in the county, providing a significant service to the community.*

***How:*** *The San Luis Obispo shelter program will continue to benefit the county's homeless men, women and children who receive emergency intervention services to meet their most basic needs. Clients receive emotional and educational support to think beyond their immediate challenges and develop a plan to stabilize their lives and move toward greater self-sufficiency.*

***Location:*** *The MLM Shelter is in the City of San Luis Obispo but serves the entire county. The program serves homeless men, women and children from each of the incorporated cities and all of the unincorporated communities in the county.*

***Milestones:*** *Through CAPSLO's relationships and partnerships with other service sites and providers, many of the low-income persons we serve achieve permanent housing, and more stable employment and family functioning. Given our county's housing crisis, each family's personal achievements are program milestones.*

*The outcomes achieved in our homeless programs represent incremental progress toward increased personal and community well-being. At the personal level this means a homeless person facing their problems, accepting help, developing a life-changing plan, and working in partnership with shelter staff to take a series of small, manageable steps that lead to positive change. At the community level this means reducing the impacts on agencies and systems such as law enforcement, the courts, hospital emergency rooms, mental health and drug/alcohol resources, and child welfare services.*

**4. Will the services offered by your organization increase or expand as a result of the CDBG assistance? If yes, please answer the following questions:**

- a. What new programs and/or services will be provided?  
*No expansion is planned because the MLM Shelter program is already operating at full capacity, year-round.*
- b. Describe how existing programs and/or services will be expanded and what percentage of an increase is expected?  
*CDBG funds will enable the San Luis Obispo shelter program to maintain the current level of services.*

**5. Check any of the following eligible activity categories that apply to the proposed project or program: (Refer to CDBG regulations and the Guide to Eligible CDBG Activities).**

- |  |   |
|--|---|
| <input type="checkbox"/> Acquisition of real property*   | <input type="checkbox"/> Disposition of real property           |
| <input type="checkbox"/> Public facilities and improvements (may include acquisition, construction, reconstruction, rehabilitation or installation)* and/or ** |   |
| <input type="checkbox"/> Privately owned utilities   | <input type="checkbox"/> Clearance and remediation activities** |
| <input checked="" type="checkbox"/> Public services  | <input type="checkbox"/> Interim assistance                     |
| <input type="checkbox"/> Relocation of individuals, families, businesses, non-profit organizations, and/or farms   |   |
| <input type="checkbox"/> Loss of rental income   | <input type="checkbox"/> Removal of architectural barriers      |
| <input type="checkbox"/> Housing rehabilitation**  |   |
| <input type="checkbox"/> New housing construction (under limited circumstances)  |   |
| <input type="checkbox"/> Homeownership assistance  | <input type="checkbox"/> Housing services                       |
| <input type="checkbox"/> Code enforcement  | <input type="checkbox"/> Historic preservation**                |
| <input type="checkbox"/> Commercial or industrial rehabilitation**   | <input type="checkbox"/> Special economic development           |
| <input type="checkbox"/> Technical assistance and planning studies   |   |

**\* Relocation:** Any project that involves the acquisition of property and/or rehabilitation and is funded in whole or in part with federal funds, even if the federal funds are not used for the acquisition itself, is subject to federal requirements connected to acquisition and relocation. A project cannot be broken into separate

“projects” in order to avoid the federal requirements connected with property acquisition and relocation. Any questions concerning whether the relocation regulations apply to a specific property acquisition project should be directed to the County Housing and Economic Development staff before any action is taken on the project.

If HUD funded project will cause a household or a business to move, even temporarily, the relocation regulations will apply.

Along with application submit:

- Estimate of relocation cost (moving costs, subsidy amount for suitable replacement dwelling)
- Letter to owner of voluntary acquisition, plus proof of delivery to owner.
- General Information letter to tenants (both business and residential tenants), plus proof of delivery to all).
- List of tenants (both business and residential tenants) at the time of application submittal.
- Refer to SLO Col website for sample relocation letters.

**\*\* Lead based paint:** If HUD funded project involves acquisition or rehabilitation of a residential units that was built in 1978 or earlier, then Lead-Based paint regulations will apply.

- Along with application submit an estimate of costs for LBP work, provided by certified LBP consultant. Or statement by LBP consultant explaining that project is exempt.
- Include any temporary housing costs.

**6. Describe the need and the degree of urgency for the proposed project or program. What would be the consequences if the proposed project or program is not funded in the next year?**

*Need/Urgency: All services offered are heavily used indicating a substantial need in the county. In the 12 months ending June 30, 2013, 915 unduplicated persons received one or more nights of shelter for a total of 28,187 shelter nights. Those sheltered increased by 5% from 2011-12 due to the worsening economy preventing homeless from finding and/or keeping jobs and becoming self-sufficient and moving out of the shelter. More than 43% of clients were women and children, up from 35% in 2011-12, and more than 53% of adults were disabled. Averages of 79.7 persons per night are sheltered year-round between the two San Luis Obispo shelter sites.*

*The MLM Shelter provides San Luis Obispo’s only free dinner to Shelter clients and other hungry community members. A total of 67,680 meals were served in the 12 months ending June 30, 2013; 9,476 of those meals were served to “diner/dashers” (persons who came for dinner and a shower but not a shelter bed). Averages of 105.7 dinners were served each night in 2012-13. 2,869 shelter nights were provided to children, an average of 7.9 children per night.*

*In addition to the above mentioned data, funding over the past few years has remained level, with a slight decrease in some years, while the need for services has risen. An increase in awarded funding will be essential to maintain the level of services that are required to meet the challenge of the growing population of those in need.*

***If not funded:*** *San Luis Obispo County's high cost of living and high cost of housing have heavily impacted the local homeless. Until there is an adequate supply of affordable housing in the county, emergency sheltering will be a fact of life. CAPSLO's MLM Shelter has been serving the county's homeless since 1989. Without CDBG funding from the City and County of San Luis Obispo and other cities, the Shelter would be forced to close. The MLM Shelter is not just the largest homeless shelter facility in the county and the only free dinner in the City of San Luis Obispo, it is also the "anchor" program for many providers and services. Without an overnight shelter to meet the most basic needs of the homeless, outreach and assistance services are disrupted and ongoing stabilization and self-sufficiency efforts are undermined.*

**7. Please describe the specific organizational method used to implement the proposed project or program (single or multiple group, public agency, non-profit, for-profit, experience in operating similar programs, etc.):**

*As the county's Community Action Agency, CAPSLO has provided critical services to low-income county residents since 1965 and, since 1989, has operated the MLM Shelter in San Luis Obispo. We collaborate with the Interfaith Coalition for the Homeless, the City and County of San Luis Obispo, the SLO Housing Authority, the SLO Supportive Housing Consortium, the Homeless Services Coordinating Council, SLO People's Kitchen, and numerous public and private health and human service agencies to provide services to homeless clients. Key community partners include County Department of Social Services, County Mental Health, County Drug and Alcohol, Community Health Centers of the Central Coast, Transitions-Mental Health Association, AmeriCorps, and Cal Poly State University.*

*To support the countywide continuum of homeless services, CAPSLO contributed state funding toward creation of the county's 10-Year Plan to End Chronic Homelessness. This plan will help guide homeless service delivery for the next decade, and will benefit all communities in the county as well as the network of public, private and faith-based partners and service providers.*

*The agency currently collects all data using the Homeless Management Information System (HMIS), required by HUD, for this project. The agency collects data for the case management projects and is working with the county to expand the collection to this and other projects. The CAPSLO Homeless Services Data Analyst is responsible for getting the information on all case managed clients who are being served under a HUD grant. Every other week, a case conference is held and it is decided then what clients will be accepted to the program, and which clients will be closed out. During the following week, the Data Analyst meets one-on-one with each of the Case Managers to review the client file for all opening and closing clients, for completeness, accuracy, and to verify that the client is eligible for services under the program, and that all documentation is in place. The Data Analyst then enters all of the necessary information into HMIS. Additionally, case notes are emailed to the Data Analyst on a regular basis in order to get all of the services that the client is receiving entered into HMIS. With the information entered into the system, HMIS is capable of running reports to be given to the county and ultimately HUD.*

**8. Does the project require the issuance of a permit (from local, state or federal agencies)?**

Yes  No

a. If yes, please identify the permits necessary to complete the project.

- b. Have the necessary permits been issued? Please provide proof of permit issuance.
- c. If permits are required but not yet obtained, when will the permits be issued?

### NATIONAL OBJECTIVES CRITERIA

**9. Does the proposed project or activity meet one of the three national objectives of the CDBG program? Please check one of the objectives below that applies to the proposal, and explain how the project or activity meets that national objective.**

- a.  X  Benefits low- and moderate-income persons as defined by the U.S. Department of Housing and Urban Development (HUD). **NOTE:** To meet this national objective, the proposed activity must benefit a specific clientele or residents in a particular area of the County or participating city, at least 51 percent of who are low- and moderate-income persons.

Select one:

**Low/Moderate-Income Area Benefit** – The project serves only a limited area which is proven by 2000 Census data or survey to be a predominately (51% or more) low/moderate-income area. Applicants choosing this category must be able to prove their project/activity primarily benefits low/moderate-income households.

**Low/Moderate-Income Limited Clientele** – The project benefits a specific group of people (rather than all areas in a particular area), at least 51% of whom are low/moderate-income persons;. Note: Income verification for clients must be provided for this category. The following groups are presumed to be low/moderate-income: abused children; elderly persons; battered spouses; homeless persons; adults meeting census definition of severely disabled; persons living with AIDS; and migrant farm workers

**Low/Moderate-Income Housing** – The project adds or improves permanent residential structures that will be/are occupied by low/moderate-income households upon completion.

**Low/Moderate-Income Jobs** – The project creates or retains permanent jobs, at least 51% of which are taken by low/moderate-income persons or considered to be available to low/moderate-income persons.

Explain: *Persons served at the MLM and ICH shelter sites are all homeless including many persons with a physical and/or mental disability.*

- b. \_\_\_\_\_ Aids in the prevention or elimination of slums or blight. **NOTE:** To meet this national objective, the proposed activity must be within a designated slum or blighted area and must be designed to address one or more conditions that contributed to the deterioration of the area.

Explain:

Select one:

- Addressing Slums or Blight on an Area Basis -**
- Addressing Slums or Blight on a Spot Basis** – This project will prevent or eliminate specific conditions of blight or physical decay. Activities are limited to clearance, historic preservation, rehabilitation of buildings, but only to the extent necessary to eliminate conditions detrimental to public health and safety.

**Is the project located in a Redevelopment Area?**    Yes             No

If yes, attach a map of the area with the site highlighted, and provide the Redevelopment Project Area (excerpts accepted) which documents the existence of slum/blight. Also, document the specific redevelopment objectives pertaining to the proposed project.

- c. \_\_\_\_\_ Meets community development needs having a particular urgency where existing conditions pose a serious and immediate threat to the health or welfare of the community, and no other funding sources are available, i.e., a major catastrophe such as a flood or earthquake. **NOTE:** To meet this national objective, the proposed activity must deal with major catastrophes or emergencies such as floods or earthquakes.

Explain:

**If the project or program is designed to meet the national objective of providing benefit to low- and moderate-income persons, please estimate the number of unduplicated number of persons (or households) to benefit from the project and break that estimate down by income group (unduplicated means the number who are served, i.e., the grant will allow 25 children to participate in preschool – not 25 children x 5 days x 52 weeks = 6,500).**

- a. Total number of persons or households who will benefit from the project or program (regardless of income group):

\_\_\_\_\_ 920    Persons/households (circle the applicable unit)

- b. Of the total number of persons or households entered above, how many will be low-income (earning 51% - 80% or less of the County median-income)?

\_\_\_\_\_ 23    Persons/households (circle the applicable unit)

- c. Of the total number of persons or households entered above, how many will be very low-income (earning 50% or less of the County median-income)?

897

Persons households (circle the applicable unit)

**10. Who are the clients of your organization? (Example: low- to moderate-income persons, elderly persons, severely disabled persons, migrant farm workers, battered spouses, etc.)**

*The MLM Shelter program serves homeless men, women, and children as space is available. The client population includes youth accompanied by a parent or guardian (from newborns to teenagers), and adults including seniors. We serve persons of all ages, genders, races, and ethnicities without discrimination. This includes the mentally ill, developmentally and physically disabled, persons suffering from or in recovery from substance abuse, veterans, migrant farmworkers, and the working poor. We serve the chronically homeless, situational-homeless, unemployed, under-employed, uninsured, and underinsured.*

**11. How will the clients benefit from this project?**

*Shelter clients have "one stop" access to a broad range of services to help them stabilize their lives and move toward greater self-sufficiency. As well as providing emergency shelter, the CAPSLO Homeless Services program provides a holistic framework of services to help meet client needs. Comprehensive services include community meal programs at the MLM Shelter and Prado Day Center, daytime services at the Day Center, linkages and advocacy support, and access to intensive case management and permanent housing.*

*Without these emergency shelter services, clients would congregate in public places or disperse throughout local neighborhoods, impacting law enforcement and other public agencies.*

**12. If your project serves homeless households, please describe how your program coordinates with other continuum of care projects and entities and how it aligns with the San Luis Obispo Countywide 10-Year Plan to Homelessness.**

*CAPSLO's Homeless Services Division works closely with other agencies that provide supplemental services, including: Tri-Counties Regional Center, Department of Social Services, Independent Living Resource Center, Salvation Army, Catholic Charities, Loaves and Fishes, SLO Housing Authority, local VA Service Center, and local churches. Being the provider for a complement of services enables our clients to seamlessly receive the benefits within one organization, as well as having the ability to be referred to multiple agencies as needed. As a member the County Continuum of Care (CoC) CAPSLO partially funded the development of the 10-year plan and is an active participant in its implementation. CAPSLO also has developed other CoC projects that dovetail with this project and aides in the continued effort to help homeless individuals and families moved toward self-sufficiency.*

*No single person, agency or government body can bring an end to veteran homelessness – it will take a comprehensive and coordinated approach among all organizations that serve this population. This is evident in the national strategy through the US Interagency Council on Homelessness and HUD. CAPSLO and its local partners seek to emulate this collaborative approach. Each of the partners has its specific expertise in dealing with homeless individuals and families. CDBG funding will enable us to build on this expertise and continue the services we provide. The end result will be a more client*

*centered, “wraparound” service aimed at helping homeless individuals and families moved toward self-sufficiency, stability, and subsequent success.*

*The program looks to support all of the national priorities. The goals of CAPSLO’s “Housing Through Case Management” program are in sync with the key components of HUD’s mandate to fund programs that promote moving homeless clients into housing and ensuring that they receive public benefits and develop the skills needed to live independently. CAPSLO’s Homeless Services programs (Maxine Lewis Memorial Shelter, Prado Day Center and Case Management) work with HUD’s target population on a countywide basis and have an established program of cooperation and linkages with other agencies and organizations that provide services to homeless persons.*

*In addition to being consistent with the Federal Strategic Plan, CAPSLO is an active participant in the countywide process that developed County’s 10-Year Plan to End Homelessness. Numerous Partnership staff members have participated thus far, contributing their knowledge, experience and goodwill to ensure a successful outcome. CAPSLO generated the state discretionary grant and the City of San Luis Obispo CDBG grant that were used by the County to pay for facilitation of the process to develop our local 10-Year Plan. The “Housing Through Case Management” services are consistent with the Consolidated Plan. The 2009 Action Year of the 2005 Consolidated Plan shows these priorities for Addressing Homelessness:*

*Priority 1: Provide needed emergency shelter facilities and related services.*

*Priority 2: Prevent homelessness by enabling people to obtain or retain decent affordable housing and supportive services.*

*Now that the 10-Year Plan is finalized, CAPSLO is working diligently to advocate for, support and comply with service delivery philosophies, strategies, mandates, and performance standards that are setting a path to end all types of homelessness.*

## BENEFICIARY DATA

**NOTE: You are required to provide beneficiary data at the end of each quarter and year end data of the fiscal year.**

**13. How do you collect demographic data on the beneficiaries of the proposed project or program? (Example: racial/ethnic characteristics)**

*Demographics are collected during the client intake process using the California Department of Community Services and Development demographic form (Exhibit A attached).*

**14. How do you document and maintain income status of each client in compliance with HUD regulations? (Example: very low, low- and moderate-income)**

*As part of the client intake process, client income is verified using the federal poverty guidelines.*

- 15. Provide the following information for the persons in your organization responsible for the preparation and submittal of the quarterly reports and for collecting and reporting the beneficiary data to the Urban County.**

*Contact person/title: Robert J. Ellis, Planning & Program Development Specialist III*

*Phone number: (805) 544-4355 Ext. 445*

*E-mail address: bellis@capslo.org*

FINANCIAL INFORMATION

For CDBG applications to the County of San Luis Obispo involving acquisition, construction or rehabilitation projects please provide the required additional budget information on BUDGET FORM A and BUDGET FORM B attached to the back of this application.

16. Total amount of CDBG funds requested: \$ 368,600

17. Please identify the cities to which you are applying. If you are applying to one or more cities, please provide a copy of the application to the County by the application deadline. If you are requesting CDBG funds from more than one city, please break down the amount shown above by the city listed below.

City of Arroyo Grande:	_____	City of Paso Robles:	_____
City of Atascadero:	_____	City of San Luis Obispo:	<u>\$180,000</u>
City of Morro Bay:	<u>\$10,000</u>	County of San Luis Obispo:	<u>\$180,000</u>

18. Please describe the budget for the proposed project or program. Itemize all sources of funding expected to be available and used for this project

*Please see Exhibit B attached*

19. How do you plan to fund the operation and maintenance costs (if any) associated with this project? Are these funds available now? If not, when will they be available? And from what source(s)?

*CDBG funds are the primary mainstream resource used to support operation and maintenance of the MLM Shelter program. Other funding shown in Exhibit B also supports the shelter operation and is received throughout the year. Every effort is made to keep costs low by generating volunteer and in-kind support. The Shell Beach kitchen prepares the dinner on weekdays; community groups provide dinner on weekends and holidays. The shelter's dinner program annually involves several dozen community groups and local families and/or individuals. We are always looking for new meal providers in order to keep program costs as low as possible. In addition to the volunteer groups that provide dinner on weekends and holidays, volunteers are used to help serve dinner every night and to be "evening friends".*

*Volunteers and service groups such as California Conversation Corps also help with special events such as shelter repairs/upgrades as well as deep cleaning and landscaping, or take on special projects such as "shopping" at the Food Bank or helping with the "homework club". Community motels donate towels, sheets and blankets to the program; other local businesses contribute to "blanket and pillow" drives to benefit shelter clients.*

*We are also constantly looking at ways to diversify resources. CAPSLO's Homeless Advisory Committee is active in holding fundraising events. CAPSLO also engaged resource development consultants who created a long-range Financial Development Plan that will expand the agency's*

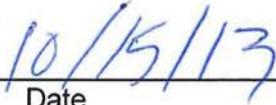
*capacity to generate diversified programmatic and capital development resources. That plan was adopted by the CAPSLO (then EOC) Board in October 2007.*

**20. Will CDBG funds be used to match/leverage other funds? List below funding sources and amounts and identify award dates of these sources.**

*CDBG funds are the primary mainstream resources used to support shelter operations; CDBG and ESG funds are used to leverage all other local and private resources. Please see Exhibit B.*

I certify that the information in this application is true and accurate to the best of my knowledge and ability.





Signature

Date

Elizabeth "Biz" Steinberg

CEO

Printed or typed name

Title

Please use the CSD 295 Client Characteristic Report Instructions and Helpful Hints to complete this form.

1 Contractor Name:		Contract #:	
Prepared By (name):		Report Period:	
Phone Number:		Email address:	

Demographic data should be collected on ALL clients receiving services under any program administered by the designated Community Action Agency.

<b>Yellow Highlighted Sections represent demographics collected on INDIVIDUALS</b>			
2 Total unduplicated number of persons about whom one or more characteristics were obtained			
3 Total unduplicated number of persons about whom no characteristics were obtained			
<b>Blue Highlighted Sections represent demographics collected on FAMILIES</b>			
4 Total unduplicated number of families about whom one or more characteristics were obtained			
5 Total unduplicated number of families about whom no characteristics were obtained			
<b>6. Gender</b>		<b>Number of Persons*</b>	
a. Male			
b. Female			
<b>*Total</b>		0	
<b>7. Age</b>		<b>Number of Persons*</b>	
a. 0-5			
b. 6-11			
c. 12-17			
d. 18-23			
e. 24-44			
f. 45-54			
g. 55-69			
h. 70+			
<b>*Total</b>		0	
<b>8. Ethnicity/Race</b>			
<i>i. Ethnicity</i>			
a. Hispanic, Latino or Spanish Origin			
b. Not Hispanic, Latino or Spanish Origin			
<b>*Total</b>		0	
<i>ii. Race</i>			
a. White			
b. Black or African American			
c. American Indian and Alaskan Native			
d. Asian			
e. Native Hawaiian and Other Pacific Islander			
f. Other			
g. Multi-Race (any 2 or more of the above)			
<b>*Total</b>		0	
<b>9. Education Level of Adults</b>		<b>Number of Persons 24+**</b>	
a. 0-8			
b. 9-12/Non-Graduate			
c. High School Graduate/GED			
d. 12+ Some Post Secondary			
e. 2 or 4 yr. College Graduates			
<b>** Total</b>		0	
<b>10. Other Characteristics</b>		<b>Number of Persons*</b>	
	Yes	No	Total *
a. Health Insurance			0
b. Disabled			0
<b>11. Family Type</b>		<b>Number of Families***</b>	
a. Single Parent/Female			
b. Single Parent/Male			
c. Two-Parent Household			
d. Single Person			
e. Two Adults - No Children			
f. Other			
<b>***Total</b>		0	
<b>12. Family Size</b>		<b>Number of Families ***</b>	
a. One			
b. Two			
c. Three			
d. Four			
e. Five			
f. Six			
g. Seven			
h. Eight or more			
<b>***Total</b>		0	
<b>13. Source of Family Income</b>		<b>Number of Families</b>	
a. Unduplicated # of Families Reporting One or More Sources of Income***			
b. Unduplicated # of Families Reporting No Income			
<b>Total UNDUP Families who responded as either having a source of income or having no income ***</b>			
		0	
<b>Record the sources of each family income as reported in 13a above:</b>			
<b>13a above:</b>			
c. TANF			
d. SSI			
e. Social Security			
f. Pension			
g. General Assistance			
h. Unemployment Insurance			
i. Employment + Other Source			
j. Employment only			
k. Other:			
<b>****Total (c. through k.)</b>		0	
<b>14. Level of Family Income % of HHS guideline</b>		<b>Number of Families ***</b>	
a. Up to 50%			
b. 51% to 75%			
c. 76% to 100%			
d. 101% to 125% *****			
e. 126% to 150% *****			
f. 151% to 175% *****			
g. 176% to 200% *****			
h. 201% and over *****			
<b>***Total</b>		0	
<b>15. Housing</b>		<b>Number of Families ***</b>	
a. Own			
b. Rent			
c. Homeless			
d. Other			
<b>***Total</b>		0	
<b>16. Other family characteristics</b>		<b>Number of Families***</b>	
a. Farmer			
b. Migrant Farmworker			
c. Seasonal Farmworker			
d. Veteran			
e. Active Military			

\* The sum in this category should not exceed the value of Section 2.  
 \*\* The sum in this category should not exceed the value of Section 7.e-h.  
 \*\*\* The sum in this category should not exceed the value of Section 4.  
 \*\*\*\* The sum in this category should be greater than or equal to Section 13.a.  
 \*\*\*\*\* Reminder, September 30, 2010 was the cutoff date for reporting CSBG clients served up to 200% of the Federal Poverty Guidelines.

Exhibit B  
 Community Action Partnership of SLO County, Inc.  
 Maxine Lewis Memorial Shelter  
 Proposed Budget FYE June 30, 2015

	Budget
<b>a. Revenues:</b>	
1. CDBG Funds Requested	\$ 370,000
2. Non-CDBG Funds Requested:	
SLO County ESG	39,428
Local - SLO County General Fund	42,211
FEMA	15,000
United Way	5,000
City of Pismo Beach	2,200
Donations	<u>91,730</u>
<b>Total Funds</b>	<b><u>\$ 565,569</u></b>
 <b>b.</b>	
<b>Expenditures:</b>	
Salaries	\$ 293,458
Fringe Benefits	116,140
Office Expense	2,860
Transportation	11,546
Utilities	23,579
Food	11,700
Laundry	18,525
Maintenance & Repairs	13,269
Program Supplies	12,951
Advertising, Recruiting and Training	1,625
Miscellaneous	18,022
Indirect & Administrative	<u>41,894</u>
<b>Total Expenditures</b>	<b><u>\$ 565,569</u></b>

# ATTACHMENT 4

## COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM APPLICATION FOR THE 2014 PROGRAM YEAR



SAN LUIS OBISPO COUNTY DEPARTMENT OF PLANNING AND BUILDING  
976 OSOS STREET • ROOM 200 • SAN LUIS OBISPO • CALIFORNIA 93408 • (805) 781-5600

*Promoting the Wise Use of Land • Helping to Build Great Communities*

### Organization Name: Senior Nutrition Program of San Luis Obispo County

(Attach additional sheets if necessary)

To be considered for CDBG assistance, a completed application with any necessary exhibits, budgets or beneficiary data is required. **PLEASE CAREFULLY READ ALL OF THE INFORMATION IN THIS APPLICATION.** Applications can be mailed to one of the participating jurisdictions listed in this application or to: Suzan Ehdaie, Department of Planning and Building, 976 Osos Street, Room 300, San Luis Obispo, CA, 93408 or hand delivered to Suzan Ehdaie at 1035 Palm Street, Room 370, San Luis Obispo, CA, faxed to (805) 781-5624, or e-mailed to [sehdaie@co.slo.ca.us](mailto:sehdaie@co.slo.ca.us). **The application deadline is 5:00 P.M., Tuesday, October 15, 2013.** Applications must be received by the County or one of the participating cities (Arroyo Grande, Atascadero, Morro Bay, Paso Robles, San Luis Obispo) prior to close of the business day. **POSTMARKED MAIL RECEIVED AFTER THE DEADLINE WILL NOT BE ACCEPTED.**

### NOTES:

- (1) Please review the CDBG regulations and guidelines and the Request for Proposals before completing your proposal. The CDBG regulations, under 24 CFR 570, are available at [www.sloplanning.org](http://www.sloplanning.org) under "Federal HUD Grants."
- (2) **HMIS Reporting for 2014 homeless services, housing and shelter** - All homeless service providers applying for CDBG funds to assist, house or shelter the homeless must identify and demonstrate its capacity to participate in the County of San Luis Obispo Homeless Management Information System (HMIS) to provide: personnel for data entry, user licensing, and hardware and software necessary for compatibility with HMIS. HMIS is an electronic data collection system that stores client level information about persons who access the homeless services system in a Continuum of Care, and reports aggregate data for the County per the U.S. Department of Housing and Urban Development's Data Standards found in [http://www.hudhre.info/documents/FinalHMISDataStandards\\_March2010.pdf](http://www.hudhre.info/documents/FinalHMISDataStandards_March2010.pdf).
- (3) The Project Proposal submitted to the County of San Luis Obispo shall be examined in relation to the County's community development goals and funding priorities as presented in the Urban County of San Luis Obispo 2010-2014 Consolidated Plan. The Consolidated Plan is available at [www.sloplanning.org](http://www.sloplanning.org). The County of San Luis Obispo Housing and Economic Development team will consider the criteria stated in the 2014 Request for Proposals as one of many tools to help make funding recommendations to the County Board of Supervisors. The Housing team will use other information and sources including but are not limited to: the County Board of Supervisors, recommendations from the Homeless Services Oversight Council, other participating jurisdictions of the Urban County of San Luis Obispo, identified needs that could be addressed by the grant funds, consistency with goals and priorities in the 2010-2014 Consolidated Plan and the Ten Year Plan to End Homelessness, results of the Needs Workshops, working knowledge of the project and/or organization, and availability of limited funds, to help with the funding recommendations.

Please call County or City CDBG staff with any questions about the application form, the process, and the rating criteria.

Please attach additional sheets for more detailed information of your proposed project or program for any of the questions below.

## CONTACT INFORMATION

**1. Name and mailing address of applicant organization, with contact person, phone and fax numbers, and e-mail address:**

Name: Senior Nutrition Program of San Luis Obispo County

Address (mailing and physical address requested if different):  
2180 Johnson Avenue,  
San Luis Obispo, CA 93401

Contact person/title  
Elias Nimeh, Executive Director

Phone: 805-541-3312

Fax: 805-541-5631

E-mail address: elias.nimeh@att.net

**Organization's DUNS number: 839610680**

If you are awarded CDBG funds or your proposal involves economic development, i.e., directly benefit a business, private property owner, business, involves façade improvements, provide technical assistance to a new or existing business, job creation, loan guarantee, the beneficiary must obtain a Dun and Bradstreet (DUNS) number that must be reported to HUD. Please contact Suzan Ehdaie, (805) 781-4979, sehdaie@slo.co.ca.us for information on how to obtain a DUNS number prior to incurring and obligating the federal funds.

Is the organization a Faith Based Organization? Yes  No X

Is your agency currently participating in HMIS? no

If not, does your agency have the capacity to participate in HMIS? If yes, how so? no

## PROJECT DESCRIPTION

**2. Title/name/address of proposed project or program:**

Title: Ongoing program support  
 Name: Senior Nutrition Program of San Luis Obispo County  
 Address: 2180 Johnson Avenue  
 San Luis Obispo, CA 93401

**3. Please describe the proposed project or program.** In one or two short paragraphs, include a brief project/program description, the groups who will benefit and an explanation of how they will benefit from the proposed project or program. For projects, describe the location of the project (be as specific as possible, e.g. street address). For programs, state the location from which the program will be operated and/or describe the geographic area served by the program. Also, please include a schedule of project/program milestones.

The Senior Nutrition Program of SLO County provides free, hot, nutritious noon-time meals to seniors who are at least 60 years old. Seniors who are able to attend can eat meals at 10 community sites throughout the county in congregate dining. We also deliver meals, with frozen meals for Saturday and Sunday, to qualified seniors who are homebound. We rely on over 250 volunteers to deliver meals. We are the only program serving senior meals throughout San Luis Obispo County and the only program that includes congregate dining and an opportunity for socialization among the seniors. All of our meals are free to those who are eligible, although some clients choose to make voluntary anonymous donations. Our program has three goals: nutrition, socialization, and safety. Both the congregate dining and the home delivery provide socialization and human contact to help break the cycle of isolation. Finally, the daily home deliveries by volunteers, along with regular assessments by site supervisors, provide both friendly human contact and a safety net from accidents or physical or financial abuse. All staff and volunteers are mandated to report any suspected abuse. Currently, we are based in the former County Hospital complex in San Luis Obispo where we are able to prepare all our meals in the former hospital's kitchen and handle our administrative needs in a small adjacent office.

This past fiscal year, July 2012 – June 2013, SNP prepared and delivered 146,309 meals to 1633 senior residents of San Luis Obispo County.

We are requesting the CDBG grant funding to help us maintain the high quality of our program and services. SNP gets half (50%) of the needed funding to operate the program from state and federal sources. We must raise the other half, \$600,000 annually, through fundraising, donations, and local grants. CDBG grant money will be used as a matching fund for the federal grant.

**4. Will the services offered by your organization increase or expand as a result of the CDBG assistance? No. If yes, please answer the following questions:**

- a. What new programs and/or services will be provided?
  
- b. Describe how existing programs and/or services will be expanded and what percentage of an increase is expected?

**5. Check any of the following eligible activity categories that apply to the proposed project or program: (Refer to CDBG regulations and the Guide to Eligible CDBG Activities).**

- |  |   |
|--|---|
| <input type="checkbox"/> Acquisition of real property*   | <input type="checkbox"/> Disposition of real property           |
| <input type="checkbox"/> Public facilities and improvements (may include acquisition, construction, reconstruction, rehabilitation or installation)* and/or ** |   |
| <input type="checkbox"/> Privately owned utilities   | <input type="checkbox"/> Clearance and remediation activities** |
| <input checked="" type="checkbox"/> Public services  | <input type="checkbox"/> Interim assistance                     |
| <input type="checkbox"/> Relocation of individuals, families, businesses, non-profit organizations, and/or farms   |   |
| <input type="checkbox"/> Loss of rental income   | <input type="checkbox"/> Removal of architectural barriers      |
| <input type="checkbox"/> Housing rehabilitation**  |   |
| <input type="checkbox"/> New housing construction (under limited circumstances)  |   |
| <input type="checkbox"/> Homeownership assistance  | <input type="checkbox"/> Housing services                       |
| <input type="checkbox"/> Code enforcement  | <input type="checkbox"/> Historic preservation**                |
| <input type="checkbox"/> Commercial or industrial rehabilitation**   | <input type="checkbox"/> Special economic development           |
| <input type="checkbox"/> Technical assistance and planning studies   |   |

**\* Relocation:** Any project that involves the acquisition of property and/or rehabilitation and is funded in whole or in part with federal funds, even if the federal funds are not used for the acquisition itself, is subject to federal requirements connected to acquisition and relocation. A project cannot be broken into separate "projects" in order to avoid the federal requirements connected with property acquisition and relocation. Any questions concerning whether the relocation regulations apply to a specific property acquisition project should be directed to the County Housing and Economic Development staff before any action is taken on the project.

If HUD funded project will cause a household or a business to move, even temporarily, the relocation regulations will apply.

Along with application submit:

- Estimate of relocation cost (moving costs, subsidy amount for suitable replacement dwelling)

- Letter to owner of voluntary acquisition, plus proof of delivery to owner.
- General Information letter to tenants (both business and residential tenants), plus proof of delivery to all).
- List of tenants (both business and residential tenants) at the time of application submittal.
- Refer to SLO Col website for sample relocation letters.

**\*\* Lead based paint:** If HUD funded project involves acquisition or rehabilitation of a residential units that was built in 1978 or earlier, then Lead-Based paint regulations will apply.

- Along with application submit an estimate of costs for LBP work, provided by certified LBP consultant. Or statement by LBP consultant explaining that project is exempt.
- Include any temporary housing costs.

**6. Describe the need and the degree of urgency for the proposed project or program. What would be the consequences if the proposed project or program is not funded in the next year?**

Without funding in the next year for our program, we would be forced to cut back on existing services to our clients and turn away new clients. Senior Nutrition Program is proud of the level of service we are able to provide and the number of seniors we are able to serve in our program. However, our costs continue to rise, especially in the areas of food, labor costs, supplies, and gas and maintenance for our delivery trucks. Additionally, we constantly receive requests from new clients who want to participate in our program, especially among those who are homebound. The home-delivered meals cost more to the program than the congregate meals. In order to maintain our high level of service and program quality, we urgently need financial support from local agencies.

**7. Please describe the specific organizational method used to implement the proposed project or program (single or multiple group, public agency, non-profit, for-profit, experience in operating similar programs, etc.):**

Senior Nutrition Program has operated in San Luis Obispo County, CA, for over 25 years. We are a non-profit corporation that consists of a volunteer board of directors, dedicated staff of 8 full-time and 18 part-time employees, and over 250 volunteers.

The process we use to provide hot, nutritious meals is as follows:

- Assessment of potential clients is determined at the initial application process. It is also determined if there are other health issues, nutritional risks and limitations. When needed, we will refer potential clients to other appropriate agencies.
- Our registered dietician prepares a menu of delicious and nutritious meals every month that follows all health and dietary restrictions. Under the guidance of our experienced kitchen manager, meals are prepared by trained staff in the central kitchen. Additionally, we supplement

our kitchen staff through a collaborative program with three youth organizations whose participants learn employable kitchen skills.

- Two drivers deliver food to 10 community sites each weekday in refrigerated trucks. Site managers, with the help of volunteers, heat and serve food to our dining room clients. They also pack meals that are picked up by volunteers from the sites to be delivered to the homebound five days a week. Two additional frozen meals are delivered on Fridays to homebound clients to see them through the weekend.
- SNP delivers meals to the City of San Luis Obispo, the Five Cities (Arroyo Grande, Oceano, Grover Beach, Pismo Beach, and Nipomo), Los Osos/Baywood Park, Morro Bay, Cambria, Atascadero, Santa Margarita, Templeton, and Paso Robles.
- SNP maintains daily records of every meal and every client served. On any day of the year, we will be able to compare the cost-to-date of our food purchases for the fiscal year vs. last year by the number of clients and the number of meals and also by the number of homebound meals and the number of congregate meals.

SNP leadership focuses on effectively managing our costs, maintaining meticulous records, and planning and preparing the highest quality meals for our seniors. Following is a brief biography of our leaders:

- **Elias Nimeh, Executive Director**, has been the director of SNP for 8 years. He has a B. Sc. degree in Agronomy from Arizona State University and 40-plus years' experience in the restaurant business. He owned and operated a local business, Tortilla Flats, Inc., for 20 years.
- **Irene Palacios, Kitchen Director**, has been with the program for over 30 years and followed a steady progression of increasing responsibilities and promotions until reaching her current position as Kitchen Director approximately 27 years ago.
- **Wendy Fertschneider, Nutritionist**, has a degree in Dietetics and Food Administration from Cal Poly SLO. She has been with the program for over 15 years in a variety of positions. Currently she works part-time as our Registered Dietician, which is required for this program, writing and approving menus, providing staff training and nutrition education, and serving as advisory council facilitator.
- Additionally, interns from Cal Poly and Cuesta College assist our office staff. A group of approximately 35 volunteers, the Friends of Senior Nutrition Program, have the primary responsibility for planning and putting on our annual fund-raising event, the Night of a Million Meals.

**8. Does the project require the issuance of a permit (from local, state or federal agencies)?**

Yes  No

- a. If yes, please identify the permits necessary to complete the project.
- b. Have the necessary permits been issued? Please provide proof of permit issuance.
- c. If permits are required but not yet obtained, when will the permits be issued?

## NATIONAL OBJECTIVES CRITERIA

9. Does the proposed project or activity meet one of the three national objectives of the CDBG program? Please check one of the objectives below that applies to the proposal, and explain how the project or activity meets that national objective.

- a.  Benefits low- and moderate-income persons as defined by the U.S. Department of Housing and Urban Development (HUD). **NOTE:** To meet this national objective, the proposed activity must benefit a specific clientele or residents in a particular area of the County or participating city, at least 51 percent of who are low- and moderate-income persons.

Select one:

**Low/Moderate-Income Area Benefit** – The project serves only a limited area which is proven by 2000 Census data or survey to be a predominately (51% or more) low/moderate-income area. Applicants choosing this category must be able to prove their project/activity primarily benefits low/moderate-income households.

**Low/Moderate-Income Limited Clientele** – The project benefits a specific group of people (rather than all areas in a particular area), at least 51% of whom are low/moderate-income persons;. Note: Income verification for clients must be provided for this category. The following groups are presumed to be low/moderate-income: abused children; elderly persons; battered spouses; homeless persons; adults meeting census definition of severely disabled; persons living with AIDS; and migrant farm workers

**Low/Moderate-Income Housing** – The project adds or improves permanent residential structures that will be/are occupied by low/moderate-income households upon completion.

**Low/Moderate-Income Jobs** – The project creates or retains permanent jobs, at least 51% of which are taken by low/moderate-income persons or considered to be available to low/moderate-income persons.

Explain: All of our clients are elderly; some are disabled/homebound. In FY 2012-2013, SNP served 1850 clients. Of those served, 35% are living in poverty. The remaining clients are living at a moderate income level. During the application process clients are asked to check income status. It is SNP policy to provide meals free of charge to seniors at least 60 years old regardless of income.

- b. \_\_\_\_\_ Aids in the prevention or elimination of slums or blight. **NOTE:** To meet this national objective, the proposed activity must be within a designated slum or blighted area and must be designed to address one or more conditions that contributed to the deterioration of the area.

Explain:

Select one:

**Addressing Slums or Blight on an Area Basis -**

**Addressing Slums or Blight on a Spot Basis** – This project will prevent or eliminate specific conditions of blight or physical decay. Activities are limited to clearance, historic preservation, rehabilitation of buildings, but only to the extent necessary to eliminate conditions detrimental to public health and safety.

**Is the project located in a Redevelopment Area?**    Yes             No

If yes, attach a map of the area with the site highlighted, and provide the Redevelopment Project Area (excerpts accepted) which documents the existence of slum/blight. Also, document the specific redevelopment objectives pertaining to the proposed project.

- c. \_\_\_\_\_ Meets community development needs having a particular urgency where existing conditions pose a serious and immediate threat to the health or welfare of the community, and no other funding sources are available, i.e., a major catastrophe such as a flood or earthquake. **NOTE:** To meet this national objective, the proposed activity must deal with major catastrophes or emergencies such as floods or earthquakes.

Explain:

**10. If the project or program is designed to meet the national objective of providing benefit to low- and moderate-income persons, please estimate the number of unduplicated number of persons (or households) to benefit from the project and break that estimate down by income group (unduplicated means the number who are served, i.e., the grant will allow 25 children to participate in preschool – not 25 children x 5 days x 52 weeks = 6,500).**

- a. Total number of persons or households who will benefit from the project or program (regardless of income group):

1633    Persons/~~households~~ (circle the applicable unit)

- b. Of the total number of persons or households entered above, how many will be low-income (earning 51% - 80% or less of the County median-income)?

527    Persons/~~households~~ (circle the applicable unit)

- c. Of the total number of persons or households entered above, how many will be very low-income (earning 50% or less of the County median-income)?

105    Persons/~~households~~ (circle the applicable unit)

**11. Who are the clients of your organization? (Example: low- to moderate-income persons, elderly persons, severely disabled persons, migrant farm workers, battered spouses, etc.)**

Elderly persons  
Low- to moderate-income persons  
Disabled persons

**12. How will the clients benefit from this project?**

The main benefit will be that seniors will continue to receive hot, nutritious meals at lunchtime five days a week. Food insecurity among seniors is a growing problem nationwide, and our county is no exception. Improved nutrition also brings improved health for our aging population, which could reduce the strain on public health services. This project will increase independent living for seniors. Seniors who might otherwise need to leave their homes because they can no longer prepare meals will have an increased chance of staying in their homes. Research has shown that seniors who can stay in their own homes frequently experience less depression than those in nursing homes. The project will also provide a safety net for these seniors, whether homebound or dining at the centers. For the homebound, the volunteer drivers provide a daily contact, and the site manager checks frequently. The program's delivery people, all volunteers, are trained to recognize situations which may require emergency or law enforcement assistance.

**13. If your project serves homeless households, please describe how your program coordinates with other continuum of care projects and entities and how it aligns with the San Luis Obispo Countywide 10-Year Plan to Homelessness.**

Several of our congregate sites in the county serve homeless seniors. The daily meals they receive will help in improving and maintaining good health and reducing their dependence on emergency facilities.

## BENEFICIARY DATA

**NOTE: You are required to provide beneficiary data at the end of each quarter and year end data of the fiscal year.**

**14. How do you collect demographic data on the beneficiaries of the proposed project or program? (Example: racial/ethnic characteristics)**

SNP collects this information through the application process for each client and updates all applicable data quarterly for all homebound clients. For congregate clients information is updated annually.

**15. How do you document and maintain income status of each client in compliance with HUD regulations? (Example: very low, low- and moderate-income)**

SNP collects this information through the application process for each new client and updates the data quarterly for all homebound clients. For congregate clients information is updated annually. All income status information is gathered according to Federal guidelines.

**16. Provide the following information for the persons in your organization responsible for the preparation and submittal of the quarterly reports and for collecting and reporting the beneficiary data to the Urban County.**

Contact Person/Title: Elias Nimeh

Phone number: 805-541-3312

E-mail address: elias.nimeh@att.net

### FINANCIAL INFORMATION

**For CDBG applications to the County of San Luis Obispo involving acquisition, construction or rehabilitation projects please provide the required additional budget information on BUDGET FORM A and BUDGET FORM B attached to the back of this application.**

**17. Total amount of CDBG funds requested: \$ 60,000**

**18. Please identify the cities to which you are applying. If you are applying to one or more cities, please provide a copy of the application to the County by the application deadline. If you are requesting CDBG funds from more than one city, please break down the amount shown above by the city listed below.**

City of Arroyo Grande: <u>\$15,000</u>	City of Paso Robles: <u>\$15,000</u>
City of Atascadero: <u>\$15,000</u>	City of San Luis Obispo:     _____
City of Morro Bay: <u>\$15,000</u>	County of San Luis Obispo: _____

**19. Please describe the budget for the proposed project or program. Itemize all sources of funding expected to be available and used for this project**

**a. Revenues:**

1. CDBG Funds requested	\$ <u>60,000</u>
2. Other Federal fund(s) (please describe below)	\$ <u>428,685</u>
3. State source(s) (please describe below)	\$ <u>100,033</u>
4. Local source(s) (please describe below)	\$ <u>200,000</u>
5. Other funds (please describe below)	\$ <u>125,909</u>
<b>Total Revenues</b>	<b>\$ <u>914,627</u></b>

Please see attached sheet (next page) for descriptions of funding sources.

## **Federal funding**

- Title III
  - Title III refers to the Older Americans Act of 1965, administered by the Administration on Aging of the Department of Health and Human Services. Title III Part C, Nutrition Services, provides grants to states “to support nutrition services including nutritious meals, nutrition education, and other appropriate nutrition services for older Americans in order to maintain health, independence and quality of life.”
- NSIP (USDA)
  - NSIP stands for Nutrition Services Incentive Program, part of the Older Americans Act Nutrition Programs, administered by the Department of Health and Human Services Administration on Aging. The NSIP rewards state agencies on aging that efficiently deliver nutritious meals to older adults.

## **State funding**

### **Local Government Funding**

- SLO County
- SLO City
- Community Development Block Grants

### **Fundraising and Donations**

- Client Donations
  - The SNP does not charge for meals; however, many of our clients choose to donate to cover all or part of the cost of their meals. These donations are anonymous.
- United Way
- Fundraising
  - Our primary fundraiser is the Night of a Million Meals, held in May, a dinner with silent and live auctions, planned and organized by a group of about 35 dedicated volunteers, the “Friends of Senior Nutrition.” The event is supported by around 240 sponsors, supporters, and donors, including representatives of local business and government and many of the area’s wineries.
  - We also send out an annual appeal for donations in the fall.

b. **Expenditures:** List below by item or cost category.

Food and supplies	\$ 223,283
Wages and benefits	\$ 535,547
Other costs	\$ 155,797
<b>Total costs</b>	<b>\$ 914,627</b>

**20. How do you plan to fund the operation and maintenance costs (if any) associated with this project? Are these funds available now? If not, when will they be available? And from what source(s)?**

The Senior Nutrition Program operation and maintenance costs are funded by on-going donations from seniors receiving services, the community at large, local grants and our annual fundraising events.

The funds are received monthly.

**21. Will CDBG funds be used to match/leverage other funds? List below funding sources and amounts and identify award dates of these sources.**

The CDBG funds will be used towards the matching funds for the federal grants. We are required to provide matching funds of at least 15% of our federal grant.

I certify that the information in this application is true and accurate to the best of my knowledge and ability.



10/15/2013

Signature

Date

Elias Nimeh

Executive Director

Printed or typed name

Title

**Note to applicant:**

The County and cities require all of the grant recipients to maintain general liability, automobile and workman's compensation insurance with limits of not less than \$1 million\*\*\*. If you are successful in obtaining an award, you will be asked to provide documentation regarding ability to provide the required coverage.

\*\*\* Liability coverage may vary by jurisdiction. Please call the City/County contact to verify limits.

Prior to HUD's release of grant conditions and/or funds for the CDBG-funded project, a review of the project's potential impact on the environment must be conducted by the awarding jurisdictions and approved by the County of San Luis Obispo **prior to obligating or incurring project costs**. The County must certify to HUD that it has complied with all applicable environmental procedures and requirements. Should project costs be obligated or incurred prior to the completion of the necessary environmental review, the project **shall not** benefit from the federal funds. Environmental review requirements pursuant to 24 CFR Part 58 must be fully satisfied for any project selected for funding prior to the CDBG Program issuing a Notice to Proceed for the project. The level of environmental review required depends on the nature of the project. 24 CFR Part 58 is available at [www.hud.gov/offices/cpd/environmental/lawsandregs/regs](http://www.hud.gov/offices/cpd/environmental/lawsandregs/regs).

If you need assistance or have questions regarding this application, please contact any of the persons listed below. Your application(s) can be dropped off or mailed to the following locations:

- Kelly Heffernon - Community Development Department - (805) 473-5420  
City of Arroyo Grande, 300 E. Branch Street, Arroyo Grande, CA 93420
- Valerie Humphrey - Public Works Department - (805) 470-3460  
City of Atascadero, 6500 Palma Avenue, Atascadero, CA 93422
- Rob Livick - Public Services Department - (805) 772-6261  
City of Morro Bay, 955 Shasta Avenue, Morro Bay, CA, 93442
- Darren Nash - Community Development Department - (805) 237-3970  
City of Paso Robles, 1000 Spring St., Paso Robles, CA 93446
- Tyler Corey - Community Development Department – (805) 781-7175  
City of San Luis Obispo, 919 Palm St., San Luis Obispo, CA 93401

COUNTY OF SAN LUIS OBISPO CDBG SUPPLEMENTAL BUDGET INFORMATION SHEET

BUDGET FORM A

**For CDBG applications to the County of San Luis Obispo involving acquisition, construction or rehabilitation projects must provide the applicable project budget information.**

Financial considerations are key in assessing a project's ability to be completed successfully and timely. Factors to be considered in this area include (a) availability and sufficiency of resources (including all non-CDBG, federal, state, county or private funding sources, (b) the leveraging of resources, (c) fiscal support for the project for its continued viability and (d) the project budget's accuracy, reasonableness and completeness in determining the financial needs of the project.

**Source of Funds.** Provide for entire project and round to the nearest hundred dollars. Do NOT include operating costs as this is not an eligible CDBG costs for projects involving acquisition, construction or rehabilitation projects.

Comment on your entity's strategy and plans on the leveraging and sufficiency of resources to implement the proposed project. If project is not leveraged with other funds, explain why CDBG funds are being relied on solely to fund the proposed project.

Description of Cost	Date Funds Available	Amount Requested	Approved - Secured	Total	% of Total Budget
<b>CDBG Funds: This Request</b>					
Previous Award					
Previous Award					
<b>CDBG Funds: This request</b>					
Previous Award					
Other Federal Funds Source:					
State Funds Source:					
Private Funds:					
Private Funds:					
Private Funds:					
In-Kind Contributions: Labor					
In-Kind Contributions					
Other:					
Other:					
Other:					
<b>Totals</b>					<b>100%</b>

## COUNTY OF SAN LUIS OBISPO CDBG SUPPLEMENTAL BUDGET INFORMATION SHEET

### BUDGET FORM B

**Project Budget**

Budget Form – Acquisition, Construction and Rehabilitation Project Preliminary Budget & Project Funding Requirements

Agency name: \_\_\_\_\_

Project: \_\_\_\_\_

**Preliminary Budget:** List all funding necessary to complete the proposed project. You must provide a **DETAILED** budget line-item worksheet for all costs associated with the project. **NOTE: YOU MUST USE THIS FORMAT.** Additionally, you must provide a **DETAILED** budget narrative explaining how you arrived at each line item.

Activity	CDBG Funds	Other Funds	Total Cost
<b>ACQUISITION</b>			
Purchase of Land			
Purchase of Units			
Other Expenses (List)			
<b>HARD COSTS</b>			
Site Work			
Demolition			
Construction			
Appliances			
Accessory Buildings			
General Requirements			
Contractor Overhead			
Contractor Profit			
Construction Contingency			
Other (List on separate sheet			
<b>SOFT COSTS</b>			
Architect Fee – Design			
Architect Fee – Supervision			
Legal Fees			
Engineering Fees			
Other Professional Fees (List)			
Appraisal			
Market Study			
Environmental Report			
Title & Recording Expenses			
Relocation Expenses			
Lead Based Paint Removal			
Consultants			
Other Soft Costs (List)			
<b>INTERIM COSTS</b>			

# ATTACHMENT 4

Construction Insurance			
Construction Interest			
Credit Enhancement			
Real Estate Taxes			
<b>FINANCING COSTS</b>			
Bond Premium			
Permanent Loan Origination			
Permanent Loan Credit Enhance			
Other Financing Costs (List)			
<b>DEVELOPER'S FEE (Determined individually for each project)</b>			
<b>TOTAL DEVELOPMENT COST</b>			

Budget must be specific and reflect the applicant's financial commitment, including items paid for by other sources. This includes in-kind contributions and volunteer labor. It should not include amounts of administration. Indicate the circumstances/consequences of partial funding is awarded for this project.

Authorization:

\_\_\_\_\_  
Authorized Signature for Project

\_\_\_\_\_  
Title

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

COUNTY OF SAN LUIS OBISPO CDBG SUPPLEMENTAL TIMELINE INFORMATION SHEET

TIMELINE FORM C

WORK PLAN & PERFORMANCE SCHEDULE

List all project milestones and their anticipated work period. There will be an opportunity to update the project timeline after grant notification and before executing a grant agreement. Any proposed changes, including extension and early completion, must be requested in writing and approved in advance by the jurisdiction receiving the funding application. Note: Applicant will assume all financial risk if work on the proposed project begins before environmental clearance is obtained. You may either use or recreate this form to add tasks and activities and extended timeline. YOU MUST USE THIS FORMAT.

Table with 13 columns: Task/Activity (Starts July 2014), JUL, AUG, SEP, OCT, NOV, DEC, JAN, FEB, MAR, APR, MAY, JUN. The table is currently empty.



AGENDA NO: B-2

MEETING DATE: 1/28/14

## Staff Report

**TO:** Honorable Mayor and City Council      **DATE:** January 23, 2014

**FROM:** Cindy Jacinth, Associate Planner

**SUBJECT:** A00-018; Review of amendments to Title 17 (Zoning Ordinance) of the Municipal Code and Master Fee Schedule

### RECOMMENDATION

Adopt Ordinance No. 584-2014, approving the proposed amendments to Title 17 (Zoning Regulations) of the Municipal Code and Master Fee Schedule (Exhibit B).

### ALTERNATIVES

Council may modify or deny the proposed amendments; however, this may result in inconsistencies with the adopted Housing Element, State, or Federal Law, rendering the City ineligible for the California Department of Housing and Community Developments new streamlined process for the next Housing Element Update, required by June 30, 2014.

### FISCAL IMPACT

The proposed amendments will have negligible effect of City finances.

### SUMMARY

The City's 2009 adopted Housing Element establishes a precise and detailed plan for the use of land in the City, based on the General Plan and Local Coastal Plan. Amendments to the Zoning Regulations and Master Fee Schedule are necessary to implement that plan, and remain in compliance with State and Federal law.

### BACKGROUND

The State of California requires each municipality to review and update their General Plan Housing Element on a five (5) year cycle to ensure that the needs of all California residents can be met. The City's adopted and certified Housing Element (November 2009) includes programs intended to comply with California Department of Housing and Community Development

Prepared By: CJ      Dept Review: RL  
City Manager Review: SS - Acting CM  
City Attorney Review: \_\_\_\_\_

(hereafter, HCD) statutory requirements and State law. In order to be implemented, these programs must be integrated by Ordinance into Title 17 (henceforth, Zoning Regulations) of the Municipal Code. Included in these is a new process, which necessitates an associated fee be adopted. With adoption of these updates, the City will be eligible for HCD's new streamlined process with the next Housing Element Update, required by June 30, 2014.

## **DISCUSSION**

### ***Environmental Determination***

The proposed amendments to the text of the Zoning Regulations and Master Fee Schedule are exempt from environmental review pursuant to Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines under the general rule that CEQA only applies to projects which have the potential for causing a significant effect on the environment.

### ***Amendments***

The proposed amendments to the text of the Zoning Regulations and Master Fee Schedule are intended to implement programs identified in the adopted 2009-2013 Housing Element of the Morro Bay General Plan. The following discussion identifies the targeted Housing Element programs and associated amendments to the Zoning Regulations and Master Fee Schedule necessary for implementation. These policy determinations and associated programs were adopted by the City Council with approval of the Housing Element.

1. Program H 4.2: Single Family Housing: To ensure that multi-family housing can be accommodated in the remaining sites within the R-3 and R-4 zoning districts, consider amending the Zoning Code to prohibit single-family homes in those districts.

*Section 17.24, uses permitted in each zone, is amended to only allow single-family residential and "all principally permitted uses in the R-1 and R-2 districts" in the Multiple-family residential (R-3) and Multifamily residential-hotel-professional (R-4) zones with approval of a Minor Use Permit when characteristics of the site, such as size or topography, would preclude multi-family development.*

2. Program H 6.1: The City will continue to require a percentage of new housing units built in the City be affordable to very low-, low- and moderate-income households. When the provisions for the required affordable housing are not being met on-site or off-site, the applicant may contribute in-lieu fees.

Program H 1.4 and H 8.1: Density Bonuses: To ensure that affordable multifamily projects meet maximum densities, the City will establish procedures with objective standards to provide flexibility in development standards (height, parking, and set backs) and promote the use of density bonuses to increase densities.

*Section 17.12, Definitions is amended to provide or alter definitions consistent with State Law, and necessary to implement the adopted Housing Element. These include:*

- 17.12.432 "Low-, very-low, extremely-low, and moderate-income household income"

- 17.12.433 “Low-, very-low, extremely-low, and moderate-income housing”

*Section 17.50, Affordable Housing, Density Bonuses and Incentives, is revoked in its entirety and replaced to comply with the Housing Element and changes to both the Government and Civil Codes. The new language implements thresholds and processes adopted in the Housing Element for inclusionary housing requirements and density bonuses and other incentives/concessions/waivers that are available when additional affordable housing is developed. This section also provides additional clarification for calculating in-lieu fees, and the assurance of continued availability of affordable units.*

3. Program H 23.1: Supportive and Transitional Housing: Pursuant to SB 2, the City must explicitly allow both supportive and transitional housing types in all residential zones, subject to only the same restrictions on residential uses contained in the same type of structure.

*Section 17.12, Definitions is amended to provide or alter definitions consistent with State Law, and necessary to implement the adopted Housing Element. These include:*

- 17.12.626 “Supportive housing”
- 17.12.627 “Target population”
- 17.12.640 “Transitional housing”
- 17.12.504 “Residential Density” was added since the Planning Commission review at the direction of the Coastal Commission, to clarify that all residential uses are subject to the maximum number of dwelling units allowed per acre by the Local Coastal Program for each zoning district.

*Section 17.24, uses permitted in each zone, is amended to allow Supportive and Transitional Housing as a principally permitted use in the following districts: Agriculture (AG – subject to a Coastal Development Permit where applicable), Suburban Residential (RA), Single-family residential (R-1), Duplex residential (R-2), Multiple-family residential (R-3), Multifamily residential-hotel-professional (R-4), Coastal resource residential (CRR), and Central business (C-1), and with a Minor Use Permit in the Mixed Commercial/Residential (MCR) district.*

4. Program H 23.2: Farmworker Housing: The City shall allow farmworker housing in the Agricultural and Multi-family Zones as prescribed by state law. Farmworker housing for 12 or fewer workers shall not require a conditional use permit but shall be required to obtain a Coastal Development Permit consistent with the Local Coastal Plan. Farmworker housing in the Agricultural Zone for 6 or fewer workers shall be deemed to be a single-family structure.

*Section 17.12, Definitions is amended to provide a definition consistent with State Law, and necessary to implement the adopted Housing Element. This includes:*

- 17.12.268 “Employee housing”

*Section 17.24.020, Agricultural (AG) District, is amended to identify the provision of*

*agricultural worker housing as part of the intent of the district.*

5. Program H 23.3: Reasonable Accommodation: As required by both the Federal Fair Housing Act and the California Fair Employment and Housing Act, the City will establish a reasonable accommodation procedure to ensure a fair and efficient process for persons with disabilities to make necessary accessibility adjustments to their homes.

*Section 17.48.120, Projections into required yards, is amended to expressly add handicap ramps to those items which may extend into required yards as established by that provision.*

*Section 17.48.400, Reasonable Accommodation Procedure, is added to establish who, and under what circumstances one is eligible to seek reasonable accommodations, and the application procedure, review authority, and basis of findings and conditions.*

*Master Fee Schedule, is amended to include a minimal processing fee for requests for reasonable accommodation.*

6. Program H 23.4: Extremely Low-Income Housing Needs: Pursuant to AB 2634, the Housing Element requires the City to address the needs of extremely low-income households by encouraging and facilitating the development of supportive housing and single-room occupancy units (SRO's)

*Section 17.12, Definitions is amended to provide a definition consistent with State Law, and necessary to implement the adopted Housing Element. This includes:*

- 17.12.581 "Single-Room Occupancy (SRO)"

*Section 17.48.370, Single-Room Occupancy, is added to establish permitting requirements for the development of SRO's, and additional requirements specific to these units.*

*Section 17.24, uses permitted in each zone, is amended to allow SRO's by right in the Central business (C-1), and with a Minor Use Permit in the Mixed Commercial/Residential (MCR) district.*

7. Program H 26.1: Emergency Shelter: Pursuant to SB 2, the Housing Element requires that emergency shelters be permitted in the Central business (C-1) district by right, and that specific development and managerial standards consistent with Government Code Section 65583 (a)(4) be adopted.

*Section 17.12, Definitions is amended to provide a definition consistent with State Law, and necessary to implement the adopted Housing Element. This includes:*

- 17.12.267 "Emergency shelter"

*Section 17.48.360, Emergency Shelter, is added to establish permitting requirements for*

*the development of Emergency Shelters, and requirements specific to them.*

*Section 17.24, uses permitted in each zone, is amended to allow Emergency Shelters by right in the Central business (C-1).*

**PUBLIC NOTICE:**

Notice of this item was published in the San Luis Obispo Tribune newspaper on January 13, 2014 as a 1/8 page notice meeting the legal requirements for projects affecting over 1,000 property owners.

**CONCLUSION**

Adoption of the proposed amendments to Title 17 (Zoning Regulations) of the Municipal Code and Master Fee Schedule will implement programs in the City's 2009 Housing Element and remain in compliance with State and Federal Law. The proposed amendments are consistent with the General Plan, Local Coastal Plan, and Municipal Code, therefore staff recommends their approval provided (A00-018).

**ATTACHMENTS**

Exhibit A: Council Ordinance No. 584-2014

Exhibit B: Link to Planning Commission January 15, 2014 agenda (see item B-1 for Housing Element Implementation) <http://www.morro-bay.ca.us/ArchiveCenter/ViewFile/Item/2005>

**ORDINANCE NO. 584**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA AMENDING TITLE 17 OF THE MORRO BAY MUNICIPAL CODE AND MASTER FEE SCHEDULE TO COMPLY WITH REVISIONS TO STATE HOUSING LAW AND THE HOUSING ELEMENT OF THE GENERAL PLAN**

**RECITALS**

WHEREAS, it is the purpose of Title 17 of the Morro Bay Municipal Code (Zoning Ordinance) to establish a precise and detailed plan for the use of land in the City of Morro Bay based on the Local Coastal Plan and General Plan; and

WHEREAS, it is important to have clear, consistent, and easy to use and interpret regulations within the Zoning Ordinance; and

WHEREAS, Government Code Section 65583(c)(1) requires that sites with appropriate zoning and development standards and services and facilities be identified as needed to facilitate and encourage the development of a variety of types of housing, including housing for agricultural employees, supportive housing, single-room occupancies, emergency shelters, and transitional housing; and

WHEREAS, Sections 17021.5 and 17021.6 the State Health and Safety Code and the Employee Housing Act set standards for the construction, maintenance, use and occupancy of living quarters called “employee housing”, including but not limited to farmworker housing; and

WHEREAS, Government Code Section 65583(a)(4) requires the identification of a zone or zones where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit, and that the identified zone or zones shall include sufficient capacity to accommodate the need for emergency shelter identified in paragraph (7) of Government Code Section 65583(a), except that each local government shall identify a zone or zones that can accommodate at least one year-round emergency shelter; and

WHEREAS, Government Code Section 65583(a)(5) requires an analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing that demonstrates local efforts to remove governmental constraints that hinder the locality from meeting the need for housing for persons with disabilities, supportive housing, and transitional housing, and that transitional housing and supportive housing shall be considered a residential use of property and shall be subject only to those restrictions that apply to other residential dwellings of the same type in the same zone; and

WHEREAS, the Federal Fair Housing Act and the California Fair Employment and Housing Act require that a reasonable accommodation procedure be established to ensure a fair and efficient process for persons with disabilities to make necessary accessibility adjustments to their homes, which will allow housing retrofits for disabled persons without discretionary review; and

WHEREAS, the adopted 2009-2014 Housing Element of the Morro Bay General Plan requires consideration of amendments to the text of the Zoning Code to increase housing supply and obtain densities closer to those envisioned by zoning policies by prohibiting single-family homes in the R-3 and R-4 zoning districts; and

WHEREAS, Government Code Section 65915 requirements for the adoption of a density bonus program to facilitate and encourage the maximum build out of available sites has been modified in 2005 (SB 1818); and

WHEREAS, the proposed amendments to the text of the Zoning Ordinance are intended to implement programs identified in the adopted 2009-2014 Housing Element of the Morro Bay General Plan, which that will bring the Zoning Ordinance into compliance with the above cited Government Code sections; and

WHEREAS, the proposed amendments to the text of the Zoning Ordinance are exempt from environmental review pursuant to Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines under the general rule that CEQA only applies to projects which have the potential for causing a significant effect on the environment; and

WHEREAS, the City Council held a duly advertised public hearing on January 28, 2014 to consider adoption of the proposed amendments to the Zoning Ordinance.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA DOES HEREBY ORDAIN AS FOLLOWS:**

**Section 1.** Chapter 17.12 –Definitions, is hereby amended to add or modify the following:

- A. Section 17.12.267 - Emergency Shelter. “Emergency shelter” means housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay.
- B. Section 17.12.268 – Employee Housing. “Employee housing.” includes but is not limited to farmworker housing. Employee housing for 6 or fewer workers shall be deemed to be a single-family structure with a residential land use, and shall be treated the same as a single family dwelling of the same type in the same zone. The permitted occupancy in employee housing in a zone allowing agricultural uses shall include agricultural employees who do not work on the property where the employee housing is located, and may consist of no more than 36 beds in a group quarters or 12 units or spaces designed for use by a single family or household on land zoned for agricultural uses. Such employee housing shall be considered to be an activity that in no way differs from an agricultural use.
- C. Section ~~17.12.267~~ 17.12.269 – Environmentally sensitive habitat.
- D. Section ~~17.12.268~~ 17.12.270 – Equestrian boarding.

- E. Section ~~17.12.269~~ 17.12.271 – Estuary.
- F. Section ~~17.12.270~~ 17.12.272 – Family.
- G. Section 17.12.432 – Low, very low, extremely low, and moderate household income. “Low, very low, and moderate household income” means, for the purpose of evaluating housing affordability, housing need, and eligibility for housing assistance, State Income Limits as defined by guidelines adopted annually by the California Department of Housing and Community Development (HCD) for San Luis Obispo County.
- H. Section 17.12.433 – Low, very-low, extremely low, and moderate income housing. “Low, very-low, extremely-low, and moderate income housing” means housing for which the rent or monthly mortgage payment, together with taxes and basic utilities, does not exceed 30% of total household income. ~~the current fair market rent for existing housing standards applicable to San Luis Obispo County as established for Section 8, Housing Assistance Payments Programs by the United States Department of Housing and Urban Development.~~
- I. Section 17.12.504 – Residential Density. “Residential density” is the maximum number of dwelling units allowed per acre by the Local Coastal Program for each zoning district. All residential development, including but not limited to single-family, multi-family, residential care facilities, supportive and transitional housing is subject to the residential density established by the parcel’s zoning district and cannot exceed the LCP’s density restrictions, except as provided for elsewhere in this Chapter.
- J. Section 17.12.581 – Single-Room Occupancy (SRO). “SRO” means a multi-unit housing project for single persons typically consisting of single rooms and shared bathrooms, and may include a shared common kitchen and activity area. SROs may be restricted to seniors or be available to persons of all ages.
- K. Section 17.12.626 – Supportive Housing. “Supportive housing” means housing with no limit on length of stay, that is occupied by a target population, and that is linked to an onsite or offsite service that assists the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live, and, when possible, work in the community.
- L. Section 17.12.627 –Target Population. “Target population” means persons with low incomes who have one or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health condition, or individuals eligible for services provided pursuant to the Lanterman Developmental Disabilities Services Act (Division 4.5 (commencing with Section 4500) of the Welfare and Institutions Code) and may include, among other populations, adults, emancipated minors, families with children, elderly

persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, and homeless people.

- M. Section 17.12.640 – Transitional Housing. “Transitional housing” means buildings configured as rental housing developments, but operated under program requirements that mandate the termination of assistance and recirculation of the assisted unit to another eligible program recipient at a predetermined future point in time that shall be no less than six months from the beginning of the assistance.

**Section 2. Section 17.24.020 – Agriculture (AG) District**, is hereby amended as follows:

- A. Section 17.24.020.A Purpose. The purpose of the Agriculture (AG) district is to provide for the continuation of agricultural uses in suitable areas and for supplemental commercial uses which may be necessary to support such continued agricultural activities. New development in this district shall also be sited and designed to protect and enhance scenic resources associated with the rural character of agricultural lands.

It is the intent of the city that it shall maintain the maximum amount of prime agricultural land in agricultural production to assure the protection of the area's agricultural economy, and to facilitate and encourage the provision of decent, affordable housing for farm workers by not requiring a conditional use permit, zoning variance, or other zoning clearance for farmworker housing that is not required of any other agricultural activity in the Agriculture (AG) zone, except that a Coastal Development Permit is required consistent with the Local Coastal Program. In addition, it is the city's intent that all nonprime agricultural land within the city suitable for agricultural use shall not be converted to nonagricultural uses unless:

1. Continued or renewed agricultural use is not feasible; or
2. Such conversion would preserve prime agricultural land or concentrate development consistent with Public Resources Code, Section 30250.

**Section 3. Section 17.48 – General Regulations, Conditions and Exceptions**, is hereby amended to add or modify the following:

- A. Section 17.48.120 Porch, landing place or stairway projections is hereby amended to expressly add handicapped ramps to those items that may project into interior side, rear, front yard or street side yards, as established by this provision.
- B. Section 17.48.360– Emergency Shelter. It is the purpose of this section to facilitate and encourage the provision of emergency shelter for homeless persons and households by allowing permanent year-round emergency shelters without a conditional use permit or other discretionary action in the C-1 (Central Business) zone, subject only to the same development standards that apply to the other permitted uses in these zones, except for the following requirements unique to emergency shelters, as authorized by Government Code Section 65583(a)(4):
1. The maximum number of beds or persons to be served nightly by an emergency shelter shall be 35.

2. Off-street parking shall be based upon demonstrated need, provided that parking for an emergency shelter shall not be more than that required for other commercial or industrial uses permitted in the Central Business (C-1) zone.
  3. Appropriately sized and located exterior and interior on-site waiting and intake areas shall be provided.
  4. Appropriate exterior lighting shall be provided.
  5. On-site management shall be provided.
  6. Security shall be provided during the hours that the emergency shelter is in operation.
  7. The maximum length of stay by a homeless person in an emergency shelter shall be six (6) months.
  8. An emergency shelter shall not be located within 300 feet of another emergency shelter.
  9. No individual or household shall be denied emergency shelter because of an inability to pay.
- C. Section 17.48.370 – Single-Room Occupancy (SRO). It is the intent of this section to facilitate and encourage the provision of affordable shelter for low-income persons with special housing needs by allowing SRO housing without a conditional use permit or other discretionary action in the Central Business (C-1) zone, and with a minor use permit in the Mixed Commercial/Residential (MCR) zone, subject only to the same development standards that apply to the other permitted uses in these zones, except for the following requirements unique to SROs:
1. Occupancy. An SRO unit shall be occupied by a single person. Occupancy of SRO units may be restricted to seniors or be available to persons of all ages.
  2. Special Development. Units in an SRO housing development shall consist of a single room and may have a private or shared bathroom. A shared common kitchen and activity area may also be provided.
  3. Management Standard. On-site management shall be provided.
- D. Section 17.48.400 – Reasonable Accommodation Procedure. This section provides a procedure to request reasonable accommodation for persons with disabilities seeking equal access to housing under the Federal Fair Housing Act and the California Fair Employment and Housing Act (the Acts) in the application of zoning laws and other land use regulations, policies and procedures.
1. Applicability.
    - A. A request for reasonable accommodation may be made by any person with a disability, their representative or any entity, when the application of a requirement of this Zoning Ordinance or other city requirement, policy or practice acts as a barrier to fair housing opportunities. A person with a disability is a person who has a physical or developmental impairment that limits or substantially limits one or more major life

activities, anyone who is regarded as having such impairment or anyone who has a record of such impairment. This chapter is intended to apply to those persons who are defined as disabled under the Acts.

- B. A request for reasonable accommodation may include a modification or exception to the rules, standards and practices for the siting, development and use of housing or housing- related facilities that would eliminate regulatory barriers and provide a person with a disability equal opportunity to housing of their choice.
- C. A reasonable accommodation is granted to the household that needs the accommodation and does not apply to successors in interest to the property.
- D. A reasonable accommodation may be granted in compliance with this chapter without the need for the approval of a variance.
- E. Requests for reasonable accommodation shall be as described in the following section.

2. Application Procedure.

- A. Application. Requests for reasonable accommodation shall be submitted in the form of a letter to the Public Services Director and shall contain the following information:
  - 1. The applicant's name, address and telephone number;
  - 2. Address of the property for which the request is being made;
  - 3. The current actual use of the property;
  - 4. The basis for the claim that the individual is considered disabled under the Acts;
  - 5. The Zoning Ordinance provision, regulation or policy from which reasonable accommodation is being requested; and
  - 6. Why the reasonable accommodation is necessary to make the specific property accessible to the individual.
- B. Review with Other Land Use Applications. If the project for which the request for reasonable accommodation is being made also requires some other discretionary approval (e.g., conditional use permit, coastal development permit, etc.), then the applicant shall file the application for discretionary approval together with the information required by Subsection A above for concurrent review.

3. Review Authority.

- A. Public Services Director. Requests for reasonable accommodation shall be reviewed by the Public Services Director, or his/her designee if no approval is sought other than the request for reasonable accommodation. The written determination to grant, grant with modifications, or deny the request for reasonable accommodation shall be made in accordance with the Findings and Decision as established below.
- B. Other Review Authority. Requests for reasonable accommodation submitted for concurrent review with another discretionary land use

application shall be reviewed by the authority responsible for reviewing the discretionary land use application. The written determination to grant, grant with modifications, or deny the request for reasonable accommodation shall be made in accordance with the Findings and Decision as established below.

4. Findings and Decision. The written decision to grant or deny a request for reasonable accommodation will be consistent with the Acts and shall be based on consideration of the following factors:
  - A. Whether the housing, which is the subject of the request, will be used by an individual disabled under the Acts;
  - B. Whether the request for reasonable accommodation is necessary to make specific housing available to an individual with a disability under the Acts;
  - C. Whether the requested reasonable accommodation would impose an undue financial or administrative burden on the City;
  - D. Whether the requested reasonable accommodation would require a fundamental alteration in the nature of a City program or law, including but not limited to land use, zoning, or the Local Coastal Program;
  - E. Potential impact on surrounding uses;
  - F. Physical attributes of the property and structures; and
  - G. Alternative reasonable accommodations that may provide an equivalent level of benefit.
  
5. Conditions of Approval. In granting a request for reasonable accommodation, the reviewing authority may impose any conditions of approval deemed reasonable and necessary to ensure that the reasonable accommodation would comply with the findings required herein. The conditions shall also state whether the accommodation granted shall be rescinded in the event that the person for whom the accommodation was requested no longer resides on the property.

**Section 4. Section 17.24 - Primary Districts**, is hereby amended as follows:

- A. Section 17.24 – Uses permitted in each zone are amended to allow the following uses to be principally permitted in the zones indicated:

ZONES		USE TYPE
Symbol	Zone Name	
AG	Agriculture	Employee Housing (max 36 beds in a group quarters or 12 units or spaces) <i>with approval of a CDP where applicable</i>
		Supportive Housing and Transitional Housing
RA	Suburban Residential	Employee Housing (max 36 beds in a group quarters or 12 units or spaces)

		Supportive Housing and Transitional Housing
R-1	Single-family residential	Employee Housing (for 6 or fewer workers)
		Supportive Housing and Transitional Housing
R-2	Duplex residential	Employee Housing (for 6 or fewer workers)
		Supportive Housing and Transitional Housing
R-3	Multiple-family residential	Employee Housing (for 6 or fewer workers)
		Supportive Housing and Transitional Housing
R-4	Multifamily residential-hotel-professional	Employee Housing (for 6 or fewer workers)
		Supportive Housing and Transitional Housing
CRR	Coastal resource residential	Supportive Housing and Transitional Housing
		Employee Housing (for 6 or fewer workers)
C-1	Central business	Supportive Housing and Transitional Housing
		Single Room Occupancy (SRO)
		Emergency Shelter
		Employee Housing (for 6 or fewer workers)

B. Section 17.24 – Uses permitted in each zone are amended to allow the following uses to be permitted with a Minor Use Permit in the zones indicated:

ZONES		USE TYPES
Symbol	Zone Name	
MCR	Mixed Commercial/Residential	Employee Housing (for 6 or fewer workers)
		Single Room Occupancy (SRO)
		Supportive Housing and Transitional Housing
R-3	Multiple-family residential	Single-family residential, where the sites' characteristics, such as size or topography, would preclude multi-family development.
		All principally permitted uses in the R-1 and R-2 districts, where the sites' characteristics, such as size or topography, would preclude multi-family development.

R-4	Multifamily residential-hotel-professional	Single-family residential, where the sites' characteristics, such as size or topography, would preclude multi-family development.
		All principally permitted uses listed in the R-1 and R-2 districts, where the sites' characteristics, such as size or topography, would preclude multi-family development.

**Section 5. Section 17.50 – Affordable Housing, Density Bonuses and Incentives**, is hereby revoked in its entirety and replaced as follows:

Sections:

17.50.010 - Purpose.

17.50.020 - General affordable housing requirements.

17.50.030 - In-lieu fees for affordable housing.

17.50.040 - Density bonuses and incentives.

17.50.050 – Assurance of continued availability.

17.50.060 – Consistency with State Law.

Section 17.50.010 - Purpose. The purpose of this chapter is to:

- A. Meet the requirements to provide affordable housing contained in Government Code Sections 65580-65589.8 through inclusionary housing; and
- B. Promote and facilitate the provisions of very low, low, and moderate-income housing consistent with the provisions of Government Code Sections 65915-65918 and the Housing Element of the General Plan.

Section 17.50.020 – General affordable housing requirements.

- A. Pursuant to the requirements of Government Code Sections 65580-65589, all new residential developments of five or more for-sale units shall provide a minimum of one inclusionary unit or ten percent of the total number of units, whichever is greater, to be affordable to families with incomes in the very low-, low-, or moderate-income ranges, depending on the needs of the City at the time of approval. The lower-income units may be either for rent or for sale, but shall remain affordable for at least 30 years, or such other term approved by the City, consistent with state law.
- B. In accordance with Government Code Section 65590, the City shall require the developer to provide affordable housing on-site where feasible. If the City determines that this is not feasible based on a detailed economic analysis prepared by a City-contracted consultant at the cost of the applicant, the City shall require the developer to provide such housing at another location in Morro Bay. If the City determines that it is not feasible for the developer to provide such affordable housing off-site, the developer shall pay a fee in lieu of providing such housing. Said fee shall be as prescribed in 17.50.030.

- C. For the purposes of calculating the number of affordable inclusionary units required by this Section, any additional units authorized as a density bonus will not be counted in determining the required number of inclusionary units.

Section 17.50.030 – In-lieu fees for affordable housing.

In cases where the provisions for the required affordable housing are not being met on-site or off-site, the applicant may contribute in-lieu fees. Said fees shall be paid prior to issuance of a building permit or final tract map. Fees shall be established on a project basis using the following method:

Construction Cost X % of Fee based on Project Size, where construction costs include all expenses related to the development of housing units, including land, construction, on- and off-site infrastructure, and associated soft costs.

<u>Project Size</u>	<u>% of each 1 unit cost or fraction there of</u>
<u>8 Units</u>	<u>10%</u>
<u>9 Units</u>	<u>15%</u>
<u>10 Units</u>	<u>20%</u>
<u>11 Units</u>	<u>30%</u>
<u>12 Units</u>	<u>40%</u>
<u>13 Units</u>	<u>50%</u>
<u>14 Units</u>	<u>60%</u>
<u>15 Units</u>	<u>70%</u>
<u>16 Units</u>	<u>80%</u>
<u>17 Units</u>	<u>90%</u>
<u>18 Units</u>	<u>100%</u>

- A. Fees accepted for affordable housing shall be used by the city to construct or assist in the construction of housing for rent or sale to very low, low and moderate income families or to purchase land for the purpose of affordable housing or to assist very low, low and moderate income families to afford adequate housing or for other measures to provide housing for low and moderate income families. The city may, at its option, transfer in-lieu fees to another public agency as a nonprofit housing provider for the purpose of providing affordable housing in the city of Morro Bay.

Section 17.50.040 – Density bonuses and incentives.

- A. Applicability. Pursuant to the requirements of Government Code Sections 65915-65918, the provisions of this Section apply to the construction of five or more housing units that satisfy one or more of the following criteria:

1. At least 10% of the units are designated for low-income households;

2. At least 5% of the units are designated for very low-income households;
  3. At least 10% of the units are designated for moderate-income households, provided that all units in the development are offered to the public for purchase;
  4. 100% of the units are designated for seniors citizens as defined in Section 51.3 and 51.12 of the Civil Code or mobile home park that limits residency based on age requirements for housing for older persons pursuant to Government Code Section 798.76 or 799.5;
  5. Donation of land to the city consisting of at least one acre, or of sufficient developable acreage and zoning classification to permit construction of at least 40 units, and not less than 10% of the residential units in the proposed development, that are affordable to very-low income households.
- B. Calculating the density bonus. A density bonus shall be calculated on a sliding scale based upon the amount by which the percentage of affordable housing units exceeds the minimum number of affordable units required to qualify for a density bonus established in Section 17.50.020. The density bonus shall be calculated as follows:
1. A 20% density bonus, increasing by an additional 1.5% for each additional 1% increase in low-income units above the initial 10% threshold, per Section 17.50.040A1, above.
  2. A 20% density bonus, increasing by an additional 2.5% for each additional 1% increase in very low-income units above the initial 5% threshold, per Section 17.50.040A2, above.
  3. A 20% density bonus for senior citizen housing developments pursuant Government Code Section 65915(g)(3).
  4. A 5% density bonus, increasing by an additional 1% for each additional 1% increase in moderate-income units above the initial 10% threshold, per Section 17.50.040A4, above.
  5. When an applicant proposes to construct a housing development that is eligible for a density bonus under Section 17.50.030 A and includes a childcare facility that will be located on the premises of, or adjacent to, the housing development, the city shall grant either:
    - a. An additional density bonus that is an amount of square feet of residential space that is equal to or greater than the square footage of the childcare facility; or
    - b. An additional concession or incentive that contributes significantly to the economic feasibility of the construction of the childcare facility.
  6. Maximum density bonus. The maximum density bonus authorized by this section, Section 17.50.030A, and Section 17.50.030 B, collectively, is 35% when a project provides either 11% very low-income units, 20% low-income units, or 40% moderate-income units. All density bonus calculations resulting in fractional units shall be rounded up to the next whole number of housing units.

C. Developer incentives.

1. Restrictions. When an applicant seeks a density bonus as prescribed by Government Code Section 65915, the City will grant the number of developer incentives as required by Section 17.50.040C2, below, unless it makes any of the following findings:
  - a. The developer incentives are not required in order to provide affordable housing, as defined in Section 50052.3 of the Health and Safety Code, or for rents for the targeted units to be set as specified in Government Code Section 65915(c).
  - b. The developer incentives would have a specific adverse impact, as defined in paragraph (2) of Subdivision (d) of Section 65589.5, upon public health and safety or the physical environment or an any real property that is listed in the California Register of Historical Resources and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to low- and moderate-income households.
  - c. The developer incentives would be contrary to State or Federal law.
2. Number of developer incentives. A developer eligible to receive a density bonus shall receive the following number of concessions or incentives, in addition to a density bonus:
  - a. One concession or incentive for projects that provide either 10% of the units affordable to low-income households, 5% of the units affordable to very low-income households, 10% of the units affordable to moderate-income households, or childcare facilities.
  - b. Two concessions or incentives for projects that provide either 20% of the units affordable to low-income households, at least 10% of the units affordable to very low-income households, or 20% of the units affordable to moderate-income households.
  - c. Three concessions or incentives for projects that provide either 30% of the units affordable to low-income households, at least 15% of the units affordable to very low-income households, or 30% of the units affordable to moderate-income households.
3. Parking. Upon request of a developer eligible to receive a density bonus, the city shall grant the following parking standards, inclusive of handicapped and guest parking, for the entire project as required by Government Code Section 65915(p)(1):
  - a. Zero to 1-bedroom units – 1 on-site parking space per unit
  - b. Two or more-bedroom units – 2 on-site parking spaces per unit
4. Developer incentives defined. For the purposes of this Section, concession or incentive means any of the following:
  - a. Reduced site development standards or modified zoning code or architectural design requirements that exceed the minimum building

standards approved by the California Building Standards Commission as provided in Part 2.5 (commencing with Section 18901) of Division 13 of the Health and Safety Code, including, but not limited to, a reduction in setback and square footage requirements and the ratio of vehicular parking spaces that would otherwise be required that results in identifiable, financially sufficient, and actual cost reductions.

- b. Approval of mixed-use zoning if commercial, office, industrial, or other land uses will reduce the cost of the housing development and if the commercial, office, industrial, or other land uses are compatible with the housing project.
- c. A density bonus greater than the amount required by this section.
- d. Deferred or waived planning, plan check, construction permit, and/or development impact fees, in accordance with any fee deferral and waiver process and policies adopted by the city.
- e. Direct financial aid in the form of a loan or grant to subsidize off-site improvements, land or construction costs.
- f. Other regulatory developer incentives proposed by the developer or the City that result in identifiable, financially sufficient, and actual cost reductions.

5. Waivers and modifications of development standards.

- a. Proposal. In accordance with Government Code Section 65915(e), an applicant may propose a waiver or modification of development standards if they would physically preclude the construction of a development meeting the criteria for Applicability, at the densities or with the developer incentives permitted by this Section.

A proposal for the waiver or reduction of development standards pursuant to this subdivision shall neither reduce nor increase the number of developer incentives to which the applicant is entitled pursuant to Section 17.50.040D, above.

- b. Grounds for denial. In accordance with Government Code Section 65915(e), the City Council, or the Coastal Commission on appeal, may deny an applicant's request to waive or modify the City's development standards in any of the following circumstances:
  - 1. The application does not conform with the requirements of this Section, Government Code Section 65915-65918, or Coastal Act Section 30604(f).
  - 2. The applicant fails to demonstrate that the City's development standards physically preclude the utilization of a density bonus on a specific site.
  - 3. The waiver or reduction would have a specific, adverse impact, as defined in Government Code Section 65589.5(d)(2), upon health, safety, or the physical environment, and there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact.

4. The waiver or reduction would have an adverse impact on any real property that is listed in the California Register of Historical Resources.
5. The waiver or reduction would be contrary to State or Federal law.
6. If in the coastal zone, the project is found to be inconsistent with the Local Coastal Program (including but not limited to sensitive habitat, agriculture, public view shed, public services, public recreational access and open space protections), with the exception of the density bonus.

D. Application and Evaluation.

1. All applications. All applications for a density bonus, developer incentive, or waiver or modification of development standards must include the following information:
  - a. The total number of base units and affordable housing units;
  - b. The specific developer incentive(s) sought, if any, and documentation regarding the necessity of the incentive in order to provide affordable housing costs or rents;
  - c. The specific waiver or modification to development standard(s), if any, and documentation regarding the necessity of the waiver or modification, including documentation demonstrating that the City's development standards physically preclude the utilization of a density bonus.
2. Land Donations. If requesting a density bonus based on land donation in accordance with Government Code Section 65915(g), in addition to the above listed information, the application must:
  - a. Demonstrate the developable acreage and zoning classification is compliant with eligibility criteria of 17.50.030A, and that the site is, or will be served by adequate public facilities and infrastructure;
  - b. Verify that all permits and approvals, other than building permits, necessary for the development of the very low-income housing units have been secured prior to the date of approval of the final subdivision map, parcel map, or other development permits;
  - c. Verify that the developer can donate and transfer land no later than the date of approval of the final subdivision map, parcel map, or residential development application; and
  - d. The land will be transferred to the city or to a housing developer approved by the city. The city may require the developer to identify and transfer the land to the affordable housing developer.
3. Childcare Facilities. If requesting a density bonus based on the provision of a child day care facility in accordance with Government Code Section 65915 (h), in addition to the above listed information, the application must:

- a. Provide the location of the proposed child day care facility and the proposed operator;
- b. Agree to operate the child day care facility for a period of time that is as long as or longer than the period of time during which the density bonus units are required to remain affordable;
- c. Agree to have contracted with a child day care facility operator for operation of the child day care facility before the first building permit is issued;
- d. Agree that the child day care facility will be in operation when the first certificate of occupancy is issued; and
- e. Of the children who attend the childcare facility, the children of very low-income households, low-income households and moderate-income households shall equal a percentage that is equal to or greater than the percentage of affordable units in the housing development that are required for very low-, low- or moderate-income households.

The city shall not be required to provide a density bonus or concession or incentive for a child care facility if it finds, based upon substantial evidence, that the community has adequate child care facilities.

Section 17.50.050 – Assurance of continued availability.

- A. Term of Availability. Where affordable housing units have been provided per the requirements of 17.50.020, or where a density bonus, incentives, or waivers of development standards has been made pursuant to this chapter, the developer shall assure both of the following:
  1. Continued availability of affordable units for a minimum of thirty years.
  2. Project phasing, including timing of completion, and rental or sale of affordable housing units shall occur concurrently with non-restricted units.
  
- B. Long Term Affordability. A developer of affordable units shall enter into an affordable housing agreement with the city prior to the recordation of the final map, or the issuance of a grading permit or a building permit where approval of a map is not requested. The agreement shall be recorded against the parcel(s) designated for construction of the affordable units. The agreement shall run with the land and shall be binding upon the successor(s) in interest. At a minimum, the agreement shall include:
  1. Total number and size of affordable units.
  2. Maximum qualifying household incomes for the affordable units.
  3. Standards for calculating affordable rents or affordable sales prices.
  4. Enforcement mechanisms, including annual reporting and monitoring to ensure affordable units are continuously occupied by eligible households and remedies for breach of the agreement.
  5. Affordability term.

Section 17.50.060 – Consistency with State Law.

The provisions of this subchapter are intended to comply with Government Code Section 65915 and related state laws. In the event that any provision of this section conflicts with Government Code Section 65915 or any related state laws, the state law shall apply.

**Section 6.** **Master Fee Schedule for the 2012/2013 Fiscal Year**, is hereby amended to add the following:

- A. Request for Reasonable Accommodation: \$108 (No fee when request is submitted with another discretionary permit application)

**Section 7.** If any section, subsection, clause or phrase or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of all other provisions of this ordinance.

The Mayor and City Council hereby declare that it would have passed the ordinance codified in this title, and each chapter, section, subsection, sentence, clause and phrase or portion thereof, irrespective of the fact that anyone or more of the sections, subsections, sentences, clauses, or phrases or portions thereof be declared invalid or unconstitutional.

**Section 8.** The City Clerk shall certify to the passage and adoption of this ordinance and shall cause the same to be published in the same manner required by law. This ordinance shall become effective thirty (30) days from and after its passage.

PASSED, APPROVED AND ADOPTED this \_\_ day of \_\_\_\_\_, 2014 by the following vote:

AYES: COUNCIL MEMBERS:  
NOES: COUNCIL MEMBERS:  
ABSENT: COUNCIL MEMBERS:

\_\_\_\_\_  
JAMIE L. IRONS, MAYOR

APPROVED AS TO FORM:

\_\_\_\_\_  
ANNE M. RUSSELL  
INTERIM CITY ATTORNEY

ATTEST:

\_\_\_\_\_  
JAMIE BOUCHER, CITY CLERK  
STATE OF CALIFORNIA )

) ss.  
COUNTY OF SAN LUIS OBISPO)

I, JAMIE BOUCHER, hereby certify that I am the duly appointed City Clerk of the City of Morro Bay and that the foregoing ordinance was introduced on the \_\_\_ day of \_\_\_\_\_, 2014, and was adopted at an adjourned regular meeting of the Morro Bay City Council on the \_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Jamie Boucher, City Clerk

Published according to law:



AGENDA NO: C-1

MEETING DATE: 1/28/14

## Staff Report

**TO:** Honorable Mayor and City Council      **DATE:** January 23, 2014  
**FROM:** Susan Slayton, Acting City Manager  
**SUBJECT:** City Council Annual Meeting Schedule - 2014

### RECOMMENDATION

Staff recommends the City Council adopt the proposed meeting schedule for calendar year 2014, as well as determine dates for the Joint City Council and Planning Commission meetings:

1. The regular City Council meetings will be held the second and fourth Tuesdays of each month, beginning at 6:00pm with the following exceptions: if a Council meeting falls on a proclaimed City Holiday, the meeting will be held on the following Wednesday; and July 22<sup>nd</sup>, November 25<sup>th</sup> and December 23<sup>rd</sup>, which have traditionally been cancelled.
2. Upon the request of City Council, the Planning Commission and City Council hold a joint meeting twice annually to discuss proposed policies, programs, goals and objectives, budgeting, future planning, and/or any other planning matter(s) requiring joint deliberation. Over the years, these meetings have been scheduled on a variety of dates some of which include 5<sup>th</sup> Tuesday's of the month as well as regular City Council meeting date(s) with this particular meeting starting one hour early. Staff recommends the City Council discuss these or other options they may be interested in, and schedule the joint meetings accordingly.

### ALTERNATIVES

Council may choose to alter the schedule, to include changing the meeting dates of the City Council meetings. If the chosen path involves changing the meeting dates, staff will need to bring a Resolution to Council at the February 11<sup>th</sup> meeting to adopt and formalize the change.

### BACKGROUND:

For the past ten years, staff has proposed an annual schedule of meeting dates to the City Council for their approval. At the January 14, 2014, City Council meeting, Council requested this item be continued to the January 28, 2014 meeting for further discussion.

Prepared By: \_\_\_\_\_      Dept Review: \_\_\_\_\_  
City Manager Review: \_\_\_\_\_  
City Attorney Review: \_\_\_\_\_

## **DISCUSSION**

The proposed schedule for the 2014 calendar year is similar to the 2013 calendar, and a 2014 calendar is attached for your reference.

At the January 14, 2014 meeting, the idea of changing the dates for the Council meetings was proposed. Some discussion was held on this, and direction was given to further explore the impacts of this decision, which are AGP Video's availability, conflicts with the Planning Commissioners, the Interim City Attorney candidates' availability, and room availability.

Staff contacted AGP Video, the Planning Commissioners, and the Interim City Attorney candidates with the following results:

1. Nancy Castle of AGP Video said that AGP would work with any schedule Council sets.
2. Planning Commissioners Bob Tefft, Michael Lucas and John Fennacy have no issues with changing the PC meetings to the 2<sup>nd</sup> and 4<sup>th</sup> Tuesdays of the month; Commissioner Rick Grantham has a conflict with meetings occurring on the 2<sup>nd</sup> and 4<sup>th</sup> Tuesdays.
3. Regarding the Interim City Attorney candidates, the majority had no issue with this.

According to Recreation and Parks Director Joe Woods, the Veterans' Memorial Building is available on the 1<sup>st</sup> and 3<sup>rd</sup> Tuesdays, with the exception of February 4<sup>th</sup> and May 20<sup>th</sup>. February 4<sup>th</sup> is a special Recreation and Parks Commission meeting. There is an event on May 20<sup>th</sup> that is not ending until 5pm, which will delay the Council meeting set up for City maintenance workers and AGP.

# Calendar for year 2014 (United States)

## January

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			1	2	3	4
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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

## February

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16	17	18	19	20	21	22
23	24	25	26	27	28	

## March

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16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

## April

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13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

## May

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11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

## June

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15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

## July

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20	21	22	23	24	25	26
27	28	29	30	31		

## August

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17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

## September

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	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

## October

S	M	T	W	T	F	S
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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

## November

S	M	T	W	T	F	S
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16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

## December

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			



## **DISCUSSION**

Included with this staff report is a list of potential lobbying firms, contact information, and hourly rates. Council is asked to discuss this information, and consider the cost of hiring a federal/state advocacy firm and the potential benefits derived through funding support and assistance.

The City currently utilizes Carpi, Clay & Smith to support the interests of our harbor and fishing industry. It may be possible to extend that relationship to an advocacy for the new WRF project. According to their website, Carpi, Clay & Smith has extensive experience in representing clients in transportation and infrastructure, natural resources, environmental regulation, public finance, healthcare, housing and community development, safety and security, education, and international trade and commerce. Information from Carpi, Clay & Smith is attached and labeled C-1 through C-4.

Another firm of interest in advocacy for the this venture is The Ferguson Group, who worked with San Luis Obispo County in its successful efforts to secure federal grants and very low interest loans for the Los Osos Wastewater Project. Information from The Ferguson Group is attached and labeled F-1 through F-12.

The additional firms listed on the spreadsheet are firms that have been utilized by other California cities and districts. Brief information from these firms' websites is attached and labeled O-1 through O-5.

There is the possibility to utilize the CMANC trip for the additional purpose of seeking financial support for our water reclamation facility. The California Marine Affairs and Navigation Conference (CMANC) will be held March 25<sup>th</sup> through the 27<sup>th</sup> in Washington, DC, and is an opportunity to speak, in person, with our legislators in support of funding for our harbor and the fishing industry. Additional days could be spent in Washington, devoted to discussing funding opportunities with the consultant and our legislators.

## **CONCLUSION**

Staff is asking the City Council to review the information included and provide direction accordingly.



January 7, 2014

Susan Slayton  
Administrative Services Director  
City of Morro Bay  
595 Harbor Street  
Morro Bay, CA 93442

Dear Ms. Slayton,

Thank you for taking the time to contact our office inquiring about our clients and whom we work for on wastewater treatment and water reclamation issues. As you know, Carpi & Clay has provided lobbying services to local governments for over 25 years and take pride in being a small, client-oriented firm.

Our Sacramento office currently represents the City of Coronado, the City of Encinitas, the City of Santa Cruz, the County of San Diego, the Port of San Diego, Scripps Health, the California Swap Meet Owners Association and the San Diego County Water Authority. We have represented some of these clients for as long as the firm has been operating. As of January 31, we will no longer be representing the San Diego County Water Authority and welcome the opportunity to represent the City of Morro Bay on wastewater treatment and water reclamation issues.

Just in the past year, our firm sponsored legislation, SB 322 by Senator Hueso, relating to recycled water that was signed into law by Governor Brown. We worked very closely with a broad coalition of stakeholders - environmental, state regulatory agencies, water agencies and local governments to develop a consensus approach. Our firm has also been very active in the storm water arena both in the legislative environment as well as at the State Water Resources Control Board. We participated as an invited speaker in a Legislative information hearing in June on marine debris and storm water issues and were asked to provide a local government perspective. Our firm secured passage of a second piece of legislation in 2013 dealing with regional water boards and TMDL requirements related to storm water/waste water discharges. Finally, our firm has been engaging with drafters of the various water bond proposals to ensure that waste water, water recycling and storm water funding are all adequately incorporated in whatever bond moves through the legislative process. These issues were on behalf of the San Diego County Water Authority, County of San Diego, and the Port of San Diego.

Please feel free to contact me if you have further questions or need additional information. Again, we look forward to this opportunity and appreciate your consideration of our firm.

Sincerely,

  
Jonathan Clay

Attachment

C-1



OFFICE OF THE GOVERNOR

OCT 08 2013

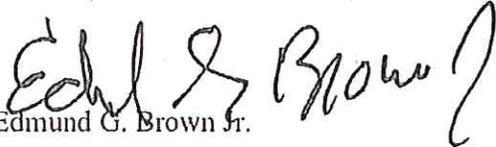
To the Members of the California State Senate:

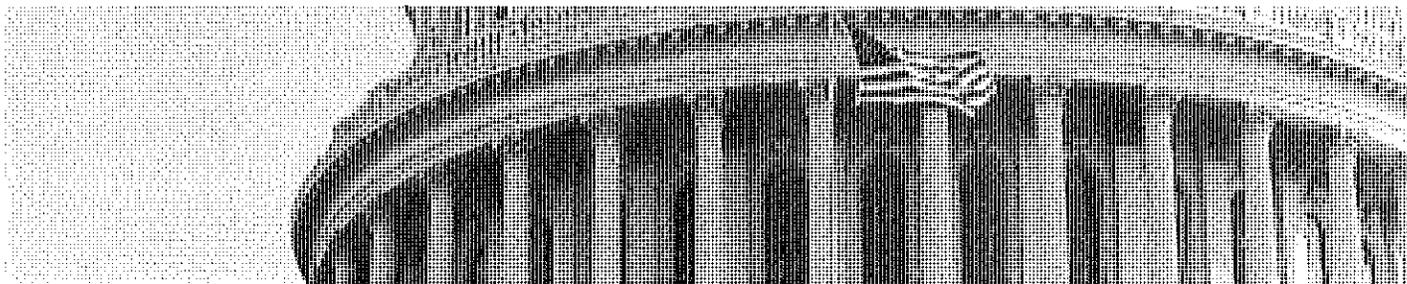
I am signing SB 322 which requires the Department of Public Health in consultation with the State Water Resources Control Board, to investigate the feasibility of developing uniform water recycling criteria for direct potable reuse by September 2016.

This information is past due. In an effort to enhance the use of recycled water, I have proposed the consolidation of the management of the drinking water program and all other water quality programs, including recycled water, under the State Water Board.

I am directing the Water Board to ensure that this work is completed expeditiously. The 3-year time frame mandated in this bill is too slow. California needs more high quality water and recycling is key to getting there.

Sincerely,

  
Edmund G. Brown Jr.



## Our Capabilities

Federal Advocacy

California Advocacy

## Federal Advocacy

Carpi & Clay is a government relations firm with offices in Washington, DC and Sacramento, California.

In Washington, DC the firm does business as Carpi Clay & Smith, specializing in providing strategic counsel and implementing effective government relations programs at the federal level for over 25 years.

We take pride in understanding your unique needs and issues. We are informed advocates who develop communications and legislative strategies that advance successful public policy and business development agendas.

Our success as federal advocates is grounded in a straight-forward and transparent process of developing and implementing realistic strategic plans that embrace each client's unique profile. Equally important is our desire to establish and maintain healthy communications that make you an integral part of the strategy and to ensure we are meeting your expectations.

We have broad experience in representing clients in transportation and infrastructure, natural resources, environmental regulation, public finance, healthcare, housing and community development, safety and security, education and international trade and commerce. Quite often it's about acquiring designated federal funding for projects and programs. We have obtained millions in federal funding for our clients. But throughout our decades of experience, we have found sometimes it's not all about the money. Often a legislative, regulatory or administrative change provides invaluable assistance to your policies, operations or activities.

We have many resources and contacts throughout Washington, DC in the legislative and executive branches, but we don't name-drop. Throughout our careers and years of service on behalf of or as public officials ourselves, we have earned reputations as nonpartisan advocates for good government. Where we don't have existing relationships, we develop and build them to support your needs. It is worth noting that our significant client accomplishments over the years have occurred under both Democratic and Republican majorities and presidents of both parties.

In the end, we are an engaged, hands-on team of professionals who value integrity, honesty and hard work.

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### Our Capabilities

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## California Advocacy

The Sacramento, California office of Carpi & Clay has specialized in providing strategic counsel and implementing effective government relations programs at the state level for over 25 years. We take pride in understanding your needs and issues. We listen, we ask questions, we recognize your unique needs and we tailor our approach to address your distinct goals.

Whether you are seeking information on potential impacts of pending legislation, engaging in policy formation or pursuing funding allocations, we provide personal attention in planning a detailed strategy to meet each of your specific objectives. We are known for our ability to provide personal service due to our small and effective size. We present sound political advice and counsel relating to legislative issues and provide expertise and knowledge to effectively navigate the Sacramento legislative process.

We develop communications and legislative strategies that advance your public policy and business development agendas. We have broad experience in representing clients in transportation and infrastructure, natural resources, environmental regulation, public finance, healthcare, housing and community development and public safety.

We are an engaged, hands-on team of professionals who value integrity, honesty and hard work.

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C-4



THE  
FERGUSON  
GROUP LLC

1130 Connecticut Avenue, NW  
Suite 300  
Washington, D.C. 20036  
202.331.8500  
202.331.1598 fax

December 27, 2012

Mayor Jamie Irons  
City of Morro Bay  
595 Harbor Street  
Morro Bay, California 93442

Dear Mayor Irons –

It truly was a pleasure talking with you regarding the City of Morro Bay and issues related to the federal government. I am taking this opportunity to provide several items we discussed, including:

- The link to our website ([www.thefergusongroup.com](http://www.thefergusongroup.com)) which provides good background on our firm;
- A recent federal report (August 2012) prepared for the County of San Luis Obispo outlining our scope of work, activity during the reporting period, and the County's federal agenda matrix;
- A memorandum outlining our recent work in the area of parks and recreation; and
- The link to the State Stormwater Coalition ([www.stormwatercosts.com](http://www.stormwatercosts.com)) which we currently are assisting by way of one of our clients.

As I outlined during our discussion, our scope of work and business terms can take several forms based upon the needs of our clients. Most of our clients opt to hire us on a retainer basis to provide a full suite of federal representation. We first meet with our retainer clients to review their issues and projects and develop a federal agenda with an action plan and milestones to help measure results. After the federal agenda is approved, our firm carries forward the agenda and provides regular updates and reports to our clients on our activities and progress. Our current monthly fees for professional services for retainer clients range from approximately \$4000 - \$10,000 and, as we discussed, we work with our clients to ensure the fee matches budgetary requirements while providing the desired scope of services.

Some of our new clients prefer to start off our relationship by hiring us to develop a federal agenda. Under this model we travel to the client, meet with elected officials and staff to develop an understanding of all issues and projects, and then draft a proposed federal agenda outlining an action plan and prospects for success. We typically negotiate a single fee for agenda building services and we normally complete this work in a 45-60 day timeframe although we can adjust the timeframe to meet our client's needs. After reporting the proposed agenda, many of our clients choose to extend our agreement to carry forward the federal agenda.

December 27, 2012  
Mayor Jamie Irons  
Page 2

Some of our clients also choose to initially engage us to assist them with a lobbying trip to Washington, D.C. While the clients utilizing this format are often associations we do occasionally assist municipal governments in this manner. The Ferguson Group offers a broad range of advocacy training programs that help improve lobbying and advocacy activities. Our training services and programs teach clients important skills to make their visits to Capitol Hill effective. TFG schedules appointments with congressional offices and Administration officials and staff, assists clients with message development, briefs clients prior to meetings, attends meetings with clients, and follows up on the meetings to give clients confidence their fly-ins are effective. As with the agenda building services, we typically negotiate a single fee to provide these services.

During our telephone conversation I also outlined our work on behalf of communities facing plant closures and reuse efforts. This is the link to the Manufacturing Alliance of Communities (<http://autocommunities.us/>) where you will find details on how we have assisted communities recently dealing with the closure and potential reuse of businesses. The MAC has enjoyed tremendous success helping protect companies and jobs and, where necessary, helped in transition efforts. Coupled with our experience in base closure and reuse, we are expert in working with the federal government when communities face the prospect of employers closing, downsizing, or transitioning.

Also, as we discussed, we worked closely with San Luis Obispo County in their successful efforts to secure federal grants and very low interest loans for the Los Osos Waste Water Project. I am sure you are quite familiar with this project but please let me know if you would like more information on the project and our work on behalf of the County.

I am always available to talk with you via telephone and I would be very happy to meet with you in Morro Bay or Sacramento at your convenience. My best telephone number during December is my mobile – (707) 287-0023 – as I am traveling frequently in California this month to meet with clients to develop their 2013 federal agendas.

Again, thank you.

Mike

Michael Miller  
Partner

August 28, 2012

To: Nikki Schmidt  
From: Mike Miller  
Re: 2012 Federal Agenda & Work Plan Update

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This memorandum provides an update on our work plan associated with the County of San Luis Obispo's CY 2012 federal agenda and moving forward into the CY 2013 cycle. Following the update we have included a matrix outlining projects and issues on the County's federal agenda and brief notes regarding the status of each.

Through July 31, 2012, The Ferguson Group (TFG) assisted San Luis Obispo County in all matters of interest pertaining to the federal government, including federal funding as well as legislative, regulatory, and other administrative matters not directly related to federal funding.

We focused much of our attention in several areas, including ensuring funding and regulatory approvals for the Los Osos project continue to move forward in a timely manner. In addition to monitoring relevant legislative action in Congress and keeping regular communications in place with the County's congressional delegation, TFG assisted the County at several critical points during the year to ensure the process did not stall. For example, TFG facilitated direct communications with key NOAA staff responsible for certain necessary regulatory approvals to ensure there were no delays in the process. Also, TFG provided congressional briefings at key points during the approval process to ensure the congressional delegation had the opportunity to express support to relevant regulatory agencies for the project and efficient evaluation and disposition of regulatory duties. TFG also briefed relevant congressional offices on Los Osos as questions arose during the review process to ensure Members of Congress had accurate information regarding the project.

TFG also focused on transportation authorization legislation with particular attention paid to highway funding opportunities and potential negative impacts of proposed policy changes related to metropolitan planning organizations. This year, TFG provided significant assistance to the San Luis Obispo Council of Governments (SLOCOG) at the request of both the County and SLOCOG. TFG regularly briefed SLOCOG staff on legislative developments and responded to inquiries from SLOCOG. In addition, TFG arranged joint County/SLOCOG meetings with key elected officials and staff during our February 2012 trip and also provided follow up services. We believe our efforts on behalf of SLOCOG benefited both SLOCOG and the County equally.

In light of the ongoing congressional moratorium on project earmark, TFG continued working with the County to identify grant opportunities – competitive and discretionary – and assisted County staff throughout the year by evaluating grant opportunities and providing important information about relevant grants to aid in decision making. As we have discussed in the past, grant funding will continue to be critically important as Congress is undecided about whether to keep the moratorium in place when the new Congress convenes in January 2013.

Looking forward toward the 2012-2013 cycle, The Ferguson Group will work with San Luis Obispo County to ensure that project development and advocacy continues to be efficient, effective, and result in putting projects in the best possible position to receive federal funding. In addition to our regular and ongoing communications with County staff, we will also provide quarterly updates to the Board and staff regarding all matters of interest to the County at the federal level.

The following points outline our anticipated work plan. It is important to point out this is an election year and there might be significant changes in federal policy and opportunities in the coming months which could affect our work plan. Also, we are assuming the County and SLOCOG would like TFG to continue to assist SLOCOG in ways similar to 2011-2012.

**1. Research and Identify Federal Funding Opportunities.** On an ongoing basis, TFG reviews and identifies federal funding opportunities – both actual and potential. This research allows us to efficiently assess the likelihood of funding for projects in the early phases of specific project development. TFG maintains communications with key Members of Congress, congressional staff, and Administration officials and staff regarding funding opportunities and trends.

- Timeframe: Ongoing.
- Work product: Research and develop funding opportunity information for meetings with County officials and staff, communications with congressional and Administration contacts regarding funding opportunities and trends.

**2. Develop Federal Agenda.** While TFG researches and identifies federal funding opportunities, we concurrently work with the County to develop a project agenda. TFG will meet this fall once again with the County's elected officials and staff to identify project priorities. TFG briefs the County on other funding opportunities and policy consideration to stimulate thought regarding other County projects not previously discussed.

- Timeframe: Fall 2012.
- Work product: Preliminary project agenda with project assessment focusing on likelihood of funding based on funding criteria, precedent, and other considerations.

**3. Congressional Delegation and Federal Agencies - Input.** TFG discusses the agenda on an informal basis with key congressional representatives and relevant federal agency officials and staff to secure initial support or identify challenges. To ensure early feedback from the County's congressional delegation, we will work with congressional staff and seek initial review of the County's preliminary federal agenda concurrently with our federal funding research and preliminary federal agenda development.

- Timeframe: Fall 2012 (after County's initial CY 2013 federal agenda is developed)
- Work product: Briefings with congressional offices, agencies, and County staff.

**4. Finalize Project Agenda.** TFG briefs the County on congressional and agency comments on the agenda. TFG proposes a final project agenda based upon identified County priorities, funding opportunities, and congressional comments. While it is important to identify an agenda and remain focused on the agenda, TFG understands that County priorities can change during the appropriations cycle; TFG remains flexible throughout the year to address possible changes in priorities.

- Timeframe: Fall / Early Winter.
- Work product: Communications with County staff and officials, final project agenda.

**5. Formal Requests.** TFG works with the County, federal agencies, and the congressional delegation to finalize and submit requests for funding, policy changes, and regulatory relief. TFG drafts correspondence to congressional offices requesting support for projects. TFG coordinates communications with congressional offices and federal agencies and confirms receipt of project requests in advance of deadlines. TFG assists congressional offices as appropriate with work related to requests. TFG completes all required Member, committee, and subcommittee forms and other documents as appropriate. TFG communicates regularly with delegation offices and provides project background memoranda and other support to congressional staff as appropriate.

Once again, it is important to note we do not know whether the next Congress will adopt another moratorium on congressional earmarks for the next appropriations cycle. TFG will ensure funding opportunities are explored and will also work with the congressional delegation and the Administration to find funding opportunities outside the appropriations process (e.g., competitive and discretionary grants, policy changes enabling County participation in programs).

- Timeframe: Ongoing.
- Work product: Meetings with County staff and officials, project descriptions, required forms, supporting materials, congressional correspondence and other communications with congressional offices, project advocacy, grants research and applications.

**6. County Advocacy.** TFG strongly believes the most effective advocates for San Luis Obispo County are the County's elected officials and staff. We will continue to maximize the benefits of your expertise by ensuring that the right message is delivered to the right people at the right time. TFG provides full support to the County, including but not limited to meeting scheduling, briefing materials and talking points for meetings, meeting attendance and participation, and travel assistance. TFG staff attends meetings in Washington and California and follows up on all action items resulting from meetings. TFG also advises County officials and staff regarding additional communications at key points throughout the appropriations process, and provides draft correspondence, contact information, and talking points to the County as needed. TFG advises the County regarding building and maintaining a strong working relationship with congressional offices, and as appropriate, with Administration officials and staff.

- Timeframe: February – March 2013 and ongoing as necessary.

- Work product: Secure meetings with congressional delegation and relevant Administration officials and staff; meeting schedules, briefing materials, talking points, draft correspondence, communications with County officials and staff, congressional testimony.

**7. Outcomes and Project Assessment.** Upon final determinations by Congress or agencies, TFG reports results to the County immediately upon receiving accurate and reliable information. TFG provides copies of relevant legislation, congressional reports, and other documents. TFG debriefs congressional offices regarding project results and reports findings to the County. TFG provides outcomes assessments, assisting TFG and the County in formulating the San Luis Obispo's federal agenda for the next cycle.

- Timeframe: Ongoing
- Work product: Communications regarding results and assessment of federal agenda, debriefing congressional offices regarding outcomes.

**8. TFG Advocacy.** Throughout the year, TFG regularly communicates with Members of Congress, their staff, and key committee staffers in support of the County's requests. TFG full support to congressional offices, including support letters to appropriations committees, talking points for Member and staff meetings, memoranda regarding project and budget status, draft congressional testimony, and other communications as requested by congressional offices. TFG tracks legislation of interest to the County, including appropriations and other legislation, and will report key developments in the legislative process to the County. TFG also provides regular reports to the County outlining major policy areas, initiatives, and legislation. TFG staff attends relevant committee hearings and markups and provides updates to the County. In addition, TFG works with federal agencies to secure positive outcomes for the County's federal agenda.

- Timeframe: Ongoing.
- Work product: Communications with congressional representatives and federal agency officials and staff, draft correspondence, support materials, memoranda for congressional offices regarding project status, and other support as requested and needed by congressional offices, attend congressional hearings.

**9. Grants.** TFG will work closely with County officials and staff throughout the year to identify meaningful grant opportunities related to County priorities and needs. TFG will provide ongoing analysis of grant opportunities and will assist the County in application development and submittal. TFG will also provide outcomes analysis regarding grant applications and will follow up post-award to ensure funding is secured efficiently.

**10. Client Communications.** TFG is fully accessible to County officials and staff. We provide regular reports regarding project status, and we regularly meet in person with officials and staff in San Luis Obispo. By way of example, TFG continues to hold biweekly conference calls with County staff regarding the Los Osos Wastewater Project. We are available via telephone and email to answer questions and respond to other inquiries and requests from the County. TFG staff is available to County officials and staff to check and track the status of any legislation or regulatory activity at the federal level, as well as to advise the County regarding any potential impact of the matter on San Luis Obispo.

- Timeframe: Ongoing.
- Work product: Meetings in San Luis Obispo, written and oral status reports, other communications as necessary, meetings with other relevant entities, respond to information requests from County officials and staff.



## COUNTY OF SAN LUIS OBISPO CY 2012 FEDERAL AGENDA & WORK PLAN

	PROJECT/ISSUE	NOTES
1	Transportation authorization bill (MAP-21)	<p>Provisions related to bridge replacement, MPO protection, off-system project eligibility, funding flexibility. HR 7 &amp; MAP-21.</p> <p>Meetings in February 2012 and ongoing communications with congressional delegation and key committee staff regarding County and SLOCOG concerns.</p> <p>Two-year bill passed in July 2012 and effective October 1. Tracking funding and policy implementation plans.</p> <p>Problematic MPO provisions not included in final bill.</p>
2	101 / 46 interchange	<p>DOT grant funding and tracking funding implementation under MAP-21.</p> <p>USDOT will work with Caltrans to administer funding under MAP-21.</p>
3	Willow Road	<p>DOT grant funding and tracking funding implementation under MAP-21.</p> <p>USDOT will work with Caltrans to administer funding under MAP-21.</p>

	PROJECT/ISSUE	NOTES
4	Oceano Highway 1 flooding	DOT and FEMA grant funding. Ongoing research regarding funding opportunities.
5	Southland interchange	DOT and EDA grant funding Will evaluate funding opportunities as MAP-21 administration is implemented.
6	Los Osos Wastewater	Ongoing work with USDA, Corps of Engineers, Reclamation, EPA, FWS, NOAA, NMFS, and DOI regarding funding opportunities and regulatory issues. February 2012 meetings with key congressional and regulatory staff and officials regarding approval process and regulatory approvals. Worked closely with congressional staff to ensure regulatory agencies remained on schedule with necessary review and approval process. Continuing to work toward securing meetings with regional Corps officials and staff regarding Corps project work plan and prioritizing Los Osos.
7	Habitat Conservation Planning	Los Osos, Arroyo Creek, and regional HCP efforts. FWS, DOI, NOAA, NMFS, COE, and other agencies.
8	Water recycling	Bureau programs including WaterSMART.
9	NPDES – MSR4s Phase II	Permitting requirements. Continue advising County regarding key actions by EPA and other regulatory agencies.

	PROJECT/ISSUE	NOTES
10	Stormwater conveyance & liability	9th Circuit Court ruling. Clean Water Act, EPA. Continuing to track and keep congressional delegation informed.
11	Invasive species (aquatic)	Quaaga mussels – inspection and other assistance. Bureau of Reclamation Mussel Program. Met with Bureau representatives and continue investigating funding opportunities.
12	Arroyo Grande Creek – levees and HCP	Potential small flood control or aquatic ecosystems project. Corps of Engineers, NOAA, NMFS, FWS. Working with County staff to ensure timely regulatory consideration.
13	Property Assessed Clean Energy Program (PACE)	Actively engage legislators and Administration. Ongoing communications with congressional delegation regarding support for PACE program.
14	Climate Change	Alternative transportation funding opportunities, urban forestry, climate change planning, greenhouse gas reduction opportunities
15	Energy efficiency for public buildings	DOE – EERE program. Ongoing review of grant opportunities and communications with County staff.
16	Federal nuclear energy and waste policy	Diablo Canyon licensing; nuclear waste disposal and transportation

	PROJECT/ISSUE	NOTES
17	Anti-Gang Funding	Funding via USDOJ grant programs. Communicating support for program funding to delegation. Awaiting FY 2013 appropriations finalization.
18	DNA Cold Hit funding	Funding via USDOJ grant programs. Communicating support for program funding to delegation. Awaiting FY 2013 appropriations finalization.
19	CDBG and Energy Efficiency and Community Block Grant (EECBG)	Track and advocate for maximum funding and flexibility. Awaiting FY 2013 appropriations finalization.
20	Cambria Library Expansion	Expansion. Continuing to explore USDA and other grant opportunities.
21	Homeless services and facilities funding	Awaiting FY13 appropriations finalization to assess opportunities.
22	Low income wastewater assistance	Akin to LIHEAP.
23	Farm Bill	Relevant provisions including broadband service, land preservation, wildfire prevention, habitat resource conservation districts, erosion control.
24	Medicare reimbursement	Inadequate reimbursement due to high cost but rural designation

	PROJECT/ISSUE	NOTES
25	Veterans assistance	Transportation to clinic and other assistance  Awaiting FY13 appropriations finalization to assess opportunities.
26	NEA funding for public art	Awaiting FY13 appropriations finalization to assess opportunities.
27	Feinstein/Boxer Earthquake Insurance bill	S. 637 (HR 3125). Bill currently in committee – action unlikely in this Congress.

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## SERVICES

### WATER & SANITATION SECTOR



For nearly two decades, The Furman Group has provided specialized government relations consulting services to municipalities and other public agencies developing water, sanitation and transportation projects. We have a demonstrated record of success representing public agencies in Washington, D.C.

Over the past two decades, we have helped numerous communities and public water agencies throughout the U.S. access over \$300 million in federal funding for critical water, sanitation and other infrastructure projects. During that same period we planned and executed government relations strategies that have resulted in nearly \$350 million in project authorizations for our clients.

As we like to say, "Who we are is how we win."

These wins include:

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# INNOVATIVE FEDERAL STRATEGIES, LLC

CONGRESSIONAL FINANCIAL REPRESENTATION

## Local Government



## Local Governments

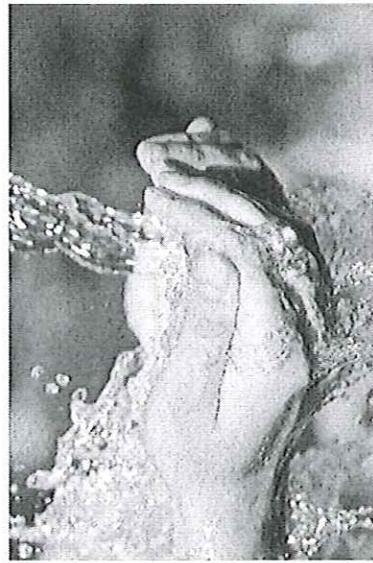
Innovative Federal Strategies has extensive experience working with various cities, counties, and municipal operations. While we recognize that no one entity has the same needs, we provide well-tailored solutions to each client, understanding that they face many of the same issues. IFS has worked with our clients to successfully secure funding and grant opportunities for major development on behalf of our local government clients in several appropriations bills. Most recently, we have assisted our clients in identifying federal grant opportunities and soliciting letters of support from their respective congressional delegations.

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### Water & Sanitation

Supplying clean water to communities across California and the nation is fraught with significant regulatory hurdles and constant infrastructure costs. Far too often the necessary investment in the lifeblood of the state is perpetually delayed until a near crisis is reached, leaving water districts, sanitation districts, and municipalities holding the bag when repairs and expansion can no longer be ignored. Public agencies in the water business need to constantly be on the look out for funding sources for these enormous investments while protecting against laws and regulation that come down from Sacramento and Washington, DC. Townsend Public Affairs represents some of the largest, most innovative water, waste water, and sanitation agencies in the state and helps them capture significant funding while proactively encouraging a positive regulatory climate at the state and federal level. This includes:

- **Funding:** Successful water and wastewater agencies should always have a piece of any state water bond and federal water reauthorization, the primary source of public funds available for those crucial infrastructure projects. TPA has won funding for our clients from every major infrastructure bond and water reauthorization since 1998 to better serve millions of California residents and businesses.
- **Legislation:** The state and federal government are constantly proposing new laws and regulations to govern the storage, delivery, and disposal of water-policies that can significantly impact operations. TPA protects our clients from these efforts through diligent advocacy on all policy proposals and encourages our clients to proactively introduce legislative proposals to reverse bad laws. These efforts save millions and help maintain a positive climate for continued operations.

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# Joe A. Gonsalves & Son

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*"It's almost impossible to estimate the enormous impact Joe A. Gonsalves & Son lobbying skills and contacts bring to clients. They have immense knowledge of the inner workings of the Legislature, and they have wonderful professional relationships with legislators and staff members that are of inestimable value when it comes to legislative success."*

*— Lisa Novolny,  
 Deputy City Manager,  
 City of Lakewood*

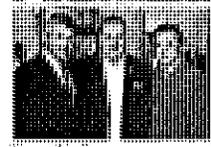
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With an unwavering reputation, Joe A. Gonsalves & Son successfully represents an extraordinary group of clients. It is a tremendous privilege and honor for us to represent each and every one of our clients and we will not quit until the job is complete.

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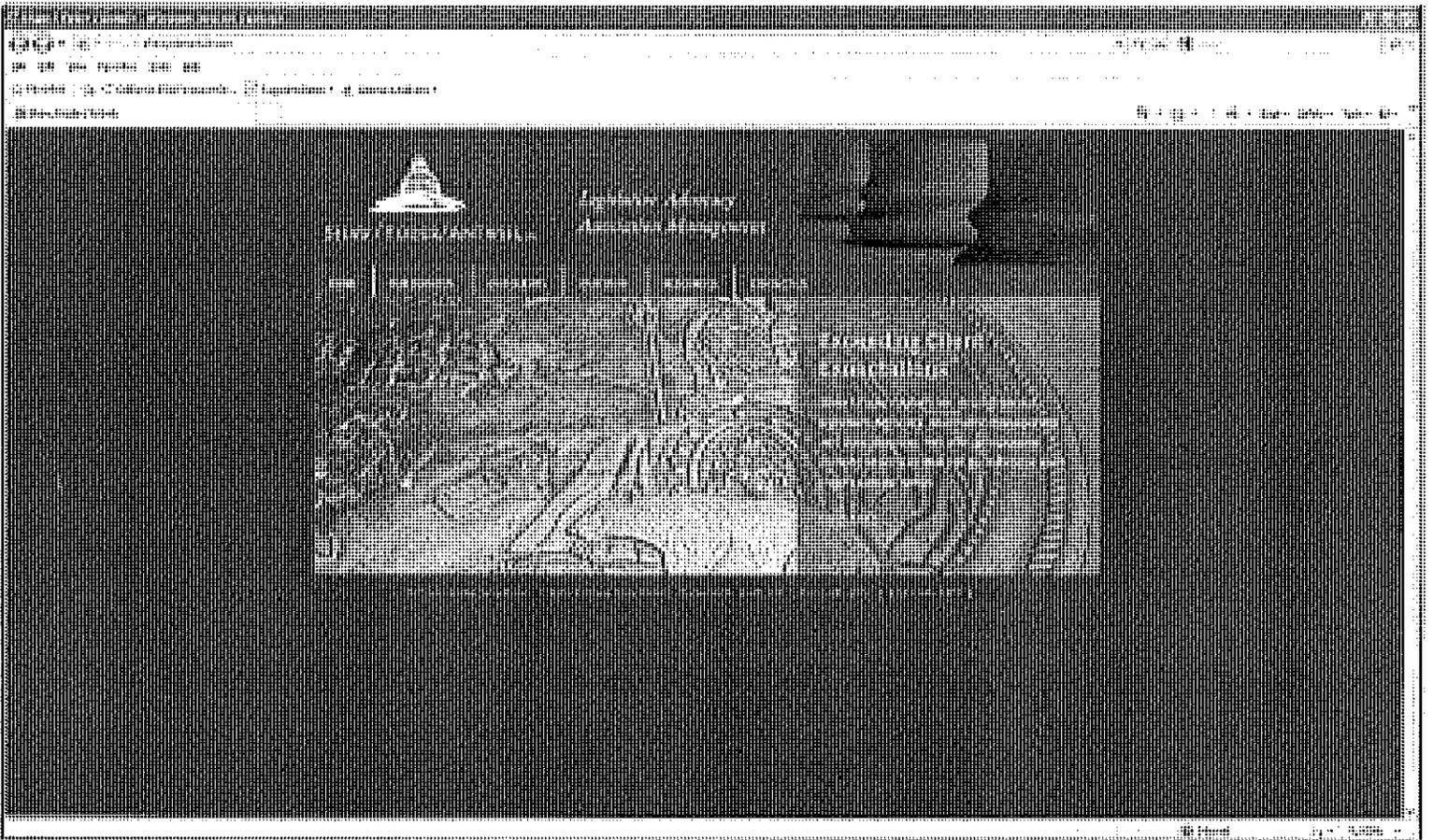


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**AGENDA NO: D-1**

**MEETING DATE: January 28, 2014**

## Staff Report

**TO: Honorable Mayor and City Council      DATE: January 22, 2013**

**FROM: Rob Livick, PE/PLS - Public Services Director/City Engineer**

**SUBJECT: Review of Stop Sign Request for the Intersection of Marina and Fresno  
and General Policy for Stop Sign Installation**

### **RECOMMENDATION**

Review the particulars of the stop sign analysis for Marina Street and Fresno Avenue along with the applicable regulations and provide direction to staff to bring back a Resolution to Council adopting a stop sign policy and procedure.

### **ALTERNATIVES**

1. Provide direction on the Marina Street and Fresno Avenue intersection, but not adopt a policy and review all stop sign requests as they come to City Council through a variety of methods (public comments, written/email correspondence) on a case by case basis.
2. Request staff provides additional information and bring this item back to Council for future consideration.

### **FISCAL IMPACT**

The cost for the installation of a stop sign is approximately \$400 per sign and legend installation. Additionally, the labor to perform the “warrant” analysis takes about 18 person hours costing approximately \$1,500 in staff time. This report does not provide any estimate of the revenue or the expense of stop sign violation enforcement.

### **SUMMARY**

Installation of Traffic Control Devices is governed by three separate regulations: the City of Morro Bay Municipal Code Chapter 10, The California Vehicle Code (CVC) and the California Manual of Uniform Traffic Control Devices (CMUTCD).

In general, the installation of a stop sign or any traffic control device requires engineering analysis to determine whether it is “warranted” or can be justified. As an alternative to installing a stop sign based on warrants, the City Council may, at its discretion, cause the installation of a stop sign via Council Resolution.

Based on the analysis of traffic conditions at the intersection of Marina Street and Fresno Avenue, the installation of stop signs is not warranted by the engineering analysis performed.

Prepared by: RL      Dept. Review: RL

City Manager Review: \_\_\_\_\_

City Attorney’s Review: \_\_\_\_\_

Some cities, such as San Luis Obispo and San Clemente, have adopted policies allowing citizen petitions for the installation of stop signs on **local** residential streets where they may not meet the engineering criteria for their installation but the residents feel they are necessary to relieve certain neighborhood traffic management issues.

### **BACKGROUND/DISCUSSION**

The City receives approximately 10-15 requests for the installation of Stop Signs at uncontrolled or partially controlled intersections per year. Earlier this year the City received a request for signs specifically at the intersection of Marina Street and Fresno Avenue. Based on that request, the City Council requested that the Public Works Advisory Board (PWAB) review that intersection and revisit the policy of installation of traffic control devices based on citizen request. The PWAB has previously reviewed the idea of a petition process for unwarranted traffic control devices in February of 2012 and rejected that process as described at the February 2012 meeting. But, at their December 2013 meeting, PWAB supported both the installation of stop signs at Marina Street and Fresno Avenue along with the preparation and implementation of some sort of Citizen Petition process for a neighborhood to have a traffic control device installed.

Installation of Traffic Control Devices is governed by three separate regulations: the City of Morro Bay Municipal Code Chapter 10, The California Vehicle Code (CVC) and the California Manual of Uniform Traffic Control Devices (CMUTCD).

The City of Morro Bay performs an analysis of the intersection to determine whether installation of a Stop Sign is “warranted”. This “warrant” criterion for installation of Stop Signs is summarized below:

1. The CVC establishes the right-of-way rule at intersections having no regulatory traffic control signs such that the driver of a vehicle approaching an intersection must yield the right-of-way to any vehicle or pedestrian already in the intersection. When two vehicles approach an intersection from different streets or highways at approximately the same time, the right-of-way rule requires the driver of the vehicle on the left to yield the right-of-way to the vehicle on the right. The right-of-way can be modified at through streets or highways by placing YIELD signs or STOP signs on one or more approaches.
2. Engineering judgment should be used to establish intersection control. The following factors should be considered:
  - A. Vehicular, bicycle, and pedestrian traffic volumes on all approaches;
  - B. Number and angle of approaches;
  - C. Approach speeds;
  - D. Sight distance available on each approach; and
  - E. Reported crash experience.
3. YIELD or STOP signs should be used at an intersection if one or more of the following conditions exist:
  - A. An intersection of a less important road with a main road where application

- of the normal right-of-way rule would not be expected to provide reasonable compliance with the law;
  - B. A street entering a designated through highway or street; and/or
  - C. An unsignalized intersection in a signalized area.
4. In addition, the use of YIELD or STOP signs should be considered at the intersection of two minor streets or local roads where the intersection has more than three approaches and where one or more of the following conditions exist:
- A. The combined vehicular, bicycle, and pedestrian volume entering the intersection from all approaches averages more than 2,000 units per day;
  - B. The ability to see conflicting traffic on an approach is not sufficient to allow a road user to stop or yield in compliance with the normal right-of-way rule if such stopping or yielding is necessary; and/or
  - C. Crash records indicate that five or more crashes that involve the failure to yield the right-of-way at the intersection under the normal right-of-way rule have been reported within a 3-year period, or that three or more such crashes have been reported within a 2-year period.
5. Yield or stop signs should not be used for speed control.

Based upon the above criterion Morro Bay has relatively few intersections where standard warrants are not met but where managing traffic continues to be a public concern, including Marina Street and Fresno Avenue.

There is a provision in Chapter 10 of the Morro Bay Municipal Code that allows the City Council to place traffic control devices: *10.08.080 - Placement by council: Notwithstanding the above sections (in Chapter 10 of the MBMC), the city council shall have the power to place and maintain or cause to be placed or maintained official traffic-control devices when and as required under this chapter to make effective the provisions of this chapter and may place and maintain such additional traffic-control devices as it deems necessary to regulate traffic under this chapter or under the state law, or to guide or warn traffic.* This provision allows the placement of a traffic control device without the engineering analysis normally required for the City Engineer to place such a device.

If the City Council chooses to cause an unwarranted traffic control device, staff is under the opinion that the Council should adopt a policy and procedure for the requests to come forward to Council from the public in order to minimize any arbitrary installation of said devices. Such a policy is included as Attachment 2 for the City Council's consideration.

#### ***Marina Street/Fresno Avenue Engineering Analysis***

Based on the engineering evaluation of the Marina Street and Fresno Avenue intersection certified March 26, 2012 (Attachment 1), it was found that all eight of the warrants are not met at the intersection of Marina Street with Fresno Avenue. The vehicular and pedestrian volumes in the area are too low to meet the requirements given in the MUTCD for the first four warrants. In addition, with the low crash experience and absence of local schools and traffic control signals, the warrants for those issues are not met. Additionally, the warrant

for roadway network coordination is not applicable either, due to low volumes. Since none of the warrants are met, it seems unnecessary, by the standards brought forth in the MUTCD, to install stop signs at Fresno Street and Marina Avenue. (*Note: Since the publication of the report there have been three additional accidents reported, but still does not meet the accident threshold of five accidents per year.*)

In addition to collecting data on vehicular volumes, the traffic count also collected data on vehicle speeds on Fresno Avenue and Marina Street. The average speeds were 14 mi/hr and 13 mi/hr, respectively, which is within the speed of unmarked intersections of 15 mph; therefore, it does not appear that speeding is the cause of unsafe driver behavior. Sight distances at the intersections are limited on certain approaches, due to vegetation encroaching into the sight triangle. The property owners have been informed to keep this area clear from sight obstructions. The report states that the Public Services Department will periodically evaluate this intersection's accident history to determine if a change in conditions warrants a traffic control device installation.

### **CONCLUSION**

Staffs recommends the City Council review the particulars of the stop sign analysis for Marina Street and Fresno Avenue along with the applicable regulations and provide direction to staff. Additionally, since stop signs are sometimes desired by a neighborhood to address neighborhood traffic management issues, Council should provide direction to staff to bring back a Resolution to Council adopting a stop sign policy and procedure.

### **ATTACHMENTS**

1. Stop Sign Warrant Analysis – Fresno Ave and Marina Street, March 26, 2012
2. Draft City of Morro Bay Stop Sign Installation Process/Procedures

# Stop Sign Warrant Analysis

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## *Fresno Avenue and Marina Street*



**February - March  
2012**

**Prepared by:**

**Department of Public Services  
955 Shasta Avenue  
Morro Bay, CA 93442**

# Certification

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Preparation of this report included efforts by the following persons:

Sarah Cosseboom, E.I.T.  
Rob Livick, City Engineer/ Director of Public Services

## Professional Engineer

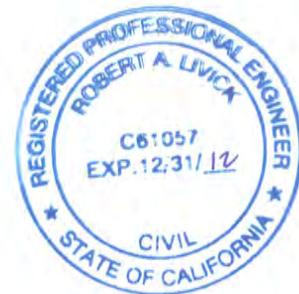
This report was prepared by, or under the direction of the following Professional Engineer in accordance with the provisions of Section 6700 of the Business and Professions Code of the State of California.

Civil Engineer:

  
\_\_\_\_\_ 3/26/2012

Rob Livick, PE/PLS  
C 61057 exp. 12/31/2012

Date



# Purpose

The City of Morro Bay received requests for installations of stop signs at the intersection of Fresno Avenue and Marina Street. Currently, there are no stop signs at this intersection. The first step in the stop sign petition process is for the City Engineer to evaluate whether or not this location meets specific traffic warrants. If some or all of these warrants are met, the City Engineer may approve the installation of traffic control devices at this intersection. However, if these warrants are not met, residents in the area may sign a petition and submit it to the Department of Public Services. The objective of this report is to evaluate the traffic conditions at this intersection of Fresno Avenue and Marina Street. If the warrants are met, then the installation of stop signs in this area will be justified. It is expected with Morro Bay's low vehicular traffic and population that most, if not all, of the warrants will not be met. If this is the case, other options will be explored.

# Background



**Figure 1: Study Location**

The study area is located in the southeastern part of Morro Bay, as can be seen in Figure 1. The surrounding area is a quiet residential neighborhood. Fresno Avenue services vehicles travelling to and from Morro Bay Boulevard or to and from Highway 1. Marina Street leads to the downtown and waterfront areas. Currently, this intersection is a blind, uncontrolled intersection.

This area has been known to have low volumes of traffic throughout the day, and therefore the intersection has not needed stop signs thus far. However, the City of Morro Bay has received complaints that this intersection is dangerous, and a perceived speeding problem is present. Throughout the years, there have been a few crashes at these

intersections. Due to the safety concerns brought forth by a few citizens, a traffic study was conducted between February 22<sup>nd</sup> and March 9<sup>th</sup> of 2012.

# Method of Study

The California Manual on Uniform Traffic Control Devices (MUTCD) details eight different warrants or criteria for the installation of traffic signals. It is not necessary that all eight of these be met for the signals to be approved. The warrants are listed below:

Warrant 1: Eight-Hour Vehicular Volume

Warrant 2: Four-Hour Vehicular Volume

Warrant 3: Peak Hour

Warrant 4: Pedestrian Volume

Warrant 5: School Crossing

Warrant 6: Coordinated Signal System

Warrant 7: Crash Experience

Warrant 8: Roadway Network

Each warrant has specific conditions and standards that must be met, and these are discussed thoroughly in the California MUTCD. Therefore; this report will contain only relevantly specific details.

The first four warrants are concerned primarily with volumes. For the first warrant to be met, conditions for volume must be met for at least eight hours. There are two conditions—

Condition A is for minimum vehicular

volume, and Condition B is for the interruption of continuous traffic—both of these conditions need inputs of the number of lanes of the intersecting streets and the volume, in vehicles per hour, of both

Condition A—Minimum Vehicular Volume									
Number of lanes for moving traffic on each approach		Vehicles per hour on major street (total of both approaches)				Vehicles per hour on higher-volume minor-street approach (one direction only)			
Major Street	Minor Street	100% <sup>a</sup>	80% <sup>b</sup>	70% <sup>c</sup>	56% <sup>d</sup>	100% <sup>a</sup>	80% <sup>b</sup>	70% <sup>c</sup>	56% <sup>d</sup>
1.....	1.....	500	400	350	280	150	120	105	84
2 or more...	1.....	600	480	420	336	150	120	105	84
2 or more...	2 or more ...	600	480	420	336	200	160	140	112
1.....	2 or more ...	500	400	350	280	200	160	140	112

Condition B—Interruption of Continuous Traffic									
Number of lanes for moving traffic on each approach		Vehicles per hour on major street (total of both approaches)				Vehicles per hour on higher-volume minor-street approach (one direction only)			
Major Street	Minor Street	100% <sup>a</sup>	80% <sup>b</sup>	70% <sup>c</sup>	56% <sup>d</sup>	100% <sup>a</sup>	80% <sup>b</sup>	70% <sup>c</sup>	56% <sup>d</sup>
1.....	1.....	750	600	525	420	75	60	53	42
2 or more...	1.....	900	720	630	504	75	60	53	42
2 or more...	2 or more ...	900	720	630	504	100	80	70	56
1.....	2 or more ...	750	600	525	420	100	80	70	56

Figure 2: Warrant 1, Eight-Hour Vehicular Volume

the major and minor street. Either Condition A or Condition B must be satisfied at 100%, or both must be satisfied at 80%, and these specific volumes are given in the MUTCD and are shown in Figure 2.

Warrant 2 is similar to the first one, but it only requires four hours of volume to meet certain standards. The data needed for this warrant are the same as for Warrant 1: the number of lanes of the two streets and the volumes (veh/hr) of both the major and minor streets. This warrant is met if for any four hours of an average day, their volumes plot above the applicable curve given in the MUTCD and shown in Figure 3.

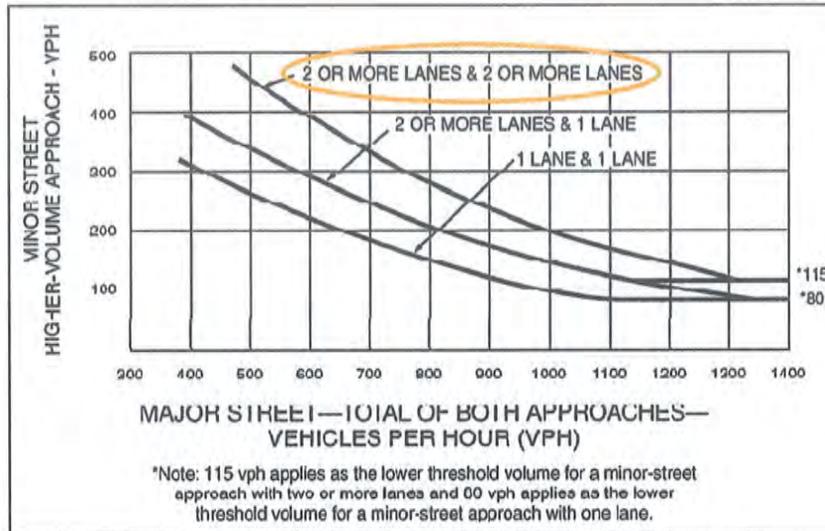


Figure 3: Warrant 2, Four-Hour Vehicular Volume

The third warrant is similar to the first two, except it focuses on the study area for a specific hour. This warrant is typically used when traffic conditions peak at a specific hour, causing excess delay to the minor street vehicles. Similar to Warrant 2, the Peak Hour Warrant requires at least one hour to plot above the given curve. The variables are the same, but the standard is higher for one hour than it was

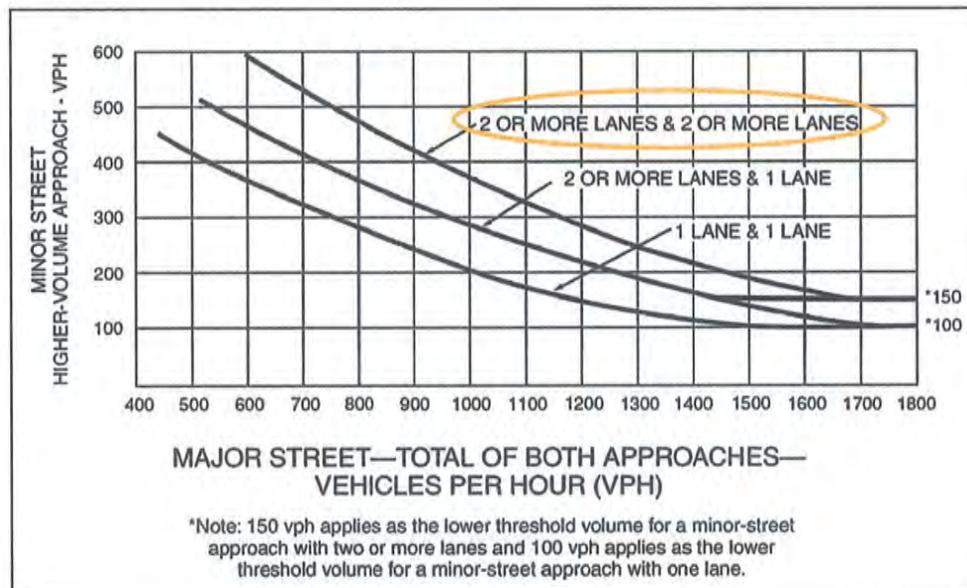


Figure 4: Warrant 3, Peak Hour

for four or eight. The peak hour curve can be seen in Figure 4.

Warrant 4 is the Pedestrian Volume Warrant. This warrant is typically considered when the volume on the major street prevents pedestrians from crossing the street comfortably. This warrant is met if

both of the following conditions from the MUTCD are met. First, the pedestrian volume crossing the major street at an intersection or midblock location during an average day is 100 or more for each of any

4 hours or 190 or more during any 1 hour. The second condition is met if *there are fewer than 60 gaps per hour in the traffic stream of adequate length to allow pedestrians to cross during the same period when the pedestrian volume criterion is satisfied*. In addition to these specific conditions, unless it does not interfere with progressive traffic flow, this warrant should not be applied if there is a traffic control signal located within 300 ft of the proposed location. Another important piece to note is that the MUTCD states that *the criterion for the pedestrian volume crossing the major roadway may be reduced as much as 50 percent if the average crossing speed of pedestrians is less than 1.2 m/sec (4 ft/sec)*. This exception is most likely applicable in Morro Bay, since the city has a high population of elderly citizens.

Warrant 5 is for School Crossings, and is applied in cases where there are a significant number of school children crossing the street. For this warrant to be applied, there must be a minimum of 20 students crossing at the highest crossing hour, and there must be an insufficiency in crossing gaps. In addition to these, unless it does not interfere with progressive traffic flow, this warrant should not be applied if there is a traffic control signal located within 300 ft of the proposed location. Also, if this warrant is met, other options should be explored first: warning signs, school speed zones, and school crossing guards.

The sixth warrant is for a Coordinated Signal System. This warrant is applied when there are other traffic signals nearby, and an additional signal is needed to maintain proper platooning of vehicles and facilitate progressive traffic flow. This warrant should not be applied when the resultant spacing of signals would be less than 1,000 feet.

Warrant 7 deals with Crash Experience at the location of interest. There must be records of crashes at the intersection, and other alternatives must have been tested before the installation of a signal is to be considered. In a 12 month period, there must have been at least 5 recorded injury-related or property-damaging crashes at the intersection that could have been avoided with a traffic signal. Also, certain conditions from Warrant 1 and 4 must also be met—relating vehicular and pedestrian volume to crash experience.

Warrant 8 is called the Roadway Network Warrant, and this warrant would be used in conditions that would encourage drivers to use particular routes—channeling vehicles onto main routes, rather than causing congestion on local, minor roads. This warrant can be used with current or projected vehicular volumes, if there are plans for new development.

# Results of Study

From Wednesday, February 22<sup>nd</sup> through Friday, March 9<sup>th</sup>, a traffic study was conducted at the intersection of Fresno Avenue and Marina Street. Vehicular volume data was collected; pedestrian behavior was observed; and crash history was researched. With this information, an analysis was completed on whether or not the signal warrants could be met for this area.

The first three warrants, as described earlier, are related to hourly vehicular volume. Volume counts were done on Marina Street, just west of its intersection with Fresno Avenue. These data can be seen in Table 1. Similarly, volume counts were done on Fresno Avenue, just north of its intersection with Marina Street. These data can be seen in Table 2. As can be seen, these streets have comparable volumes, but Fresno's are slightly higher. However, even though Fresno is the major street, the peak volume of traffic on it during any one hour was only 26 veh/ hr.

**Table 1: Hourly Volume Data (Wednesday-Tuesday) for Marina Street**

Start Time	22-Feb-12 WB-EB	23-Feb-12 WB-EB	24-Feb-12 WB-EB	25-Feb-12 WB-EB	26-Feb-12 WB-EB	27-Feb-12 WB-EB	28-Feb-12 WB-EB
12:00 AM	*	1	0	0	0	1	0
01:00	*	0	1	0	0	0	0
02:00	*	0	4	0	1	3	2
03:00	*	5	0	4	3	0	0
04:00	*	0	0	0	0	0	0
05:00	*	1	0	0	2	0	2
06:00	*	3	2	1	0	2	1
07:00	*	3	6	0	3	3	1
08:00	*	4	7	2	5	5	4
09:00	*	14	14	24	9	8	12
10:00	*	12	16	17	12	11	16
11:00	*	13	10	21	7	12	6
12:00 PM	16	7	7	17	7	11	11
01:00	11	16	18	11	18	9	14
02:00	9	10	10	13	5	10	10
03:00	15	7	11	9	4	9	5
04:00	13	10	7	13	9	12	14
05:00	8	11	6	4	3	3	8
06:00	8	6	9	3	7	4	8
07:00	11	4	6	2	2	4	1
08:00	5	6	1	3	1	6	6
09:00	0	1	3	1	0	1	1
10:00	0	0	3	2	1	1	1
11:00	0	0	1	1	0	0	0

**Table 2: Hourly Volume Data (Friday-Thursday) for Fresno Avenue**

Start Time	02-Mar-12 SB-NB	03-Mar-12 SB-NB	04-Mar-12 SB-NB	05-Mar-12 SB-NB	06-Mar-12 SB-NB	07-Mar-12 SB-NB	08-Mar-12 SB-NB
12:00 AM	*	0	0	0	0	0	0
01:00	*	0	0	1	1	1	1
02:00	*	0	1	0	0	0	0
03:00	*	0	0	0	0	0	0
04:00	*	3	1	4	5	2	5
05:00	*	4	3	3	5	4	3
06:00	*	4	3	3	4	7	5
07:00	*	8	1	8	12	7	7
08:00	*	14	5	15	20	11	9
09:00	*	9	13	13	10	11	12
10:00	*	13	12	16	19	12	9
11:00	*	23	17	14	9	12	8
12:00 PM	12	21	21	13	12	11	17
01:00	*	10	14	10	16	15	16
02:00	*	21	20	15	10	16	18
03:00	*	16	12	14	26	21	15
04:00	21	12	9	20	18	11	18
05:00	13	10	13	17	18	11	11
06:00	13	13	10	9	12	9	8
07:00	10	5	2	5	4	4	9
08:00	7	1	0	4	3	2	1
09:00	4	6	1	6	3	6	11
10:00	2	6	1	0	1	1	2
11:00	1	2	1	0	0	2	0

For Warrant 1 to be met, it is necessary to have a major street hourly volume of at least 480 veh/hr to even be considered, and this volume would have to be present for at least eight hours of an average day. Similarly, to meet Warrant 2, four points would have to plot above the given curve. The lowest major street volume shown on the graph is 300 veh/hr, and for that to be met, the minor street would have to exhibit an hourly volume of well over 500 veh/hr. Warrant 3 is the Peak Hour Warrant, and the standards are even higher. As can be seen in Figure 4, the minimum major street volume displayed is 400 veh/hr. On Fresno Street, the highest hourly volume recorded was only 26 veh/hr, and the highest hourly volume on Marina Street was only 24 veh/hr; therefore, the first three warrants on vehicular volume fail to be met by a significant margin for both intersections.

The intersection of Marina Street with Fresno Avenue exhibits very low pedestrian activity; therefore, the hourly volumes do not approach 100 ped/hr. For Warrant 4 to be met, the pedestrian volume must be at least 100 ped/hr for at least 4 hours or over 190 ped/hr for at least one hour during an average day. Clearly, this warrant is not met for this area.

Warrant 5 and 6 are not applicable for this study location, as there are no schools or traffic signals located in close proximity.

Warrant 7 has to do with Crash Accident Experience in the area. After looking at records for the past five years (2007-2011), it was found that there have been four reported crashes within the past five years at the intersection of Marina and Fresno: one in 2010, one in 2009, one in 2008, and one in 2007. The first requirement with respect to this warrant calls for *five or more crashes reported within a 12 month period susceptible to correction by a traffic signal, and involving injury or damage exceeding the requirements for a reportable crash*. Since there was only one crash within a 12 month period, this requirement is not satisfied. There is a second requirement for this warrant; however, *both* requirements must be met to meet the warrant. Furthermore, this second requirement states that one condition of either warrant 1 or 4 must be satisfied at 80%. The intersection of Fresno Avenue and Marina Street does not meet these conditions either. Therefore, Warrant 7 is not satisfied.

Warrant 8 states that the intersection must have *a total existing or immediately projected entering volume of at least 1,000 vehicles per hour* during the peak hour or during 5 weekend hours. It is not evident that this intersection has such volumes, nor are there any projections for such an increase.

# Conclusions and Recommendations

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Through this warrant analysis, it was found that all eight of the warrants are not met at the intersection of Marina Street with Fresno Avenue, as expected. The vehicular and pedestrian volumes in the area are too low to meet the requirements given in the MUTCD for the first four warrants. In addition, with the low crash experience and absence of local schools and traffic control signals, warrants 5, 6, and 7 are not met. Warrant 8 is not applicable either, due to low volumes. Since none of the warrants are met, it seems unnecessary, by the standards brought forth in the MUTCD, to install stop signs at Fresno and Marina.

In addition to collecting data on vehicular volumes, the traffic count also collected data on vehicle speeds on Fresno Avenue and Marina Street. The average speeds were 14 mi/hr and 13 mi/hr, respectively, which is within the speed of unmarked intersections of 15 mph; therefore, it does not appear that speeding is the cause of unsafe driver behavior. Sight distances at the intersections are limited on certain approaches, as can be seen in the photos on the cover page. Yield signs, rather than stop signs, may be more appropriate at this intersection. The Department will periodically evaluate this intersection's accident history to determine if a change in conditions warrants a traffic control device installation.

As has been shown through this report, stop signs are not warranted in this area. However, if it is still the desire of the community, they may petition City Council for the installation of these stop signs. For more information, see the Municipal Code 10.16.010, Subsection C.

# Appendix

Fresno at Marina  
 Friday - Friday  
 Installed by Barry & Sarah

**City of Morro Bay**  
 955 Shasta Avenue  
 Morro Bay CA 93442  
 (805) 772-6200

Closest Cross Street: Pacific Street

Start Time	02-Mar-12 SB-NB	03-Mar-12 SB-NB	04-Mar-12 SB-NB	05-Mar-12 SB-NB	06-Mar-12 SB-NB	07-Mar-12 SB-NB	08-Mar-12 SB-NB
12:00 AM	*	0	0	0	0	0	0
01:00	*	0	0	1	1	1	1
02:00	*	0	1	0	0	0	0
03:00	*	0	0	0	0	0	0
04:00	*	3	1	4	5	2	5
05:00	*	4	3	3	5	4	3
06:00	*	4	3	3	4	7	5
07:00	*	8	1	8	12	7	7
08:00	*	14	5	15	20	11	9
09:00	*	9	13	13	10	11	12
10:00	*	13	12	16	19	12	9
11:00	*	23	17	14	9	12	8
12:00 PM	*	12	21	13	12	11	17
01:00	*	10	14	10	16	15	16
02:00	*	21	20	15	10	16	18
03:00	*	16	12	14	26	21	15
04:00	21	12	9	20	18	11	18
05:00	13	10	13	17	18	11	11
06:00	13	13	10	9	12	9	8
07:00	10	5	2	5	4	4	9
08:00	7	1	0	4	3	2	1
09:00	4	6	1	6	3	6	11
10:00	2	6	1	0	1	1	2
11:00	1	2	1	0	0	2	0
<b>Total</b>	<b>71</b>	<b>192</b>	<b>160</b>	<b>190</b>	<b>208</b>	<b>176</b>	<b>185</b>
AM Peak		11:00	11:00	10:00	08:00	10:00	09:00
Vol.		23	17	16	20	12	12
PM Peak	16:00	14:00	12:00	16:00	15:00	15:00	14:00
Vol.	21	21	21	20	26	21	18

Fresno at Marina  
 Friday - Friday  
 Installed by Barry & Sarah

**City of Morro Bay**  
 955 Shasta Avenue  
 Morro Bay CA 93442  
 (805) 772-6200

Closest Cross Street: Pacific Street

Start Time	09-Mar-12 SB-NB	10-Mar-12 SB-NB	11-Mar-12 SB-NB	12-Mar-12 SB-NB	13-Mar-12 SB-NB	14-Mar-12 SB-NB	15-Mar-12 SB-NB
12:00 AM	2	*	*	*	*	*	*
01:00	0	*	*	*	*	*	*
02:00	1	*	*	*	*	*	*
03:00	0	*	*	*	*	*	*
04:00	3	*	*	*	*	*	*
05:00	3	*	*	*	*	*	*
06:00	5	*	*	*	*	*	*
07:00	16	*	*	*	*	*	*
08:00	18	*	*	*	*	*	*
09:00	11	*	*	*	*	*	*
10:00	16	*	*	*	*	*	*
11:00	15	*	*	*	*	*	*
12:00 PM	10	*	*	*	*	*	*
01:00	13	*	*	*	*	*	*
02:00	15	*	*	*	*	*	*
03:00	15	*	*	*	*	*	*
04:00	0	*	*	*	*	*	*
05:00	*	*	*	*	*	*	*
06:00	*	*	*	*	*	*	*
07:00	*	*	*	*	*	*	*
08:00	*	*	*	*	*	*	*
09:00	*	*	*	*	*	*	*
10:00	*	*	*	*	*	*	*
11:00	*	*	*	*	*	*	*
Total	143	0	0	0	0	0	0
AM Peak	08:00						
Vol.	18						
PM Peak	14:00						
Vol.	15						

COMBINED

Report for 3/2/2012 3:58:00 PM to Midnight

Vehicles	Peak Periods	
	AM	PM
60	Time Count PHF	04:15 16 0.667

CLASS STATISTICS - Modified Scheme F

Class	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	No Class
Count	1	47	6	0	1	1	0	0	0	0	0	0	0	4
Percent	1.7	78.3	10.0	0.0	1.7	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.7

COMBINED GAP STATISTICS - 2 To 26+ by 2 Seconds

Seconds	2	4	6	8	10	12	14	16	18	20	22	24	26	28
Count	1	0	0	0	0	1	0	0	0	0	1	1	0	51
Percent	1.8	0.0	0.0	0.0	0.0	1.8	0.0	0.0	0.0	0.0	1.8	1.8	0.0	92.7

SPEED STATISTICS - 15 to 70+ by 5 MPH

Speed in MPH	1 - 15	16 - 20	21 - 25	26 - 30	31 - 35	36 - 40	41 - 45	46 - 50	51 - 55	56 - 60	61 - 65	66 - 70	71 - 75	76 - 999
Count	45	14	1	0	0	0	0	0	0	0	0	0	0	0
Percent	75.0	23.3	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Over Speed	15	20	25	30	35	40	45	50	55	60	65	70	75	999
Count	1	1	0	0	0	0	0	0	0	0	0	0	0	0
Percent	25.0	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Percentile	5%	10%	15%	45%	50%	55%	85%	90%	95%
Speed	5	7	7	11	12	13	18	19	20

Average (Mean) 12

Pace Speed 7-16  
 Number in Pace 44  
 Percent in Pace 73.3

MISC. STATISTICS

Number of Axles	2	3	4	5	6	7	8	9	10	11	12
Avg. Wheelbase	107.1	96.8	121.0	0	0	0	0	0	0	0	0

Axles Per Vehicle 2.10

**COMBINED**  
**Report for Saturday, March 03, 2012**

Vehicles	Peak Periods	
	AM	PM
150	Time 11:00	Time 02:30
	Count 19	Count 16
	PHF 0.679	PHF 0.667

**CLASS STATISTICS - Modified Scheme F**

Class	Bikes	Cars & Trailers	2 Axle Long	2 Axle Tire	Buses	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	No Class
Count	12	101	26	7	0	1	0	0	0	0	0	0	0	3
Percent	8.0	67.3	17.3	4.7	0.0	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0

**COMBINED GAP STATISTICS - 2 To 26+ by 2 Seconds**

Seconds	2	4	6	8	10	12	14	16	18	20	22	24	26	28
Count	4	1	0	2	0	0	1	0	1	1	2	0	0	119
Percent	3.1	0.8	0.0	1.5	0.0	0.0	0.8	0.0	0.8	0.8	1.5	0.0	0.0	90.8

**SPEED STATISTICS - 15 to 70+ by 5 MPH**

Speed in MPH	1 - 15	16 - 20	21 - 25	26 - 30	31 - 35	36 - 40	41 - 45	46 - 50	51 - 55	56 - 60	61 - 65	66 - 70	71 - 75	76 - 999
Count	89	47	14	0	0	0	0	0	0	0	0	0	0	0
Percent	59.3	31.3	9.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Over Speed	15	20	25	30	35	40	45	50	55	60	65	70	75	999
Count	61	14	0	0	0	0	0	0	0	0	0	0	0	0
Percent	40.7	9.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Percentile	5%	10%	15%	20%	25%	30%	35%	40%	45%	50%	55%	60%	65%	70%	75%	80%	85%	90%	95%
Speed	6	8	8	8	8	8	8	8	8	8	13	14	15	15	19	20	20	21	21

Average (Mean) 14

Pace Speed 8-17  
 Number in Pace 102  
 Percent in Pace 68.0

**MISC. STATISTICS**

Number of Axles	2	3	4	5	6	7	8	9	10	11	12
Avg. Wheelbase	105.9	137.0	0	0	0	0	0	0	0	0	0

Axles Per Vehicle 2.05

**City of Morro Bay**  
 955 Shasta Avenue  
 Morro Bay CA 93442  
 (805) 772-6200

Fresno at Marina  
 Friday - Friday  
 Installed by Barry & Sarah

Closest Cross Street: Pacific Street

COMBINED

Report for Sunday, March 04, 2012

Vehicles	Peak Periods	
	AM	PM
126	Time 11:30 Count 14 PHF 0.700	Time 01:45 Count 19 PHF 0.679

CLASS STATISTICS - Modified Scheme F

Class	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	No Class
Count	7	85	18	0	9	1	0	0	0	0	0	0	0	6
Percent	5.6	67.5	14.3	0.0	7.1	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.8

COMBINED GAP STATISTICS - 2 To 26+ by 2 Seconds

Seconds	2	4	6	8	10	12	14	16	18	20	22	24	26	28
Count	2	3	0	0	0	1	0	0	1	0	1	0	0	103
Percent	1.8	2.7	0.0	0.0	0.0	0.9	0.0	0.0	0.9	0.0	0.9	0.0	0.0	92.8

SPEED STATISTICS - 15 to 70+ by 5 MPH

Speed in MPH	1-15	16-20	21-25	26-30	31-35	36-40	41-45	46-50	51-55	56-60	61-65	66-70	71-75	76-999
Count	85	30	8	3	0	0	0	0	0	0	0	0	0	0
Percent	67.5	23.8	6.3	2.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Over Speed	15	20	25	30	35	40	45	50	55	60	65	70	75	999
Count	41	11	3	0	0	0	0	0	0	0	0	0	0	0
Percent	32.5	8.7	2.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Percentile	5%	10%	15%	45%	50%	55%	85%	90%	95%					
Speed	5	5	6	6	13	13	14	18	20	22				

Average (Mean) 13

Pace Speed 8-17  
 Number in Pace 77  
 Percent in Pace 61.1

MISC. STATISTICS

Number of Axles	2	3	4	5	6	7	8	9	10	11	12
Avg. Wheelbase	110.9	91.5	123.0	0	0	0	0	0	0	0	0
Axles Per Vehicle	2.10										

COMBINED

Report for Monday, March 05, 2012

Vehicles	Peak Periods			
	AM	PM	Time	PHF
148	14	17	10:15 - 04:45	0.875 / 0.850

CLASS STATISTICS - Modified Scheme F

Class	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	No Class
Count	7	105	16	0	10	2	0	0	0	0	0	0	0	8
Percent	4.7	70.9	10.8	0.0	6.8	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.4

COMBINED GAP STATISTICS - 2 To 26+ by 2 Seconds

Seconds	2	4	6	8	10	12	14	16	18	20	22	24	26	28
Count	2	1	0	2	1	0	1	0	1	1	3	0	0	120
Percent	1.5	0.8	0.0	1.5	0.8	0.0	0.8	0.0	0.8	0.8	2.3	0.0	0.0	90.9

SPEED STATISTICS - 15 to 70+ by 5 MPH

Speed in MPH	1 - 15	16 - 20	21 - 25	26 - 30	31 - 35	36 - 40	41 - 45	46 - 50	51 - 55	56 - 60	61 - 65	66 - 70	71 - 75	76 - 999
Count	96	28	19	5	0	0	0	0	0	0	0	0	0	0
Percent	64.9	18.9	12.8	3.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Over Speed	15	20	25	30	35	40	45	50	55	60	65	70	75	999
Count	52	24	5	0	0	0	0	0	0	0	0	0	0	0
Percent	35.1	16.2	3.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Percentile	5%	10%	15%	45%	55%	85%	90%	95%
Speed	6	7	8	13	14	21	22	25

Average (Mean) 14

Pace Speed 8-17  
 Number in Pace 96  
 Percent in Pace 64.9

MISC. STATISTICS

Number of Axles	2	3	4	5	6	7	8	9	10	11	12
Avg. Wheelbase	109.0	77.3	118.0	0	0	0	0	0	0	0	0

Axles Per Vehicle 2.09

COMBINED

Report for Tuesday, March 06, 2012

Vehicles	Peak Periods	
	AM	PM
154	Time 07:45	Time 03:15
	Count 17	Count 18
	PHF 0.607	PHF 0.750

CLASS STATISTICS - Modified Scheme F

Class	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	No Class
Count	16	93	25	0	16	2	0	0	0	0	0	0	0	2
Percent	10.4	60.4	16.2	0.0	10.4	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3

COMBINED GAP STATISTICS - 2 To 26+ by 2 Seconds

Seconds	2	4	6	8	10	12	14	16	18	20	22	24	26	28
Count	4	1	2	3	2	1	0	0	2	2	0	0	0	122
Percent	2.9	0.7	1.4	2.2	1.4	0.7	0.0	0.0	1.4	1.4	0.0	0.0	0.0	87.8

SPEED STATISTICS - 15 to 70+ by 5 MPH

Speed in MPH	1 - 15	16 - 20	21 - 25	26 - 30	31 - 35	36 - 40	41 - 45	46 - 50	51 - 55	56 - 60	61 - 65	66 - 70	71 - 75	76 - 999
Count	96	46	11	1	0	0	0	0	0	0	0	0	0	0
Percent	62.3	29.9	7.1	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Over Speed	15	20	25	30	35	40	45	50	55	60	65	70	75	999
Count	58	12	1	0	0	0	0	0	0	0	0	0	0	0
Percent	37.7	7.8	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Percentile	5%	10%	15%	50%	55%	85%	90%	95%
Speed	6	7	8	14	14	18	20	22

Average (Mean) 14

Pace Speed 9-18  
 Number in Pace 107  
 Percent in Pace 69.5

MISC. STATISTICS

Number of Axles	2	3	4	5	6	7	8	9	10	11	12
Avg. Wheelbase	108.7	118.8	125.0	0	0	0	0	0	0	0	0

Axles Per Vehicle 2.05

**City of Morro Bay**  
 955 Shasta Avenue  
 Morro Bay CA 93442  
 (805) 772-6200

Fresno at Marina  
 Friday - Friday  
 Installed by Barry & Sarah

Closest Cross Street: Pacific Street

**COMBINED**

Report for Wednesday, March 07, 2012

Vehicles	Peak Periods			
	AM		PM	
132	Time	10:15	Time	03:15
	Count	11	Count	14
	PHF	0.688	PHF	0.583

**CLASS STATISTICS - Modified Scheme F**

Class	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	No Class
Count	4	95	18	1	11	0	0	0	0	0	0	0	0	3
Percent	3.0	72.0	13.6	0.8	8.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.3

**COMBINED GAP STATISTICS - 2 To 26+ by 2 Seconds**

Seconds	2	4	6	8	10	12	14	16	18	20	22	24	26	28
Count	0	1	0	1	1	1	1	1	0	1	0	0	1	112
Percent	0.0	0.8	0.0	0.8	0.8	0.8	0.8	0.8	0.0	0.8	0.0	0.0	0.8	93.3

**SPEED STATISTICS - 15 to 70+ by 5 MPH**

Speed in MPH	1 - 15	16 - 20	21 - 25	26 - 30	31 - 35	36 - 40	41 - 45	46 - 50	51 - 55	56 - 60	61 - 65	66 - 70	71 - 75	76 - 999
Count	79	38	14	1	0	0	0	0	0	0	0	0	0	0
Percent	59.8	28.8	10.6	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Over Speed	15	20	25	30	35	40	45	50	55	60	65	70	75	999
Count	53	15	1	0	0	0	0	0	0	0	0	0	0	0
Percent	40.2	11.4	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Percentile	5%	10%	15%	45%	50%	55%	85%	90%	95%
Speed	7	8	9	14	15	15	20	21	22

Average (Mean) 15

Pace Speed 8-17  
 Number in Pace 89  
 Percent in Pace 67.4

**MISC. STATISTICS**

Number of Axles	2	3	4	5	6	7	8	9	10	11	12
Avg. Wheelbase	112.1	153.8	119.0	0	0	0	0	0	0	0	0

Axles Per Vehicle 2.05

**COMBINED**

Report for Thursday, March 08, 2012

Vehicles	Peak Periods	
	AM	PM
151	Time 11:30 Count 16 PHF 0.667	Time 01:30 Count 18 PHF 0.643

**CLASS STATISTICS - Modified Scheme F**

Class	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	No Class
Count	4	104	24	0	12	1	0	0	0	0	0	0	0	6
Percent	2.6	68.9	15.9	0.0	7.9	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.0

**COMBINED GAP STATISTICS - 2 To 26+ by 2 Seconds**

Seconds	2	4	6	8	10	12	14	16	18	20	22	24	26	28
Count	0	0	1	1	2	1	3	1	0	0	1	4	1	117
Percent	0.0	0.0	0.8	0.8	1.5	0.8	2.3	0.8	0.0	0.0	0.8	3.0	0.8	88.6

**SPEED STATISTICS - 15 to 70+ by 5 MPH**

Speed in MPH	1 - 15	16 - 20	21 - 25	26 - 30	31 - 35	36 - 40	41 - 45	46 - 50	51 - 55	56 - 60	61 - 65	66 - 70	71 - 75	76 - 999
Count	91	38	14	8	0	0	0	0	0	0	0	0	0	0
Percent	60.3	25.2	9.3	5.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Over Speed	15	20	25	30	35	40	45	50	55	60	65	70	75	999
Count	60	22	8	0	0	0	0	0	0	0	0	0	0	0
Percent	39.7	14.6	5.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Percentile	5%	10%	15%	20%	25%	30%	35%	40%	45%	50%	55%	60%	65%	70%	75%	80%	85%	90%	95%
Speed	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	25

Average (Mean) 15

Pace Speed 7-16  
 Number in Pace 94  
 Percent in Pace 62.3

**MISC. STATISTICS**

Number of Axles	2	3	4	5	6	7	8	9	10	11	12
Avg. Wheelbase	112.7	98.0	212.0	0	0	0	0	0	0	0	0

Axles Per Vehicle 2.08

**COMBINED**  
**Report for Friday, March 09, 2012, Midnight to 04:12 PM**

Vehicles	Peak Periods	
	AM	PM
115	Time 10:30 Count 18 PHF 0.750	Time 01:00 Count 14 PHF 0.700

**CLASS STATISTICS - Modified Scheme F**

Class	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	No Class
Count	5	74	17	0	12	3	0	0	0	0	0	0	0	4
Percent	4.3	64.3	14.8	0.0	10.4	2.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.5

**COMBINED GAP STATISTICS - 2 To 26+ by 2 Seconds**

Seconds	2	4	6	8	10	12	14	16	18	20	22	24	26	28
Count	3	0	1	0	0	1	0	0	1	0	1	4	1	91
Percent	2.9	0.0	1.0	0.0	0.0	1.0	0.0	0.0	1.0	0.0	1.0	3.9	1.0	88.3

**SPEED STATISTICS - 15 to 70+ by 5 MPH**

Speed in MPH	1 - 15	16 - 20	21 - 25	26 - 30	31 - 35	36 - 40	41 - 45	46 - 50	51 - 55	56 - 60	61 - 65	66 - 70	71 - 75	76 - 999
Count	73	33	6	3	0	0	0	0	0	0	0	0	0	0
Percent	63.5	28.7	5.2	2.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Over Speed	15	20	25	30	35	40	45	50	55	60	65	70	75	999
Count	42	9	3	0	0	0	0	0	0	0	0	0	0	0
Percent	36.5	7.8	2.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Percentile	5%	10%	15%	45%	50%	55%	85%	90%	95%
Speed	6	7	9	13	14	14	18	19	22

Average (Mean) 14

Pace Speed 9-18  
 Number in Pace 84  
 Percent in Pace 73.0

**MISC. STATISTICS**

Number of Axles	2	3	4	5	6	7	8	9	10	11	12
Avg. Wheelbase	110.8	180.8	345.0	0	0	0	0	0	0	0	0

Axles Per Vehicle 2.09

**City of Morro Bay**  
 955 Shasta Avenue  
 Morro Bay CA 93442  
 (805) 772-6200

Closest Cross Street: Pacific Street

Fresno at Marina  
 Friday - Friday  
 Installed by Barry & Sarah

COMBINED

Report for Report From 3/2/2012 3:58:00 PM to 3/9/2012 4:12:15 PM

**CLASS STATISTICS - Modified Scheme F**

Class	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axle Double	5 Axle Double	>6 Axle Double	<6 Axle Multi	6 Axle Multi	>6 Axle Multi	No Class
Count	56	704	150	1	78	11	0	0	0	0	0	0	0	36
Percent	5.4	68.0	14.5	0.1	7.5	1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.5

**COMBINED GAP STATISTICS - 2 To 26+ by 2 Seconds**

Seconds	2	4	6	8	10	12	14	16	18	20	22	24	26	28
Count	16	7	4	9	6	6	6	2	6	5	9	9	3	835
Percent	1.7	0.8	0.4	1.0	0.7	0.7	0.7	0.2	0.7	0.5	1.0	1.0	0.3	90.5

**SPEED STATISTICS - 15 to 70+ by 5 MPH**

Speed in MPH	1 - 15	16 - 20	21 - 25	26 - 30	31 - 35	36 - 40	41 - 45	46 - 50	51 - 55	56 - 60	61 - 65	66 - 70	71 - 75	76 - 999
Count	654	274	87	21	0	0	0	0	0	0	0	0	0	0
Percent	63.1	26.4	8.4	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Over Speed	15	20	25	30	35	40	45	50	55	60	65	70	75	999
Count	382	108	21	0	0	0	0	0	0	0	0	0	0	0
Percent	36.9	10.4	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Percentile	5%	10%	15%	45%	50%	55%	85%	90%	95%
Speed	6	7	8	13	14	14	19	21	23

Average (Mean) 14

Pace Speed 8-17

Number in Pace 682

Percent in Pace 65.8

**MISC. STATISTICS**

Number of Axles	2	3	4	5	6	7	8	9	10	11	12
Avg. Wheelbase	109.8	115.5	181.1	0	0	0	0	0	0	0	0
Axles Per Vehicle	2.07										

Marina at Fresno, West Side  
 Wednesday - Friday  
 Installed by: Damaris & Sarah

**City of Morro Bay**  
 955 Shasta Avenue  
 Morro Bay CA 93442  
 (805) 772-6200

Closest Cross Street: Bernardo Ave.

Start Time	22-Feb-12 WB-EB	23-Feb-12 WB-EB	24-Feb-12 WB-EB	25-Feb-12 WB-EB	26-Feb-12 WB-EB	27-Feb-12 WB-EB	28-Feb-12 WB-EB
12:00 AM	*	1	0	0	0	1	0
01:00	*	0	1	0	0	0	0
02:00	*	0	4	0	1	3	2
03:00	*	5	0	4	3	0	0
04:00	*	0	0	0	0	0	0
05:00	*	1	0	0	2	0	2
06:00	*	3	2	1	0	2	1
07:00	*	3	6	0	3	3	1
08:00	*	4	7	2	5	5	4
09:00	*	14	14	24	9	8	12
10:00	*	12	16	17	12	11	16
11:00	*	13	10	21	7	12	6
12:00 PM	16	7	7	17	7	11	11
01:00	11	16	18	11	18	9	14
02:00	9	10	10	13	5	10	10
03:00	15	7	11	9	4	9	5
04:00	13	10	7	13	9	12	14
05:00	8	11	6	4	3	3	8
06:00	8	6	9	3	7	4	8
07:00	11	4	6	2	2	4	1
08:00	5	6	1	3	1	6	6
09:00	0	1	3	1	0	1	1
10:00	0	0	3	2	1	1	1
11:00	0	0	1	1	0	0	0
Total	96	134	142	148	99	115	123
AM Peak		09:00	10:00	09:00	10:00	11:00	10:00
Vol.		14	16	24	12	12	16
PM Peak	12:00	13:00	13:00	12:00	13:00	16:00	13:00
Vol.	16	16	18	17	18	12	14

Marina at Fresno, West Side  
 Wednesday - Friday  
 Installed by: Damaris & Sarah

**City of Morro Bay**  
 955 Shasta Avenue  
 Morro Bay CA 93442  
 (805) 772-6200

Closest Cross Street: Bernardo Ave.

Start Time	29-Feb-12 WB-EB	01-Mar-12 WB-EB	02-Mar-12 WB-EB	03-Mar-12 WB-EB	04-Mar-12 WB-EB	05-Mar-12 WB-EB	06-Mar-12 WB-EB
12:00 AM	0	0	0	*	*	*	*
01:00	0	0	0	*	*	*	*
02:00	0	0	1	*	*	*	*
03:00	4	4	5	*	*	*	*
04:00	0	0	0	*	*	*	*
05:00	2	2	2	*	*	*	*
06:00	2	4	5	*	*	*	*
07:00	5	2	6	*	*	*	*
08:00	3	4	9	*	*	*	*
09:00	10	11	9	*	*	*	*
10:00	11	12	8	*	*	*	*
11:00	10	11	16	*	*	*	*
12:00 PM	6	17	13	*	*	*	*
01:00	8	14	17	*	*	*	*
02:00	7	9	22	*	*	*	*
03:00	17	4	6	*	*	*	*
04:00	11	11	*	*	*	*	*
05:00	10	7	*	*	*	*	*
06:00	10	14	*	*	*	*	*
07:00	8	3	*	*	*	*	*
08:00	4	1	*	*	*	*	*
09:00	1	3	*	*	*	*	*
10:00	1	0	*	*	*	*	*
11:00	0	0	*	*	*	*	*
<b>Total</b>	<b>130</b>	<b>133</b>	<b>119</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<hr/>							
AM Peak	10:00	10:00	11:00				
Vol.	11	12	16				
<hr/>							
PM Peak	15:00	12:00	14:00				
Vol.	17	17	22				

COMBINED

Report for 2/22/2012 11:56:00 AM to Midnight

Vehicles	Peak Periods			
	AM		PM	
61	Time	11:30	Time	01:00
	Count	5	Count	11
	PHF	0.417	PHF	0.458

CLASS STATISTICS - Modified Scheme F

Class	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	No Class
Count	3	42	13	0	2	0	0	0	0	0	0	0	0	1
Percent	4.9	68.9	21.3	0.0	3.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.6

COMBINED GAP STATISTICS - 2 To 26+ by 2 Seconds

Seconds	2	4	6	8	10	12	14	16	18	20	22	24	26	28
Count	0	0	0	0	0	0	1	0	1	0	0	0	0	53
Percent	0.0	0.0	0.0	0.0	0.0	0.0	1.8	0.0	1.8	0.0	0.0	0.0	0.0	96.4

SPEED STATISTICS - 15 to 70+ by 5 MPH

Speed in MPH	1 - 15	16 - 20	21 - 25	26 - 30	31 - 35	36 - 40	41 - 45	46 - 50	51 - 55	56 - 60	61 - 65	66 - 70	71 - 75	76 - 999
Count	36	17	7	1	0	0	0	0	0	0	0	0	0	0
Percent	59.0	27.9	11.5	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Over Speed	15	20	25	30	35	40	45	50	55	60	65	70	75	999
Count	25	8	1	0	0	0	0	0	0	0	0	0	0	0
Percent	41.0	13.1	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Percentile	5%	10%	15%	45%	50%	55%	85%	90%	95%
Speed	6	8	8	14	15	15	19	22	23

Average (Mean) 14

Pace Speed 8-17

Number in Pace 41

Percent in Pace 67.2

MISC. STATISTICS

Number of Axles	2	3	4	5	6	7	8	9	10	11	12
Avg. Wheelbase	110.8	16.0	0	0	0	0	0	0	0	0	0

Axles Per Vehicle 2.02

COMBINED

Report for Thursday, February 23, 2012

Vehicles	Peak Periods	
	AM	PM
87	09:00 Count 13 PHF 0.813	01:30 Count 12 PHF 0.333

CLASS STATISTICS - Modified Scheme F

Class	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	No Class
Count	6	58	16	1	4	0	0	0	0	0	0	0	0	2
Percent	6.9	66.7	18.4	1.1	4.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.3

COMBINED GAP STATISTICS - 2 To 26+ by 2 Seconds

Seconds	2	4	6	8	10	12	14	16	18	20	22	24	26	28
Count	3	0	0	0	0	2	0	0	0	0	0	0	0	63
Percent	4.4	0.0	0.0	0.0	0.0	2.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	92.6

SPEED STATISTICS - 15 to 70+ by 5 MPH

Speed in MPH	1 - 15	16 - 20	21 - 25	26 - 30	31 - 35	36 - 40	41 - 45	46 - 50	51 - 55	56 - 60	61 - 65	66 - 70	71 - 75	76 - 999
Count	63	15	6	3	0	0	0	0	0	0	0	0	0	0
Percent	72.4	17.2	6.9	3.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Over Speed	15	20	25	30	35	40	45	50	55	60	65	70	75	999
Count	24	9	3	0	0	0	0	0	0	0	0	0	0	0
Percent	27.6	10.3	3.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Percentile	5%	10%	15%	45%	50%	55%	85%	90%	95%
Speed	6	7	7	12	13	13	19	20	22

Average (Mean) 13

Pace Speed 6-15  
 Number in Pace 60  
 Percent in Pace 69.0

MISC. STATISTICS

Number of Axles	2	3	4	5	6	7	8	9	10	11	12
Avg. Wheelbase	108.6	121.6	0	0	0	0	0	0	0	0	0

Axles Per Vehicle 2.06

COMBINED

Report for Friday, February 24, 2012

Vehicles	Peak Periods	
	AM	PM
80	09:45 Count 10 PHF 0.625	01:15 Count 10 PHF 0.625

CLASS STATISTICS - Modified Scheme F

Class	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	No Class
Count	13	51	11	0	1	1	0	0	0	0	0	0	0	3
Percent	16.3	63.8	13.8	0.0	1.3	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.8

COMBINED GAP STATISTICS - 2 To 26+ by 2 Seconds

Seconds	2	4	6	8	10	12	14	16	18	20	22	24	26	28
Count	3	0	1	0	0	0	0	0	0	1	0	1	0	51
Percent	5.3	0.0	1.8	0.0	0.0	0.0	0.0	0.0	0.0	1.8	0.0	1.8	0.0	89.5

SPEED STATISTICS - 15 to 70+ by 5 MPH

Speed in MPH	1 - 15	16 - 20	21 - 25	26 - 30	31 - 35	36 - 40	41 - 45	46 - 50	51 - 55	56 - 60	61 - 65	66 - 70	71 - 75	76 - 999
Count	68	7	1	4	0	0	0	0	0	0	0	0	0	0
Percent	85.0	8.8	1.3	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Over Speed	15	20	25	30	35	40	45	50	55	60	65	70	75	999
Count	12	5	4	0	0	0	0	0	0	0	0	0	0	0
Percent	15.0	6.3	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Percentile	5%	10%	15%	45%	55%	85%	90%	95%
Speed	6	6	8	11	12	15	17	23

Average (Mean) 13

Pace Speed 6-15

Number in Pace 66

Percent in Pace 82.5

MISC. STATISTICS

Number of Axles	2	3	4	5	6	7	8	9	10	11	12
Avg. Wheelbase	99.1	139.5	211.3	0	0	0	0	0	0	0	0

Axles Per Vehicle 2.13

**COMBINED**

Report for Saturday, February 25, 2012

Vehicles	Peak Periods	
	AM	PM
66	Time 10:15 Count 13 PHF 0.813	Time 01:30 Count 8 PHF 0.667

**CLASS STATISTICS - Modified Scheme F**

Class	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	No Class
Count	7	43	10	0	4	0	0	0	0	0	0	0	0	2
Percent	10.6	65.2	15.2	0.0	6.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.0

**COMBINED GAP STATISTICS - 2 To 26+ by 2 Seconds**

Seconds	2	4	6	8	10	12	14	16	18	20	22	24	26	28
Count	1	0	0	1	3	1	0	0	1	1	1	1	0	37
Percent	2.1	0.0	0.0	2.1	6.4	2.1	0.0	0.0	2.1	2.1	2.1	2.1	0.0	78.7

**SPEED STATISTICS - 15 to 70+ by 5 MPH**

Speed in MPH	1 - 15	16 - 20	21 - 25	26 - 30	31 - 35	36 - 40	41 - 45	46 - 50	51 - 55	56 - 60	61 - 65	66 - 70	71 - 75	76 - 999
Count	52	4	7	1	2	0	0	0	0	0	0	0	0	0
Percent	78.8	6.1	10.6	1.5	3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Over Speed	15	20	25	30	35	40	45	50	55	60	65	70	75	999
Count	14	10	3	2	0	0	0	0	0	0	0	0	0	0
Percent	21.2	15.2	4.5	3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Percentile	5%	10%	15%	45%	50%	55%	85%	90%	95%
Speed	5	6	6	10	10	11	19	22	25

Average (Mean) 12

Pace Speed 5-14

Number in Pace 50

Percent in Pace 75.8

**MISC. STATISTICS**

Number of Axles	2	3	4	5	6	7	8	9	10	11	12
Avg. Wheelbase	105.8	77.7	114.0	0	0	0	0	0	0	0	0

Axles Per Vehicle 2.08

**City of Morro Bay**  
 955 Shasta Avenue  
 Morro Bay CA 93442  
 (805) 772-6200

Closest Cross Street: Bernardo Ave.

Marina at Fresno, West Side  
 Wednesday - Friday  
 Installed by: Damaris & Sarah

COMBINED

Report for Sunday, February 26, 2012

Vehicles	Peak Periods	
	AM	PM
46	Time Count PHF	09:00 7 0.583
		04:15 6 0.750

CLASS STATISTICS - Modified Scheme F

Class	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	No Class
Count	3	30	11	0	0	0	0	0	0	0	0	0	0	2
Percent	6.5	65.2	23.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.3

COMBINED GAP STATISTICS - 2 To 26+ by 2 Seconds

Seconds	2	4	6	8	10	12	14	16	18	20	22	24	26	28
Count	0	0	1	0	0	0	0	0	0	0	0	0	0	25
Percent	0.0	0.0	3.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	96.2

SPEED STATISTICS - 15 to 70+ by 5 MPH

Speed in MPH	1 - 15	16 - 20	21 - 25	26 - 30	31 - 35	36 - 40	41 - 45	46 - 50	51 - 55	56 - 60	61 - 65	66 - 70	71 - 75	76 - 999
Count	32	9	5	0	0	0	0	0	0	0	0	0	0	0
Percent	69.6	19.6	10.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Over Speed	15	20	25	30	35	40	45	50	55	60	65	70	75	999
Count	14	5	0	0	0	0	0	0	0	0	0	0	0	0
Percent	30.4	10.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Percentile	5%	10%	15%	45%	50%	55%	85%	90%	95%
Speed	6	8	9	13	14	14	20	20	23

Average (Mean) 14

Pace Speed 6-15  
 Number in Pace 32  
 Percent in Pace 69.6

MISC. STATISTICS

Number of Axles	2	3	4	5	6	7	8	9	10	11	12
Avg. Wheelbase	105.7	76.3	0	0	0	0	0	0	0	0	0

Axles Per Vehicle 2.07

**City of Morro Bay**  
 955 Shasta Avenue  
 Morro Bay CA 93442  
 (805) 772-6200

Closest Cross Street: Bernardo Ave.

Marina at Fresno, West Side  
 Wednesday - Friday  
 Installed by: Damaris & Sarah

COMBINED

Report for Monday, February 27, 2012

Vehicles	Peak Periods	
	AM	PM
71	Time 11:30 Count 8 PHF 0.500	Time 12:00 Count 9 PHF 0.563

**CLASS STATISTICS - Modified Scheme F**

Class	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	No Class
Count	6	35	20	0	2	0	0	0	0	0	0	0	0	8
Percent	8.5	49.3	28.2	0.0	2.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.3

**COMBINED GAP STATISTICS - 2 To 26+ by 2 Seconds**

Seconds	2	4	6	8	10	12	14	16	18	20	22	24	26	28
Count	3	0	1	0	0	1	0	0	0	0	0	0	1	42
Percent	6.3	0.0	2.1	0.0	0.0	2.1	0.0	0.0	0.0	0.0	0.0	0.0	2.1	87.5

**SPEED STATISTICS - 15 to 70+ by 5 MPH**

Speed in MPH	1 - 15	16 - 20	21 - 25	26 - 30	31 - 35	36 - 40	41 - 45	46 - 50	51 - 55	56 - 60	61 - 65	66 - 70	71 - 75	76 - 999
Count	54	12	4	1	0	0	0	0	0	0	0	0	0	0
Percent	76.1	16.9	5.6	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Over Speed	15	20	25	30	35	40	45	50	55	60	65	70	75	999
Count	17	5	1	0	0	0	0	0	0	0	0	0	0	0
Percent	23.9	7.0	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Percentile	5%	10%	15%	45%	50%	55%	85%	90%	95%					
Speed	5	6	8	11	12	18	20	21						

Average (Mean) 12

Pace Speed 5-14  
 Number in Pace 52  
 Percent in Pace 73.2

**MISC. STATISTICS**

Number of Axles	2	3	4	5	6	7	8	9	10	11	12
Avg. Wheelbase	112.5	62.6	111.0	0	0	0	0	0	0	0	0
Axles Per Vehicle	2.18										

COMBINED

Report for Tuesday, February 28, 2012

Vehicles	Peak Periods	
	AM	PM
73	Time Count PHF	09:00 11 0.688
		01:15 10 0.500

CLASS STATISTICS - Modified Scheme F

Class	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle Tire	3 Axle Single	4 Axle Single	<5 Axle Double	5 Axle Double	>6 Axle Double	<6 Axle Multi	6 Axle Multi	>6 Axle Multi	No Class
Count	5	47	13	0	5	0	0	0	0	0	0	0	0	3
Percent	6.8	64.4	17.8	0.0	6.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.1

COMBINED GAP STATISTICS - 2 To 26+ by 2 Seconds

Seconds	2	4	6	8	10	12	14	16	18	20	22	24	26	28
Count	1	1	1	1	0	0	0	0	0	1	0	0	1	45
Percent	2.0	2.0	2.0	2.0	0.0	0.0	0.0	0.0	0.0	2.0	0.0	0.0	2.0	88.2

SPEED STATISTICS - 15 to 70+ by 5 MPH

Speed in MPH	1 - 15	16 - 20	21 - 25	26 - 30	31 - 35	36 - 40	41 - 45	46 - 50	51 - 55	56 - 60	61 - 65	66 - 70	71 - 75	76 - 999
Count	53	16	2	2	0	0	0	0	0	0	0	0	0	0
Percent	72.6	21.9	2.7	2.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Over Speed	15	20	25	30	35	40	45	50	55	60	65	70	75	999
Count	20	4	2	0	0	0	0	0	0	0	0	0	0	0
Percent	27.4	5.5	2.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Average (Mean) 13

Pace Speed 6-15  
 Number in Pace 49  
 Percent in Pace 67.1

MISC. STATISTICS

Number of Axles	2	3	4	5	6	7	8	9	10	11	12
Avg. Wheelbase	111.8	110.3	121.0	0	0	0	0	0	0	0	0

Axles Per Vehicle 2.11

COMBINED

Report for Wednesday, February 29, 2012

Vehicles	Peak Periods	
	AM	PM
77	Time 10:45	Time 03:00
	Count 10	Count 10
	PHF 0.625	PHF 0.500

CLASS STATISTICS - Modified Scheme F

Class	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle Tire	3 Axle Single	4 Axle Single	<5 Axle Double	5 Axle Double	>6 Axle Double	<6 Axle Multi	6 Axle Multi	>6 Axle Multi	No Class
Count	13	41	13	1	3	1	0	0	0	0	0	0	0	5
Percent	16.9	53.2	16.9	1.3	3.9	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.5

COMBINED GAP STATISTICS - 2 To 26+ by 2 Seconds

Seconds	2	4	6	8	10	12	14	16	18	20	22	24	26	28
Count	1	0	0	0	0	1	0	0	0	0	0	0	0	55
Percent	1.8	0.0	0.0	0.0	0.0	1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	96.5

SPEED STATISTICS - 15 to 70+ by 5 MPH

Speed in MPH	1 - 15	16 - 20	21 - 25	26 - 30	31 - 35	36 - 40	41 - 45	46 - 50	51 - 55	56 - 60	61 - 65	66 - 70	71 - 75	76 - 999
Count	59	11	6	0	1	0	0	0	0	0	0	0	0	0
Percent	76.6	14.3	7.8	0.0	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Over Speed	15	20	25	30	35	40	45	50	55	60	65	70	75	999
Count	18	7	1	1	0	0	0	0	0	0	0	0	0	0
Percent	23.4	9.1	1.3	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Percentile	5%	10%	15%	45%	55%	85%	90%	95%
Speed	6	7	8	11	12	16	18	23

Average (Mean) 12

Pace Speed 7-16  
 Number in Pace 61  
 Percent in Pace 79.2

MISC. STATISTICS

Number of Axles	2	3	4	5	6	7	8	9	10	11	12
Avg. Wheelbase	106.5	91.1	110.0	0	0	0	0	0	0	0	0

Axles Per Vehicle 2.14

**City of Morro Bay**  
 955 Shasta Avenue  
 Morro Bay CA 93442  
 (805) 772-6200

Marina at Fresno, West Side  
 Wednesday - Friday  
 Installed by: Damaris & Sarah

Closest Cross Street: Bernardo Ave.

COMBINED

Report for Thursday, March 01, 2012

Vehicles	Peak Periods			
	AM	PM	AM	PM
76	Time Count PHF	10:45 8 0.667	Time Count PHF	05:45 11 0.688

CLASS STATISTICS - Modified Scheme F

Class	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	No Class
Count	4	45	16	0	5	0	0	0	0	0	0	0	0	6
Percent	5.3	59.2	21.1	0.0	6.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.9

COMBINED GAP STATISTICS - 2 To 26+ by 2 Seconds

Seconds	2	4	6	8	10	12	14	16	18	20	22	24	26	28
Count	0	1	1	1	0	0	0	0	0	0	0	0	0	52
Percent	0.0	1.8	1.8	1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	94.5

SPEED STATISTICS - 15 to 70+ by 5 MPH

Speed in MPH	1 - 15	16 - 20	21 - 25	26 - 30	31 - 35	36 - 40	41 - 45	46 - 50	51 - 55	56 - 60	61 - 65	66 - 70	71 - 75	76 - 999
Count	56	17	3	0	0	0	0	0	0	0	0	0	0	0
Percent	73.7	22.4	3.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Over Speed	15	20	25	30	35	40	45	50	55	60	65	70	75	999
Count	20	3	0	0	0	0	0	0	0	0	0	0	0	0
Percent	26.3	3.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Percentile	5%	10%	15%	20%	25%	30%	35%	40%	45%	50%	55%	60%	65%	70%	75%	80%	85%	90%	95%
Speed	5	5	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6

Average (Mean) 12

Pace Speed 8-17  
 Number in Pace 53  
 Percent in Pace 69.7

MISC. STATISTICS

Number of Axles	2	3	4	5	6	7	8	9	10	11	12
Avg. Wheelbase	115.7	98.5	100.5	0	0	0	0	0	0	0	0

Axles Per Vehicle 2.16

**City of Morro Bay**  
 955 Shasta Avenue  
 Morro Bay CA 93442  
 (805) 772-6200

Closest Cross Street: Bernardo Ave.

Marina at Fresno, West Side  
 Wednesday - Friday  
 Installed by: Damaris & Sarah

**COMBINED**

Report for Friday, March 02, 2012, Midnight to 03:41 PM

Vehicles	Peak Periods	
	AM	PM
58	Time 08:45 Count 8 PHF 0.667	Time 02:15 Count 14 PHF 0.700

**CLASS STATISTICS - Modified Scheme F**

Class	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	No Class
Count	9	25	17	0	2	0	0	0	0	0	0	0	0	5
Percent	15.5	43.1	29.3	0.0	3.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.6

**COMBINED GAP STATISTICS - 2 To 26+ by 2 Seconds**

Seconds	2	4	6	8	10	12	14	16	18	20	22	24	26	28
Count	2	0	0	2	0	1	1	0	0	1	0	0	0	36
Percent	4.7	0.0	0.0	4.7	0.0	2.3	2.3	0.0	0.0	2.3	0.0	0.0	0.0	83.7

**SPEED STATISTICS - 15 to 70+ by 5 MPH**

Speed in MPH	1 - 15	16 - 20	21 - 25	26 - 30	31 - 35	36 - 40	41 - 45	46 - 50	51 - 55	56 - 60	61 - 65	66 - 70	71 - 75	76 - 999
Count	43	7	6	2	0	0	0	0	0	0	0	0	0	0
Percent	74.1	12.1	10.3	3.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Over Speed	15	20	25	30	35	40	45	50	55	60	65	70	75	999
Count	15	8	2	0	0	0	0	0	0	0	0	0	0	0
Percent	25.9	13.8	3.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Percentile	5%	10%	15%	45%	50%	55%	85%	90%	95%
Speed	6	7	8	12	13	13	18	21	22

Average (Mean) 13

Pace Speed 7-16  
 Number in Pace 42  
 Percent in Pace 72.4

**MISC. STATISTICS**

Number of Axles	2	3	4	5	6	7	8	9	10	11	12
Avg. Wheelbase	106.8	104.8	122.0	0	0	0	0	0	0	0	0

Axles Per Vehicle 2.19

**City of Morro Bay**  
 955 Shasta Avenue  
 Morro Bay CA 93442  
 (805) 772-6200

Marina at Fresno, West Side  
 Wednesday - Friday  
 Installed by: Damaris & Sarah

Closest Cross Street: Bernardo Ave.

COMBINED

Report for Report From 2/22/2012 11:56:00 AM to 3/2/2012 3:41:22 PM

**CLASS STATISTICS - Modified Scheme F**

Class	Bikes	Cars & Trailers	2 Axle Long	Buses	2 Axle 6 Tire	3 Axle Single	4 Axle Single	<5 Axl Double	5 Axle Double	>6 Axl Double	<6 Axl Multi	6 Axle Multi	>6 Axl Multi	No Class
Count	69	417	140	2	28	2	0	0	0	0	0	0	0	37
Percent	9.9	60.0	20.1	0.3	4.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.3

**COMBINED GAP STATISTICS - 2 To 26+ by 2 Seconds**

Seconds	2	4	6	8	10	12	14	16	18	20	22	24	26	28
Count	14	2	5	5	3	6	2	0	2	4	1	2	2	459
Percent	2.8	0.4	1.0	1.0	0.6	1.2	0.4	0.0	0.4	0.8	0.2	0.4	0.4	90.5

**SPEED STATISTICS - 15 to 70+ by 5 MPH**

Speed in MPH	1 - 15	16 - 20	21 - 25	26 - 30	31 - 35	36 - 40	41 - 45	46 - 50	51 - 55	56 - 60	61 - 65	66 - 70	71 - 75	76 - 999
Count	516	115	47	14	3	0	0	0	0	0	0	0	0	0
Percent	74.2	16.5	6.8	2.0	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Over Speed	15	20	25	30	35	40	45	50	55	60	65	70	75	999
Count	179	64	17	3	0	0	0	0	0	0	0	0	0	0
Percent	25.8	9.2	2.4	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Percentile	5%	10%	15%	45%	50%	55%	85%	90%	95%
Speed	6	7	8	12	12	13	18	20	23

Average (Mean) 13

Pace Speed 6-15  
 Number in Pace 488  
 Percent in Pace 70.2

**MISC. STATISTICS**

Number of Axles	2	3	4	5	6	7	8	9	10	11	12
Avg. Wheelbase	108.3	95.6	134.2	0	0	0	0	0	0	0	0

Axles Per Vehicle 2.11

# City of Morro Bay

## Stop Sign Installation Process/Procedures

### **COMMERCIAL/INDUSTRIAL/MULTI-FAMILY ZONING DISTRICTS**

1. Installation of stop signs in commercial areas shall meet traffic warrants specified in the California Manual of Uniform Traffic Control Devices (CMUTCD) as determined by the City Engineer.

### **RESIDENTIAL SINGLE FAMILY/DUPLEX ZONING DISTRICTS (R-1, R-2, RA only)**

Installation of stop signs in residential areas will be considered when traffic conditions meet warrants as specified in the CMUTCD as determined by the City Engineer, or when:

- A. The stop sign is on a street designated by the Circulation Element as a "local" street and is fronted by property zoned for single family or duplex residential (R-1, R-2) housing; and
- B. The resident requesting the installation petitions households within a 300 feet radius of the proposed stop sign location and submits petition results to the Public Services Department; and
- C. The City Engineer determines that the petition results show that at least 70% of the households within a 300 feet radius of the proposed stop sign support the stop sign installation; and
- D. The City Engineer finds that the cumulative impact of installing multiple stop signs along a local street will not limit options for managing traffic or divert traffic to other local streets in the area or cause traffic standards by the Circulation Element to be exceeded; and
- E. When approved by resolution of the City Council.

### **COST OF INSTALLATION AND MAINTENANCE**

- A. When traffic conditions meet warrants, the City will cover the cost of installing the stop sign.
- B. When traffic conditions do not meet warrants, the requesting resident(s) shall pay the City for all associated installation costs of the stop sign. Once installed, the City will be responsible for ongoing maintenance.



AGENDA NO: D-2

MEETING DATE: 1/28/2014

# Staff Report

**TO:** Honorable Mayor and City Council      **DATE:** 1/21/2014

**FROM:** Joseph M. Woods, Recreation and Parks Director

**SUBJECT:** Consideration of Fee Waiver to use the Veteran's Memorial Building for the Community Dinner provided by the Morro Bay Food Group, a Subcommittee of the Estero Bay Alliance for Care

## RECOMMENDATION

It is recommended City Council review and discuss the possibility of waiving rental fees for St. Peter's Episcopal Church related to the use of the Veteran's Memorial Building (VMB) to serve a community dinner as part of the Estero Bay Alliance for Care (EBAC).

## ALTERNATIVES

1. Approve the requested fee waiver, and fully subsidize the use of the Veteran's Memorial Building for the EBAC community dinner.
2. Approve a partial waiver of the fees and retain direct charges applied to use the facility.
3. Deny the fee waiver request and allow use based on the current Master Fee Schedule.

## FISCAL IMPACT

The financial impact to the City would be the loss of revenue from assessed fees for a nonprofit organization to use the Veterans Memorial Building for 2 hours every Monday. Currently, use of the Kitchen and Meeting Room is \$66/day, or \$3,432/year. The group has recently requested the additional use of the Assembly Room. This additional use would increase the daily costs to \$80 and yearly to \$4,160.

## DISCUSSION

St. Peter's Episcopal Church, on behalf of the Morro Bay Food Group (Subcommittee of the Estero Bay Alliance for Care), currently has a valid Facility Use Permit, including insurance, to use the VMB throughout 2014. Their fee waiver request is being presented via their correspondence of 1/20/2014, (attached). The permit has one credit in the amount of \$216, received by an anonymous donor for partial payment of January's use fees.

Waiver of use fees is not a common occurrence, with the last waiver requested by the AAUW

Prepared By:   JW        Dept Review: \_\_\_\_\_

City Manager Review: \_\_\_\_\_

City Attorney Review: \_\_\_\_\_

and League of Women Voters in the amount of \$147.50 to host a City Council Candidate Forum in 2010. This request was denied by City Council by a (3-1-1) vote. Other fee waivers have been informally requested during public comment and have resulted in no formal action.

<b>Morro Bay Community Dinner</b>				
<b>Vet's Hall Fee Schedule for 2014</b>				
<b>Resident/Non-Profit Rate</b>				
	<b># of Days</b>	<b># of Hours/Day</b>	<b>Hourly Rate</b>	<b>Total</b>
Kitchen	52	2	\$12.00	\$1,248.00
Meeting/Assembly Room	52	2	\$28.00	\$2,912.00
				<b>\$4,160.00</b>
<b>Direct Cost Rate</b>				
	<b># of Days</b>	<b># of Hours/Day</b>	<b>Hourly Rate</b>	<b>Total</b>
Kitchen	52	2	\$12.00	\$1,248.00
Meeting/Assembly Room	52	2	\$11.00	\$1,144.00
				<b>\$2,392.00</b>

The above chart depicts the fees associated with the use of the VMB for the Monday Community Dinner. Their facility use started January 6, 2014 and included the Meeting Room and Kitchen. The use of the Meeting room is \$21/hour, and the use fee increases to \$28/hour when the Assembly room is included. These fees are based on the adopted Master Fee Schedule.

The direct costs associated with the VMB use depict costs associated with utilities and routine maintenance. The direct costs do not include permit processing, permit managing, or any related financial procedures.

**CONCLUSION**

A subsidy of the Monday Community Dinner will certainly provide the applicant some financial relief regarding their use of the VMB, as well as contributes to the success of City’s Council’s goal to “Enhance Quality of Life” by collaboration with the public to support homeless and low-income populations. However, a fee waiver does not lessen the procedural obligation by staff, or the impact on City facilities.



From: Morro Bay Food Group  
(Subcommittee of the Estero Bay Alliance for Care)  
Morro Bay, CA

January 20, 2014

Honorable Mayor Irons and City Council members,

Thank you very much for considering the waiving of fees for our Monday night community dinners at Veterans' Hall. This multi-group effort is designed to benefit the many Morro Bay residents who are financially challenged to the point of going hungry.

While we are aware that the City must recover costs for services provided, the costs for this group are minimal. Given the familiarity of the core members of the group with the Vets' Hall facility, our need for assistance from City staff is almost non-existent. One of our members, Nancy Castle, owner of AGP Video, has a key to the building, thereby eliminating on most nights the need for City staff to check-out and check-in a key for the building. Our group has been and will be diligent in cleaning up after the dinners, thereby incurring no need for City custodial services after our use.

At a previous Council meeting, we shared with you some of the statistics concerning the numbers of poverty level and low income people who live in Morro Bay, with evidence to indicate that far too many of our residents are below poverty level. Nearly half of the students at our two schools are eligible for free or reduced cost meals during the school year. During these dinners, we will also be increasing outreach to attendees, helping them find other services or commodities they can use.

The Staff Report will have an accurate accounting of the building use fee. We were thrilled to receive a donation of funds from Bank of America employees at the end of 2013, but would much prefer to spend any donations on food and supplies rather than building rental. Therefore, we humbly request that you waive the fees, retroactively to our first dinner, January 6, 2014.

With gratitude for your service to our community!

*Barb Rauschell*  
Central Coast Circle  
of Friends

*Linda Fiske*  
Central Coast  
Circle of Friends

*Kathy Ryan*  
St. Lino

*Nancy Castle*

*Summer Wathen*

*Father Ed Hatterhoff*  
*Linda Estes*

*Rev. Sidney Symington*  
St. Peter's of the Sea

*Bonnie Jones*

*Bonnie Allen*



AGENDA NO: D-3

MEETING DATE: January 28, 2014

# Staff Report

**TO:** Honorable Mayor and City Council

**DATE:** January 22, 2014

**FROM:** Eric Endersby, Harbor Director

**SUBJECT:** Adoption of Resolution No 12-14 Assigning Lease Site 30W-33W Located at 201 Main Street to Bruce Foster and Dean Marchant and Approval of a New 20-Year Master Lease Agreement for Lease Site 30W-33W between the City of Morro Bay and Bruce Foster and Dean Marchant

## **RECOMMENDATION**

Staff recommends that the City Council approve the attached Assignment and Assumption Agreement and the attached new 20-year Master Lease for Lease Site 30W-33W with Bruce Foster and Dean Marchant by adopting Resolution No. 12-14.

## **ALTERNATIVES**

1. Approve new Assignment and Assumption and new Master Lease as negotiated and presented (staff recommendation).
2. Approve Assignment and Assumption and new amended Master Lease.
3. Reject new Assignment and Assumption and new Master Lease as presented.

## **FISCAL IMPACT**

If approved, the new base rent on this Lease Site will increase from its current \$19,800 per year to \$26,400 per year.

## **SUMMARY**

Last spring the City Council directed staff to negotiate with the current tenants of Lease Site 30W-33W on a new Master Lease as the current lease was expiring at year's end. Staff met with the tenants over many months, in addition to bringing the negotiations back to Council several times in closed session for negotiation direction. The attached Master Lease is being presented as the final product of those negotiations for Council approval.

Prepared By: EE

Dept Review: \_\_\_\_\_

City Manager Review: \_\_\_\_\_

City Attorney Review: \_\_\_\_\_

## **BACKGROUND**

The Master Lease for Lease Site 30W-33W expired in December, 2013, and is currently in a holdover until a new lease is approved. The City's Lease Management Policy states, in part, with regard to the water-only leases in this area that "this area is not suitable for large redevelopment projects and in most cases the City will negotiate a new 10 to 30 year lease extension with existing tenants when they meet the above criteria." Those criteria are the ones used to determine if the tenant is in good standing and has a good history of lease performance.

With no definitive proposal yet from the tenants as to their plans for the site, last May the City Council considered what they wanted to do with this and several other Lease Sites with expirations pending within the next five years. With Lease Site 30W-33W, Council direction to staff was to work with the current upland property owners, Jay and Mereline Coakley, on a new Master Lease for the site as they met the criteria for tenants in good standing. Shortly thereafter staff began negotiation with the Coakleys.

In the intervening months, staff met numerous times with the Coakleys and their agents, as well as with the prospective buyers of their property and lease which was for sale, in addition to countless email and telephone exchanges. In addition, staff has brought updates for continued Council direction to Closed Session several times as this is a very unique and difficult lease situation. The result of those meetings and negotiations with the Coakleys and their prospective buyers have culminated in the attached new Master Lease. The buyers are currently in escrow on the upland property and lease sale, with the only reported contingency being the approval of a new Master Lease for 30W-33W.

## **DISCUSSION**

The old lease is a "County" lease originally entered into in 1964. By retiring this outdated lease this site will be placed on the City's modern lease format. Per City policy, financial and other review of the proposed buyers was completed by staff and staff sees no reason to deny the Assignment and Assumption and Master lease approval as-proposed. The highlighted sections of this new lease worthy of mention are:

Section 1.01 Term: Initial term of 20 years commencing upon approval of lease and contingent upon major maintenance and repair of lease site improvements as outlined in Section 13.02.

Section 1.02 Option to Extend: 20 year extension option predicated upon tenant's submission of a suitable major capital improvement/repair plan, in addition to removal of tenant's private property building encroaching across the City's Lot 20 that runs from Main Street to the Lease Site. This would secure unrestricted City access to the Lease Site.

Section 2.01 Annual Minimum Rent: Annual minimum rent to be based on 8% of the appraised value of the Lease Site (as opposed to the old lease's 6% of the appraised value).

Section 2.04 Percentage Rent: Addition of percentage rent requirement on lease revenues, which will be 10% of all slip and pier revenues. Therefore, if 10% of the slip and pier revenues exceed the minimum rent, tenant would be liable for paying any amount that the percent rent exceeds the minimum rent. However, although this is a change from no percentage rent due under the old lease, the City is unlikely to receive any percentage rent from this site because of its size and current income potential.

Section 3.07 Compliance with Law: Addition of sentence to this section reserving the tenant's "littoral" rights since this is a water-only lease. "Littoral" rights are those rights under the State of California granting waterfront private property owners certain legal access to the public water fronting their property.

Section 4.04 Ownership of Improvements: This section has a major improvement for the City in the modern lease format versus the old County lease. In the County lease, at its termination the tenant can choose to remove the improvements from the Lease Site or not, and if not the City has no right to order them removed if it does not want them. Under the new lease, the tenant still has the option to remove, but if the tenant chooses to not remove the improvements, the City can order the tenant to remove them, and if the tenant does not, the City can have them removed at the tenant's expense. If the improvements remain after lease termination, they revert to the City.

Section 13.01 Resolution of Lease Site Boundary: Unlike any other lease site in the City, this lease's eastern boundary abutting the tenant's private property has some degree of the tenant's private property buildings encroaching across the lease lines and into the lease site sections. To what degree is a matter of dispute as no two surveys conducted in this area agree with each other.

To resolve all of the property, liability and other legal issues associated with this situation, the tenant and City have worked out a "boundary line agreement" ("BLA") solution whereby the eastern boundary of lease site section 33W would be adjusted west to the degree necessary to get the tenant's private property out of the Lease Site. Above Lease Site section 32W is the City's Lot 20 where no adjustment is necessary, and no adjustment will be made above Lease Site sections 30W or 31W since the encroaching building across 31W and 32W is slated to be removed under the 20 year lease extension section of the lease, and there is no building encroachment across lease section 30W. This BLA will require State Lands Commission approval, and is not an uncommon situation for State Lands to consider. A similar State Lands-approved BLA that came out of property line disputes was completed on the upland properties starting on the bluff above Tidelands Park and terminating on the "Kolb" property which is adjacent to the "Meyer" property that includes lease site 37W, the boatyard.

In this resolution the tenant will pay the full appraised value minimum rent during the BLA process, and any square footage of Lease Site ultimately conveyed to the tenants as private property will be at the full currently appraised value price of \$8/square foot. Finally, if this resolution is not approved by the State Lands Commission, this section of the lease is non-binding on either party.

Section 13.02 Construction of Waterside Improvements: As addressed in Section 1.01 Term, the initial 20 year term of the lease is predicated on an expected minimum 20 year life span of the facility based on a condition assessment that was conducted by a consultant of the tenant. This assessment outlined a 20 year phased scope of work to be completed by the tenant, and is spelled-out in the lease for completion.

In addition to these major maintenance and repair improvements, the tenant has committed to installing an automatic fire sprinkler system under the wharf to the maximum extent possible by the existing fire hydrant service from Main Street to their property.

Section 13.03 Tenant Shall Commit to Clean Marinas Program Certification: As in the Morro Bay Yacht Club mooring area lease recently approved by the City Council, tenant has agreed to obtaining Clean Marina certification.

Section 13.04 Future Construction of Harborwalk: In the event that the City ever obtains the ways and means to extend the public Harborwalk access along this section of the waterfront, the tenants agreed early in negotiations to allow Harborwalk access along the eastern boundary of the Lease Site provided it is built and maintained by the City, has adequate measures installed to prevent public access from it to their private property, and doesn't affect the operation of the Lease Site.

## **CONCLUSION**

The tenants, their agents, buyers in escrow, City Council, and staff have worked diligently since last spring on these complicated lease negotiations, and staff believes that this new lease is the best solution and compromise that maintains this important lease and slip/pier infrastructure while at the same time respecting the private property rights of the upland property owner. In addition, the BLA resolution could head-off a litany of possible legal issues that could result should the upland property owner ever become disassociated with the Lease Site ownership/operation. This new lease cements the Lease Site's future as a marina for at least 20 years and likely for 20 more years thereafter.

For these reasons staff recommends that the City Council approves the Assignment and Assumption and new Master Lease for lease site 30W-33W by adopting Resolution No. 12-14. Staff is proposing an Assignment and Assumption of the old lease and lease site to the new buyers concurrent with approval of a new Master Lease that would retire the old lease by way of the new lease's commencement. Per Resolution 12-14 both the Assignment and Assumption and new Master Lease are contingent upon successful close of escrow on the real property transaction, and both will be signed by the City in escrow.

**RESOLUTION NO. 12-14**

**RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF MORRO BAY, CALIFORNIA  
ASSIGNING LEASE SITE 30W-33W LOCATED AT 201 MAIN STREET TO  
BRUCE FOSTER & DEAN MARCHANT AND APPROVING A NEW 20 YEAR  
MASTER LEASE AGREEMENT FOR LEASE SITE 30W-33W  
BETWEEN THE CITY OF MORRO BAY AND  
BRUCE FOSTER AND DEAN MARCHANT**

**THE CITY COUNCIL  
City of Morro Bay, California**

**WHEREAS**, the City of Morro Bay is the lessor of certain properties on the Morro Bay Waterfront described as City Tidelands leases and properties; and

**WHEREAS**, Jay and Mereline Coakley are the current lessees of Lease Site 30W-33W since 2003 and are tenants in good standing; and

**WHEREAS**, the Coakleys are currently the upland property owners of 201 Main Street adjacent to the northern portion of Lease Site 30W-33W; and

**WHEREAS**, the Coakleys are selling their upland property and have applied for assignment of the Master Lease for Lease Site 30W-33W to Bruce Foster and Dean Marchant; and

**WHEREAS**, Bruce Foster and Dean Marchant are currently in escrow on said property; and

**WHEREAS** in accordance with the City's Master Lease Policy, the City and Bruce Foster and Dean Marchant have agreed to a new 20-year Master Lease for Lease Site 30W-33W located at 201 Main Street including certain improvements and adjustments of the Lease Site boundaries.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Morro Bay, California, that the attached Assignment and Assumption Agreement of Lease Site 30W-33W from Jay and Mereline Coakley to Bruce Foster and Dean Marchant is hereby approved; and

**BE IT FURTHER RESOLVED**, by the City Council of the City of Morro Bay, California, that the attached new Lease Agreement for Lease Site 30W-33W is hereby approved; and

**BE IT FURTHER RESOLVED**, that said Assignment and Assumption Agreement and new Lease Agreement approvals are both contingent upon successful closing of escrow between Jay and Mereline Coakley and Bruce Foster and Dean

Marchant for the real property transaction on the adjacent upland property located at 201 Main Street; and

**BE IT FURTHER RESOLVED**, that the Mayor is hereby authorized to execute said Assignment and Assumption Agreement and Lease Agreement by signing both agreements in escrow and contingent upon closing of escrow on said upland real property sales transaction.

**PASSED AND ADOPTED** by the City Council of the City of Morro Bay at a regular meeting thereof held on the 28th day of January, 2014 on the following vote:

AYES:

NOES:

ABSENT:

---

Jamie L. Irons, Mayor

ATTEST:

---

Jamie Boucher, City Clerk

<p>This document is recorded for the Benefit of the City of Morro Bay and is exempt from recording fees, pursuant to Government Code Sections 6103 and 27383.</p> <p>RECORDING REQUESTED BY: City of Morro Bay</p> <p>WHEN RECORDED MAIL TO: City of Morro Bay City Attorney 595 Harbor Street Morro Bay, CA 93442</p>	<p style="text-align: center;">Space above reserved for use of County Recorder</p>
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## ASSIGNMENT AND ASSUMPTION AGREEMENT

This assignment is made and entered into this \_\_\_ day of \_\_\_\_\_, 2014, by and between Jay and Mereline Coakley, (hereinafter referred to as “Assignor”) and Bruce Foster and Dean Marchant (hereinafter referred to as “Assignees”).

1. The City Council of Morro Bay has approved lease assignment; Assignor hereby assigns all rights, title and interest they have in the lease from the City of Morro Bay, known as Morro Bay Lease Site 30W-33W, under the Master Lease dated May 19, 1964, Resolution 76-533 dated July 26, 1976, Amendment #1 approved April 21, 1981, and Amendment #2 approved December 10, 2007.
2. Assignees acknowledge that the City of Morro Bay has leased the premises to Assignor under the Master Lease dated May 19, 1964. Assignee acknowledges that any assignment of the Master Lease is subject to prior approval by the City of Morro Bay City Council and is also subject to prior execution between Assignor and Assignees.
3. Assignees agree to comply with terms and conditions of the Master Lease dated May 19, 1964, Resolution 76-533 dated July 26, 1976, Amendment #1 approved April 21, 1981, and Amendment #2 approved December 10, 2007 and to assume all liabilities under the Master Lease, to defend, indemnify and hold the City free and harmless from and against, any and all claims, lawsuits, costs and expenses, including reasonable attorney’s fees and court costs arising from, or in any way related to, holding, using or operating the leased premises, and further agree to maintain liability insurance in the manner, form and amount required by the Master Lease dated May 19, 1964, with the City of Morro Bay included as an additional insured without the offset against the City’s insurance.

Assignor confirms to the City that he has no actual knowledge or reasonable cause to believe that any release of hazardous substance has come to be located on/or beneath the real property during the term of Assignor’s occupation of the lease that has not been reported pursuant to Health & Safety code #253597.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Jay Coakley

Dated: \_\_\_\_\_

\_\_\_\_\_  
Mereline Coakley

Consent to Assignment & Assumptions of all liabilities under the Lease Agreement

Dated: \_\_\_\_\_

\_\_\_\_\_  
Bruce Foster

Dated: \_\_\_\_\_

\_\_\_\_\_  
Dean Marchant

The City of Morro Bay, Lessor named in the Master Lease, consents to the Assignment upon the conditions set forth above. The City also consents to the agreement by Assignees to assume, after \_\_\_\_\_, the payment of rent and performance of all duties and obligations including all percentage of gross sales rent as set forth in the Master Lease which has been approved by the Morro Bay City Council prior to this agreement.

City of Morro Bay

Dated: \_\_\_\_\_

\_\_\_\_\_  
By: Jamie L. Irons, Mayor  
City of Morro Bay

**L E A S E**

by and between

the CITY OF MORRO BAY

("CITY")

and

BRUCE FOSTER & DEAN MARCHANT

("TENANT")

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# LEASE

This LEASE is made and entered into by and between the CITY OF MORRO BAY, a municipal corporation of the State of California herein called CITY, and Bruce Foster and Dean Marchant, a \_\_\_\_\_ [~~DESCRIBE type of business, such as "California general partnership" or "a Delaware corporation," etc.~~] ~~currently doing business as \_\_\_\_\_, [if TENANT uses another name for its business, insert here]~~ herein called TENANT.

## WITNESSETH

WHEREAS, the State of California granted certain tide and submerged lands located within the CITY limits of CITY to the County of San Luis Obispo and to its successors, being Chapter 1076, Statutes of 1947, as amended by Chapter 413, Statutes of 1955, Chapter 1874, Statutes of 1957, and Chapter 70, Statutes of 1960, first extraordinary session; which Statutes may be amended from time to time by the Legislature of the State of California; all of which Statutes are expressly recognized and agreed to be in full force and effect by the parties hereto; and

WHEREAS, the parties hereto recognize and agree that on July 17, 1964, the CITY of Morro Bay, Lessor herein, succeeded to all of the right, title and interest of the County of San Luis Obispo in and to all of the tide and submerged lands conveyed to said County by the State of California pursuant to the above mentioned acts; and

WHEREAS, judgment has been entered on October 14, 1968, in the case of CITY of Morro Bay, Plaintiff, versus County of San Luis Obispo, and State of California, Defendants, by the Superior Court of the State of California in and for the County of San Luis Obispo, #30417, adjudging and decreeing, among other things, that the title to said tide and submerged lands so conveyed by the State of California to the County of San Luis Obispo in trust, as set forth above, passed automatically to the CITY of Morro Bay upon the date of its incorporation as a CITY on the 17th day of July, 1964; and

WHEREAS, TENANT accepts the within Lease with full knowledge that there is no warranty of title in and to the within described premises by CITY to TENANT; and

WHEREAS, in order to develop and improve Morro Bay Harbor and to assist in carrying out the provisions of the tideland grant as aforesaid, and in order to provide facilities for the

accommodation of those using Morro Bay Harbor, CITY desires to lease to TENANT the within described property upon the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the covenants to be performed and the rental to be paid by TENANT to CITY, CITY leases to TENANT, and TENANT leases from CITY, all of the following premises (herein collectively referred to as the "Premises") in the CITY of Morro Bay, County of San Luis Obispo, State of California, described as follows:

Lease Site 30W-33W

This property is delineated on Parcel Map of the CITY of Morro Bay No. 68-30, which map was recorded on October 10, 1968, in Book 3, Page 10 of Parcel Maps in the Office of the County Recorder, San Luis Obispo County, California. A copy of said Map is attached hereto as Exhibit A and made a part hereof by reference.

**Article 1 FIXED TERM**

**Section 1.01 Term.**

The term of this Lease shall be a period of TWENTY (20) years, commencing January 28, 2014 (the "Commencement Date"). The term of this Lease shall terminate without notice on January 27, 2034, unless sooner terminated as herein provided.

**Section 1.02 No Extensions.**

~~The term of this Lease shall not be extended nor shall this Lease be renewed. Requests for continued use of the Premises shall be treated as an application for a new lease and shall require appropriate application to the CITY with all required supporting information and documents, CITY Council approval and the execution of a new CITY lease, containing the then most current terms, covenants, conditions and rent schedules.~~

TENANT shall have the right to extend the term of this Lease for an additional TWENTY (20) years contingent upon:

(1) receipt of CITY approval of a TENANT plan ("Tenant Plan") for future capital improvements and major maintenance and upgrading/replacement of improvements in Lease Site including the docks, pilings, pier, wharf and other work as necessary to maintain the service life of the improvements as-needed. The minimum cost of said improvements shall be One Hundred Twenty Five Thousand Dollars (\$125,000). TENANT shall deliver written notice to CITY of

TENANT's intent to exercise Option to Extend at least Eighteen (18) months prior to Lease expiration, and obtain CITY's approval of the TENANT Plan prior to expiration of Lease and;

(2) TENANT removal of those portions of the building on the wharf which extend across the CITY-owned Lot 20 and granting CITY unobstructed access for Lease Site purposes across any TENANT wharf, dock, pier, float, slip or other boat anchorage to the Premises via Lot 20. However, at a minimum of five (5) years prior to expiration of Lease, at TENANT's request, CITY may, at City's sole discretion, enter into non-binding negotiations with TENANT should TENANT desire that the encroaching building remain and CITY does not require use of the area.

TENANTS's exercise of the option to extend shall be further contingent upon TENANT not being in default under any term or condition of the Lease at the time of TENANT's exercise of the option and the time of commencement of the option. Time is of the essence.

**Section 1.03 Hold Over.**

Should TENANT hold the demised Premises after the expiration of the term of this Lease with the consent of the CITY, express or implied, such holding over (in the absence of a written agreement between CITY and TENANT with respect thereto) shall be deemed to create a tenancy from month to month, terminable on thirty (30) days written notice from either party to the other, at a monthly rental equal to two hundred percent (200%) of the average total Rent per month for the twelve (12) months immediately preceding the expiration of the Lease, and otherwise subject to each and every term, covenant and condition of this Lease.

**Section 1.04 Replacement.**

As of the Commencement Date of this Lease, this Lease shall extinguish and replace every prior lease between CITY and TENANT respecting the Premises, if any. Any right or interest held by the TENANT pursuant to any existing lease with respect to the Premises which is not granted pursuant to this Lease shall be extinguished as of the Commencement Date of this Lease.

## **Article 2 RENT**

**Section 2.01 Annual Minimum Rent.**

TENANT agrees to pay to CITY a minimum guaranteed annual rental for the use and occupancy of the Premises, in an initial amount of \$26,400 per year (the "Minimum Rent"), payable in advance in equal semiannual installments on January 1 and July 1 each year during

the term of the Lease. If the Commencement Date is other than January 1 or July 1, then TENANT shall pay, on the Commencement Date, the proportionate amount of the Minimum Rent payable for the period from the Commencement Date until the next payment date of January 1 or July 1, as the case may be. If the term of the Lease expires on a date other than December 31 or June 30, TENANT'S final installment of Minimum Rent shall be proportionate to the time remaining in the term. All Rent, including the Minimum Rent and the Percentage Rent, shall be paid in lawful money of the United States of America, without offset or deduction and shall be paid to CITY at City Hall located at 595 Harbor Street, Morro Bay, California, or at such other place or places CITY may from time to time designate by written notice delivered to TENANT.

Annual minimum rent shall be adjusted commensurate to any change in Lease Site square footage occurring out of action described in Section 13.01, after any said change in Lease Site square footage takes place.

**Section 2.02 CPI Adjustment to Annual Minimum Rent.**

(1) The parties agree that as of every July 1 following the Commencement Date (each, a "CPI Adjustment Date"), except as outlined in section 2.03 hereof, the annual Minimum Rent shall be increased in direct proportion to any upward or downward movement in the Consumer Price Index for January 1, 2013 which is hereby agreed to be 238.02 (Base Index). The percentage adjustment for any given year shall be based on the monthly average Index for the calendar year immediately preceding the CPI Adjustment Date as compared with the Base Index. The Consumer Price Index referred to herein is the Consumer Price Index (all items indexes, all urban consumers) for Los Angeles - Anaheim - Riverside, California, compiled and published by the United States Department of Labor, Bureau of Labor Statistics, 1982-84 Base Year = 100 (the "Index")

(2) The Annual Minimum Rent shall be adjusted as of each CPI Adjustment Date, and will remain in effect as adjusted until the next CPI Adjustment Date. As an illustration only, if the Base Index (Jan. 1, 1999 CPI) is 166.1 and the monthly average CPI for 2000 is 171.6, then the percentage increase is equal to 3.31%. Therefore, the Minimum Rent would be increased by 3.31% as of July 1, 2001, and would continue at that rate through June 30, 2002.

(3) If the United States Department of Labor, Bureau of Labor Statistics, shall cease to compile and make public the Index as now constituted and issued, but shall substitute another index in its place, then said substituted index shall be used for the purpose of adjusting the Minimum Rent for the Premises. If the Index is changed so that the base year differs from that in

effect on the Lease Commencement Date, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics.

**Section 2.03 Calculation of New Minimum Rent.**

At the end of the initial five (5) years and of each five-year period thereafter, a new Minimum Rent shall be calculated for the following five (5) year period (each, a "Subsequent Rental Period") as follows:

A. The Minimum Rent shall be subject to adjustment by appraisal as of the fifth anniversary of the Commencement Date and every five years thereafter (each, an "Appraisal Adjustment Date"), with the new Minimum Rent taking effect on July 1 following each Appraisal Adjustment Date. CITY, at its own cost and expense, shall retain an independent qualified appraiser for determination of the fair market value of said premises. Not more than nine (9) months prior to each Appraisal Adjustment Date, CITY shall provide written notice to TENANT of the pending appraisal and the appraiser selected by the CITY to determine the fair market value of the Premises, excluding fixtures and improvements unless such are expressly included in the description of the leasehold hereinabove. If TENANT does not reject CITY's appraiser in writing and within thirty (30) days of CITY's notice of its determination, then the Minimum Rent for the Subsequent Rental Period shall be in the amount determined by CITY as outlined in this Section 2.03. If TENANT rejects CITY's appraiser within thirty (30) days following CITY's notice to TENANT, then within fifteen (15) days after such 30-day period, each party, at its own cost, shall select an independent professionally designated appraiser who is a member of the American Institute of Real Estate Appraisers, or the Society of Real Estate Appraisers with a designation of MAI (Member of American Institute), SRPA (Senior Real Estate Analysis), to appraise the fair market value of the Premises. CITY may rely on its original appraisal, or select a new appraiser, at its cost. If a party does not appoint an appraiser within fifteen (15) days after the other party has given notice of the name of its appraiser, the single appraiser appointed shall be the sole appraiser. Each appraiser shall conduct an independent appraisal within thirty (30) days after appointment. If the parties are unable to agree on the Minimum Rent for the Subsequent Rental Period within thirty (30) days after receiving the appraisal(s), then each party shall select one member of a three-member committee. The two so selected members shall select the third member, and this committee shall by majority vote select one or the other of the appraisals. The Minimum Rent determined on the basis of the selected appraisal shall be final and binding and all costs associated with the three-member committee shall be paid equally by CITY and TENANT.

B. In the event that the appraisal process is not concluded on or before the Appraisal Adjustment Date, the Minimum Rent shall be adjusted retroactively to such Appraisal Adjustment Date as set out hereinbelow when said appraisal process is completed.

C. The total Rent payable, including both the Minimum Rent and the Percentage Rent for each year within the applicable previous five-year period, shall be averaged to produce the average annual total Rent payable for such previous period.

D. The new Minimum Rent for the five-year period commencing on each Appraisal Adjustment Date shall be the greater amount of seventy-five percent (75%) of the average of the total yearly Rent payable during the previous five-year period (as set out in paragraph C. above) or eight percent (8%) of the fair market value of the Premises (as established in paragraph A. above.) The new Minimum Rent shall be divided by two to determine the semiannual payments and shall be paid by TENANT to CITY on the first of each January and July thereafter. This new Minimum Rent shall be adjusted each following year in proportion to any increase in the Consumer Price Index as set out in Section 2.02 of this Lease.

**Section 2.04 Percentage Rent.**

A. In addition to the Minimum Rent, TENANT agrees to pay to CITY at the time and in the manner hereinafter specified, as additional Rent for the use and occupancy of the Premises, a sum equal to **TEN** percent (**10%**) of TENANT'S Gross Sales, hereinafter defined, less the amount of the Minimum Rent paid pursuant to this Lease (the "Percentage Rent").

B. The term "Gross Sales," as used herein, shall mean (subject to the exceptions and authorized deductions as hereinafter set forth), the total selling price and the total gross amount received by TENANT from all rentals, merchandise sold and services rendered in, on or from the Premises by TENANT, its sublessees, licensees, or concessionaires, both for cash and on credit including, but not limited to, rentals of dockage space, leasing and servicing operations and ticket sales, and if on credit whether or not payment be actually made therefore, all charges for services, alterations or repairs made in or upon the Premises; the gross amount received by TENANT for merchandise sold pursuant to orders received in the Premises, though filled elsewhere; and the gross amount received by TENANT from any and all other sources of income derived from the business conducted upon the Premises.

C. Notwithstanding the other provisions of Section 2.04, the term "Gross Sales" shall not include the following items, and such items may be deducted from Gross Sales to the extent they have been included therein or have been included in a prior computation of Gross Sales or for which a Percentage Rent has been paid under this Lease to CITY:

- (1) Credits and refunds made to customers for merchandise returned or exchanged;

(2) Any sales or excise taxes otherwise includable in Gross Sales as defined in this Section because such taxes are part of the total selling price of merchandise or services rendered in, from, or on the Premises, where TENANT must account for and remit the taxes to the government entity or entities by which they are imposed; and

(3) With respect to credit card sales, fees retained or withheld by the issuer and/or merchant bank pursuant to TENANT'S credit card acceptance agreement, and

(4) Rental payments to TENANT from sublessees whose total gross sales are included in gross sales computations.

D. TENANT shall keep or cause to be kept full, complete, and accurate records, and books of account in accordance with accepted accounting practices showing the total amount of Gross Sales, as defined herein, made each calendar month in, on or from the Premises. TENANT shall keep said records and books of account within San Luis Obispo County and shall notify CITY in advance of their location at all times. Furthermore, TENANT shall at the time of sale and in the presence of the customer cause the full selling price of each piece of merchandise, each rental received and each service rendered in, on or from the Premises to be recorded in a cash register or cash registers that have cumulative totals and are sealed in accordance with standard commercial practices. Said records, books of account and cash register tapes, including any sales tax reports that TENANT may be required to furnish any government or governmental agency shall at all reasonable times be open to the inspection of CITY, CITY'S auditor, or other authorized representative or agent of CITY. TENANT consents to the release of sales tax information to CITY and on demand will furnish to CITY a copy of the sales tax reports, quarterly reports and any audit reports of sales for confidential internal use of the CITY in determining Gross Sales for TENANT. TENANT consents and authorizes CITY to request such information directly from the State Board of Equalization or other state agency with which sales tax information is filed.

E. By July 31 of each year, TENANT shall furnish CITY with a statement, to be certified by TENANT as current, true and accurate, which shall set forth the Gross Sales of each department, sublessee, licensee and concession operating in, on or from the Premises for the previous twelve (12) calendar months, ending June 30, just concluded, and the authorized deductions, if any, therefrom; and with it TENANT shall pay to CITY the amount of the Percentage Rent which is due to CITY as shown thereby. If TENANT shall at any time cause an audit of sales of TENANT'S business to be made by a public accountant, TENANT shall furnish CITY with a copy of said audit without cost or expense to CITY. CITY may, once in any twelve-month period, cause an audit of the business of TENANT to be made by a public accountant of CITY'S own selection. TENANT shall, upon receiving written notice of CITY'S desire for such an audit deliver and make available all such books, records and cash register

tapes to the public or certified public accountant selected by CITY. Furthermore, TENANT shall promptly on demand reimburse CITY for the full cost and expense of said audit, should the audit disclose that the questioned statement or statements understated Gross Sales by five percent (5%) or more but less than ten percent (10%). In the event that an audit performed at CITY'S request discloses that TENANT understated Gross Sales by less than 5%, the cost of such audit shall be paid by CITY. In the event that any audit or other review of records discloses that the amounts reported as Gross Sales was understated by TENANT by ten percent (10%) or more, CITY shall not only be entitled to recover from TENANT all costs of audit and review but shall also be entitled to recover from TENANT a penalty equal to two times the Percentage Rent due pursuant to this Lease on such unreported amounts. Whenever any audit discloses that Gross Sales were understated by any amount, TENANT shall immediately pay the additional Percentage Rent therein shown to be payable by TENANT to CITY, together with interest at the Default Rate thereon, from the date the Percentage Rent was payable until the date paid.

F. CITY shall be entitled at any time within five (5) years after the receipt of any such Percentage Rent payment, to question the sufficiency of the amount thereof and/or the accuracy of the statement or statements furnished by TENANT to justify the same. For the purpose of enabling CITY to check the accuracy of any such statement or statements, TENANT shall for said period of five (5) years after submission to CITY of any such statement keep all of TENANT'S records, including sales tax returns, all cash register tapes and other data which in any way bear upon or are required to establish in detail TENANT'S Gross Sales and any authorized deductions therefrom as shown by any such statements and shall upon request make the same available to CITY for examination.

**Section 2.05 Reimbursements.**

If TENANT fails to perform any term or covenant of this Lease, CITY may, but is not obligated to, perform such term or covenant, and TENANT shall reimburse CITY therefore as additional Rent hereunder. As an illustration and not as a limitation, if TENANT fails to procure the insurance required by this Lease, CITY may, but is not obligated to, obtain such insurance, with the cost of the premiums being due to CITY upon demand as additional Rent.

**Section 2.06 Penalty and Interest.**

(1) If any Rent is not received within ten (10) days following the date on which the Rent first became due, TENANT shall pay a late penalty of ten percent (10%) of the amount of the Rent in addition to the Rent.

(2) In addition to the penalty, TENANT shall pay interest at the rate of one percent (1%) per month or fraction thereof or the maximum amount permitted by law as of the date this

Lease is signed, whichever is greater (the "Default Rate"), on the amount of the Rent, exclusive of the penalty, from the date on which Rent first became delinquent until paid. The term "Rent" includes any sums advanced by the CITY and any unpaid amounts due from TENANT to the CITY.

### **Article 3 USE OF PREMISES**

#### **Section 3.01 Permitted Uses.**

The Premises shall, during the term of this Lease, be used for the purpose of operating and conducting thereon and therein the uses permitted by the City, and in compliance with, Conditional Use Permit Number \_\_\_\_\_, as it may be amended from time to time, and for no other purpose. At the commencement date of the lease, such uses include vessel slips, pier, and managing a marina.

#### **Section 3.02 Unauthorized Use.**

TENANT agrees to allow only those uses authorized in Section 3.01 hereinabove and that any unauthorized use thereof shall constitute a breach of this Lease and shall, at the option of CITY, terminate this Lease.

#### **Section 3.03 Operation of Business - Hours of Operation.**

Failure to actively and diligently conduct the business authorized herein constitutes a breach of the agreement and shall, at the option of CITY, terminate this lease.

(1) TENANT shall during the term of this Lease conduct business of the nature specified in Section 3.01 of this Lease on the Premises in an efficient and diligent manner and keep the Premises open for the conduct of business continuously and without interruption for at least six hours each day of the year except one day each week and legal holidays. This provision shall not apply if the Premises shall be closed and the business of TENANT is temporarily shut down for a period not to exceed fourteen (14) calendar days in any calendar year to make necessary repairs, maintenance or other construction deemed necessary by TENANT. This provision shall not apply if the Premises shall be closed and the business of TENANT is temporarily shut down as authorized or required by the CITY Manager or on account of strikes, walkouts, or causes beyond the control of TENANT or for not more than three (3) days out of respect to the memory of an officer, employee, or close relative of any officer or employee of TENANT.

(2) TENANT shall operate TENANT'S business on the Premises with due diligence and efficiency and in like manner as comparable businesses operated in the CITY or the coastal area of San Luis Obispo County, so as to produce the maximum amount of Gross Sales and gross receipts from services which may be produced from TENANT'S business; and TENANT at all times shall carry on Premises, a stock or merchandise of such size, character, and quality as is reasonable, designed to produce the maximum return to TENANT, when the sale of merchandise is a permitted use under this Lease.

**Section 3.04 Competition.**

During the term of this Lease, TENANT shall not directly nor indirectly acquire or establish any similar or competing business within a radius of five (5) miles from the location of the Premises, provided, however, that TENANT may, with prior written approval from CITY, own or operate more than one business, whether or not competing and similar along the Embarcadero upon CITY lease sites. The purpose of this section is to prevent and prohibit TENANT from reducing revenue to CITY by diverting business from the operation at the Premises to another similar business owned by TENANT within the CITY but not upon a CITY lease site from which CITY is paid rent based on Gross Sales.

**Section 3.05 Hazardous Materials.**

(1) TENANT shall not transport, use, store, maintain, generate, dispose, release, treat or discharge any "Hazardous Material" (as defined below) upon or about the Premises (such activities being hereafter referred to as "Hazardous Materials Activities"), nor permit TENANT'S employees, agents, or contractors to engage in Hazardous Materials Activities upon or about the Premises, except as allowed by applicable law. The term "Hazardous Material" for purposes hereof shall mean any chemical, substance, material or waste or component thereof which is now or hereafter listed, defined or regulated as a hazardous or toxic chemical, substance, material or waste or component thereof by any federal, state or local governing or regulatory body having jurisdiction, or which would trigger any employee or community "right-to-know" requirements adopted by any such body. All Hazardous Materials Activities at the Premises shall be conducted strictly in accordance with all applicable laws and regulations. If TENANT shall transport any hazardous waste from the Premises, such transportation shall be done only by a contractor duly licensed to haul hazardous waste and shall use only a duly licensed disposal site approved by TENANT'S liability insurer.

(2) TENANT shall promptly notify CITY of: (i) any enforcement, cleanup or other regulatory action taken or threatened by any governmental or regulatory authority with respect to

the presence of any Hazardous Material on the Premises or the migration thereof from or to other property, (ii) any demands or claims made or threatened by any party against TENANT or the Premises relating to any loss or injury resulting from any Hazardous Material on or from the Premises, and (iii) any matters where TENANT is required by applicable law to give a notice to any governmental or regulatory authority respecting any Hazardous Material on the Premises. CITY shall have the right (but not the obligation) to inspect the Premises, to take such remedial action on the Premises, as CITY may deem appropriate, and to join and participate, as a party, in any legal proceedings or actions affecting the Premises initiated in connection with any environmental, health or safety law.

(3) If any Hazardous Material is released, discharged or disposed of by TENANT or its employees, agents or contractors, on or about the Premises in violation of the foregoing provisions, TENANT shall immediately notify CITY. CITY may elect either to take such remedial action as CITY deems appropriate, in which event TENANT shall reimburse CITY for all costs thereof within ten (10) days after demand, or direct TENANT to perform such remediation. If CITY directs TENANT to perform the remediation, TENANT shall immediately take such remedial action, as CITY shall direct. TENANT shall, properly and in compliance with applicable laws clean up and remove the Hazardous Material from the Premises and any other affected property at TENANT'S expense. If CITY directs TENANT to perform remediation hereunder and if TENANT shall fail to comply with the provisions of this Section within five (5) days after written notice by CITY, or such shorter time as may be required by applicable law or in order to minimize any hazard to persons or property, CITY may (but shall not be obligated to) arrange for such compliance directly or as TENANT'S agent through contractors or other parties selected by CITY at TENANT'S expense (without limiting CITY'S other remedies under this Lease or applicable law).

**Section 3.06 Tidelands Trust.**

TENANT shall use and occupy the Premises in strict compliance with the Tidelands Trust purposes under which the Premises or any portion thereof are held by CITY pursuant to the grants from the State of California as set forth in this Lease.

**Section 3.07 Compliance with Law.**

TENANT shall, at no cost to CITY, comply with all of the requirements of all local, municipal, county, state and federal authorities now in force, or which may hereafter be in force, pertaining to the Premises, and shall faithfully observe in the use of the Premises all local, municipal and county ordinances and state and federal statutes, rules, regulations and orders now

in force or which may hereafter be in force (collectively, "Legal Requirements") provided that TENANT shall not be required to comply with any Legal Requirement imposed by the CITY that would substantially deprive TENANT of a material benefit under this lease unless such Legal Requirement has been imposed or required by a county, state or federal authority. The judgment of any court of competent jurisdiction, or the admission of TENANT in any action or proceeding against TENANT, whether CITY be a party thereto or not, that TENANT has violated any such Legal Requirement in the use of the Premises shall be conclusive of that fact as between CITY and TENANT. TENANT'S acceptance of conditions and/or stipulations of this lease do not waive legal rights associated with TENANT'S ownership of upland fee owned land, including, but not limited to TENANT'S Littoral Rights.

**Section 3.08 Waste or Nuisance.**

TENANT shall not commit or permit the commission by others of any waste on the Premises; TENANT shall not maintain, commit, or permit the maintenance or commission of any nuisance as defined by law on the Premises; and TENANT shall not use or permit the use of the Premises for any unlawful purpose.

**Section 3.09 Use by CITY.**

(1) Subject to TENANT's rights hereunder to possession of the Premises, CITY may grant licenses to, or otherwise authorize, other persons and entities permitting uses of the Morro Bay Harbor. Since the water area is not exclusive, this provision allows continued public use of the public water area. This may include but is not limited to uses such vessel navigation, diving, water sampling and fishing.

(2) CITY also retains and reserves for itself, its successors and assigns, all oil, gas, petroleum and other mineral or hydrocarbon substances in and under the lands leased hereby together with right to prospect and extract all such substances.

## **Article 4 CONSTRUCTION, ALTERATION AND REPAIRS**

**Section 4.01 Construction Approval.**

(1) TENANT shall not make or permit any other person to make any alterations or structural additions or structural modifications to the Premises or to any structure thereon or facility appurtenant thereto if the cost thereof shall exceed ten thousand dollars (\$10,000), without the prior written consent of CITY. The consent to be obtained pursuant to this Section 4.01(1) shall be requested from the Harbor Director for CITY. If the Harbor Director

gives such consent to proceed, it is understood that such consent is given by CITY only in its capacity as the landlord under this Lease and not as the permit-issuing authority. TENANT remains obligated to obtain any needed building permits and comply with all applicable planning processes.

(2) Where required by the Morro Bay Municipal Code, California Coastal Act, Corps of Engineers or any other state or federal agency having authority over the proposed project, then all Conditional Use Permits, Concept Plans, Precise Plans, Coastal Development Plans, and any other required plans or permits shall be applied for and approved prior to any construction, alteration or repairs.

**Section 4.02 Construction Bond.**

(1) Prior to the commencement of any construction the cost of which is greater than the amount of one hundred thousand dollars (\$100,000), TENANT shall file with the Morro Bay CITY Clerk a final detailed Civil Engineer's, Registered Architect's or Licensed and Bonded General Contractor's estimate of the cost of construction and installation of improvements on the Premises. Said estimate must be submitted to the CITY Engineer for approval. TENANT shall file with the Morro Bay CITY Clerk a faithful performance bond, in a form and issued by a corporate surety company satisfactory to CITY, in an amount satisfactory to CITY but not in excess of one hundred percent (100%) of the final detailed cost estimate, securing the faithful performance of TENANT or its contractor in the completion of said construction.

(2) TENANT shall also file with the Morro Bay CITY Clerk a labor and materials bond, in a form and issued by a corporate surety company satisfactory to CITY, in an amount satisfactory to CITY but not in excess of one hundred percent (100%) of the final detailed cost estimate, securing the payment of all claims for the performance of labor or services on, or the furnishing of materials for, the performance of said construction.

(3) In lieu of the above referenced bonds, TENANT may post cash deposits or may make other mutually satisfactory arrangements to guarantee the completion of construction projects. In the event the contractor bonds the project, CITY may be named as additional indemnitee to comply with these requirements.

**Section 4.03 Mechanics' Liens.**

At all times during the term of this Lease, TENANT shall keep the Premises and all buildings, installations and other improvements now or hereafter located on the Premises free and clear of all liens and claims of liens for labor, services, materials, supplies, or equipment performed on or furnished to the Premises. TENANT further agrees to at all times, save CITY

free and harmless and indemnify CITY against all claims for labor or materials in connection with any improvement, repairs, or alterations on the Premises, and the cost of defending against such claims, including reasonable attorneys' fees. Should TENANT fail to pay and discharge or cause the Premises to be released from such liens or claim of liens within ten (10) days after the filing of such lien or levy, TENANT shall upon written notification be required to immediately deposit with CITY a bond conditioned for payment in full of all claims on which said lien or levy has been filed. Such bond shall be acknowledged by TENANT as principal and by a company or corporation, licensed by the Insurance Commissioner of the State of California to transact the business of a fidelity and surety insurance company as surety. The beneficiary of any security instrument which instrument is on record with CITY, shall have the right to file such a bond on behalf of TENANT. CITY shall have right to post and keep posted on the Premises notices of non-responsibility and any other notices that may be provided by law or which CITY may deem proper for the protection of CITY and Premises from such liens. TENANT shall give CITY notice at least twenty (20) days prior to commencement of any work on the Premises to afford CITY the opportunity to post such notices.

**Section 4.04 Ownership of Improvements.**

~~The parties agree that CITY has the option and right to require TENANT to remove all buildings, structures, installations, improvements of any kind or other property belonging to or placed upon the Premises by TENANT at the termination of this Lease, however occurring, providing CITY gives notice, in writing, no later than thirty (30) days prior to the termination of the Lease, of its decision to require that such improvements be removed. The parties agree that if the CITY exercises its option, then at the termination of this Lease, however occurring, TENANT shall have sixty (60) days thereafter to remove all buildings, structures, facilities, installations, improvements and other property belonging to TENANT from the Premises. If CITY exercises such option and TENANT fails to remove all such improvements and other property within sixty (60) days after the termination of this Lease, CITY shall have the right to have any or all such improvements and other property removed at the expense of TENANT. If CITY does not exercise its option to remove (or require the removal of) the improvements and other property, then title to such improvements and other property shall vest in CITY and TENANT shall not remove same.~~

The parties agree that at the termination of this lease, however occurring, TENANT shall have sixty (60) days thereafter to remove all structures, facilities, installations, improvements and other property belonging to TENANT from the leased premises, provided TENANT shall give City notice of its intent to remove all structures, facilities, installations, improvements and

other property belonging to Tenant at least 90 days prior to termination of this lease, however occurring.

The parties further agree that CITY also has the option and right to require TENANT to remove all structures, installations, improvements of any kind or other property belonging to or placed upon the leased premises by TENANT at the termination of this lease, however occurring, providing CITY gives notice, in writing, no later than thirty (60) days prior to the termination of the lease, or of its decision to require that such improvements be removed. If CITY exercises such option and TENANT fails to remove such installations or improvements within sixty (60) days after the termination of this lease, CITY shall have the right to have such installations or improvements removed at the expense of TENANT. If neither TENANT nor CITY exercise its option to remove or require the removal of as the case may be the improvements and installations, then title to such installations, structures and improvements shall vest in CITY and TENANT shall not remove same.

## **Article 5 LEASEHOLD MORTGAGES**

Tenant shall not mortgage, securitize or hypothecate the leasehold interest in whole or any part without the prior written approval of City as evidenced by a resolution of the City Council of the City of Morro Bay.

## **Article 6 REPAIRS, MAINTENANCE AND RESTORATION**

### **Section 6.01 Maintenance by TENANT.**

At all times during the term of this Lease, TENANT shall, at TENANT'S own cost and expense, keep and maintain all improvements now or hereafter on the Premises in good order and repair and in a safe and clean condition. Furthermore, TENANT shall, at TENANT'S own cost and expense, maintain at all times during the term of this Lease the whole of the Premises in a clean, sanitary, neat and orderly condition. CITY may, at the sole option of CITY, clean and clear the Premises, at TENANT'S cost and expense, in the event TENANT fails to clean and clear the Premises in accordance with this Section to the satisfaction of CITY after fifteen (15) days' written notice to TENANT from CITY of CITY'S intent to exercise this option.

### **Section 6.02 Seawalls and Revetment.**

At all times during the term of this Lease, TENANT shall at TENANT'S own cost and expense repair, maintain, replace and rebuild as necessary, the improvements, pilings, bulkheads,

seawalls, revetment, piers, posts and any structures or other improvements located in the water portion of the Premises. Further, TENANT shall at TENANT'S own cost and expense conduct maintenance surveys at reasonable intervals to locate and determine needed repairs.

**Section 6.03 Legal Requirements.**

At all times during the term of this Lease, TENANT, at no cost to CITY, shall:

(1) Make all alterations, additions, or repairs to the Premises or the improvements or facilities on the Premises required by any Legal Requirements (as defined in Section 3.07 above) now or hereafter made or issued;

(2) Observe and comply with all Legal Requirements now or hereafter made or issued respecting the Premises or the improvements or facilities located thereon;

(3) Obtain all required permits pursuant to the Morro Bay Municipal Code or State law prior to the initiation of any repair or maintenance activity; and

(4) Indemnify and hold CITY and the property of CITY, including the Premises, free and harmless from any and all liability, loss, damages, fines, penalties, claims and actions resulting from TENANT'S failure to comply with and perform the requirements of this section.

**Section 6.04 Failure to Repair.**

In the event failure to repair results in a hazardous or unsafe condition, CITY shall have the right and option but not the obligation to close and prohibit access to the unsafe portion of the Premises until such repairs are completed and accomplished and the Premises rendered safe for public use. In addition, if TENANT fails to repair any hazardous or unsafe condition within ten (10) days of written notice thereof from CITY, CITY shall have the right, but not the obligation, to perform such repair at TENANT'S expense. TENANT shall reimburse CITY for any such repair undertaken by CITY, promptly upon CITY'S demand, as additional Rent. Failure by CITY to enforce any of the provisions of this Article shall not constitute a waiver of these provisions and CITY may at any time enforce all of the provisions of this Article, requiring all necessary repairs, rebuilding or replacement.

**Section 6.05 Inspection by CITY.**

CITY or CITY'S agents, representatives, or employees may enter the Premises at all reasonable times for the purpose of inspecting the Premises to determine whether TENANT is complying with the terms of this Lease and for the purpose of doing other lawful acts that may be necessary to protect CITY'S interest in the Premises under this Lease or to perform CITY'S duties under this Lease.

**Section 6.06 TENANT'S Duty to Restore Premises.**

(1) Except as provided in Section 6.07 below, if at any time during this Lease, any improvements now or hereafter on the Premises are destroyed in whole or in part by the elements, or any other cause not the fault of TENANT or CITY, this Lease shall continue in full force and effect and TENANT, at TENANT'S own cost and expense, shall repair and restore the damaged or destroyed improvement(s) according to the original plan thereof or according to such modified plans therefore as shall be approved in writing by CITY. The work of permitting, repair and restoration shall be commenced by TENANT within one hundred eighty (180) days after the damage or destruction occurs shall be pursued with due diligence, and shall be completed not later than one year after the work is commenced, unless the parties hereto mutually agree, in writing, to an extension. In all other respects, the work of repair and restoration shall be done in accordance with the requirements for construction work on the Premises set forth in Article 4 of this Lease. Any failure by TENANT either to commence or to complete repair and restoration as required by this Section 6.06 shall be a material default under this Lease.

(2) Any and all insurance proceeds that become payable at any time during the term of this Lease because of damage to or destruction of any improvements on the Premises shall be paid to TENANT and applied by TENANT toward the cost of repairing and restoring the damaged or destroyed improvements in the manner required by this Section 6.06, or, if this Lease is terminated, then applied as provided in Section 6.07. Except as set forth in Section 6.08 below, TENANT'S obligation to restore pursuant to this Section shall exist whether or not funds are available from insurance proceeds.

**Section 6.07 Termination of Lease for Destruction.**

(1) Notwithstanding the provisions of Section 6.06 of this Lease, TENANT shall have the option of terminating this Lease as provided in this Section 6.07 if:

(a) During the last fifteen (15) years of the term of this Lease, any improvements now or hereafter on the Premises are so damaged or destroyed by the elements or any cause not the fault of TENANT or CITY, that they cannot be repaired and restored as required by Section 6.06 of this Lease at a cost not exceeding thirty-five percent (35%) of the cost of replacing all improvements if they had been totally destroyed at the time of such damage;  
or

(b) During the last ten (10) years of the term of this Lease, any improvements now or hereafter on the Premises are so damaged or destroyed by the elements or any cause not

the fault of TENANT or CITY, that they cannot be repaired and restored as required by Section 6.06 of this Lease at a cost not exceeding fifteen percent (15%) of the cost of replacing all improvements if they had been totally destroyed at the time of such damage.

(2) TENANT may exercise its right to terminate pursuant to this Section 6.07 by providing written notice to CITY within one hundred eighty (180) days following damage or destruction as described herein. Such termination shall be effective on the last day of the calendar month following the month in which TENANT provides its notice.

(3) If TENANT fails to commence or complete repair and restoration as required by Section 6.06, CITY shall have all rights and remedies with respect to TENANT's default, including but not limited to termination of this Lease pursuant to Article 11.

(4) If this Lease is terminated as a result of damage or destruction, then any insurance proceeds received with respect to the improvements shall be applied or distributed in the following order:

(a) first, to the demolition of the improvements and removal of all demolition debris; then

(b) to any accrued and unpaid Rent as of the effective date of the termination; then

(c) to each Lender under a Leasehold Encumbrance, in order of lien priority, an amount not to exceed the amount due under such Leasehold Encumbrance; then

(d) to CITY, an amount equal to the present value, as of the date of termination, of the total Minimum Rent for the remainder of the Term; then

(e) the remaining proceeds, if any, to TENANT.

**Section 6.08 Destruction Due to Risk Not Covered by Insurance.**

Notwithstanding anything to the contrary in Section 6.06 of this Lease, TENANT shall have the right to terminate this Lease at any time if the improvements on the Premises are damaged or destroyed by a casualty for which TENANT is not required under this Lease to carry insurance and the cost to repair or restore such improvements exceeds fifty percent (50%) of the fair market value of all the improvements on the Premises immediately prior to the damage or destruction.

## Article 7 INDEMNITY AND INSURANCE

### Section 7.01 Indemnity Agreement.

(1) TENANT shall indemnify and hold CITY, and the property of CITY (including the Premises and any improvements now or hereafter on the Premises), and the CITY'S officers, officials, employees and volunteers harmless from any and all liability, claims, loss, damages, and expenses, including attorney fees and litigation expenses, resulting from TENANT'S occupation and use of the Premises or any negligent act or omission of the TENANT or any of its subtenants, employees, contractors or anyone for whom TENANT may be liable, specifically including, without limitation, any liability, claim, loss, damage, or expense arising by reason of:

(a) The death or injury of any person, including TENANT or any person who is an employee or agent of TENANT, or by reason of the damage to or destruction of any property, including property owned by TENANT or by any person who is an employee or agent of TENANT, from any cause whatever while such person or property is in or on the Premises or in any way connected with the Premises or with any of the improvements or personal property on the Premises;

(b) The death or injury of any person, including TENANT or any person who is an employee or agent of TENANT, or by reason of the damage to or destruction of any property, including property owned by TENANT or any person who is an employee or agent of TENANT, caused or allegedly caused by either: (i) the condition of the Premises or any improvement placed on the Premises by TENANT, or (ii) any act or omission on the Premises by TENANT or any person in, on, or about the Premises with or without the permission and consent of TENANT;

(c) Any work performed on the Premises or materials furnished to the Premises at the instance or request of TENANT or any person or entity acting for or on behalf of TENANT;

(d) TENANT'S failure to perform any provision of this Lease or to comply with any Legal Requirement imposed on TENANT or the Premises.

(2) TENANT'S obligations pursuant to this Section to indemnify and hold harmless do not extend to any liability, claim, loss, damage or expense arising from CITY'S active negligence or willful misconduct.

**Section 7.02 Liability Insurance.**

During the term of this Lease, TENANT shall maintain at its cost Commercial General Liability insurance with coverages at least as broad as ISO Forms labeled "City of Morro Bay Insurance requirements for Lessees", Certificate of Insurance – City of Morro Bay", and "Additional Insureds – Managers or Lessors of Premises" attached hereto as Exhibit B and made a part hereof as may be updated or changed from time to time at the sole discretion of the CITY, insuring against claims for bodily injury (including death), property damage, contractual liability, personal injury and advertising injury occurring on the Premises or from operations located in any part of the Premises. Such insurance shall afford protection in amounts no less than One Million Dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage, provided that if insurance with a general aggregate limit is used, either the general aggregate limit shall apply separately to the Premises or the general aggregate limit shall be twice the occurrence limit stated in this Section. All liability insurance carried by TENANT hereunder shall name CITY, its officers, officials, employees and volunteers as additional insureds, and shall be primary insurance with respect to such additional insureds. TENANT shall include all its subtenants as insureds under TENANT's liability policies or shall furnish separate certificates and endorsements for each subtenant. All coverages for subtenants shall comply with all requirements of this Article Seven.

**Section 7.03 Worker's Compensation.**

TENANT shall maintain at TENANT'S own expense and keep in full force and effect during the term of this Lease, Worker's Compensation Insurance as provided by law. Said insurance shall contain a waiver of subrogation rights against CITY. TENANT shall also maintain employer's liability insurance with minimum coverage of \$1,000,000 per accident for bodily injury or disease.

**Section 7.04 Property Insurance.**

TENANT shall, at its cost, at all times during the term of this Lease keep all improvements and other structures on the Premises, as well as any and all additions, improvements and betterments thereto, insured for one hundred percent (100%) of their full replacement cost with no co-insurance provision against loss or destruction by the perils covered by "all risk" (excluding earthquake) property damage insurance policies. Any loss payable under such insurance shall be payable to TENANT, CITY, and any Lender under a Leasehold Encumbrance pursuant to Article 5 of this Lease, as their interests may appear, and such proceeds shall be used and applied in the manner required by Article 6 of this Lease.

**Section 7.05 Additional Coverage.**

TENANT shall also maintain, at its expense, the insurance described in this Section 7.05.

(1) If TENANT has (or is required by any Legal Requirement to have) a liquor license and is selling or distributing alcoholic beverages on the Premises, then TENANT shall maintain liquor liability coverage in appropriate amounts. TENANT shall require any subtenant who has (or is required by any Legal Requirement to have) a liquor license and who is selling or distributing alcoholic beverages on the Premises, to maintain such coverage.

(2) TENANT shall maintain "all risk" (excluding earthquake) property damage insurance covering TENANT's personal property located at the Premises, in amounts not less than the full replacement value of such personal property. CITY shall have no interest in the proceeds of such insurance.

(3) TENANT shall, at TENANT's own expense, obtain and maintain any additional insurance coverages that CITY may reasonably require. As illustration only and not as a limitation, in appropriate circumstances such additional insurance may include increased general liability limits, business interruption coverage, business automobile liability, boiler and machinery insurance and/or builder's risk insurance. However, TENANT shall not be required to maintain additional coverages that are in excess of those typically maintained by similarly situated tenants in the Morro Bay area.

**Section 7.06 General Requirements.**

Except as specifically provided to the contrary, all the insurance required pursuant to this Article Seven shall be subject to the requirements of this Section 7.06.

(1) Maintenance of proper insurance coverage is a material element of this Lease and failure to maintain or renew coverage or to provide evidence of coverage and/or renewal may be treated by the CITY as a material breach of contract. TENANT shall forward the CITY specifications and forms to TENANT'S insurance agent for compliance.

(2) CITY may at any time require TENANT to increase the minimum coverage limits for insurance required by this Lease, but every such increase shall be reasonable under the circumstances.

(3) All policies shall be issued by insurance companies authorized to issue such insurance in California, with an A.M. Best's rating of no less than A:VII.

(4) Any deductibles or self-insured retentions must be declared to and approved by CITY. At the option of CITY, either: the insurer shall reduce or eliminate such deductibles or

self-insured retentions as respects CITY, its officers, officials, employees and volunteers; or the TENANT shall provide a financial guarantee satisfactory to CITY guaranteeing payment of losses and related investigations, claim administration and defense expenses.

(5) Each insurance policy required by this Lease shall be endorsed to state that coverage shall not be cancelled or reduced, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to CITY.

(6) TENANT shall furnish CITY with certificates and amendatory endorsements effecting the coverage required by this Lease. The endorsements shall be on forms provided by CITY or on other than CITY's forms, provided those endorsements or policies conform to the requirements. All certificates and endorsements are to be received and approved by CITY before use of the Premises, and promptly following any renewal or replacement. CITY reserves the right at any time to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications.

(7) TENANT's insurance coverage shall be primary insurance as respects CITY, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by CITY, its officers, officials, employees, or volunteers shall be excess of TENANT's insurance and shall not contribute with it.

**Section 7.07 No Subrogation.**

TENANT agrees that in the event of loss due to any of the perils for which it has agreed to provide insurance, TENANT shall look solely to its insurance for recovery. TENANT hereby grants to the CITY, on behalf of any insurer providing insurance to either TENANT or CITY with respect to TENANT'S occupancy of the Premises, a waiver of any rights to subrogation which any such insurer of said TENANT may acquire against the CITY by virtue of the payment of any loss under such insurance. Each insurance policy required under this Lease including those insuring TENANT against claims, expense, or liability for injury to persons or property shall provide that the insurer shall not acquire by subrogation any right to recovery which TENANT has expressly waived in writing prior to the occurrence of the loss.

**Section 7.08 TENANT'S Waiver.**

TENANT hereby waives any right of recovery against CITY for each claim, expense, liability, or business interruption, or other loss, except where caused by CITY'S active negligence or willful misconduct. TENANT agrees that to the extent that TENANT fails to acquire insurance, TENANT shall not have any claim against CITY for any loss that results from a risk or peril that would have been included in such insurance.

**Section 7.09 Insurance Not a Limit.**

The insurance requirements of this Article Seven are independent of, and do not limit or modify, TENANT'S indemnification and other obligations pursuant to this Lease.

## **Article 8 TAXES AND FEES**

**Section 8.01 TENANT to Pay Taxes.**

TENANT shall pay, before delinquency, all taxes and assessments levied upon or assessed to TENANT on the Premises by reason of this Lease or of any equipment, appliances, improvement, or other development of any nature whatsoever, erected, installed, or maintained by TENANT or by reason of the business or other activity of TENANT upon or in connection with the Premises. TENANT shall pay all possessory interest taxes applicable to the Premises.

**Section 8.02 TENANT to Pay License and Permit Fees.**

TENANT shall pay any fees imposed by law for licenses or permits for any business or activities including construction by TENANT upon the Premises.

**Section 8.03 Utilities.**

TENANT shall pay, or cause to be paid, and hold CITY and the property of CITY, including the Premises, free and harmless from all charges for the furnishing of gas, water, electricity, telephone service, and for other public utilities to the Premises during the term of this Lease and for the removal of garbage and rubbish from the Premises during the term of this Lease.

## **Article 9 CONDEMNATION**

**Section 9.01 Total Condemnation.**

If title and possession to all of the Premises is permanently taken for any public or quasi-public use under any statute, or by the right of eminent domain, then this Lease shall terminate on the date that possession of the Premises is taken, and both CITY and TENANT shall thereafter be released from all obligations, including Rent, all of which shall be prorated to the date of termination, except those specified in Section 9.02 of this Lease.

**Section 9.02 Condemnation Award.**

Any compensation or damages awarded or payable because of the permanent taking of all or any portion of the Premises by eminent domain shall be allocated between CITY and TENANT as follows:

(1) All compensation or damages awarded or payable for the taking by eminent domain of any land that is part of the Premises shall be paid to and be the sole property of CITY free and clear of any claim of TENANT or any person claiming rights to the Premises through or under TENANT.

(2) All compensation or damages awarded or payable which is specifically attributed by the taking party to the "good will" of TENANT'S business shall be paid to and be the sole property of TENANT.

(3) All compensation or damages awarded or payable because of any improvements constructed or located on the portion of the Premises taken by eminent domain where only a portion of the Premises is taken by eminent domain, and TENANT is not entitled to or does not terminate this Lease, shall be applied in the manner specified in Section 9.04 toward the replacement of such improvements with equivalent new improvements on the remaining portions of the Premises.

(4) All compensation or damages awarded or payable because of any improvements constructed or located on the portion of the Premises taken by eminent domain where this Lease is terminated because of the taking by eminent domain, whether all or only a portion of the Premises is taken by eminent domain, shall be allocated between CITY and TENANT as follows:

(a) That percentage of the compensation or damages awarded or payable because of the improvements that equals the percentage of the full term of this Lease that has, at the time of the taking, not expired shall belong to and be the sole property of TENANT.

(b) That percentage of the compensation or damages awarded or payable because of the improvements that equals the percentage of the full term of this Lease that has, at the time of the taking, expired shall belong to and be the sole property of CITY.

(c) The term "time of taking" as used in this Section shall mean 12:01 a.m. of the date that the agency or entity exercising the eminent domain power, takes, title, or the date that it takes physical possession of the portion of the Premises, whichever shall first occur.

(5) Any severance damages awarded or payable because only a portion of the Premises is taken by eminent domain shall be the sole and separate property of CITY.

**Section 9.03 Termination for Partial Taking.**

Should, during the term of this Lease, title and possession of only a portion of the Premises be taken for any public or quasi-public use under any statute, or by right of eminent domain, TENANT may, at TENANT'S option, terminate this Lease by serving written notice of termination on CITY within ninety (90) days after TENANT has been deprived of actual physical possession of the portion of the Premises taken for such public use. This Lease shall terminate on the first day of the calendar month following the calendar month in which the notice of termination described in this section is served on CITY. On termination of this Lease pursuant to this Article, all subleases and subtenancies in or on the Premises or any portion of the Premises created by TENANT under this Lease shall also terminate and the Premises shall be delivered to CITY free and clear of all such subleases and subtenancies, provided, however, that CITY may, at CITY'S option, by mailing written notice to a subtenant allow any subtenant to attorn to CITY and continue such subtenant's occupancy on the Premises as a TENANT of CITY. On termination of this Lease pursuant to this section, however, both CITY and TENANT shall be released from all obligations under this Lease, except those specified in Section 9.02 of this Lease.

**Section 9.04 Rent Abatement for Partial Taking.**

Should, during the term of this Lease, title and possession of only a portion of the Premises be taken under the power of eminent domain by any public or quasi-public agency or entity and TENANT does not terminate this Lease, then this Lease shall terminate as to the portion of the Premises taken under eminent domain on the date actual physical possession of the portion taken by eminent domain is taken by the agency or entity exercising the eminent domain power. Furthermore, the Rent payable under this Lease shall, as of that time be reduced in the same proportion of the Premises taken by eminent domain bears to the full value of the Premises at that time; provided however, that TENANT shall make a good faith effort to replace any improvements or facilities with equivalent new facilities on the remaining portion of the Premises and do all other acts at TENANT'S own cost and expense required by the eminent domain taking to make the remaining portion of the Premises fit for the use specified in this Lease.

**Section 9.05 Conveyance in Lieu of Eminent Domain.**

A voluntary conveyance by CITY, with the consent of TENANT, of title to all or a portion of the Premises to a public or quasi-public agency or entity in lieu of and under threat by such agency or entity to take the same by eminent domain proceedings shall be considered a taking of title to all or such portion of the Premises under the power of eminent domain subject to the provisions of this Article.

**Section 9.06 Temporary Taking.**

If the possession of the Premises or any portion thereof should be taken under the power of eminent domain by any public or quasi-public agency or entity for a limited period not extending beyond the term of this Lease, then this Lease shall not terminate (except as provided in this Section 9.06) and TENANT shall continue to perform all its obligations hereunder, except only to the extent that TENANT is prevented from performing such obligations by reason of such taking. TENANT shall be entitled to receive the entire amount of compensation or damages awarded because of such temporary taking. If a temporary taking extends for more than thirty-six (36) months, then TENANT shall have the right to terminate this Lease, and TENANT shall be entitled to receive, out of the compensation or damages awarded because of such temporary taking, the amount that is attributable to the period of time up until the effective date of TENANT'S termination of this Lease.

**Article 10 ASSIGNMENT AND SUBLEASING**

**Section 10.01 No Assignment Without CITY'S Consent.**

Except as provided in this Article 10, TENANT shall not assign or otherwise transfer this Lease, any right or interest in this Lease, or any right or interest in the Premises or any of the improvements that may now or hereafter be constructed or installed on the Premises without the express written consent of CITY evidenced by resolution first had and obtained. Any assignment or transfer by TENANT without the prior written consent of CITY, whether it be voluntary or involuntary, by operation of law or otherwise, is void and shall, at the option of CITY, terminate this Lease. A consent by CITY to one assignment shall not be deemed to be a consent to any subsequent assignment of this Lease by TENANT. CITY shall not unreasonably nor arbitrarily withhold its approval to the assignment or transfer of this Lease to an assignee who is financially reliable and qualified to conduct the business for which this Lease was granted. It is mutually agreed that the TENANT'S qualifications are a part of the consideration

for granting of this Lease and said party does hereby agree to maintain active control and supervision of the operation conducted on the Premises.

**Section 10.02 Change of Ownership as Assignment.**

For purposes of this Article 10, the following transactions will be deemed to be assignments or transfers:

(1) If TENANT is a partnership or limited liability company:

(a) A change in ownership effected voluntarily, involuntarily, or by operation of law, within a twelve-month (12-month) period, of twenty-five percent (25%) or more of the partners or members or twenty-five percent (25%) or more of the partnership or membership interests; or

(b) The dissolution of the partnership or limited liability company without its immediate reconstitution.

(2) If TENANT is a closely held corporation (i.e., one whose stock is not publicly held and not traded through an exchange or over the counter):

(a) The sale or other transfer, within a twelve-month (12-month) period, of more than an aggregate of twenty-five percent (25%) of the voting shares of TENANT (other than to immediate family members by reason of gift or death); or

(b) The dissolution, merger, consolidation, or other reorganization of TENANT.

**Section 10.03 Application for Assignment.**

A condition of an assignment shall be that TENANT shall file with the CITY an application to assign the leasehold prepared by the prospective assignee. Concurrently with filing the application, TENANT shall pay a reasonable fee associated with the cost of processing said application, in cash or certified or cashier's check to enable CITY adequately to investigate the proposed assignee's qualifications as a permitted assignee. CITY shall not be required to account for the use of the sum paid. If the proposed assignee's net worth on the date of assignment is not sufficient to reasonably guarantee successful operation of the Premises in compliance with all applicable CITY, County, State and federal requirements, CITY may withhold approval of the assignment or condition it upon TENANT'S guarantee of such assignee's obligations hereunder for such period as CITY deems advisable. Net worth shall mean the amount by which the total of all assets shall exceed the total of all liabilities as

determined in accordance with general accepted accounting principles as approved by CITY'S auditor, or other authorized representative or agent.

**Section 10.04 Probate Transfer of Assignment.**

If TENANT is an individual, nothing herein contained will prevent the transfer of this Lease by will, or by operation of law under the intestacy provisions of the California Probate Code as it may be amended from time to time. Probate sale of the leasehold interest will not be permitted without the consent of the CITY, evidenced by resolution, first had and obtained.

**Section 10.05 No Sublease Without CITY'S Consent.**

TENANT shall not sublease the whole nor any part of the Premises, or license, permit, or otherwise allow any other person (the employees of TENANT excepted) to occupy or use the Premises, or any portion thereof, without the prior written consent of CITY'S Harbor director, or any future successor to the duties of the City's Harbor Director. A consent to one subletting, occupation, licensing or use shall not be deemed to be a consent to any subsequent subletting, occupation, licensing or use by another person. Any sublease or license without CITY'S written consent shall be void, and shall at CITY'S option, terminate this Lease. CITY shall not unreasonably nor arbitrarily withhold its consent to sublet to one who is qualified and financially reliable. CITY'S consent to any occupation, use, or licensing shall be in CITY'S sole and absolute discretion. Notwithstanding any provisions herein to the contrary, the terms "assignment," "subletting," "occupation," or "use," shall not be construed or interpreted to mean or include the temporary, short term renting or leasing of boat slips, motel, hotel, or apartment accommodations on the premises.

**Section 10.06 Subtenant Subject to Lease Terms.**

Any and all subleases shall be expressly made subject to all the terms, covenants, and conditions of this Lease. In no event shall the term of any sublease extend beyond the term of this Lease. Subject to Section 10.09, termination of this Lease prior to the expiration of this Lease term shall also terminate any and all subleases. A breach of the terms of this Lease by a subtenant shall constitute a breach on the part of TENANT and shall subject both the subtenant and TENANT to all the remedies provided to CITY herein and by law. Failure by any subtenant to report Gross Sales or to pay Percentage Rent due from subtenant shall constitute a breach of this lease. TENANT hereby agrees to and does guarantee payment of such Percentage Rent due by a subtenant under the terms of this lease.

**Section 10.07 Consent Form Agreement.**

Prior to any consent by CITY to any sublease hereof, TENANT shall cause to be executed between TENANT and any subtenant an agreement making the CITY a third party beneficiary, in a form acceptable to CITY, whereby the subtenant agrees to be bound by all of the terms, covenants and conditions of this Lease. Further, it is agreed by TENANT that any default by the subtenant of any of the terms, covenants and conditions of this Lease shall be deemed to be violations by TENANT of this Lease and that all remedies of CITY for such violation, including termination of this Lease, shall immediately be enforceable by CITY against TENANT. TENANT shall apply any and all monies received from any subtenant first to the payment of obligations of the subtenant to CITY.

**Section 10.08 TENANT and Guarantor Remain Liable.**

Prior to approval by CITY to any sublease hereof, TENANT shall agree to be primarily and jointly and severally liable to CITY for all obligations due CITY by any subtenant, including the payment of rents, and TENANT shall agree that CITY may proceed directly against TENANT for any obligation owing CITY by the subtenant. If this Lease is guaranteed, neither the sublease nor CITY'S approval thereof shall release the guarantor from its obligations pursuant to the guaranty.

**Section 10.09 Nondisturbance.**

On the terms set forth below, CITY may enter into agreements with subtenants providing that in the event of any termination of this Lease prior to the expiration date, CITY will not terminate or otherwise disturb the rights of the subtenant under such sublease, but will instead honor such sublease as if such agreement had been entered into directly between Landlord and such subtenant, conditioned upon such subtenant's agreement to attorn to Landlord and full performance of all obligations under the sublease in question ("Non-Disturbance Agreement"). CITY agrees to execute a Non-Disturbance Agreement in connection with a particular sublease provided that Tenant provides CITY with a copy of the sublease, and the Non-Disturbance Agreement is customary in form and substance and otherwise reasonably acceptable to CITY.

## **Article 11 DEFAULT AND TERMINATION**

**Section 11.01 Abandonment by TENANT.**

Should TENANT breach this Lease and abandon all or any part of the Premises prior to the scheduled expiration of the term of this Lease, CITY may continue this Lease in effect by not

terminating TENANT'S right to possession of the Premises, in which event CITY shall be entitled to enforce all CITY'S rights and remedies under this Lease including the right to recover the Rent specified in this Lease as it becomes due under this Lease.

**Section 11.02 Termination for Breach by TENANT.**

All covenants and agreements contained in this Lease are declared to be conditions to this Lease and to the term hereby demised to TENANT. Should TENANT fail to perform any covenant, condition, or agreement contained in this Lease, except for payment of any Rent or other monetary amount due, and such failure is not cured within thirty (30) days after written notice thereof is served on TENANT, then CITY may terminate this Lease immediately, and in the event of such termination, TENANT shall have no further rights hereunder and TENANT shall thereupon forthwith remove from the Premises and shall have no further right or claim thereto and CITY shall immediately thereupon have the right to re-enter and take possession of the Premises, subject only to appropriate legal process.

**Section 11.03 Termination for Failure to Pay Rent.**

If any payment of Rent is not made as herein provided and such failure to pay is not cured within three (3) days after written notice thereof is served on the TENANT, CITY shall have the option to immediately terminate this Lease; and in the event of such termination, TENANT shall have no further right or claim thereto and CITY shall immediately thereupon have the right to re-enter and take possession of the Premises, subject only to appropriate legal process.

**Section 11.04 Lender May Cure Default.**

CITY shall afford the Lender under any Leasehold Encumbrance of record with CITY the right to cure any default by TENANT of the covenants, conditions, or agreements hereof, as provided in Article 5 of this Lease.

**Section 11.05 Attorneys' Fees.**

In the event the CITY finds it necessary to retain an attorney in connection with the default by the TENANT or enforcement of any of the terms, conditions, and covenants of this Lease, even though litigation is not instituted, TENANT shall pay to CITY its reasonable attorneys' fees. Non-payment of attorneys' fees by TENANT within three (3) days after written notice is served on TENANT shall give rise to an independent legal action by CITY to collect same. If CITY is successful in such legal action, CITY shall also be entitled to attorney

fees and costs for the collection action. To the extent that CITY is represented by the City Attorney, a reasonable sum for such attorneys' services will be included as attorneys' fees.

**Section 11.06 Damages for Breach.**

Should TENANT default in the performance of any covenant, condition or agreement contained in this Lease and the default be incurable or not be cured within the time period set forth hereinabove, then CITY may terminate this Lease and:

- (1) Bring an action to recover from TENANT:
  - (a) The worth at the time of award of the unpaid rent which had been earned at the time of termination of the Lease;
  - (b) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination of the Lease until the time of award exceeds the amount of rental loss that TENANT proves could have been reasonably avoided;
  - (c) The worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of rental loss that TENANT proves could be reasonably avoided; and
  - (d) Any other amount necessary to compensate CITY for all detriment proximately caused by TENANT'S failure to perform its obligations under this Lease; and
- (2) Bring an action, in addition to or in lieu of the action described in subparagraph (1) of this Section, to re-enter and regain possession of the Premises in the manner provided by the laws of unlawful detainer of the State of California then in effect.

**Section 11.07 Cumulative Remedies.**

The remedies available to CITY in this Article shall not be exclusive but shall be cumulative with and in addition to all remedies now or hereafter allowed by law or elsewhere provided in this Lease.

**Section 11.08 Waiver of Breach.**

The waiver by CITY of any breach by TENANT of any of the provisions of this Lease shall not constitute a continuing waiver or a waiver of any subsequent breach by TENANT either of the same or a different provision of this Lease.

**Section 11.09 Surrender of Premises.**

On expiration or sooner termination of this Lease, TENANT shall surrender the Premises, and, subject to Section 4.04, all improvements in or on the Premises, and all facilities in any way appertaining to the Premises, to CITY in good, safe, and clean condition, reasonable wear and tear excepted.

**Article 12 MISCELLANEOUS**

**Section 12.01 Attorneys' Fees.**

Should any litigation be commenced between the parties to this Lease concerning the Premises, this Lease, or the rights and duties of either in relation thereto, the party, CITY or TENANT, prevailing in such litigation shall be entitled, in addition to such other relief as may be granted in the litigation, to a reasonable sum as and for its attorneys' fees in such litigation, which shall be determined by the court in such litigation or in a separate action brought for that purpose. The "prevailing" party shall mean the party who obtains substantially the relief sought by that party. To the extent that CITY is represented by the CITY Attorney, a reasonable sum for such attorneys' services will be included as attorneys' fees.

**Section 12.02 Notices.**

Any and all notice or demands by or from CITY to TENANT, or TENANT to CITY, shall be in writing. They shall be served either personally, or by registered or certified mail. Any notice or demand to CITY may be given to:

Harbor Director  
1275 Embarcadero  
Morro Bay, California 93442

with a copy to:

City Manager of the City of Morro Bay  
City Hall  
595 Harbor Street  
Morro Bay, CA 93442

Any notice or demand to TENANT may be given at:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Such addresses may be changed by written notice by either party to the other party.

**Section 12.03 Governing Law and Jurisdiction.**

This Lease, and all matters relating to this Lease, shall be governed by the laws of the State of California in force at the time any need for interpretation of this Lease or any decision concerning this Lease arises. CITY and TENANT consent to exclusive personal and subject matter jurisdiction in the Superior Court of the State of California in and for the county where the Premises are located, and each party waives any claim that such court is not a convenient forum. Each party hereby specifically waives the provisions of California Code of Civil Procedure Section 394, and any successor statute thereto.

**Section 12.04 Binding on Successors.**

Subject to the provisions herein relating to assignment and subletting each and all of the terms, conditions, and agreements herein contained shall be binding upon and inure to the benefit of the successors and assigns of any and all of the parties hereto; and all of the parties hereto shall be jointly and severally liable hereunder.

**Section 12.05 Partial Invalidity.**

Should any provision of this Lease be held by a court of competent jurisdiction to be either invalid, void, or unenforceable, the remaining provisions of this Lease shall remain in full force and effect unimpaired by the holding.

**Section 12.06 Sole and Only Agreement.**

This Lease, including all exhibits incorporated by reference, constitutes the sole and only agreement between CITY and TENANT respecting the Premises and the leasing of the Premises to TENANT. Any other agreements or representations respecting the Premises and their leasing to TENANT by CITY, which are not expressly set forth in this Lease, are null and void. The lease terms herein specified correctly set forth the obligations of CITY and TENANT as of the date of this Lease. No modification, amendment, or alteration of this Lease shall be valid unless it is in writing and signed by both parties.

**Section 12.07 Modification.**

This agreement shall not be modified except pursuant to a written agreement executed by the MAYOR and CITY CLERK pursuant to prior CITY Council approval. Notwithstanding

CITY Council approval, no agreement shall become effective until such agreement is in fact executed by the MAYOR and CITY CLERK. TENANT understands that this agreement may not be modified by oral statements by any person representing the CITY including the MAYOR and CITY CLERK. TENANT specifically agrees not to rely on oral statements, purported oral waivers, or purported oral modifications and agrees not to rely upon purported written modifications unless they meet the requirements of this paragraph and are approved in writing pursuant to formal City Council action and a subsequent written modification signed by the MAYOR and CITY CLERK. If the title of any person authorized to act for CITY under this Lease shall be changed during the term of this Lease, then the person who succeeds to substantially the same responsibilities with respect to the CITY shall have the authority to act for CITY under this Lease.

**Section 12.08 Time of Essence.**

Time is expressly declared to be the essence of this Lease.

**Section 12.09 Memorandum of Lease for Recording.**

CITY and TENANT shall, at the request of either at any time during the term of this Lease, execute a memorandum or "short form" of this Lease, which shall describe the parties, set forth a description of the leased premises, specify the term of this Lease, and incorporate this Lease by reference.

**Article 13 SPECIAL PROVISIONS PECULIAR TO THIS LEASE SITE**

The following provisions apply to this Lease site only:

**Section 13.01 Resolution of Lease Site Boundary**

A. CITY and TENANT disagree over the location of the boundary line between TENANT's adjacent upland property and the Premises and further disagree whether any or all of TENANT's buildings and/or improvements encroach into, on or across the Premises. CITY and TENANT desire to resolve any such encroachments and boundary line issues to the satisfaction and mutual benefit of both parties. Therefore CITY and TENANT agree to cooperate with each other and use their best efforts to resolve the boundary line issue.

B. Contingent upon approval of the State Lands Commission and any other state or federal approvals required, CITY and TENANT agree that the boundary line between Lease Site section 33W and adjacent upland property shall be adjusted southwestward to form a straight line

immediately southwest and adjacent to TENANT's two southwestern-most buildings (excluding TENANT's building which crosses Lot 20) adjacent to Lease Site section 33W for the full length of Lease Site section 33W, as depicted on Exhibit B. No adjustment to the boundary line between Lease Site section 32W and CITY-owned Lot 20 will be made, and no adjustment to the boundary line between Lease Site sections 30W or 31W and adjacent upland property will be made.

C. CITY and TENANT agree that for purposes of current property ownership, the boundary line between TENANT's upland property and the CITY's Lease Site shall be the "mid-point line" between the surveyed line as surveyed by Leonard Lenger in 2002 and the surveyed line as surveyed by Robert Reese in 2013.

D. TENANT shall pay CITY the full and most recently appraised value of Lease Site completed in May, 2012, unless or until Lease Site is reappraised per Section 2.03 of this Lease, for the total square footage of Lease Site 33W conveyed to TENANT by CITY in resolving the boundary line dispute.

E. Following final approval of the boundary line adjustment, an agreement shall be recorded setting forth the new boundary line, and granting any land required to accomplish the adjustment to TENANT. Furthermore, the grant shall contain restrictions that the setback for future buildings shall be based off the "mid-point line" (difference between Lenger Survey and Reese Survey), and not the new boundary line.

F. TENANT and CITY acknowledge and agree that said boundary line adjustment requires the full and complete approval of the California State Lands Commission, and further agree that if the California State Lands Commission does not approve said boundary line adjustment, or approves another method or resolution, neither party shall be bound to the terms of this Section and any resolution of the Lease Site boundary line shall be by mutual consent and action of CITY and TENANT by amendment to this Lease and subject to State Lands Commission approval as above.

However, unless and until the boundary line issue is resolved, CITY and TENANT further agree:

A. TENANT is the owner of the buildings and improvements in place that may encroach into, on or across the Premises or upland Lot 20 owned by City.

B. Except as otherwise specifically provided in Section 1.02, Option to Extend which requires removal of the building possibly encroaching across CITY's upland Lot 20 as a condition precedent to TENANT's exercise of the 20 year

option, TENANT's buildings and improvements may remain in place, and may be repaired, maintained and improved by TENANT but shall not be expanded beyond their existing footprints.

C. TENANT shall pay rent based on the previous leasehold appraised square footage of 41,450 square feet, plus any additional square footage to be added to Lease Site 33W to include the area for vessel docking on the west side of the existing pier, or subtracted square footage resulting in any Lease Site boundary adjustment from the boundary disagreement.

TENANT shall not be entitled to a refund of any rent paid if the boundary line dispute is resolved by reducing the Premises due to any southwestward movement of the boundary line between the Premises and the TENANT's upland property.

#### **Section 13.02 Construction of Waterside Improvements**

As a condition of this Lease, TENANT shall conduct major maintenance and upgrading/replacement of improvements to the Premises costing no less than One Hundred Fifty Thousand Dollars (\$150,000). The improvements shall consist of those outlined in Bay Front Marina Assessment and Scope of Work Report and Cost Estimate ("Report") as provided by Land/Sea Interface document dated November 26, 2013 and attached as Exhibit C to this Lease Agreement or otherwise listed below, in addition to installation of an under-wharf/pier automatic fire suppression system to the maximum extent feasible commensurate with the existing water service line to the current fire hydrant on the adjacent upland property. Failure to complete said improvements and to comply with all conditions of said Report as evidenced by final building permit inspections as required by the City of Morro Bay by the below prescribed timelines, in addition to providing proof of expenses as evidenced by copies of invoices by the prescribed timeline shall be a material default of this Lease Agreement and subject to any remedies outlined in Article 11 herein, including termination of the Lease.

#### **TENANT further agrees to:**

A. Commence obtaining of necessary permits and thence construction of elements in the "NOW" column of Report no later than July 1, 2014, and complete said elements no later than December 31, 2014, with exception of the pilings and decking in the head and L portions of the pier which shall be completed no later than June 30, 2015.

B Commence obtaining of necessary permits and thence construction of elements in the "1-2 yrs" column of Report no later than January 1, 2015, and complete construction of said elements no later than December 31, 2015.

C. Commence obtaining of necessary permits and thence construction of elements in the "Apprx. 3 yrs" column of Report no later than January 1, 2016, and complete construction of said elements no later than December 31, 2016.

D. Commence obtaining of necessary permits and thence construction of elements in the "Apprx. 5 yrs" column of Report no later than January 1, 2018, and complete construction of said elements no later than December 31, 2018.

E. Commence obtaining of necessary permits and thence construction of elements in the "Apprx. 10 yrs" column of Report no later than January 1, 2023, and complete construction of said elements no later than December 31, 2023.

F. Commence obtaining of necessary permits and thence construction of elements in the "Apprx. 15 yrs" column of Report no later than January 1, 2028, and complete construction of said elements no later than December 31, 2028.

G. Commence obtaining of necessary permits and thence construction of elements in the "Apprx. 20 yrs" column of Report no later than January 1, 2034, and complete construction of said elements no later than December 31, 2034.

H. Commence obtaining of necessary permits and thence construction of the under wharf/pier automatic fire suppression system no later than January 1, 2019, and complete construction of said system no later than December 31, 2019.

TENANT acknowledges that construction of TENANT'S proposed improvements of the Premises under said Assessment and Scope of Work Plan Report requires, but may not be limited to, obtaining a Conditional Use Permit from the City of Morro Bay, a Coastal Development Permit from the California Coastal Commission, and a City of Morro Bay Building Permit. It is the TENANT'S obligation to fully investigate the issues and costs in obtaining these permits. Failure to obtain any and all required permits and approvals for said construction shall not be a reason for failure to comply with this Section.

**During construction of improvements, TENANT shall take all measures to:**

- A. Avoid any pollution of the atmosphere or littering of land or water by or originating in or about the Premises or caused by TENANT'S construction activities;
- B. Keep the noise level on the Premises to a minimum to the greatest extent feasible;
- C. Prevent any pollutants, including but not limited to petroleum products, from entering Morro Bay waters;
- D. Avoid negative impacts on surrounding businesses and residences.

**Section 13.03 TENANT Shall Commit to Clean Marinas Program Certification**

TENANT shall commit to certification under the Clean Marinas Program (www.cleanmarina.org), or equivalent as determined by CITY , at TENANT's sole cost and expense within two (2) years of initiation of this Lease.

**Section 13.04 Future Construction of Harborwalk**

TENANT will allow CITY to build a public access Harborwalk along the eastern boundary of the LEASE site provided:

- A. Costs for all planning, permitting, and construction of said Harborwalk will be borne solely by CITY with no obligation of TENANT, including relocation/reconstruction of any Lease Site improvements required to accommodate said Harborwalk.
- B. Costs for all ongoing maintenance and repair of said Harborwalk will be borne solely by CITY, unless said maintenance or repair was caused by action of TENANT.
- C. As part of said Harborwalk's design and construction, reasonable accommodation, acceptable to TENANT, will be made to preclude public access from said Harborwalk to TENANT's adjacent private property, and to prevent public access from said Harborwalk to TENANT's Lease Site improvements (slips and pier).
- D. Once completed, said Harborwalk will not materially affect TENANT's Lease Site improvements or operation of Lease Site.

EXECUTED on January 28, 2014, at Morro Bay, San Luis Obispo County, California.

CITY OF MORRO BAY

~~{INSERT: NAME OF TENANT  
and type of business}  
doing business as \_\_\_\_\_~~

\_\_\_\_\_  
Jamie L. Irons, MAYOR

By: \_\_\_\_\_  
Bruce Foster

By: \_\_\_\_\_  
Dean Marchant

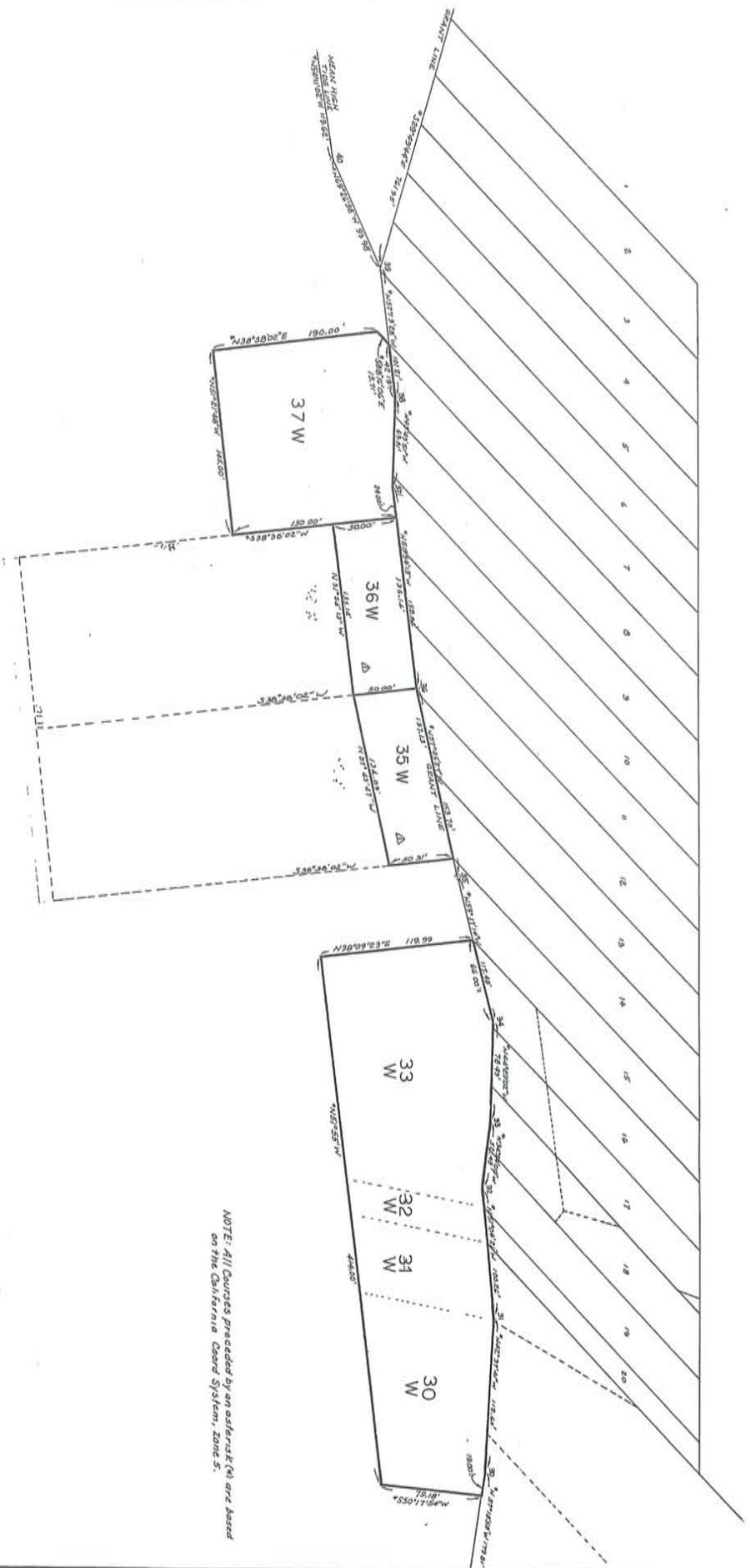
ATTEST:

\_\_\_\_\_  
Jamie Boucher, CITY CLERK

DRAFT

EXHIBIT A  
COPY OF PARCEL MAP

# Exhibit A



NOTE: All Distances preceded by an asterisk (\*) are based on the California Coast System, Zone 5.

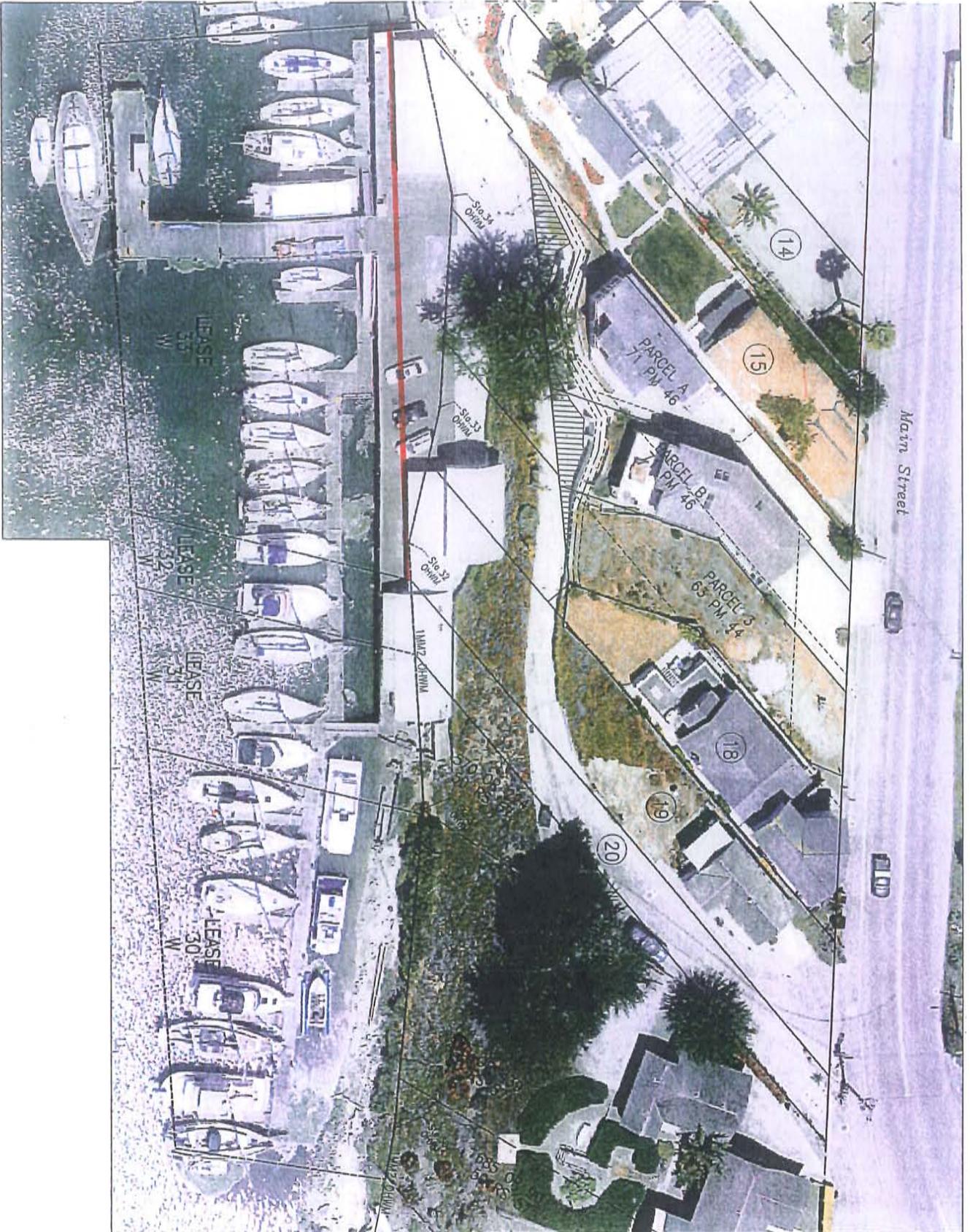
REVISIONS			
2	12/17/72	Issue Change, Note	City Engineer
1	12/15/72	Submit AS field plan	City Assessor
1	12/15/72	Issue	Arbitrator

LEASE SITES MAP  
CITY OF MORRO BAY, SAN LUIS OBISPO CO., CALIF.

GARIN, TAYLOR, & ASSOC., INC.  
Attyo Grande, California  
1964 '72

Scale 1" = 50'

# Exhibit B



Proposed Boundary Line Adjustment



## Exhibit C



C018794-357941  
Marine workshop  
201 Main St,  
Morro Bay, Calif. 93442  
1-805-772-8436  
home office 1-805 528-3944  
Fax, 1-805-772-8436  
E-mail, land.sea.interface.  
morrobay@gmail.com

ARCHITECTURE  
CONSTRUCTION  
MARINE DIVISION  
SEAWALLS, DOCKS  
WHARFS, MOORINGS  
ENVIROMENTAL STUDIES,  
MAINTENANCE, REPORTS

### Bay Front Marina Assessment and Scope of Work Report

November 26, 2013

This letter is intended to address the Bay Front Marina existing conditions and recommend repairs/maintenance that should be performed. The report is divided into sections to describe the construction of each component and the attached sheet outlines the service life and estimated costs for the repairs and/or replacement of specific items.

#### *Pier:*

The Existing pier is approximately 100 feet long by 16 feet wide with an L-section that is 64 feet long by 12 wide. The pier is generally constructed with Douglas Fir that includes 12" x 12" caps, 4" x 12" stringers, 4" x 12" decking and 6" x 6" toe rails and is supported by 43 pilings that are 12" wood treated piles.

There are approximately 43 - Douglas Fir creosoted treated piling supporting the old fuel pier. Originally the pilings were installed in the 1950's or 1960's by Union Oil Company. The Commercial Fisherman's Corporation replaced the pilings in approximately 1980 with old growth Douglas Fir creosoted treated pilings with a 20-30 # treatment. Service life expectancy at that time was approximately 40 years. Several of these pilings have been replaced over the years however; it appears that some pilings are in need of replacement. It is recommended that the additional repair and/or replacement should be performed as listed in the attached sheet.

While most of the existing pier has an expected life span of 10 to 20 years however the eastern portion, approximately 16 feet, of the pier requires the following maintenance in order to extend the service life to 20 years:

1. Replace a minimum of 3 piles with new steel or treated wood piles or install steel pipe sleeve over existing wood piles. Not all piles are in a condition that requires immediate replacement but, there are at least three piles that should be replaced within the first year and the remaining should be inspected and replaced as needed to insure structural integrity of the pier.



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morrobay@gmail.com

ARCHITECTURE  
CONSTRUCTION  
MARINE DIVISION  
SEAWALLS, DOCKS  
WHARFS, MOORINGS  
ENVIROMENTAL STUDIES,  
MAINTENANCE, REPORTS

2. Replace stringers with 4" x 12" wood/steel and decking material of 4' x 12' treated wood material.
3. Inspect caps and replace as necessary.
4. The "L" section of the pier has 4 pilings that should be replaced as soon as feasible after the necessary permitting is obtained.
5. The remaining components should be inspected and replaced as needed to insure structural integrity of the pier.

Additional repair should be performed as listed in the attached sheet.

#### ***Docks:***

The existing head float is approximately 6' by 360' feet and the finger docks are approximately 30 feet long by 4 wide. The docks are generally constructed with old growth select structural grade or No 1 Douglas Fir with a Fb of around 2400 p,s,i. (from table 25 A-1 U.B.C. 1991) that includes 2" x 4" decking and 6" x 6" side supports.

The exterior of these structural elements shows wear but upon test boring, the interior of the member appear in good shape. The treatment of this lumber is 20-30# p.s.i. creosote.

There are approximately 38 – 12 inch diameter free standing treated piling supports for the finger slips and of those, 18 were replaced in October 2001 with ACZA treated wooden piles with an estimated service life expectancy of 30-40 years. The remaining original finger slip pilings were installed around 1978-80. These pilings were of old growth Douglas Fir creosoted treated pilings with a 20-30 # treatment. Service life expectancy at that time was approximately 40 years.

Most of the existing head float has an expected life span of 15 to 20 years. However, the head float adjacent to finger docks 1-3 has piling rings that should be replaced within the next 1 to 3 years and the head float adjacent to finger docks 3 – 7 has piling rings that should be replaced within the next 1 to 3 years. The decking should be replaced with approximately the next 5 to 10 years. The floatation in these sections should also be replaced in approximately the next 15 years. The head float adjacent to finger docks 8 – 12 needs additional floatation under the gangway and this work should be done in the next year. In addition, all of these sections should replace the worn deck hinges, piling retainers and decking within the next approximate 3 years.



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SEAWALLS, DOCKS  
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MAINTENANCE, REPORTS

The finger docks are in general good condition but, there are some repair, maintenance and replacement that recommended to extend the overall service life to 20 years. See attached sheet for specific items and cost estimates.

***Gangways:***

The gangways are constructed of aluminum/steel or wood and are approximately 25 feet long and 4 feet wide. The existing gangways were replaced in 1999 however; gangway #1 is in fair condition and should be replaced in approximately 5 years. In addition, gangway #2 and #3 are in good condition and should be considered for replacement in approximately 10 to 15 years. The following addition should be added to the gangway area.

1. Install a landing at the end of the gangway

***Other Repair & Maintenance:***

1. Repair the existing railings along the building edge.
2. Repair electrical conduit at locations indicated on work plan.
3. Repair water valve.

***Conclusion:***

With the implementation of the above and attached recommendations within the prescribed timeline, the overall service life of the floating docks will be extended to a minimum of 20 years. This will also bring the structures into compliance with current standards. In addition, the pier overall service life expectancy will be 20 years with the repairs as recommended in this report.

Gene Doughty  
Architect

**Bay Front Marina Assessment Report Cost Estimate  
November 26, 2013**



	NOW	1-2 yrs.	Aprx. 3 yrs	Aprx. 5 yrs	Aprx. 10 yrs	Aprx. 15 yrs	Aprx. 20 yrs
<b>Head Float-Finger slips 1-2</b>							
Piling Ring			\$1,000				
Decking**					\$6,000		
Flotation**						\$7,350	
Re-fasten Cleats			\$600				
<b>Head Float-Finger slips 3-7</b>							
Piling Rings		\$1,537					
Decking**			\$19,000				
Flotation**						\$11,638	\$11,638
							** = Time Split
							**
<b>Head Float-Finger slips 8-12</b>							
Piling Rings			\$1,000				
Decking			\$5,500				
Flotation		\$1,225					
Replace Hinges			\$4,000				
<b>Finger Sip #1</b>							
Piling Rings				\$500			
Decking			\$1,185				
Flotation							\$3,065
Re-fasten Cleats			\$600				





Bay Front Marina Assessment Report Cost Estimate

November 26, 2013 15 20

Flotation	Now	1-2	3	5	10	\$3,675	
Re-fasten Cleats		\$600					
Replace Hinges			\$1,000				
<b>Finger Sip #10</b>							
Piling Rings			\$500				
Decking				\$1,425			
Flotation						\$3,675	
Re-fasten Cleats		\$600					
Replace Hinges				\$1,000			
Pilings			\$10,000				
<b>Finger Sip #11</b>							
Piling Rings					\$750		
Decking							
Flotation						\$3,675	
Re-fasten Cleats		\$600					
Replace Hinges			\$1,000				
<b>Finger Sip #12</b>							
Piling Rings	\$500						
Decking	\$1,425						
Flotation						\$3,675	
Re-fasten Cleats		\$600					

**Bay Front Marina Assessment Report Cost Estimate**  
**November 26, 2013**

<b>100' x 16' Head Pier</b>	Nov	1-2	5	5	10	15	20	
Pilings	\$30,000							
Caps	* Inspect							
Stringers						\$11,000	\$10,000	**
Decking	\$4,000							
Re-fasten Cleats					* Inspect			
<b>64' x 12' 'L' Pier</b>								
Pilings	\$20,000							
Caps	* Inspect							
Stringers						\$20,000	\$20,000	**
Decking					\$12,000	\$7,200	\$7,200	**
Re-fasten Cleats					* Inspect			
<b>Gangway #1</b>				\$6,000				
<b>Gangway #2</b>					* Inspect			
<b>Gangway #3</b>					* Inspect			
<b>TOTALS</b>	✓ \$60,295	\$6,485	✓ \$32,485	✓ \$12,795	\$12,000	\$71,900	\$40,265	
		\$9,247	\$63,525		\$18,000	\$70,880	\$50,902	
<b>* Inspect and repair as necessary</b>								

**Bay Front Marina Assessment Report Cost Estimate**  
**November 26, 2013**

<p><b>** When an item is tagged between 10 and 20 years (stringers on Piers) and decking (L Pier), I split the time figure in half between 10 years and 20 years.</b></p>									
<p><b>From Report- The above costs reflect bringing the existing floating docks into a service life of minimum of 20 years and brings into compliance with current standards and conditions.</b></p>									
<p><b>Note: Costs as per new construction 10/30/2013.</b></p>									



**AGENDA NO: D-4**

**MEETING DATE: January 28, 2014**

# Staff Report

**TO: Honorable Mayor and City Council      DATE: January 22, 2013**

**FROM: Rob Livick, PE/PLS - Public Services Director/City Engineer**

**SUBJECT: Update on the City's Water Supply**

## **RECOMMENDATION**

Council to receive this verbal report.

## **ALTERNATIVES**

There are no alternatives presented as this is an information item only.

## **SUMMARY**

This is a verbal update on the status of the City's water supply

Prepared by: RL      Dept. Review: RL

City Manager Review: \_\_\_\_\_

City Attorney's Review: \_\_\_\_\_