

City of Morro Bay

City Council Agenda

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.

**REGULAR MEETING
TUESDAY, MARCH 11, 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 – Morro Bay 50th Committee Presentation of Programs, Events and Financials

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 FEBRUARY 25, 2014; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE REGULAR CITY COUNCIL MEETING HELD ON FEBRUARY 25, 2014; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 AUTHORIZATION TO FILL PUBLIC SERVICES DEPARTMENT VACANCIES (PLANNING MANAGER AND OFFICE ASSISTANT III/IV), RESTORATION OF THE PERMIT TECHNICIAN TO FULL TIME FROM ¾ TIME AND POTENTIAL RECRUITMENT TO FILL ANY RESULTING VACANCIES; (PUBLIC SERVICES)

RECOMMENDATION: Authorize an internal/external recruitment for the Planning Manager and Office Assistant III/IV positions; restore the Permit Technician Position to full time and depending on the outcome of the recruitments, an internal/external recruitment for any potential vacancy created.

A-4 WATER RECLAMATION FACILITY (WRF) PROJECT STATUS; (PUBLIC SERVICES)

RECOMMENDATION: Receive and file.

A-5 STATUS REPORT OF A MAJOR MAINTENANCE & REPAIR PLAN (MMRP) FOR THE EXISTING WASTEWATER TREATMENT PLAN (PUBLIC SERVICES)

RECOMMENDATION: Receive and file.

A-6 ADOPTION OF ORDINANCE NO. 584; AMENDING TITLE 17 OF THE CITY OF MORRO BAY MUNICIPAL CODE (ZONING ORDINANCE #A00-018); (PUBLIC SERVICES)

RECOMMENDATION: Adopt Ordinance No. 584; amending Title 17 of the City of Morro Bay Municipal Code (Zoning Ordinance #A00-018) approving amendments

to the text of the Zoning regulations intended to implement programs in the adopted 2009-2013 Housing Element of the Morro Bay General Plan.

A-7 2013 TROLLEY SEASON SUMMARY; (PUBLIC SERVICES)

RECOMMENDATION: Receive and file.

A-8 DEFERRAL OF DYNEGY COMMUNITY DEVELOPMENT FUND PAYMENT;
(CITY ATTORNEY)

RECOMMENDATION: Authorize second deferral of Dynegy's Community Development Fund ("CDF") Payment originally due January 21, 2014, and once deferred to March 14, 2014, for approximately two more months until May 16, 2014, together with waiver of any applicable late fees or default claims related to the deferral.

A-9 REVIEW AND APPROVE THE PUBLIC ART PROPOSAL FOR A MURAL TO BE APPLIED ON TWO ELECTRICAL BOXES AT THE CORNER OF MAIN STREET AND QUINTANA BLVD IN MORRO BAY; (RECREATION & PARKS)

RECOMMENDATION: Review and approve the proposal from Ms. Morin and Ms. Britton to place a mural on two electrical boxes at the corner of Main Street and Quintana Blvd in Morro Bay. Staff recommends Alternative #1 below.

A-10 RESOLUTION 19-14 APPROVING THE PURCHASE OF A RIGHT OF WAY EASEMENT AND AUTHORIZING MAYOR TO ACCEPT THE OFFER OF DEDICATION/GRANT OF EASEMENT FOR CONSTRUCTION OF THE MUTLI-USE TRAIL THROUGH APN 066-416-002 ALONG THE DIRT EMBARCADERO;
(CITY ATTORNEY)

RECOMMENDATION: Adopt the attached Resolution No. 19-14 authorizing the purchase and acceptance of an easement for right of way purposes through a piece of real property with the Assessor's Parcel Number 066-461-002 along the Dirt Embarcadero.

B. PUBLIC HEARINGS - NONE

C. UNFINISHED BUSINESS

C-1 CITY COUNCIL 2014 ANNUAL MEETING SCHEDULE AS WELL AS DISCUSSION OF ALTERING THE PLANNING COMMISSION MEETING SCHEDULE; (ADMINISTRATION)

RECOMMENDATION: Approve the proposed City Council meeting schedule; move the Planning Commission meeting dates to the 1st and 3rd Tuesdays of the month; and schedule Joint City Council/Planning Commission meetings.

D. NEW BUSINESS

D-1 CONSIDERATION OF MORRO BAY TRANSIT OPTIONS FOR WEEKEND SERVICE; (PUBLIC SERVICES)

RECOMMENDATION: Consider the options for weekend transit service; expand transit service on Saturdays, year round, for 8 hours/day beginning July 1, 2014; authorize the allocation of \$15,300 from the FY14/15 Transportation Development Act funds; and implement the weekend service on a trial basis for one year with a review after 6 months.

D-2 REVIEW AND APPROVAL OF CITY OF MORRO BAY RECREATION AND PARKS DEPARTMENT PARTNERSHIP POLICY - RESOLUTION 18-14; (RECREATION & PARKS)

RECOMMENDATION: Approve Resolution 18-14 providing a Partnership Policy as reviewed and recommended by the Recreation and Parks Commission (RPC).

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.

AGENDA NO: A-1

MEETING DATE: 3/11/14

MINUTES – MORRO BAY CITY COUNCIL
SPECIAL CLOSED SESSION MEETING –
FEBRUARY 25, 2014
CITY HALL CONFERENCE ROOM – 5:00 P.M.

PRESENT:	Jamie Irons	Mayor
	Christine Johnson	Councilmember
	Nancy Johnson	Councilmember
	George Leage	Councilmember
	Noah Smukler	Councilmember
STAFF:	Edward Kreins	Interim City Manager
	Anne Russell	Interim City Attorney
	Eric Endersby	Harbor Director

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Irons called the meeting to order at 5:00pm.

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; seeing none, the public comment section 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 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 three parcels.

- **Property: Lease Site 86/86W; Embarcadero Grill, LLC located at 801 Embarcadero**
Negotiator: Eric Endersby, Harbor Director
Negotiating Parties: Caldwell and City of Morro Bay
Negotiations: Price and Terms of Payment
- **Properties: APN No. 066-461-002 and Portions of APN No. 066-331-039 (Lila Keiser Park, Bridge Access Easement, Cal Poly Storage, Fisherman's Gear Storage and nearby areas)**
Negotiator: Anne Russell, Interim City Attorney
Negotiating Parties: Dynegy Morro Bay, LLC and City of Morro Bay
Negotiations: Price and Terms of Payment

CS-3 GOVERNMENT CODE SECTION 54956.9(d)(1) - CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:

- Save the Park and The Xerces Society v. City of Morro Bay

CS-3 was heard out of order, prior to CS-2; Councilmember George Leage recused himself from Item CS-2 due to a conflict of interest, as he has property within 500 feet of 801 Embarcadero.

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

ADJOURNMENT

The meeting adjourned at 5:33pm.

Recorded by:

Jamie Boucher
City Clerk

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – FEBRUARY 25, 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:	Edward Kreins	Interim City Manager
	Anne Russell	Interim City Attorney
	Jamie Boucher	City Clerk
	Susan Slayton	Administrative Services Director
	Steve Knuckles	Fire Chief
	Eric Endersby	Harbor Director
	Rob Livick	Public Services Director
	Cindy Jacinth	Associate Planner
	Bruce Keogh	Wastewater Division Manager
	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 Closed Session Items: Government Code Section, 54957(b)(1), Public Employment with regards to the Interim City Attorney; Government Code Section 54956.8 Property Transactions regarding Lease Site 86/86W, 801 Embarcadero and APN No. 066-461-002 and Portions of 066-331-039 (Lila Keiser Park, Bridge Access Easement, Cal Poly Storage, Fisherman’s Gear Storage and nearby areas); and Government Code Section 54956.9(d)(1) Conference with Legal Counsel, Existing Litigation: Save the Park and the Xerces Society; no reportable action under the Brown Act was taken.

MAYOR AND COUNCILMEMBERS’ REPORTS, ANNOUNCEMENTS & PRESENTATIONS

PUBLIC PRESENTATIONS

MOTION: Councilmember Nancy Johnson moved to pull and approve Item A-5 in order to present the Proclamation for World Spay Day. The motion was seconded by Councilmember Christine Johnson and carried unanimously.
Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler
No’s: None

PUBLIC COMMENT

Valentina Petrova, owner of the Holistic Movement Center located 845 Napa Avenue, presented the business report. They are a yoga studio and wellness spa and have been in business for over 12 years. They stress making people happy, healthy, pain-free and improving relationships. They host yoga classes as well as other special events; they are hosting Energy Healing Day this coming weekend. She considers herself fortunate to live in this community and encourages all to attend; you will be taken care of.

Garry Hixon has a new video on U-tube; all of his older stuff is there too. He also attends public comment in San Luis Obispo. He feels everybody is doing great.

Bill Fritch stated we have a lack of water. Municipalities are in the business of water. He doesn't have deep pockets and feels that when discussions about water occur, residents need to be considered as stakeholders. He agrees with Mr. Livick that we need the 2 for 1 offset and it should happen right now; he also feels we should be in a moratorium. He feels we should consider mandatory water rationing but that it also needs to be equitable. Moving the WRF is the right thing to do as we need to recharge the effluent into the groundwater. The desal permits have expired and those that let them lapse should be brought to light. He also feels that the desal plant will also have to be moved. He finished by stating that the City uses wasteful water practices, we shouldn't be watering the parks; that water should be trucked in.

Jim Lewan has a large stake in loving this town. He is concerned that second hand merchandise is being displayed up and down the sidewalks of Morro Bay Blvd. He feels the business district is becoming a giant yard sale; and that detracts from prospective business owners locating their businesses here. He is willing to help by reaching out to the Chamber and Merchant's Association. He hopes we will begin enforcement of the Ordinance or begin drafting one that will take care of the problem.

Ron Reisner spoke as a member of Morro Bay Beautiful. MB Beautiful is a 501(c)3 founded in 1981 by Warren and Phyllis Dorn. Its mission is to identify, research and promote non-political projects that contribute to and/or preserve the beauty of Morro Bay and add beauty to our citizen's and visitors' lives involving all segments of the community. Their current projects include litter pickup; art on the exteriors of 24 trash receptacles; solicits and manages sponsors for planting and maintenance of 19 City planter boxes located on sidewalks; adopted Highway 1 verge areas; pressure wash City benches, trash containers and stairs; plant and maintain portions of Embarcadero street medians; adopted Anchor Park; sponsors Rock to Pier cleanup; sponsors semi-annual sand spit clean up; Annual Xmas Lights Awards; active on and supports the City's tree committee; and the Annual City Wide Yard Sale.

Nancy Castle presented an update on the Monday evening meals stating they continue to be a success boasting over 30 diners each day. She also stated that they are collecting socks and coats for those in need. On March 4th, there is a pancake supper at St. Peters; it is a fundraising event for the church.

Susan Stewart stated that the previous weekend was very busy in town. There was the Miniature Cottage Show at the community center. She said that Morro Bay has many small and unique shows that draw a lot of people into town.

Jennifer Redman, President of the MB Chamber of Commerce, spoke on Item D-2; Discussion and Potential Action on the Chamber of Commerce Economic and Business Development contract. The City made a commitment, through their Goal Setting process in Goal #6 to support economic development. She reminded Council that the Chamber is the largest and strongest organization in Morro Bay. They are the only organization that focuses on supporting and growing businesses. They feel good about the direction the Chamber is going - helping retain businesses, expanding business in Morro Bay, business development in the form of incubators, and new businesses in town; and most importantly, promoting and marketing local businesses. She hopes the City sees the Chamber working hard to fulfill the contract and hopes they will be allowed future collaboration.

John Headding shares Mr. Lewan's observations. The façade we present is a huge issue with tourism and attraction. There could be opportunities for both the Chamber along with businesses to work together with the City to try and find access to other sources of funds that may be available for such projects and development. A lot of business owners don't own their building; it's up to the lessor to respond for improvements. He offered the Chamber's help in contacting business owners and/or building owners with regards to that.

Channel Channing has been reading the Cal Coast News about Morro Bay and how they handle new businesses. She is worried about what's going to happen to the image of Morro Bay and hopes this will be addressed.

The Public Comment period was closed.

A. CONSENT AGENDA

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A-1 APPROVAL OF MINUTES FOR THE SPECIAL CLOSED SESSION CITY COUNCIL MEETING HELD ON FEBRUARY 11, 2014; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE REGULAR CITY COUNCIL MEETING HELD ON FEBRUARY 11, 2014; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF MINUTES FOR THE SPECIAL CLOSED SESSION CITY COUNCIL MEETING HELD ON FEBRUARY 12, 2014; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-4 APPROVAL OF MINUTES FOR THE SPECIAL CLOSED SESSION CITY COUNCIL MEETING HELD ON FEBRUARY 18, 2014; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-5 A PROCLAMATION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY DECLARING TUESDAY, FEBRUARY 25, 2014 AS “WORLD SPAY DAY”; (ADMINISTRATION)

RECOMMENDATION: Approve Proclamation.

A-6 AUTHORIZATION FOR ATTENDANCE AT THE C-MANC ANNUAL WASHINGTON, D.C., “WASHINGTON WEEK” MEETINGS; (HARBOR)

RECOMMENDATION: Approve authorization for a two-person delegation, the Mayor and Harbor Director, to attend the California Marine Affairs and Navigation Conference (C-MANC) “Washington Week” meetings in Washington, D.C.

A-7 AUTHORIZATION TO FILE NOTICE OF COMPLETION FOR THE PROJECT NO. MB-2013-S1: 2013 STREET REHABILITATION PROGRAM- DIG-OUT AND PAVEMENT REPLACEMENT PROJECT; (PUBLIC SERVICES)

RECOMMENDATION: File the Notice of Completion of the 2013 Street Rehabilitation Program- Dig-out and Pavement Replacement Project.

A-8 AUTHORIZATION TO FILE NOTICE OF COMPLETION FOR THE PROJECT NO. MB-2013-S4: 2013 STREET REHABILITATION PROGRAM- 3-LAYER CAPE AND MICRO SURFACING PROJECT; (PUBLIC SERVICES)

RECOMMENDATION: File the Notice of Completion of the 2013 Street Rehabilitation Program- 3-Layer Cape and Micro Surfacing Project.

A-9 AUTHORIZATION TO FILL A FINANCE DIVISION VACANCY (ACCOUNT CLERK II/III) AND POTENTIAL RECRUITMENT TO FILL ANY RESULTING FINANCE VACANCY; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Authorize an internal/external recruitment for an Account Clerk II/III position, and depending on the outcome of that recruitment, an internal/external recruitment for any potential Finance Division vacancy created.

Mayor Irons opened up the public comment period for items on the Consent Calendar; seeing none, the public comment period was closed.

Councilmember Christine Johnson pulled Items A-2.

MOTION: Councilmember Nancy Johnson moved the City Council approve Items A-1, A-3, A-4, A-5, A-6, A-7, A-8 and A-9 of the Consent Calendar as presented. The motion was seconded by Councilmember Leage and carried unanimously.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler
No's: None

A-2 APPROVAL OF MINUTES FOR THE REGULAR CITY COUNCIL MEETING HELD ON FEBRUARY 11, 2014; (ADMINISTRATION)

Councilmember Christine Johnson pulled the minutes for an amendment to page 5, Item B-1 striking the crossed out word and adding the bolded word; "...good balanced policy and a ~~compromised~~ **compromise** policy..." She had previously talked to the City Clerk about the amendment and the Clerk concurred it was an appropriate change. Councilmember Smukler also requested a change to page 6, Item B-2, in his comments adding the word in bold; "...case of a **commercial** remodel..."

MOTION: Councilmember Christine Johnson moved approval of Item A-2 with the amendments as proposed. The motion was seconded by Councilmember Smukler and carried unanimously 5-0.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler
No's: None

B. PUBLIC HEARINGS

B-1 INTRODUCTION AND FIRST READING OF ORDINANCE NO. 584; AMENDMENTS TO TITLE 17 (ZONING ORDINANCE - #A00-018) OF THE MUNICIPAL CODE; (PUBLIC SERVICES)

Associate Planner Cindy Jacinth presented the staff report.

The public comment period for Item B-1 was opened; seeing none, the public comment period was closed.

MOTION: Councilmember Christine Johnson moved to waive the reading of the Ordinance in its entirety and introduce by number and title only, Ordinance 584. The motion was seconded by Councilmember Leage and carried unanimously.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler
No's: None

Interim City Attorney Anne Russell introduced the Ordinance by number and title only.

MOTION: Councilmember Christine Johnson moved to introduce Ordinance 584. The motion was seconded by Councilmember Leage and carried unanimously.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler
No's: None

C. UNFINISHED BUSINESS

C-1 RE-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 George Leage recused himself as he has property within 500 feet of the proposed project.

Harbor Director Eric Endersby presented the staff report.

Cathy Novak, project representative spoke representing Sharon Moore. She stated that the Harbor Advisory Board Boatyard Ad Hoc committee reported that their preferred location for the haul out would be in the area north of the power plant intake building. This recommendation resolves the issue of the haul out location which was one of the main concerns with this project. She encouraged Council to move forward with this project as it will be a lengthy process and time is of the essence. She also stated that they have been in contact with the fishermen regarding the dock placement and any impacts that might occur. The fishermen haven't looked at the area and to date haven't heard any negative comments.

The public comment period for Item C-1 was opened; seeing none, the public comment period was closed.

Councilmember Christine Johnson thanked the applicant and their agent for continuing to bring this project forward. Since the last discussion of this item, she has been able to talk to a lot of folks involved with the boat haul out issue and watched the February 3rd Harbor Advisory meeting where she heard the verbal report that came from the ad-hoc committee. It's great to have a business that could succeed on the waterfront, but for the last 12 years, a boat haul out has been a goal of the City and has been supported by just about everybody on the waterfront. A boat haul out is needed to serve a large section of our economy as well as the recreational boater. She feels that tonight, she is asking for a small amount of additional time to resolve the issue accurately. There is a preferred boat haul out location, north and next to the Dynegy intake building. But we aren't talking about just one facility; we are also talking about looking for a boat yard – a marine facility. A lot of money and time have been spent to determine if a marine facility is economically viable in Morro Bay. She doesn't see how we can entirely remove this project site for a possible boat haul out facility at this time. For the applicant's sake, she hopes this additional time and research can happen quickly. She requested that staff work with the ad-hoc committee; give a history of documents we have, the assessments we've done, specifically find the funds through the capital budget to take another bite out of the feasibility apple. If we can remove this site, then it's much easier for us to say on a long term perspective, that site isn't feasible for us. She would also like to open up a discussion about timing and then talk to staff about what's reasonable to bring this item back.

Councilmember Nancy Johnson stated that we looked at this last month; it is a good project; and it is a very viable business. She had conversations with members of the Commercial Fishermen's Association and with the Harbor Advisory Board; based on those, she sees no reason not to move forward. Both organizations want to move the haul-out elsewhere and how we pay for that is a different subject. She sees no reason to delay this project any further.

Councilmember Smukler has been approaching this recognizing that the most important responsibility is the good of the harbor as a whole and taking a hard look at the long term vision and the needs; the boat haul out has been a longstanding goal and desire of the City and boating community. He agrees with Councilmember Christine Johnson, we have limited control of our options for the location and placement of the haul out. He feels that if we pass on this site, we are removing options on the table. He still has a lot of questions remaining on the feasibility of the project. He hears that this site is also viable, just not as good; he doesn't want to paint ourselves into a corner which we would do if we moved forward with Virg's tonight. We need to take time to get some more information to make the appropriate decision. He would like to see more information from the Harbor Department as well as the Harbor Advisory Board Ad-Hoc Committee.

Mayor Irons stated that there are 2 colleagues in favor of reviewing this one more time. He feels though, that 30 days was an appropriate amount of time to look at this and doesn't feel it should be entertained much further. He has had limited conversation with a Harbor Advisory Board member and the most preferred site is towards the intake structure. Initially when it came before us, the right decision was to send it back for further evaluation; it's come back with their approval. He doesn't feel this should be prolonged much longer, if at all.

Councilmember Smukler stated that in listening to the Harbor Advisory Board meeting, he didn't hear any new information presented. He needs to see actual information that the site isn't feasible or the entire project isn't feasible for the harbor in general. We are lacking historical context of what brought us to this point. This needs to be opened up to give the ad-hoc committee full reign to take a wide view of the options that may include other sites as well.

Councilmember Christine Johnson asked staff when they felt they could provide a historical review as well as work with the HAB Ad-hoc Committee. Mr. Endersby stated that as far as putting together a review of how we got here, he felt that could be put together by the next Council meeting. With regards to money being spent and utilizing professional analysis that would take more time.

Interim City Manager Ed Kreins stated that from experience, you won't get back something that will be helpful by the next meeting. If you want long term and a consultant to come in, you are looking at many months down the road before getting anything useful and practical.

The public comment period for this item was reopened.

Cathy Novak stated that Ms. Moore would prefer to keep this project open. She also had to put down a \$5,000 deposit; if the Council ends up taking a lot of time, they are respectfully requesting a refund of that \$5,000 deposit. They still thinks it's important for Virg's to find a place on the waterfront; if we continue to stall the project, she may come to a point where she can't survive on Market Street.

Barry Brannin has used a boat haul out; if you are going to have one, you have to have it out of the way. It's bizarre to even think about it at this location. The activity of small sailing and boating activity in the harbor is almost zero. He doesn't feel the demand for a boat haul out is high. To stall the project off is not the right thing to do and will end up being a waste of everybody's time.

The public comment period for this item was closed.

Mayor Irons felt that if we moved forward with this tonight that he had 3 conditions he would place on it: if the hoist and project prove to be incompatible and the hoist ever has to be relocated, that relocation would be the applicant's responsibility; regarding the loss of the boat tie ups – he isn't sure if this would be a gift of public funds and would want to see this loss addressed/evaluated; and, regarding Measure D, the retail space should be clearly incidental to the primary purpose of serving or facilitating licensed commercial fishing activities or non-commercial recreational fishing activities – this space should be limited to the language found in Measure D.

MOTION: Mayor Irons motioned to move forward with this project with the 3 conditions listed. The motion was seconded by Councilmember Nancy Johnson and failed 1-3.

Ayes: Irons

No's: C. Johnson, N. Johnson, Smukler

Recused: Leage

Councilmember Smukler feels that a bird in a bush applies with regards to the boat haul out. If we move forward tonight, we may lose a viable location and is not willing to move forward without better information.

Councilmember Nancy Johnson stated that with regards to the retail space, all sales are fishing related. If the side tie ups are a gift of public funds then she is unsure she can vote for it. And she isn't sure she can make them responsible for the hoist.

Councilmember Christine Johnson stated at this point, she can't vote for it as we don't have enough history for a marine facility. She feels it is fair to return the \$5,000 to the applicant. She continues to request a historical perspective to review the past 12 years.

MOTION: Councilmember Smukler moved we continue to retain Virg's proposal for lease site 107W-108W and that we refund the \$5,000 deposit as we work with the HAB Ad-hoc Committee to develop a historical review of the boat haul out and yard marine facility and develop a feasibility analysis of potential locations and viability of the project. The motion was seconded by Councilmember Christine Johnson and failed 2-2.

Ayes: C. Johnson, Smukler

No's: Irons, N. Johnson

Recused: Leage

Councilmember Nancy Johnson stated that she would be voting no as she feels this is another example of this Council majority's lack of support for economic development in our community. Once again, Council is stifling business by postponing a decision.

MOTION: Councilmember Christine Johnson moved to refund the \$5,000 to the applicant. The motion was seconded by Councilmember Smukler and carried unanimously.

Ayes: Irons, C. Johnson, N. Johnson, Smukler

No's: None

Recused: Leage

Interim City Manager Ed Kreins suggested a 60 day window to provide the historical information being asked for.

MOTION: Mayor Irons moved to take this back for 60 days for staff to come back with historical data as requested through these conversations. The motion was seconded by Councilmember Christine Johnson and carried 3-1.

Ayes: Irons, C. Johnson, Smukler

No's: N. Johnson

Recused: Leage

C-2 DISCUSSION OF RECRUITMENT FOR CITY MANAGER AND DECISION TO AWARD A CONTRACT TO A RECRUITMENT FIRM OR UTILIZE IN-HOUSE STAFF; (ADMINISTRATION)

Interim City Manager Ed Kreins presented the staff report.

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

John Headding thinks that the selection of a City Manager is one of the most important selections you will be making. He feels that Mr. Kreins has the requisite skill set to complete the process. This also brings economic benefit to the City. If you decide to move forward with this, he hopes you allow Mr. Kreins the time to adequately assess the current state of affairs of the City in order to make a proper selection. He also suggests an open conversation with the community for their input.

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

Councilmember Nancy Johnson feels we are on the right track and appreciates Mr. Headding's comments.

Councilmember Smukler feels fortunate to have Mr. Kreins' skill set. Mr. Kreins' experience with including the community in this process is important as we will need strong buy to this next leader. He wants to have some element where the community gets to check in and have input on that skill set, qualities and priorities as we develop what we are looking for in a candidate. He thinks Mr. Headding made a good point, 4-5 months should be on the low end and he is hoping Mr. Kreins knows we don't want him to rush the process; the more he understands the City's needs the better candidate we will have.

Councilmember Leage feels that Mr. Kreins is a very good manager of his time and isn't afraid of work. He understands we want to get the best person for the job.

Councilmember Christine Johnson concurs with what everybody has said and is able to move forward if ready.

Mayor Irons is confident that Mr. Kreins understands the balance of being able to assess the organization and understanding that with his experience he will be able to facilitate this recruitment.

MOTION: Councilmember Christine Johnson moved to direct the Interim City Manager to conduct the City Manager recruitment. The motion was seconded by Councilmember Nancy Johnson and carried unanimously 5-0.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler

No's: No

D. NEW BUSINESS

D-1 WATER RECLAMATION FACILITY (WRF) PROJECT STATUS INCLUDING: CONSTRAINTS ANALYSIS, SCHEDULE, PROJECT MANAGEMENT, (TECHNICAL) ADVISORY COMMITTEE AND THE CALIFORNIA MEN'S COLONY OPTION; (PUBLIC SERVICES)

Public Services Director Rob Livick presented the staff report. Mr. Livick provided a revised Resolution to the Council and the public.

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

Barry Brannin stated that it was an excellent staff report. The thing that is missing is the criteria for the comparison of one of these sites with the CMC site; the criteria needs to spelled out early. We need to do comparison costs over the life of the plant to include operational costs.

Carla Wixom stated that there is discussion of prioritizing the formation a citizen's advisory committee to participate in this process but its 6 months later and we are still working on a rate analysis, something not complicated to do. She would hope that this rate analysis should be as much of a priority as the committee is so the citizens can know what the rates are going to be.

John Headding hasn't heard about the process for project management and accountabilities – need to see timelines with an action plan, who's responsible, what the concurrent processes are that are running and who is going to hold whom accountable to make these outcomes occur? He suggests that when we consider a project of this magnitude, project management is critical and the community needs to be able to measure outcomes with measurable accountabilities. The Chamber is anxious to get information; he urged the Council to please use the Chamber as a conduit to get information to the business community.

Kelsey, a representative from a local Chumash tribe has been watching this for some time. They are here; they are listening and appreciate the efforts being put into this. Going forward with a 5 year plan makes more sense. She wants to ensure we aren't cutting corners and make sure that once construction takes place, all protocols are in place.

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

Councilmember Smukler stated that regarding the criteria for the comparison of different options and analysis of lifecycle costs of those options; his thoughts are that with the options report and

efforts that went into that report, he feels that Mr. Rickenbach already anticipated that and built those in. Regarding the rate analysis, he sees the importance of getting good information out to the public. The cost of waiting to get this plant on-line will equate to other costs we will incur down the line. We have heard from community comments that there isn't any interest for reclaimed water but he wanted to point out that we do have a current request for some significant water right now. He disagrees with Mr. Livick about the drought funding scenarios. He has heard rumors that draught funds will be distributed like the ERA funds and he hopes we won't miss any opportunities there.

Councilmember Christine Johnson stated that on page 5 of the staff report – it does state that there is a project management approach. She feels positive about supporting the Resolution.

MOTION: Mayor Irons moved to accept staff recommendation and adopt the amended Resolution 17-14 prescribing a 5 year timeline for the construction of a new water reclamation facility. The motion was seconded by Councilmember Smukler and carried unanimously 5-0.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler

No's: None

Councilmember Nancy Johnson stated that if we are expediting the time frame for building the plant, we also need to expedite the decision of water and sewer rates and not only plant costs. People need to know what they are going to be paying. She will be voting yes in the hope of a completed project for the least cost for our citizens and business community.

MOTION: Councilmember Smukler moved to authorize staff to develop and implement a recruitment and interview process for a citizen advisory committee to the water reclamation facility that would include 7-9 member of the community. The motion was seconded by Councilmember Christine Johnson and carried unanimously 5-0.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler

No's: None

D-2 DISCUSSION AND POTENTIAL ACTION ON THE CHAMBER OF COMMERCE ECONOMIC AND BUSINESS DEVELOPMENT CONTRACT; (ADMINISTRATIVE SERVICES)

Administrative Services Director Susan Slayton presented the staff report. She made the following recommendation: Continue the Economic and Business Development Agreement through June 2014, and pay the invoices thru June only; set a future agenda item for no later than late March for the Chamber to present its Economic and Business Plan for FY 2014-15.

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

John Headding concurred with Ms. Slayton's report. The Chamber is being reorganized and he would be remiss if he told you that they could right now meet the intent of the scope of work during the reorganization. However, they are prepared to come back within 30 days to bring you a revised report of the services they are able to provide given the resources they have. He believes much of the scope of work has been met. The decision is Council's but he would advocate that since a fair amount of the duties are being accomplished, that should justify that

some payment would continue through the end of this fiscal year. He also said that they would be able to provide a scope of work for the 2014/15 year within 30 days. He finished by saying that the Council has always received the information they have asked for in the time lines requested by.

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

Councilmember Smukler wanted to understand a fair value for the services being delivered, especially given that the Economic Development Coordinator position no longer exists. He is looking to the Chamber or staff to provide what would be a suggested cost associated to the value of the work product currently being provided.

Mayor Irons recognizes the contract is expired with a recommendation to continue it to June 30th; it would be reasonable that the Chamber could provide an invoice of what they feel is adequate service and based on that invoice we should be able to supply that payment and then come back in 30 days with a revised scope of work and an agreement to which we can continue this relationship.

Councilmember Nancy Johnson, a past Council representative to Economic Development, didn't see a lot happening over the years but also feels that they are doing a better now. They have incubator businesses, they presented an excellent business forum, she attended the mixer last week and she continues to get newsletters and updates and lists of informative webinars. Without a CEO and Economic Development Director, the Chamber is doing a very good job to maintain Economic Development. It would bother her to cut their pay if any employee loses any income just because this happened. She would like to see Ms. Slayton's recommendation followed and to have the Chamber come back in late March.

MOTION: Councilmember Nancy Johnson moved to continue paying the Chamber their regular payment through June 2014 and make it retroactive to last June. The motion was seconded by Councilmember Leage and failed 2-3.

Ayes: N. Johnson, Leage

No's: Irons, C. Johnson, Smukler

Councilmember Christine Johnson feels that Mr. Headding said the he would be remiss in saying that Council should pay the full rate. She is willing to discuss something that is fair based on the scope of work through this fiscal year.

MOTION: Mayor Irons moved have the Chamber provide us with a revised invoice for the month of February, come back in 30 days with a scope of work for the rest of the fiscal year. The motion was seconded by Councilmember Smukler and carried 3-2.

Ayes: Irons, C. Johnson, Smukler

No's: N. Johnson, Leage

Mr. Headding requested clarification; Mayor Irons stated that the Chamber would provide Ms. Slayton with a revised invoice for the month of February based on scope of work to date; in 30 days the Chamber would come back to Council providing the scope of work for the rest of the fiscal year. Mr. Headding wondered about the 14/15 fiscal year, are you asking for 2 reports/2 items to be brought back in 30 days? Mr. Kreins affirmed that.

D-3 STORM WATER MANAGEMENT GUIDANCE MANUAL FOR LOW IMPACT DEVELOPMENT & POST-CONSTRUCTION REQUIREMENTS; (PUBLIC SERVICES)

Associate Civil Engineer Barry Rands presented the staff report.

The public comment period for Item D-3 was opened; seeing none, the public comment period was closed.

There was no action necessary as this item was a receive and file item only.

D-4 AUTHORIZATION FOR SOLE SOURCE PURCHASE OF A LADDER TRUCK FROM PIERCE MANUFACTURING; (FIRE)

Fire Chief Steve Knuckles presented the staff report.

The public comment period for Item D-4 was opened; seeing none, the public comment period was closed.

MOTION: Councilmember Nancy Johnson moved to approve the sole source purchase of this ladder truck from Pierce Manufacturing. The motion was seconded by Councilmember Leage and carried unanimously, 5-0.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler

No's: None

D-5 APPROVAL OF AGREEMENT WITH CONTRACT CITY ATTORNEY; (CITY ATTORNEY)

Interim City Attorney Anne Russell presented the staff report. She also introduced the City's new Contract City Attorney, Joe Pannone who spoke briefly.

The public comment period for item D-5 was opened; seeing none, the public comment period was closed.

Councilmember Smukler thanked Ms. Russell in helping to hold down the legal department as well as for her hard work on this contract. He asked for a summary of legal costs since 2010/11; this is a shift from an in-house legal counsel to contract legal counsel and we should anticipate a strong evaluation as to the strengths of both models. It's important to take this opportunity to take a look at costs and have that to compare at the 6 month evaluation period.

Councilmember Christine Johnson spoke to the process of how we interviewed the candidates. There were 11 firms who responded to the RFP. Council selected the top 6 to interview; one couldn't make it so 5 were interviewed. They spent an entire day interviewing and were able to get a flavor of each firm. At the end of the day, they selected the one that was the best fit for us. This is an interim 6 month trial; this is the model that all other cities utilize with the exception of the City of San Luis Obispo. She thanked Ms. Russell for reaching out to the City.

Mayor Irons thanked Ms. Russell stating it was a pleasure to work with her as well as for helping us through this transition.

MOTION: Councilmember Smukler moved approval of the contract and agreement as presented with Aleshire & Wynder, LLP and Mr. Pannone as our lead City Attorney. The motion was seconded by Councilmember Christine Johnson and carried unanimously 5-0.

Ayes: Irons, C. Johnson, N. Johnson, Leage, Smukler

No's: None

E. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

Councilmember Nancy Johnson requested to expedite the water and sewer increase analysis to be able to present costs to the public in open session; Mayor Irons and Councilmember Leage concurred.

Councilmember Nancy Johnson requested a discussion on the equity of water conservation efforts and regulations (no fresh water can be used in the rinsing of boats but cars can be washed and landscaping irrigated) at the next Council meeting; Mayor Irons and Councilmember Leage concurred.

Mayor Irons requested development of a program to update our GP/LCP to include discussion of \$250,000 grant and how it applies to the update; how we can use the money, timelines, sending out for an RFP and have that program developed for us; all Councilmembers concurred.

ADJOURNMENT

The meeting adjourned at 10:59pm.

Recorded by:

Jamie Boucher
City Clerk



AGENDA NO: A-3

MEETING DATE: March 11, 2014

Staff Report

TO: Honorable Mayor and City Council DATE: March 4, 2013

FROM: Rob Livick, PE/PLS - Public Services Director/City Engineer

SUBJECT: Authorization to fill Public Services Department Vacancies (Planning Manager and Office Assistant III/IV), Restoration of the Permit Technician to Full time from ¾ Time and Potential Recruitment to fill any Resulting Vacancies

RECOMMENDATION

Staff recommends that Council authorize an internal/external recruitment for the Planning Manager and Office Assistant III/IV positions; restore the Permit Technician Position to full time and depending on the outcome of the recruitments, an internal/external recruitment for any potential vacancy created.

ALTERNATIVES

Staff does not believe that alternatives are available, as all positions are critical to the functionality of the City.

FISCAL IMPACT

By reclassifying the Administrative Technician to the Office Assistant III/IV position savings of approximately \$9,568 in annual salary will be recognized. This salary savings would be used to offset the funding requirements of \$12,271 would be used to restore the Planning/Building Business License Technician to full time.

DISCUSSION

In February 2014, two Public Services employees resigned from their positions to explore other opportunities outside the City of Morro Bay. These two positions were the Planning Manager and the Administrative Technician. Both of these positions are currently being filled with temporary hourly employees.

The position of Planning Manager is a critical position in the City, as this position can drive the economic development of the community through both long and short range land use planning. The Planning Manager's role is to direct the City's Planning Division and is responsible for development and administration of the City's General Plan and Local Coastal Plan.

The second vacancy is an administrative position which is currently classified as an Administrative Technician. This position is the primary point of contact at the public counter and provides basic information to customers. In addition to the counter contact,

Prepared by: RL Dept. Review: RL

City Manager Review: _____

City Attorney's Review:

this position also processes accounts payable, coordinates timesheets, and provides back up to the Permit Technician for the issuance of business licenses. Staff has reviewed the Administrative Technician classification, and believes that this position does not need that high level of administrative personnel, as it is more clerical and less technical in nature. The better job fit for that position is an Office Assistant III/IV in the Miscellaneous Employees (SEIU) group.

Reclassifying this position will result in an annual salary savings of approximately \$9,568. This is the difference between the top step salary of the Administrative Technician and the top step of the Office Assistant III position. Staff recommends using this salary savings to restore the Permit Technician to full time. The transfer of business licenses to the Public Services Department, the need to follow-up on the collection activity that is now year round, as well as increases in permit activity has increased the workload of this position and we request it be restored back to fulltime.

Per Budget Resolution No. 37-13, it is necessary to request Council approval to begin recruitment for this position, or any ensuing vacancy in the Public Services Division. The language on page xiv in the 2013/14 budget states:

“City Council directs that the hiring freeze for positions in the City workforce continue for those positions funded within the General Fund, with the exception of safety personnel, and the City Council reserves the right to review any vacancies on a case-by-case basis as to its official policy...”

CONCLUSION

Staff recommends that Council authorize an internal/external recruitment for the Planning Manager and Office Assistant III/IV, restore the Permit Technician Position to full time and depending on the outcome of the recruitments, allow for an internal/external recruitment for any potential vacancy created.



AGENDA NO: A-4

MEETING DATE: March 11, 2014

Staff Report

TO: Mayor and City Council

DATE: March 5, 2014

FROM: Rob Livick, PE/PLS – Public Services Director/City Engineer

SUBJECT: Water Reclamation Facility (WRF) Project Status

RECOMMENDATION

Staff recommends the City Council review this informational item.

ALTERNATIVES

Not applicable at this time.

FISCAL IMPACT

Not applicable at this time.

SUMMARY

Staff provides this report as a monthly update to the progress made to date on the new WRF project.

BACKGROUND

With the denial of the permit for the WWTP project in its current location, the City has embarked on a process for a WRF. This staff report provides a review of what has occurred to date.

DISCUSSION

Below is a brief review of dates, status and accomplishments on the WRF facility project. Note the bolded information has been added since your last review.

Date	Action
01/03/13	Special City Council meeting – City Adopted Resolution No. 07-13 recommending denial of the WWTP project.
01/08/13	WWTP Project denied by the California Coastal Commission (CCC).
01/08/13	January JPA not held due to CCC meeting.
01/24/13	City Staff, Morro Bay JPA Sub-Committee, Cayucos SD representatives, staff and attorney meet and discuss strategy and moving forward.

Prepared By: RL

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

02/14/13 February JPA meeting held, “Discussion and Consideration of Next Steps for the WWTP Upgrade Project” was on the agenda and discussed.

02/26/13 City Council meeting - draft schedule/project timeline presented to City Council.
City Council directed staff to prepare an RFP for a project manager.

03/11/13 City Council goal session, WRF established as Essential City Goal.

03/14/13 City Council goal session, WRF established as Essential City Goal.

03/14/13 March JPA meeting held, “Status Report on the Discussion with RWQCB Staff Renewal Process for the WWTP NPDES Permit No. CA0047881” and “Verbal Report by the City and District on the Progress of the future WWTP” were on the agenda and discussed.

03/18/13 RFP issued.

03/26/13 City Council meeting - City Council approves citizens to serve on the RFP selection committee.

03/27/13 Announcement placed on City website, etc. regarding citizen selection committee application period.

04/05/13 Citizen selection committee deadline.

04/09/13 City Council meeting - appointment of 5 citizens for the RFP selection committee at City Council meeting.

04/10/13 Addendum to RFP issued, re: selection committee

04/11/13 April JPA meeting held, “Verbal Report by the City and District on the Progress of the future WWTP” and Discussion and Approval to Terminate the Consultant Services Agreements with Delzeit; Dudek, McCabe and Company; and Montgomery Watson Harza (MWH)” were on the agenda and discussed.

04/15/13 RFP due.

04/16/13 Study Session on WRF facility announced for April 29, 2013

04/23/13 City Council meeting –reaffirmation of 5 members of citizen selection committee.

04/25/13 Quarterly Meeting with California Coastal Commission staff, WRF discussion and status report on the meeting agenda.

04/25/13 Initial meeting with Selection Committee for the RFP for Planning Services for the WRF.

04/29/13 WRF Study Session at Veteran’s Hall.

05/02/13 Interviews to recommend the individual/team for the WRF project manage

05/09/13 May JPA meeting held, “Verbal Report by the City and District on the Progress of the future WWTP” was on the agenda and discussed.

05/14/13 City Council meeting – Approval of John F. Rickenbach, Consulting as the Preliminary Planning Consultant for the WRF project.

05/14/13 City Council meeting – Approval of John F. Rickenbach, Consulting as the Preliminary Planning Consultant for the WRF project

05/15/13 Public Services staff continues to work with John F. Rickenbach, Consulting to finalize the consultant contract.

05/28/13 Closed Session Item scheduled to discuss Righetti appraisal.

06/13/13 JPA Meeting – Cayucos Veteran’s Hall

06/24/13 Kick-off Meeting with John Rickenbach and team members

06/24/13-06/28/13 Work with Rickenbach to determine updated schedule pursuant to the scope of work in the RFP. Determination of Stakeholder groups/individuals

07/03/13 Tentative Schedule from Rickenbach for the New WRF posted online and available.

07/03/13 Working with Coastal Commission staff to finalize date for quarterly meeting/teleconference.

07/11/13 July JPA Meeting Cancelled.

07/18/13 Quarterly Coastal Commission/City of Morro Bay meeting, Rickenbach Team participated in review and discussion of the status of the WRF project.

07/19/13 WSC Report entitled Conceptual Wastewater Treatment Alternatives Technical Memorandum commissioned by the Cayucos Sanitary District (CSD) released on the CSD website and delivered to the City. Report located at the following address:
www.cayucossd.org/documents/Conceptual%20WW%20Treatment%20AltTM_CSD.pdf

07/24/13-07/25/13 Stakeholder Interviews conducted by Rickenbach team

08/08/13 August JPA Meeting Cancelled

08/15/13 Community Workshop #1 held at MB Veteran’s Hall

Week of 8/19/13 Workshop Summary posted on City’s website
Comments Form available on City’s website for additional comments on the workshop and/or project.

09/12/13 September JPA Meeting held

09/16/13 Biosolids and Treatment Options Workshop at MB Veteran’s Hall

09/27/13 October 2013 JPA Meeting cancelled

10/21/13 Quarterly Coastal Commission/City of Morro Bay Meeting

10/29/13 Release of Public Draft – Options Report

11/04/13 Public Works Advisory Board – Options Report to Board for Public Feedback

11/05/13 Second Public Workshop – Presentation of Options Report for Public Feedback

11/12/13 Presentation of Options Report to City Council

11/14/13 November 2013 JPA Meeting Cancelled

11/19/13 Meeting with RWCQB Staff regarding project Status and Permit Renewal

12/10/13 Presentation of Options Report to City Council

12/19/13 December JPA Meeting held – Verbal update by both CMB and CSD

01/16/14 January JPA Meeting canceled

01/20/14 Received proposal from Cleath-Harris to study Chorro Creek discharge and effect on City water supply; Estimated fees not to exceed \$7,500.

01/23/14 Onsite staff meeting with property owner at Rancho Colina to tour a potential location

01/23/14 Telephone discussion with City’s Water Attorney regarding water rights to creek discharge of wastewater.

1/29/14 Received proposal from Rickenbach for a contract amendment to perform

due diligence on alternative WRF sites for final site selection; Estimated fees not to exceed \$63,806.

01/31/14 Status report preparation assigned to Public Services Director

02/11/14 **Mid-year Budget adjustment to include additional funding for WRF alternative site analyses; \$100,000 was approved.**

02/13/14 **February JPA Meeting held.**

02/25/14 **City Council received a status update on the New WRF and adopted Resolution 17-14 prescribing a 5-year time frame for the construction of the New WRF.**

02/28/14 **Received a revised scope of work for a contract amendment from Rickenbach recognizing the accelerated time schedule for the WRF; Estimated fees not to exceed \$76,129.**

03/06/14 **Scheduled WRF Subcommittee meeting with staff to discuss grant opportunities and schedules.**

TBD **In the process of scheduling a meeting between City of Morro Bay (Irons/Smukler) CSD (Enns/Lloyd) Technical Committees, County and Water Board Staff to discuss the CMC option.**

CONCLUSION

City Council, since the denial of the WWTP permit in January 2013, has made measured and deliberate progress in the WRF project, as outlined above.



AGENDA NO: A-5

MEETING DATE: March 11, 2014

Staff Report

TO: Honorable Mayor and City Council DATE: March 5, 2014

FROM: Rob Livick, PE/PLS - Public Services Director/City Engineer

SUBJECT: Status Report of a Major Maintenance & Repair Plan (MMRP) for the Existing Wastewater Treatment Plan

RECOMMENDATION

Staff recommends that this report be received and filed.

ALTERNATIVES

As no action is requested, there are no recommended alternatives.

FISCAL IMPACT

No fiscal impact at this time as a result of this report. Fiscal impact is addressed through the budget process.

BACKGROUND

This staff report is intended to provide an update on the development of the MMRP for the WWTP. At the February 14, 2013 JPA meeting the Council and District Board approved of the development of an MMRP and made the following motion:

- Direct staff to prepare a time sensitive and prioritized MMRP for the WWTP with an anticipated rolling 2 year budget;
- That the JPA solicit proposals from a qualified firm, or firms, to provide technical advice and analysis on an as needed basis as determined by Morro Bay's Public Services Director and Cayucos Sanitary District Manager;
- And that the Morro Bay Public Services Director and Cayucos Sanitary District Manager report back to the JPA on a semi-annual basis on the progress and costs associated with the MMRP.

Development of a MMRP will assist the City and District in projecting the budgeting of expenditures required to keep the current plant operating in compliance with regulatory requirements.

Prepared by: RL/BK/RS Dept. Review: RL

City Manager Review: _____

City Attorney's Review: _____

Staff's primary focus has continued to be on the next Fiscal Year and the projects contained within the FY 13/14 WWTP budget that was adopted by both the City and District. The adopted budget contains \$1.04M in funding for MMRP projects presented during the budget hearing at the JPA meeting. Staff has continued to work on developing and refining an implementation schedule for the projects funded in the FY 13/14 budget.

DISCUSSION

Digester #2 Repair

City and District staff in coordination with Mike Nunley (MKN) finalized and publicly noticed a solicitation for bids for the sandblasting and coating of digester #2 on January 5, 2014. Bids were due by February 4, 2014 and six were received. At the February JPA meeting the City Council and Cayucos Sanitary District awarded the project contract to Cor-Ray Painting Company in the amount of \$98,920 and authorized awarding additional work as may be required up to a 25% contingency. This contingency is necessary because the exact amount of crack sealing and concrete repairs cannot be ascertained until the sandblasting process has been completed and engineering staff has the opportunity to assess the final condition of the tank walls. Staff will continue to report progress on this work as part of the regular MMRP status report at future JPA meetings. The sandblasting and coating work is scheduled to be completed in March or April of this year.

Headworks Influent Screening Project

City and District staff in coordination with MKN finalized and publicly noticed an RFP for the procurement of the influent screens at the headworks on January 5, 2014. Five proposals were received from screen manufacturers. City and District staff as well as staff from MKN and B&V reviewed the proposals. At the February JPA meeting, the City and CSD awarded a contract to Vulcan Industries, Inc. of Missouri Valley, IA, for Headworks Screens Equipment Procurement in the amount of \$316,280.00. The schedule for this project is:

- Award Equipment Supply/Execute Supplier Agreement February 13, 2014
- Shop Drawing Preparation February 14 – March 7, 2014
- Shop Drawing Review March 10 – March 21, 2014
- Revisions to Shop Drawings March 24 – April 11, 2014
- Approved Shop Drawings April 18, 2014
- Delivery of Equipment August 29, 2014

Staff will be looking into their maintenance recommendations and either pursue them in the coming months or include them in the next budget cycle.

CONCLUSION

Staff will continue to bring a status report on the development of the MMRP at City Council meetings on a monthly basis.



AGENDA NO: A-6

MEETING DATE: March 11, 2014

Staff Report

TO: Honorable Mayor and City Council **DATE:** March 4, 2014

FROM: Cindy Jacinth, Associate Planner

SUBJECT: Adoption of Ordinance No. 584; Amending Title 17 of the City of Morro Bay Municipal Code (Zoning Ordinance #A00-018)

RECOMMENDATION:

Staff recommends that the City Council adopt Ordinance No. 584; amending Title 17 of the City of Morro Bay Municipal Code (Zoning Ordinance #A00-018) which approves amendments to the text of the Zoning regulations intended to implement programs in the adopted 2009-2013 Housing Element of the Morro Bay General Plan.

ALTERNATIVES

Staff does not recommend any alternatives to adopting Ordinance No. 584, Zoning Ordinance Housing Element Implementation.

FISCAL IMPACT:

None.

SUMMARY:

Ordinance No. 584 was brought before the City Council for introduction and first reading on February 25, 2014.

CONCLUSION:

Staff recommends that the City Council adopt Ordinance No. 584; amending Title 17 of the City of Morro Bay Municipal Code (Zoning Ordinance #A00-018) which approves amendments to the text of the Zoning regulations intended to implement programs in the adopted 2009-2013 Housing Element of the Morro Bay General Plan.

ATTACHMENTS:

Attachment 1- Ordinance No. 584

Prepared By: CJ

Dept Review: RL

City Manager Review: _____

City Attorney Review: _____

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
TO COMPLY WITH REVISIONS TO STATE HOUSING LAW AND
THE HOUSING ELEMENT OF THE GENERAL PLAN**

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, environmental review was conducted for the 2009-2014 Housing Element (SCH#2009081040) and the proposed amendments are to implement policies contained in the Housing Element which do not increase density, nor cause additional development impacts associated with the proposed amendment beyond that which was included in the environmental review; and

WHEREAS, the Planning Commission of the City of Morro Bay, on January 15, 2014 after a duly noticed PUBLIC HEARING, did forward a recommendation, by adoption of Planning Commission Resolution No. 01-14 that the City Council amend Title 17 (Zoning Ordinance) to bring the Zoning Ordinance into compliance with the above cited Government Code sections and more specifically approves Zoning Text Amendment #A00-018 and forwards a favorable recommendation to the City Council to approve said Zoning Text Amendment “Amending Title 17 of the Morro Bay Municipal Code implementing policies of the Morro Bay 2009 Housing Element” by adopting Ordinance Number 584; and

WHEREAS, the City Council held a duly advertised public hearing on January 28, 2014 and on February 25, 2014 to consider adoption of the proposed amendments to the Zoning Ordinance; and

WHEREAS, following the PUBLIC HEARING, and upon consideration of the testimony of all persons, both written and oral, the City Council accepted the Planning Commission recommendation and approved the amendment.

NOW, THEREFORE, the City Council of the City of Morro Bay finds as follows:

1. That the above recitations are true and correct and constitute the findings of the Council in this matter.
2. That the proposed Zoning Ordinance Amendments will not be injurious or detrimental to the health, safety, comfort, general welfare or well-being of the persons residing or working in the neighborhood.
3. That the proposed amendments are in general conformance with the City General Plan and Local Coastal Plan.
4. That the Local Coastal Program Implementation Program (Zoning Ordinance) Amendments are in compliance with the intent, objectives, and all applicable policies and provisions of the California Coastal Act; and
5. Pursuant to Morro Bay Municipal Code Section 17.64.080 no amendment to Title 17 shall be legally effective in the coastal zone until the amendment is certified by the Coastal Commission.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA DOES HEREBY ORDAIN AS FOLLOWS:

Title 17 of the Morro Bay Municipal Code is amended to read in applicable part 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 <i>within a residential structure that is consistent with the LCP, with approval of a CDP where applicable</i>
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.
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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 thereof</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. If any section, subsection, sentence, clause, 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 City Council hereby declares that it would have passed the Ordinance codified in this title, and each chapter, section, subsection, sentence, clause, 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 7. 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; provided this Ordinance shall not become effective until final certification by the California Coastal Commission.

INTRODUCED at a regular meeting of the City Council of the City of Morro Bay held on the 25th day of February 2014, by motion of Councilmember Christine Johnson and seconded by Councilmember Leage.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Morro Bay on the ____ day of ____, 2014 by the following vote to wit:

AYES:
NOES:
ABSENT:

JAMIE L. IRONS, MAYOR

ATTEST:

JAMIE BOUCHER, CITY CLERK

APPROVED AS TO FORM:

ANNE M. RUSSELL
INTERIM CITY ATTORNEY



AGENDA NO: A-7

MEETING DATE: March 11, 2014

Staff Report

TO: Honorable Mayor and Council

DATE: March 6, 2014

FROM: Janeen Burlingame, Management Analyst

SUBJECT: 2013 Trolley Season Summary

RECOMMENDATION:

Staff recommends the City Council receive and file the 2013 trolley season summary.

FISCAL IMPACT:

None.

DISCUSSION:

Staff developed a budget for FY 2013/2014 (2013 Season) that did not require supplemental funding from the General Fund or Parking in Lieu Fund for operations. The trolley budget is fully funded with revenue from the Transportation Development Act, fares, advertising fees and special event use fees.

The City's 2013 trolley program was the same as in 2012, serving the visiting and local general public by linking the Downtown Business District, Waterfront, and State Parks in the north and south ends of the community through the use of three trolley routes operating within the City limits (see attached trolley brochure).

Service operated weekends only from Memorial Day weekend to the first weekend in October, and on Friday and Monday from Memorial Day through Labor Day, beginning at 11:00 a.m. each operating day and ending at 7:00 p.m. on Fridays, 7:00 p.m. on Saturdays, 6:00 p.m. on Sundays, and 5:00 p.m. on Mondays. There were no changes to the three routes, hours of operation, or fares (adult fare was \$1.25, child fare was \$0.50 and the All Day Pass was \$3) from 2012.

Tables 1 through 3 provide information on the 2013 season. While there was the same number of days operated in 2013 as in 2012, there was a decrease in ridership (-12%) over the prior season which resulted in the average daily ridership experiencing a decrease (-12) as well as fares (-16%).

Regarding the breakdown of total riders between the three routes, the Waterfront route carried the most passengers (44% of total riders), followed by the Downtown and then North routes (29% and 27% of total riders). This is a change from 2012 when ridership for the routes was more evenly split (37%, 31% and 32% respectively) and reflective of an issue related to driver

Prepared By: J. Burlingame

Dept Review: _____

City Manager Review: EK

City Attorney Review: _____

coverage discussed below.

When service characteristics do not change from the previous season, trolley ridership can increase or decrease for a number of reasons that vary from changes in lodging occupancy rates, being down a vehicle for maintenance issues so only two routes are operating, the weather or larger events being held inside or outside of city limits to name a few. For example, the Oyster Festival that took place over the 2012 Father's Day weekend resulted in an unprecedented increase in ridership, doubling normal Saturday June ridership, and the Avocado & Margarita Festival in September 2012 experienced a 170% increase in ridership compared to the same time of month before the Chamber started having the festival.

When comparing lodging occupancy rates with trolley ridership, there is generally a correlation between the two so when summer occupancy rates increase, trolley ridership increases and when they decrease, ridership decreases. There are some exceptions when there have been modifications made to the trolley service (reduction in days, reduction in service hours, fare structure change or routing changes) that do not correspond with occupancy rate changes such as in 2008 when there was on average for the summer months a decrease in occupancy rates from 2007, but trolley ridership increased by 70% due to the addition of a third route.

With regard to the 2013 ridership decrease, there are several factors that contributed to the decrease between the 2013 and 2012 seasons despite the same number of operating days from the prior year and occupancy rates experiencing an increase over 2012.

- In June one of the vehicles was out of service for four days resulting in only two vehicles operating the three routes.
- Harbor Festival had set up and directed traffic for its weekend event differently from the prior year, including not having a safe place designated for the trolleys to board/disembark riders. This resulted in the Waterfront trolley not being able to go out to the Rock and the Downtown and North route vehicles not being able to come down to the festival entrance to board/disembark riders.
- Recruiting for drivers for the trolley season was more difficult than in the past leading to a shortage of drivers at the transit office since only one of the prior year drivers was returning and there were fewer people applying as individuals either wanted more hours than were available or the wage was not high enough. This resulted in the General Manager having to drive for both Morro Bay Transit and provide lunch relief for the trolleys leading to a few days where this was in conflict and the three routes were covered by two trolleys during lunch.
- Adult fare of \$1.25 may be a contributor. The City conducted a short survey in 2012 asking what riders thought of the fare since it was increased to \$1.25 and of the surveys returned, 69% felt the fare was just right and 24% too high; however, drivers have seen some individuals look at the fare listed and walk away so there may be more who feel the fare is high but did not participate in the survey since they would have been riding the trolley when the surveying was done. Additionally, the \$1.25 fare slows the boarding of passengers as it takes more time for a rider to search for the quarter than it does just getting out the dollar, potentially resulting in fewer route loops being completed in a service day.

Table 1 - Trolley 2013 Season - Ridership per Hour Analysis by Route

*Includes 4th of July extended hours

	11-12	12-1	1-2	2-3	3-4	4-5	5-6	6-7	7-8	8-9	Total Riders
Waterfront	856	927	1,092	1,062	994	1,038	955	528	44	55	7,551
Riders per Hour	12	13	16	15	14	15	17	15	44	55	
Downtown	751	575	606	810	860	727	459	152	60	64	5,064
Riders per Hour	11	8	9	12	12	10	8	4	60	64	
North	651	664	761	680	732	604	419	163	0	51	4,725
Riders per Hour	9	9	11	10	10	9	7	5	0	51	

Table 2 - Trolley 2013 Season - Ridership per Hour Analysis All Routes

*Includes Memorial Day, 4th of July, and Labor Day holidays

	11-12	12-1	1-2	2-3	3-4	4-5	5-6	6-7	7-8	8-9	Ridership
Total Ridership	2,258	2,166	2,459	2,552	2,586	2,369	1,833	843	104	170	17,340
Hourly Riders	32	31	35	36	37	34	32	24	104	170	

Ridership by Day	Sat	Sun	Mon	Thur*	Fri
Total Riders	6,954	4,105	2,378	1,170	2,733
Ave. Riders/Day	366	216	159	1170	195
Riders/Service Hour	15	10	9	34	7

*Thursday was July 4th holiday

Table 3 - Trolley 2013 Season - Ridership per Hour Analysis All Routes by Day

	11-12	12-1	1-2	2-3	3-4	4-5	5-6	6-7	Fri Total
Friday Ridership	343	386	415	441	392	331	261	164	2733
Hourly Riders	25	28	30	32	28	24	19	12	

	11-12	12-1	1-2	2-3	3-4	4-5	5-6	6-7	Sat Total
Saturday Ridership	824	769	944	914	1,068	986	880	569	6954
Hourly Riders	41	38	47	46	53	49	44	28	

	11-12	12-1	1-2	2-3	3-4	4-5	5-6	Sun Total
Sunday Ridership	575	569	618	670	607	543	523	4105
Hourly Riders	29	28	31	34	30	27	26	

	11-12	12-1	1-2	2-3	3-4	4-5	5-6	Mon Total
Monday Ridership	427	334	397	431	346	390	53	2378
Hourly Riders	28	22	26	29	23	26	27	

	11-12	12-1	1-2	2-3	3-4	4-5	5-6	6-7	7-8	8-9	Wed Total
Thursday Ridership (4th of July)	89	108	85	96	173	119	116	110	104	170	1170

North Coast Transit Surveys 2013

The San Luis Obispo Council of Governments initiated a project in 2013 to survey the fixed route transit services along the north coast. The purpose of the surveys was to gain a better understanding of the transit ridership characteristics, passenger needs and opinions, travel patterns (including transfers between buses) and potential opportunities for improvements. Survey work was performed in the spring and summer of 2013 with the final draft report completed in late December.

The consultant, using Cal Poly interns, conducted onboard, boarding/alighting and intercept with Cuesta College surveys on all fixed routes in the North Coast. Survey work occurred in mid

April 2013 with the exception of the City's Trolley service that was done in mid-July 2013.

Onboard Surveys: The onboard passenger surveys conducted provide an overview of passenger characteristics and travel patterns. The response rate for the Trolley was 20% which represents a good response for survey validity.

Demographics:

Trolley riders were typically adult (58% aged 24 to 65 and 10% aged 19 to 24) with a fair size elderly ridership (17% aged 64 to 74). Youth riders were not asked to complete a survey which skews the results some, but it was noted that many of the passengers traveled as families with small children. Most of the respondents were not local residents (87%) and those that did indicate they were local residents (10%) half responded they were full time and half responded they were half time residents.

Travel Patterns: The vast majority of Trolley riders walked to and from the trolley stops (93%), while those who transferred were mostly to/from other trolley routes. The primary purpose for the trip was for sight-seeing (33%) and social/recreational (31%), followed by shopping (18%) and restaurants/bars (14%). Riders primarily chose to use the trolley because it was "fun", convenient, allowed them to avoid driving or because they did not have a car available to make the trip.

Customer Satisfaction: Riders rated the Trolley very good (4.5 on a scale of 1 to 5 with 1 being Poor and 5 being Excellent). The three top ranked attributes were driver courtesy (4.7), cleanliness (4.7), and overall (4.6). The lowest ranking attribute, which is still ranked "good" overall at 4.3, was frequency of service.

Service Improvements: Trolley riders specified service hours should be extended (32%) as a service improvement they would most like to see.

Also included in the report were comments and observations about the Trolley relating to routing and schedule adherence. The Trolley service was short a driver during the survey period due to an unexpected personal matter that needed to be dealt with by one of the drivers resulting in the lunch relief driver having to drive during the surveying period which necessitated certain deviations on the various routes for lunch coverage that are noted in a Technical Memo that was incorporated in the final report. When down a driver, the choice is to either eliminate servicing one route altogether or to merge two routes during the shortage and cover the lunches the way they were on the day surveying work was done. Neither is an ideal option, but not providing coverage on a tourist oriented service was not an option.

Boarding and Alighting Surveys: The boarding and alighting surveys conducted provide information about the time of day riders use the system as well as where they got on and off the bus. For the Trolley, there was some difficulty tracking this information due to the circumstances noted above resulting in the Downtown and North Morro Bay trolleys leaving their own route to cover the other route for one loop during the lunch breaks. However, the data gives a good indication of stops receiving the most use.

Boarding and Alighting by Time of Day:

For the Trolley, boarding and alighting surveying was split over two days, Friday from 3 to 7 PM and Saturday from 11 AM to 3 PM. The busiest time of day was late afternoon after 4 PM. Saturday was busier than Friday, and Friday after 4 PM was busier than before 4 PM. This is consistent with visitors arriving during the day on Friday and being in town for all of Saturday.

Additionally, the individual trolley routes were busy at different times of the day and the North route had more ridership earlier in the day which is consistent with visitors at Morro

Strand State Park Campground and the travel trailer parks along Atascadero Road coming into town to spend the day in the downtown and waterfront areas.

The Trolley stop at Market at Morro Bay Boulevard was the busiest which makes sense since it is the transfer point for all three trolley routes. Other stops with high levels of passenger activity included Morro Strand State Park Campground (North Route), Morro Bay State Park Campground (Downtown Route) and many of the stops along the Embarcadero (Waterfront Route).

Recommendations:

There were six recommendations identified in the final report that staff will be evaluating for how each may be addressed in the 2014 season.

1. All trolleys should consistently serve all stops on the routes, in the order as they appear on the schedule.
2. Operate the Waterfront Trolley continuously, except for driver breaks every two hours (or as prescribed by contract). Breaks (at Morro Rock) should be limited to those necessary to those needed to address work rules.
3. The Downtown route was fairly consistently operated in approximately 30 minutes and this should be reflected in the schedule. The North route should be operated either half-hourly by shortening the route or hourly so that regular transfers can be staged at the Market and Morro Bay Boulevard stop (this is the location where all trolley routes meet to transfer riders between routes).
4. Further evaluate actual running time of each route, and develop a schedule which can be maintained at least 80 percent of the time. Consider shortening the North route so that it serves the Market and Morro Bay Boulevard stop for transfers but not the downtown area or Morro Bay Park.
5. Information should be up to date on the website, on trolleys, at trolley stops and as provided to the parks and public. Materials should be dated to establish that they are current. Hotels, park staff, and other tourist outlets should have current materials provided to them at the beginning of each season, and if changes are made, they should be made aware immediately. Follow-up visits with hotel staff mid-season would also be beneficial, as staff can turn over frequently.
6. Consider offering a \$1 fare as many patrons did not have exact change for the \$1.25 adult fare or \$0.50 child fare, resulting in over-payment with a few citing this as a negative on the survey forms.

CONCLUSION:

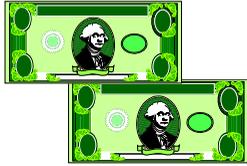
Staff recommends the City Council receive and file the 2013 trolley season summary.

FARES

\$1.25 per ride

\$0.50 per ride 5-12 yrs. old

\$3.00 All Day Pass



An all day pass is good for unlimited rides on the day purchased, and is valid on the Waterfront, Downtown and North Morro Bay routes.

TROLLEY TOKENS



Trolley tokens can be used in lieu of paying a cash fare.

Tokens can be purchased from the drivers.

Trolley tokens make great souvenirs!

DAYS AND HOURS

Morro Bay Trolley service operates Memorial Day weekend through the first weekend in October.

Friday

11 a.m. - 7 p.m.

Saturday

11 a.m. - 7 p.m.

Sunday & Holiday

11 a.m. - 6 p.m.

Monday

11 a.m. - 5 p.m.

July 4th

11 a.m. to approximately 1 hour after fireworks

Friday and Monday service operates from Memorial Day through Labor Day.

Holidays include
Memorial and Labor Day



FARMER'S MARKET



The Farmer's Market is every Saturday from 3 p.m. to 6 p.m. on Main Street from Harbor Street to Morro Bay Blvd. and on Harbor Street from Main to Morro.



The trolleys will deviate from their regular driving route to detour around the Market due to street closures.

SPONSORSHIPS

Become a sponsor of the trolley! All proceeds go towards the operation of the trolley's three routes. Sponsorship levels start at \$250.

For more information, call (805) 772-6263 or go to www.morro-bay.ca.us/trolley

Morro Bay Trolley



Linking the North Main Street and Downtown Business Districts, Embarcadero, and State Parks



For more information
morro-bay.ca.us/trolley
(805) 772-2744

Effective 5/25/2013

MORRO BAY TROLLEY

Get on the trolley anywhere along the route by waving your hand at the driver.



North Morro Bay Route Approximate 1 hour loop

1. Main at Bonita
2. Main at Elena
3. Main at Jamaica
4. Morro Strand State Park Campground
5. Hwy 1 at San Jacinto
6. Atascadero at 200 Block (northside)
7. Atascadero at Morro Dunes
8. Atascadero at 200 Block (southside)
9. Market at Morro Bay Blvd. (transfer point to Waterfront and Downtown routes)
10. City Park at Harbor (transfer point to Downtown route & Regional Transit Service Route 12)
11. Main at Errol

Downtown Route Approximate 30 minute loop

1. Shasta at Kennedy Way
2. City Park at Harbor (transfer point to North Morro Bay route & Regional Transit Service Route 12)
3. Morro Bay Blvd. at Napa
4. Morro Bay Blvd. at Monterey
5. Morro Bay State Park Campground
6. Main at Pacific
7. Market at Morro Bay Blvd. (transfer point to Waterfront and North Morro Bay routes)
8. Morro Bay Blvd. at Main
9. Morro Bay Blvd. at Napa

Waterfront Route Approximate 20 minute loop

1. Embarcadero at Front
2. Morro Rock
3. Embarcadero at Coleman Beach
4. Embarcadero at Beach
5. Embarcadero at Harbor
6. Embarcadero at Pacific
7. Embarcadero at Marina
8. Tidelands Park
9. Embarcadero at Driftwood
10. Embarcadero at Giant Chessboard
11. Market at Morro Bay Blvd. (transfer point to North Morro Bay and Downtown routes)

50¢
Child 5-12 yrs. old
\$1.25
13 yrs. and older
\$3
All Day Pass

Children under 5 ride free
(limit 2 per fare paying rider)

Wooden Trolley Tokens
make great souvenirs!



DAYS AND HOURS

Memorial Day weekend through 1st weekend in October*

Friday	11 a.m. - 7 p.m.
Saturday	11 a.m. - 7 p.m.
Sunday	11 a.m. - 6 p.m.
Monday	11 a.m. - 5 p.m.
Holidays	11 a.m. - 6 p.m.

4th of July
11 a.m. to approximately one hour after fireworks

*Friday & Monday operate Memorial Day through Labor Day only.

For more information
call 772-2744
morro-bay.ca.us/trolley

- North Bay Route
- Downtown Route
- Waterfront Route
- Public Parking Lot
- Unpaved Public Parking Lot
- Campground



AGENDA NO: A-8

MEETING DATE: March 11, 2014

Staff Report

TO: Honorable Mayor & City Attorney **DATE:** February 28, 2014

FROM: Anne M. Russell, Interim City Attorney

SUBJECT: Deferral of Dynegy Community Development Fund Payment

RECOMMENDATION

Authorize second deferral of Dynegy's Community Development Fund ("CDF") Payment originally due January 21, 2014, and once deferred to March 14, 2014, for approximately two more months until May 16, 2014, together with waiver of any applicable late fees or default claims related to the deferral.

ALTERNATIVES

1. Defer Dynegy payment due 1/21/14 until 5/16/14 at Dynegy's request to conclude negotiations relating to possible City acquisition of Dynegy property in lieu of some or all of that payment.
2. Defer payment but direct staff to negotiate a deferral fee, different due date or other direction.
3. Do not defer payment.

FISCAL IMPACT

If deferred, the City will not receive \$525,000 until approximately 4 months after its original due date together with possible loss of minimal interest (due to current low interest rates), possible late fees (unclear whether available), and possible lost opportunity costs (miss opportunity to use the funds elsewhere).

SUMMARY

In November 2004, the City and Duke Energy Morro Bay LLC ("Duke") entered into an Agreement to Lease and Agreement Regarding Power Plant Modernization ("2004 Agreement") as well as a Lease Agreement ("Outfall Lease"). By Resolution 59-12, on December 5, 2012, the City and Dynegy Morro Bay LLC ("Dynegy") amended both the 2004 Agreement and the Outfall Lease due

Prepared By: _____ Dept Review: _____
City Manager Review: _____
City Attorney Review: _____

to the power plant not reaching New Plant Commencement Construction (as defined in the 2004 Agreement) by November 12, 2012. Among numerous other amendments, Dynegy replaced Duke throughout the documents, and Section 4.2.1 of the 2004 Agreement was amended to increase the amount of the CDF payment to \$525,000 (from \$500,000) effective January 21, 2014.

In November 2013, Dynegy filed a notice with the California Independent System Operator (“ISO”) initiating the retirement process for the Morro Bay Power Plant. In February 2014, the ISO accepted the plant retirement. The retirement process will continue with an estimated final closure in June 2014.

Dynegy requested deferral of the January 2014 CDF payment, in the amount of \$525,000, to allow Dynegy to obtain more information as to the plant’s future, and to allow both sides to explore a possible trade of property in lieu of that payment. At its January 14, 2014 meeting, the Council approved a deferral until March 14, 2014. An appraisal on properties Dynegy is willing to sell, which includes Lila Keiser Park, Fisherman’s Gear Storage Area, Harbor and Coast Guard Storage Yard, and other property on the northern end of Dynegy’s property, is expected March 5, which does not allow enough time to discuss the appraisal with Council, conclude negotiations and close escrow before the March 14 payment date.

The January CDF payment is neither budgeted nor planned.

Dynegy had the option of cancelling future CDF payments by giving the City notice by February 28, 2014. Dynegy gave the requisite notice.

CONCLUSION

Deferral of the CDF payment until May 16, 2014, and waiver of any applicable late fees or default claims related to the deferral, will allow the City to continue negotiations and possibly acquire property from Dynegy.



AGENDA NO: A-9

MEETING DATE: 3/11/14

Staff Report

TO: Honorable Mayor and Council **DATE:** 03/04/14
FROM: Joe Woods, Recreation and Parks Director
SUBJECT: Review and Approve the Public Art Proposal for a Mural to be Applied on
Two Electrical Boxes at the Corner of Main Street and Quintana Blvd in
Morro Bay

RECOMMENDATION

Staff recommends City Council review and approve the proposal from Ms. Morin and Ms. Britton to place a mural on two electrical boxes at the corner of Main Street and Quintana Blvd in Morro Bay. Staff recommends Alternative #1 below.

ALTERNATIVES

1. Accept the recommendations from RPC and approve the Public Art Proposal with direction to staff to work with the applicant to complete the project and execute a donation agreement.
2. Accept the recommendation from PWAB and approve the Public Art Proposal with direction to staff to work with the applicant to complete the project and execute a donation agreement.
3. Approve the Public Art Proposal with Council directed conditions and direct staff to work with the applicant to complete the project and execute a donation agreement.
4. Deny the Public Art Proposal.

FISCAL IMPACT

No fiscal impact has been realized outside of staff's time to prepare and present reports.

SUMMARY

In November, 2013 the City received a request for donation of a mural to be placed on two electrical boxes at the corner of Main Street and Quintana Blvd in Morro Bay. The proposal has been reviewed and approved by the City Manager, PWAB, and RPC. This proposal for public art is now being presented to City Council for review, discussion and approval.

BACKGROUND/DISCUSSION

Pursuant to the current Public Art Policy, (attached), all requests for public art donations start at the City Manager's office. After review for completeness, the application for public art is forwarded to the appropriate Advisory Boards for consideration and recommendations. Recommendations regarding the request to donate public art are then forwarded to City Council for final consideration.

Prepared By: JMW

Dept Review: JMW

City Manager Review: _____

City Attorney Review: _____

In November, 2013 the City received a request for donation of a mural to be placed on two electrical boxes at the corner of Main Street and Quintana Blvd in Morro Bay. Pursuant to the Public Art Policy, staff has forwarded this proposal to the Public Works Advisory Board (December 2013) and the Recreation and Parks Commission (January 2014) with final approval pending action from the City Council.

PUBLIC WORKS ADVISORY BOARD(PWAB) RECOMMENDATION

At the regular meeting on December 18, 2013, PWAB reviewed the Public Art Proposal – Painting of Traffic Signal Control Cabinets on Quintana and Main Streets. The Board considered the proposal to decorate the traffic Signal Control Cabinets. Staff Livick presented the staff report, followed by Chairperson Makowetski, who opened Public Comment period, and seeing none, closed Public Comment period.

MOTION: Board member McPherson moved to accept staff recommendation and move the item forward to City Council for approval. The motion was seconded by Board member Owen and carried unanimously. (4-0)

RECREATION AND PARKS COMMISSION(RPC) RECOMMENDATION

At the regular meeting on January 16, 2014, RPC reviewed the Public Art Proposal – Painting of Traffic Signal Control Cabinets on Quintana and Main Streets. The Commission considered the proposal to decorate the traffic Signal Control cabinets. Staff Woods presented the staff report, followed by Chairperson Bates, who opened Public Comment, and seeing none, closed Public Comment period.

MOTION: Vice Chair Sidaris moved to approve the mural at the specified location with the colors muted and a monarch butterfly instead of a hummingbird. The motion was seconded by Board member Swain and carried unanimously. (6-0)

CONCLUSION

It is the recommendation of the Public Works Advisory Board, Recreation and Parks Commission, as well as staff, that the City Council approve the proposal from Ms. Morin and Ms. Britton to place a mural on two electrical boxes at the corner of Main Street and Quintana Blvd. The addition of this proposed public art will further enhance the City of Morro Bay and promote the City’s interest in providing opportunities to showcase public art.

City of Morro Bay
PUBLIC ART POLICY

Approved by Morro Bay City Council on February 27, 2006

PURPOSE

The City of Morro Bay encourages public art on appropriate City owned property. The purpose of this policy is to set forth standardized policies and procedures for the acceptance of donated artwork offered to the City by the artist.

DEFINITION OF PUBLIC ART

For the purpose of this policy, public art will be artwork located in public places (indoor or outdoor) owned by the City of Morro Bay.

REVIEW PROCEDURE

- A. Any artist wishing to donate artwork to the City of Morro Bay must submit an application to the City Manager's office in the form attached hereto:
 - 1. Photo, plans or model of proposed donation
 - 2. Technical description of the work
 - 3. Any special care, maintenance, mounting or display requirements
 - 4. Resume of the artist
 - 5. Statement of value of the proposed donation

- B. City staff shall review the application and supporting documentation for the proposed donation. Upon finding that the application is complete, City staff shall place the application on the agenda of all City boards and commissions for their comments. Input shall be encouraged from the Morro Bay Art Association, Morro Bay Public Art Foundation and the public at large. It shall then go to the City Council for final approval or denial.

SELECTION CRITERIA

- A. The City Council will consider the following criteria when considering whether to accept or reject a donation of public art.
 - 1. The design and placement of public art will not impede pedestrian or vehicle traffic or conflict with public or private easements.
 - 2. Whether the artist has the necessary funds/resources to properly install, care for and maintain the donated public art.
 - 3. Appropriateness of the site.

ACCEPTANCE

- A. If the City Council votes to accept the donated artwork, the artist shall enter into a donation agreement. Upon execution of the agreement by the artist, title of the artwork shall pass to the City.

- B. The City in its sole discretion may remove from its collection any donated artwork. In such event the City shall make reasonable efforts to contact the artist who donated the artwork and offer to return the artwork. If the artist cannot be located after reasonable efforts, or the artist declines to accept the return of the artwork, the City may determine the disposition of the artwork.

RECEIVED
City of Morro Bay

NOV 05 2013

Administration

Elizabeth Morin
2626 Maple Ave.
Morro Bay, CA 93442
(805) 772-3581
gratefulmorin@gmail.com

Andrea K. Lueker
City Manager
City of Morro Bay
805-772-6206

October 5, 2013

Dear Morro Bay Council Members and City Staff,

We would like to donate a public mural to be placed on two electrical boxes at the corner of Main St. and Quintana Blvd. in Morro Bay.

The artist who will paint the mural is Annette Stemper. She has done other large murals in Morro Bay, including the mural on the wall of the Catch a Wave Salon in the Fitness Works shopping center and two large outdoor murals at Del Mar Elementary School.

The Mural will cover all four sides and the top of the boxes. It will not impede access to the boxes. It shall be painted with acrylic paint and sealed to endure through many years of exposure to the outdoors. No special maintenance of the mural will be required.

The estimated value of the mural is \$500.

Included with this application is a photo of the proposed mural.

Please let us know if you have any questions as you consider our application.

Thank you,



Elizabeth Morin
(805)458-6734



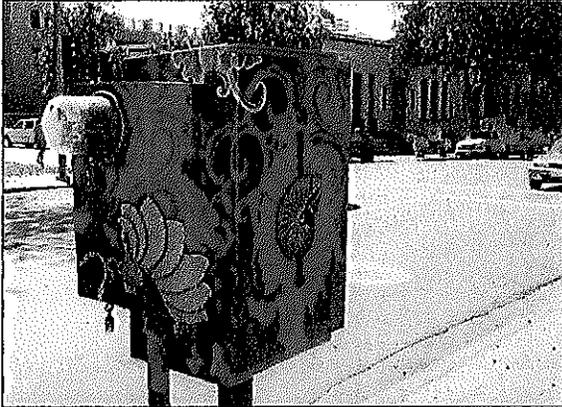
Maty Ann Britton
(805) 801-2626



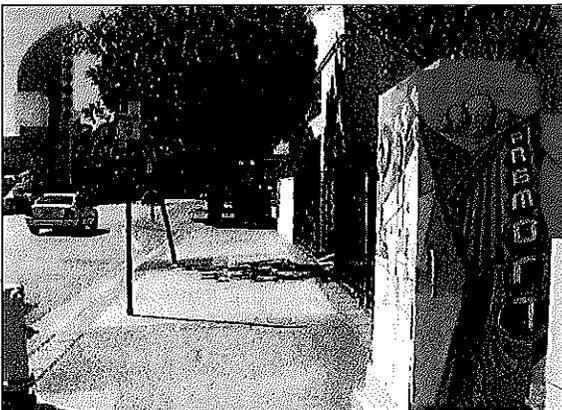


~~membrane and PVC roofing will keep City Hall cooler in the summer months and reduce energy costs.~~

~~A big thanks to the staff of City Hall for their unfailing cooperation, despite a few warmer moments. The Public Works staff who worked on this project include Project Manager Mike McGuire; inspector Bob Bishop, and Andrew Collins and his Building Maintenance crew who provided stellar coordination throughout, and valuable assistance in removing the clay tiles.~~



Box Art Program: Thanks to the implementation of the Box Art Program, creative and colorful paintings now grace the once drab utility/traffic boxes that align downtown San Luis Obispo. Over the past several months, City staff have consulted with the Downtown Association to design a program that would use public art to augment the beautification efforts taking place in the downtown area. Mirrored after several other California cities, the Box Art Program was formed. A Call for Artists was released and a public art jury selected 16 conceptual renderings for painted utility/traffic boxes.



Just the weekend before Savor the Central Coast, the Box Art Festival took over downtown with 14 local artists transforming 16 old and unattractive utility/traffic control boxes into interesting pieces of art. Festival goers with Box Art Walking Tour Map in hand took off on foot to find the art boxes scattered around the downtown core. Approximately nine days after the festival, all 16 boxes were completed and sealed with a UV and anti-graffiti clear coat and 14 exhausted artists had some amusing stories to tell of their time painting on the streets.

The Box Art Program contributes to the vitality and attractiveness of downtown while deterring graffiti and giving local artists an opportunity to add personal touches to the City's public art collection. One artist comments "What a great opportunity and privilege to participate in the Box Art project. It is rare that people get to do what they love and connect with the community, and get paid for it. Thank you again SLO Parks and Recreation". To view the Box Art Walking Tour Map, visit www.slopublicart.com.

~~**Haunted Jack House.** On October 24th and October 31st, the Historic Jack House and Gardens were transformed into a *spooktacular* scene. Jack House docents led visitors by flashlight through the dimly lit 'Haunted House' while telling ghost stories and Jack family folk lore. The Victorian-era home was decorated with spider webs, creepy crawlies, bats and rats. Theater students from San Luis Obispo High School volunteered for the event and acted as ghosts. The old Jack House buggy was also brought out of the shed for display in the gardens. Over the two weekends, the Jack House had 267 visitors who enjoyed being both scared and informed about the Jack family and days gone by in San Luis Obispo.~~



Annette Stemper - Mural Artist

(805)674-4545

Logo-lady@sbcglobal.net

I have been involved in the creation and execution of community murals in San Luis Obispo County since 2009.

Below is a list of some of my work. You may also enjoy the attached photographs of my work.

- 2009, Del Mar Elementary, Morro Bay, CA, playground fence
- 2011, Del Mar Elementary, Morro Bay, CA, Cafeteria mural
- 2012 Casa De Flores rest home, Morro Bay, CA
- 2012 Admire Boutique
- 2013, Round Table Pizza, Atascadero, CA
- 2013, Atascadero Post Office, Atascadero, CA
- 2013, Lyne Bloomfield
- 2013, Donation to Atascadero Athletics

Public Art - Elec Boxes





AGENDA NO: A - 10

MEETING DATE: March 11, 2014

Staff Report

TO: Honorable Mayor and City Council **DATE:** March 5, 2014

FROM: Barry Rands, PE – Associate Engineer

SUBJECT: Resolution 19-14 Approving the Purchase of a Right of Way Easement and Authorizing Mayor to Accept the Offer of Dedication/Grant of Easement for Construction of the Mutli-Use Trail through APN 066-416-002 along the Dirt Embarcadero

RECOMMENDATION

Staff recommends that Council, on behalf of the public, adopt the attached Resolution No. 19-14 authorizing the purchase and acceptance of an easement for right of way purposes through a piece of real property with the Assessor's Parcel Number 066-461-002 along the Dirt Embarcadero.

ALTERNATIVES

Council could recommend:

1. Renegotiation of a reduced purchase price for the easement.
2. Construction of a discontinuous path with a gap through this parcel.

FISCAL IMPACT

The City had budgeted \$14,000 for right of way acquisition related to this project. The cost for appraisal of the easement was \$5,000 with the appraised value of the easement at \$4,000 for a total cost of \$9,000.

BACKGROUND

In July 2012, the City received notice of award of a Transportation Enhancement Funds Grant to construct a Multi-Use Trail and Bridge to connect both ends of the Embarcadero currently separated by Morro Creek. The route of the trail passes through property owned by Dynegy Morro Bay LLC. City staff was aware of the need for right of way acquisition and budgeted \$14,000 toward that endeavor, an amount that serves as part of the required match funds for the grant.

DISCUSSION

Once project design commenced, the detailed configuration of the trail and easement requirements were determined. A legal description of the easement was also prepared, and a firm was hired to conduct an appraisal of the easement. At the same time, the City interim Counsel initiated

Prepared By: BCR

Dept Review: RL

City Manager Review: _____

City Attorney Review: _____

negotiations with Dynegy. These negotiations were successfully completed with Dynegy agreeing to grant the easement in return for a credit toward the fees that they owe the City. The credit is equal to the appraised value of the easement (\$4,000).

CONCLUSION

As the transaction costs are well within budget and all alternatives would delay project completion and could possibly jeopardize funding, it is recommended the City Council accept the terms of the appraisal for an easement across Dynegy property.

ATTACHMENTS

1. Resolution 19-14

RESOLUTION NO. 19-14

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
APPROVING THE PURCHASE OF RIGHT OF WAY
AND AUTHORIZING THE MAYOR TO ACCEPT
THE OFFER OF DEDICATION/GRANT OF EASEMENT
(PUBLIC RIGHT OF WAY) FROM DYNEGY MORRO BAY LLC**

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

WHEREAS, a project to design and construct a Multi-Use Trail and Bridge Project to connect both ends of the Embarcadero across Morro Creek has been approved by City Council; and

WHEREAS, the optimal route for the Project passes through property owned by Dynegy Morro Bay LLC; and

WHEREAS, Dynegy Morro Bay LLC has agreed for a valuable consideration to grant the City easement across their property for the purposes of constructing the Project.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California that the City Council hereby approves the purchase and authorizes the Mayor to accept on behalf of the City an offer of dedication/grant of easement for public right of way purposes from Dynegy Morro Bay LLC, through a parcel with the Assessor's Parcel Number of 066-461-002, legally described on Exhibit "A" and depicted on Exhibit "B", both attached, in a final form to be approved by the City Attorney.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 11th day of March, 2014 by the following vote:

AYES:

NOES:

ABSENT:

JAMIE L. IRONS, Mayor

ATTEST:

JAMIE BOUCHER, City Clerk

EXHIBIT A LEGAL DESCRIPTION

That portion of land in the City of Morro Bay, County of San Luis Obispo, State of California described in Certificate of Compliance recorded in Documents Number 2000-057384 of Official Records in the Office of the County Recorder of said County lying westerly of the line described as following:

Commencing at the northerly terminus of the course in the southwesterly boundary line of the 48.7 acre parcel of land described in the Deed to Pacific Gas and Electric Company recorded September 17, 1951, in Book 628 of Official Records at Page 342 in the Office of the County Recorder of said County, which course has a bearing of "North 53° 45' West and a distance of 884.13 feet"; thence, along said southwesterly boundary line and its southeasterly prolongation South 52° 03' 18" East (record North 53° 45' West per said Deed), a distance of 884.13 feet to a 1 inch iron pipe marking the southeasterly terminus of said course; thence, North 38° 25' 31" West, a distance of 2679.57 feet to the **True Point of Beginning (T.P.O.B.)**; thence,

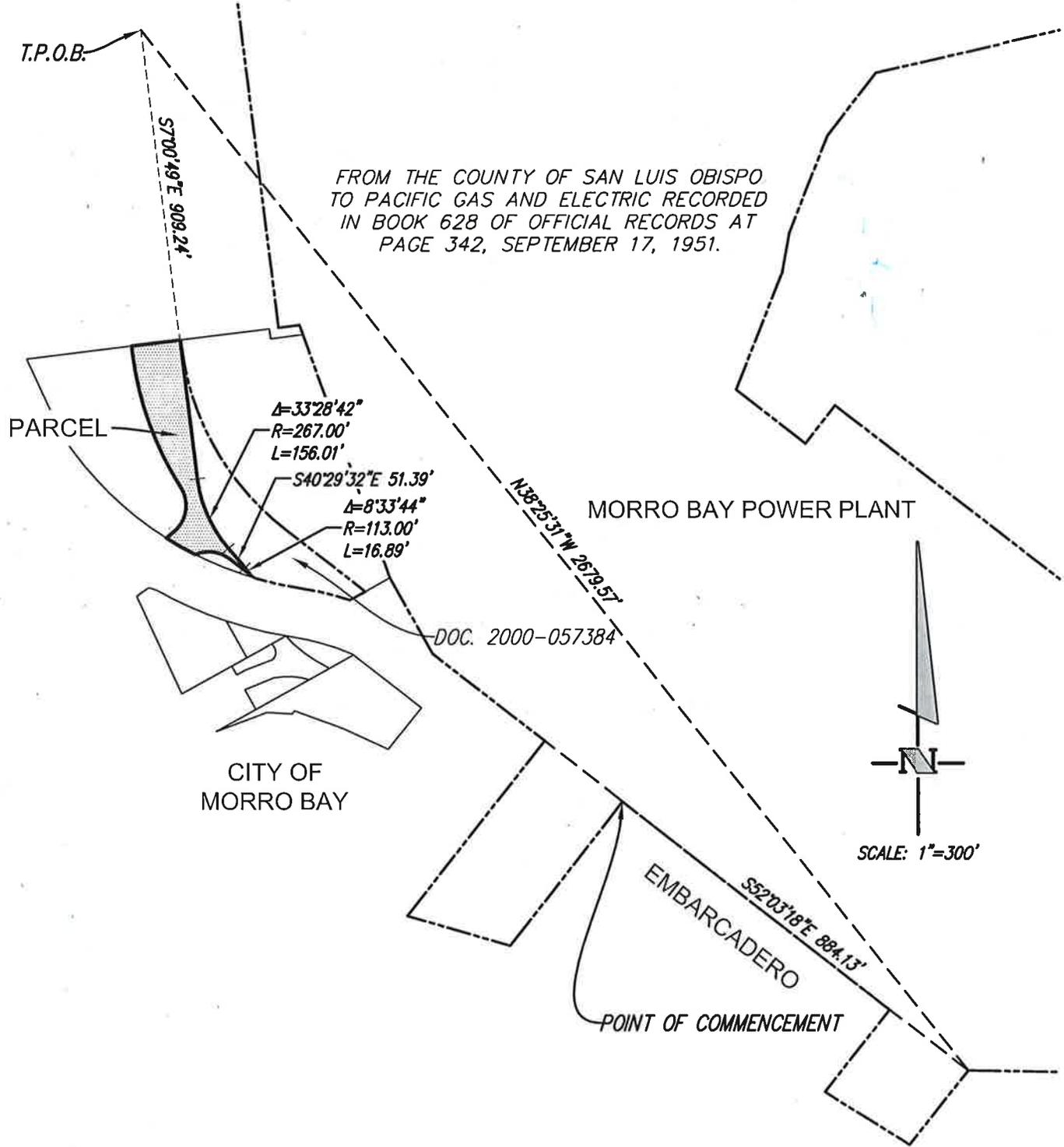
1. South 7° 00' 49" East, a distance of 909.24 feet to the beginning of a curve concaved to the east having a radius of 267.00 feet; thence,
2. Southerly and southeasterly along said curve through a central angle of 33° 28' 42", an arc distance of 156.01 feet, thence,
3. South 40° 29' 32" East, a distance of 51.39 feet to the beginning of a curve concaved to the southwest having a radius of 113.00 feet; thence,
4. Southeasterly and southerly along the arc of said curve through a central angle of 08° 33' 44", an arc distance of 16.89 feet to the southerly line of the land described in said Certificates of Compliance.

The sidelines of said 60 foot wide strip to be extended or shortened to meet at angle points and to terminate at the northerly and southerly lines of the land described in said Certificates of Compliance.

The above-described property contains 32,112 sq.ft. more or less, and is shown graphically in Exhibit B attached hereto and incorporated herein by reference.



EXHIBIT B



rrmdesigngroup 
creating environments people enjoy®

3765 South Higuera St., Ste. 102, San Luis Obispo, CA 93401
P: (805) 543-1794 | F: (805) 543-4609 | www.rrmdesign.com

A California Corporation | Victor Montgomery, Architect #C11090 | Jerry Michael, PE #36895, LS #6276 | Jeff Ferber, LA #2844





AGENDA NO: C-1

MEETING DATE: 3/11/14

Staff Report

TO: Honorable Mayor and City Council **DATE:** March 5, 2014
FROM: Ed Kreins, Interim City Manager
SUBJECT: City Council 2014 Annual Meeting Schedule as well as Discussion of
Altering the Planning Commission Meeting Schedule

RECOMMENDATION

Staff recommends the City Council adopt the proposed meeting schedule for calendar year 2014:

1. The regular City Council meetings will be held on the second and fourth Tuesdays of each month, beginning at 6:00pm, with the following exceptions:
 - a. If a Council meeting falls on a proclaimed City Holiday, the meeting will be held on the following Wednesday; and
 - b. July 22nd, November 25th and December 23rd, which have traditionally been cancelled.
2. The regular Planning Commission meetings will be held on the first and third Tuesdays of each month.
3. 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 5th 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 Council meeting dates, staff will need to bring forward a Resolution at the March 25th meeting to adopt and formalize the change.

Prepared By: SS

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

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. At the January 28th meeting, Council recommended that this item be returned after the contract City Attorney had been selected.

DISCUSSION

The proposed schedule for the 2014 calendar year for the City Council is similar to the 2013 calendar. At the request of Council, staff researched the possibility of moving the Council meeting dates to the 1st and 3rd Tuesdays of the month, and learned that our newly-hired Contract City Attorney would not be able to accommodate that schedule change. Therefore, changing the meeting dates at this time is not being recommended.

Staff is, however, requesting to change the Planning Commission meeting dates. The Planning Commission meetings are currently held on the 1st and 3rd Wednesdays of each month. Staff is recommending that the Planning Commission meetings be held on the 1st and 3rd Tuesdays of every month to facilitate scheduling and public noticing of items that move from Planning Commission to City Council. Staff has polled the Planning Commissioners regarding this change; three out of the four sitting members do not have a conflict with the change. Also, both AGP and the Recreation & Parks Department are able to accommodate this proposed change with one exception: the building is not available on May 20th until 5:00pm, which would delay the start time of the meeting.

A 2014 calendar is attached for your reference.

Calendar for year 2014 (United States)

January

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	

February

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	

March

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					

April

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			

May

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

June

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					

July

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		

August

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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
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

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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	31	

November

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						

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			

farebox ratio.

SUMMARY

At its July 9 meeting, Council directed staff to bring an item to the Public Works Advisory Board regarding evaluating options for weekend transit service during winter months after the trolley season ends, including a rider survey, and then bring the item to the Council for consideration.

An on board survey of transit riders was conducted by Morro Bay Transit during the month of September. Results of this survey are included in Attachment 1 and summarized in the Discussion section below.

The North Coast Transit Surveys 2013 project, conducted by the San Luis Obispo Council of Governments, started in spring 2013, included an on board survey on all fixed routes operating along the north coast to gather various rider demographic and boarding/alighting information, including if there are any improvements to the service requested by riders (see Agenda Item A-5 for summary of Technical Memorandums for this project). Results relating to weekend requests for Morro Bay Transit were reviewed when developing options for consideration.

Staff developed cost, fare and farebox ratio estimates for various weekend service options that is included in Attachment 2.

The Public Works Advisory Board considered this matter at its November 4, 2013 meeting. The Board discussed the 10% farebox ratio requirement, the budget and cost for the options, and Transportation Development Act funds for transit services. The Board recommends the Council consider the options for weekend Morro Bay Transit service, expand transit service on Saturdays, year round, for an 8 hour day, beginning July 1, 2014, authorize the allocation of \$15,300 from the FY 14/115 Transportation Development Act funds for Saturday year round service and implement the weekend service on a trial basis for one year with a review of actual ridership and farebox ratio impact after 6 months.

DISCUSSION

Existing Transit Services in Morro Bay

Current local transit services provided in Morro Bay include Morro Bay Transit, a year round, weekday deviated fixed route with Call-A-Ride trips where the bus goes off route up to $\frac{3}{4}$ of a mile to pick up/drop off riders, and Morro Bay Trolley, a seasonal fixed route service that operates Friday through Monday from Memorial Day to Labor Day and then weekends only until the first weekend in October.

The Regional Transit Authority (RTA) operates limited weekend service of its Routes 12 and 15 that stop in Morro Bay at City Park, and have no other stops in Morro Bay other than one on the highway at San Jacinto for Route 15. Additionally, RTA operates Runabout, the Americans with Disabilities Act complementary paratransit service for qualified users, on weekends when the fixed routes for RTA and the Trolley are running.

During the trolley season, local riders who are able to walk to a trolley stop are able to use the service to get to/from their homes to the Downtown and waterfront areas. Historically, the local ridership is minimal, comprising less than 10% of trolley ridership (derived from prior trolley on board surveys). According to the on board surveys from the North Coast Transit Surveys project that took place in July 2013 over one day, 13% of trolley riders were local residents (half of which were full time and half were part time residents).

North Coast Transit Surveys 2013 Project

On board surveys were conducted on Morro Bay Transit as part of the North Coast Transit Surveys project. Surveying was conducted over a one day period in April 2013. One question asked about service improvements and 36% of respondents indicated Saturday service while 26% indicated Sunday service.

Morro Bay Transit On Board Survey

On board surveys were conducted during the month of September 2013. Results are summarized in Attachment 1. A total of 55 surveys were collected. It is estimated that there are between 80 and 90 unique riders for Morro Bay Transit, resulting in a 50% response rate.

Two-thirds of the respondents indicated Saturday service would best serve their needs and one-third indicated Sunday service. Regarding how often weekend service would be used, 79% of respondents indicated every weekend and 18% indicated once or twice a month. Regarding the purpose of the trip, 29% indicated shopping, 19% recreation or social activity and 18% connection with RTA fixed route 12 or 15. Regarding what time during the weekend would best serve their needs, 20% indicated 9-10 AM while the other times were close with 15% and 14% each.

A question about what current fare the respondent pays for weekday service was included to aid with developing estimated fares in order to calculate a farebox ratio for each option. There was an even split between Regular and Discount categories (37% and 38% respectively). Regional and VIP passes made up 25%. The City is required by the San Luis Obispo Council of Governments to honor Regional and VIP passes. The City is reimbursed for Regional pass rides at about 60% of the actual fare while there is no reimbursement for VIP pass riders as the pass enables the rider to use fixed route transit service for free (the pass is for seniors over the age of 80).

Weekend Service Options

Using the data from the North Coast Transit Surveys project and Morro Bay Transit on board surveys, several options with an 8 hours service day were identified and estimates for cost, fares and farebox ratio were developed, shown in Attachment 2. Essentially, there are 6 options for Saturday and Sunday service individually and the whole weekend, both for year round service and service on during the trolley off season (33 weeks per year).

An 8 hour day was selected for the options as the survey results did not yield an overwhelming winner in terms of the times during the day that would best serve the needs of the riders responding to the survey. The 8 hour day would also allow enough time for a resident to use RTA routes 12 or 15 to go to San Luis Obispo or north to San Simeon area and be able to return to Morro Bay and get back home.

1. Option 1 - Year round, Saturday only, 8 hour day:

- Estimated Cost: \$15,271
- Estimated Fares: \$1,567
- Estimated 10.3% farebox ratio

While the request from Council was to examine options for weekend service during the trolley off season, staff included an option for year round Saturday service as the Call-A-Ride service on the deviated fixed route would be available for those riders who are not able to walk to a trolley stop during the trolley season. The trolley is a fixed route only and does not deviate off route for curb-to-curb service.

Offering year round service would allow for all current users of Morro Bay Transit to be able to use Saturday service, including those in the Beach Tract, Radcliffe area or south end of town who have no trolley service in that area, or the north end of town a couple of blocks off of Main Street, not just those who live near and can walk to a trolley stop.

2. **Option 2 - Year round, Sunday only, 8 hour day:**

- Estimated Cost: \$15,271
- Estimated Fares: \$784
- Estimated 5.1% farebox ratio

As with Option 1, a year round Sunday service option was included as the Call-A-Ride service on the deviated fixed route would be available for riders who are not able to walk to a trolley stop during the trolley season.

As with Option 1, offering year round service would allow for all current users of Morro Bay Transit to be able to use Saturday service, including those in the Beach Tract, Radcliffe area or south end of town who have no trolley service in that area, or the north end of town a couple of blocks off of Main Street, not just those who live near and can walk to a trolley stop.

3. **Option 3 - Trolley Off Season, Saturday only, 8 hour day:**

- Estimated Cost: \$9,988
- Estimated Fares: \$995
- Estimated 10.0% farebox ratio

This option would provide for Saturday service during the trolley off season from the 2nd week in October to the weekend before Memorial Day weekend.

4. **Option 4 - Trolley Off Season, Sunday only, 8 hour day:**

- Estimated Cost: \$9,988
- Estimated Fares: \$497
- Estimated 5.0% farebox ratio

This option would provide for Sunday service during the trolley off season from the 2nd week in October to the weekend before Memorial Day weekend.

5. **Option 5 – Year Round Saturday and Sunday, 8 hour days:**

- Estimated Cost: \$28,359
- Estimated Fares: \$2,351
- Estimated 8.3% farebox ratio

This option would provide for year round Saturday and Sunday service.

6. **Option 6 – Trolley Off Season Saturday and Sunday, 8 hour days:**

- Estimated Cost: \$11,426
- Estimated Fares: \$1,492
- Estimated 8.2% farebox ratio

This option would provide for Saturday and Sunday service during the trolley off season from the 2nd week in October to the weekend before Memorial Day weekend.

Fare estimates were based on an estimate of riders who would use the weekend service and would be newly generated rides, not trips that are being shifted from the weekday to the weekend. In other words, a rider using transit for the same number of trips each week but now that weekend service is available, the rider would still take the same number of trips, but just shift the day in the week when those rides occur.

This occurred with the former Dial-A-Ride service when Saturday was added resulting in lower

ridership numbers than anticipated for the added service and negatively impacting the farebox ratio due to lower fares being generated. It is likely this would occur again with adding weekend service; however, it will not be known what that actual impact may be until the weekend service is operating.

For this reason, staff is recommending that any weekend option selected be on a one year trial basis with a review after 6 months to determine actual ridership and to what extent the shift in trips is occurring that would impact the amount of fares generated and negatively impact the farebox ratio.

Transportation Development Act Farebox Ratio Requirement

The Transportation Development Act (TDA) requires the City maintain a 10% farebox ratio for transit services it provides using TDA funds. Falling below the 10% ratio would trigger the assessment of a resulting in the loss of some of the Local Transportation Fund (LTF) monies the City receives for transit services. The penalty is calculated by taking the difference between the fares collected and the fares that should have been collected to reach the 10% ratio.

According to the FY 2011/2012 annual TDA audit, the City was at 10.7% and in compliance. The FY 2012/2013 audit is just about to start and will be completed in the next couple of months with a new farebox ratio being calculated to determine continued compliance.

CONCLUSION

Weekend options 2, 4, 5 and 6 are not estimated to meet a 10% farebox ratio and are not being recommended by staff to implement as they would result in the transit system's overall farebox ratio to fall below 10% and risk losing LTF funds that are used to provide Morro Bay Transit, Trolley and Senior Bus (currently in development) services.

Of the remaining options, 1 and 3, both are projected to just reach the 10% farebox ratio threshold, barring enough of a shift in when existing trips are being taken that fares are lower than projected and the farebox ratio falls below 10%.

As mentioned previously, offering year round service would allow for all current users of Morro Bay Transit to be able to use Saturday service, including those in the Beach Tract, Radcliffe area or south end of town who have no trolley service in that area, or the north end of town a couple of blocks off of Main Street, not just those who live near and can walk to a trolley stop.

Staff and the Public Works Advisory Board recommend the Council do the following:

1. Consider the options for weekend Morro Bay Transit service;
2. Approve expanding transit service on Saturdays, year round, for an 8 hour day, beginning July 1, 2014;
3. Authorize the allocation of \$15,300 from the FY 13/14 Transportation Development Act funds for Saturday year round service; and
4. Implement the weekend service on a trial basis for one year with a review of actual ridership and farebox ratio impact after 6 months.

ATTACHMENTS

1. Morro Bay Transit On Board Survey Results
2. Weekend Service Options - Cost, Fare and Farebox Ratio Estimates
3. Morro Bay Transit Route Map
4. Morro Bay Trolley Route Map

Attachment 2

Morro Bay Transit - Weekend Cost and Fare Estimates

(assumes July 1, 2014 start with new Transportation Development Act funding year)

Cost Estimate	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
	Saturday Year Round 8 Hour Day (416 hours)	Sunday Year Round 8 Hour Day (416 hours)	Saturday Off Season 8 Hour Day (264 hours)	Sunday Off Season 8 Hour Day (264 hours)	Sat. & Sun. Year Round 8 Hour Day (832 hours)	Sat. & Sun. Off Season 8 Hour Day (528 hours)
Vehicle Service Hours	\$9,002	\$9,002	\$5,713	\$5,713	\$18,004	\$11,426
Fuel	\$3,786	\$3,786	\$2,402	\$2,402	\$7,571	\$4,805
Maintenance	\$300	\$300	\$190	\$190	\$599	\$380
Advertising	\$2,184	\$2,184	\$1,683	\$1,683	\$2,184	\$1,683
Cost Estimate:	\$15,271	\$15,271	\$9,988	\$9,988	\$28,359	\$18,294

Fare Estimate	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
Total Estimated Riders ¹	1664	832	1056	528	2496	1584
Estimated Regular	616	308	391	195	924	586
Estimated Discount	632	316	401	201	948	602
Estimated Regional Pass ²	283	141	180	90	424	269
Estimated VIP ³	133	67	84	42	200	127
	\$ 1,567	\$ 784	\$ 995	\$ 497	\$ 2,351	\$ 1,492
Estimated Farebox Ratio⁴:	10.3%	5.1%	10.0%	5.0%	8.3%	8.2%

¹Industry standard: Saturday ridership is half of weekday ridership; Sunday ridership is half of Saturday ridership.

^{1R}ider fare category breakdown based on the on board survey responses for weekend service.

²City required by SLOCOG to honor Regional Passes and receives approximately 60% fare reimbursement for each rider.

³City required by SLOCOG to honor VIP passes (seniors over 80) and received no fare reimbursement as these are free rides.

⁴State requirement for Transportation Development Act funds is 10% ratio.

MORRO BAY TRANSIT



Get on the bus anywhere along the route by waving your arm at the driver.

Days and Hours

Monday through Friday
6:25 a.m. - 6:45 p.m.

Fixed Route Stops

1. Main at Bonita
2. Main at Spencer's Market
3. Main at Sequoia
4. Main at Jamaica
5. Main at Tahiti
6. Beachcomber at Mindoro (stairs to campground)
7. Sandalwood at San Jacinto (beach access)
8. Atascadero at 200 Block (Teen Center; High School)
9. Atascadero at Morro Dunes
10. Atascadero at 300 Block (Motel 6)
11. Quintana at Cookie Crock
12. Quintana at Albertson's
13. City Park at Harbor
14. Piney Way at Anchor
15. Market at Morro Bay Blvd. (Centennial Stairway)
16. Community Center/Senior Center
17. Main at Errol

*Bus stop times are shown in minutes on the hour during service hours.

You may board or leave the bus at any point along the route where the driver can make a safe stop, but it is recommended catching the fixed route bus at the designated bus stops.

Call-A-Ride ~ 772-2744

Call-A-Ride curb-to-curb service is available to everyone. The fixed route bus will flex off route up to 3/4 of a mile to pick up/drop off the rider, then return on route before the next scheduled stop. **Be ready when the bus arrives by being out at the curb at your scheduled pick up time.**

To schedule a Call-A-Ride trip, call between the hours of 8 a.m. to 10 a.m., Monday through Friday, to schedule a ride for the next day. Monday trips will need to be scheduled on the Friday before.

Transit Connections

The Fixed Route connects with the Regional Transit Authority north coast routes at City Park. In addition, during the trolley season, the Fixed Route connects with trolley routes at City Park and at the Centennial Stairway on Market Street.

Holidays

Fixed Route and Call-A-Ride service is not available on City observed holidays.

Bag Limit

Due to limited space in the bus, each passenger may bring either 2 paper or 3 plastic bags on board the bus.

Bicycle Racks

The bus is equipped with a bicycle rack for your use. Space is on a first come, first served basis. Passengers are responsible for both loading and unloading the bicycle from the rack.

Please signal to the driver that you will be loading your bicycle. Also, when exiting the bus, remind the driver that you will be unloading your bicycle from the rack.

The City is not responsible for bicycles left on or for damages arising from bicycles not properly affixed to the rack.

No bicycles will be allowed inside the bus.

FARE INFORMATION

Fare is on a per ride basis
Fixed Route - \$1.50
Discount Fixed Route* - 0.75
Call-A-Ride - \$2.50

Children under 5 years old ride the fixed route free with a fare paying adult (limit 2).

PASS INFORMATION

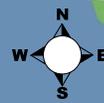
Day Pass:
Fixed Route - \$4
Discount Fixed Route* - \$2

Punch Pass: 11 rides
Fixed Route - \$15.00
Discount Fixed Route* - \$7.50
Call-A-Ride - \$25

The Fixed Route will accept Regional 31 Day and Day Passes.

*Seniors (65 & over) and disabled individuals are eligible for the discount fare.

Please carry exact fare. Drivers do not make change.



School

Flex Route Stops

Connection to RTA

Public Parking Lot

Unpaved Public Parking Lot

Campground

MORRO BAY TROLLEY

Get on the trolley anywhere along the route by waving your hand at the driver.

North Morro Bay Route

Approximate 1 hour loop

1. Main at Bonita
2. Main at Elena
3. Main at Jamaica
4. Morro Strand State Park Campground
5. Hwy 1 at San Jacinto
6. Atascadero at 200 Block (northside)
7. Atascadero at Morro Dunes
8. Atascadero at 200 Block (southside)
9. Market at Morro Bay Blvd. (transfer point to Waterfront and Downtown routes)
10. City Park at Harbor (transfer point to Downtown route & Regional Transit Service Route 12)
11. Main at Errol

Downtown Route

Approximate 30 minute loop

1. Shasta at Kennedy Way
2. City Park at Harbor (transfer point to North Morro Bay route & Regional Transit Service Route 12)
3. Morro Bay Blvd. at Napa
4. Morro Bay Blvd. at Monterey
5. Morro Bay State Park Campground
6. Main at Pacific
7. Market at Morro Bay Blvd. (transfer point to Waterfront and North Morro Bay routes)
8. Morro Bay Blvd. at Main
9. Morro Bay Blvd. at Napa

Waterfront Route

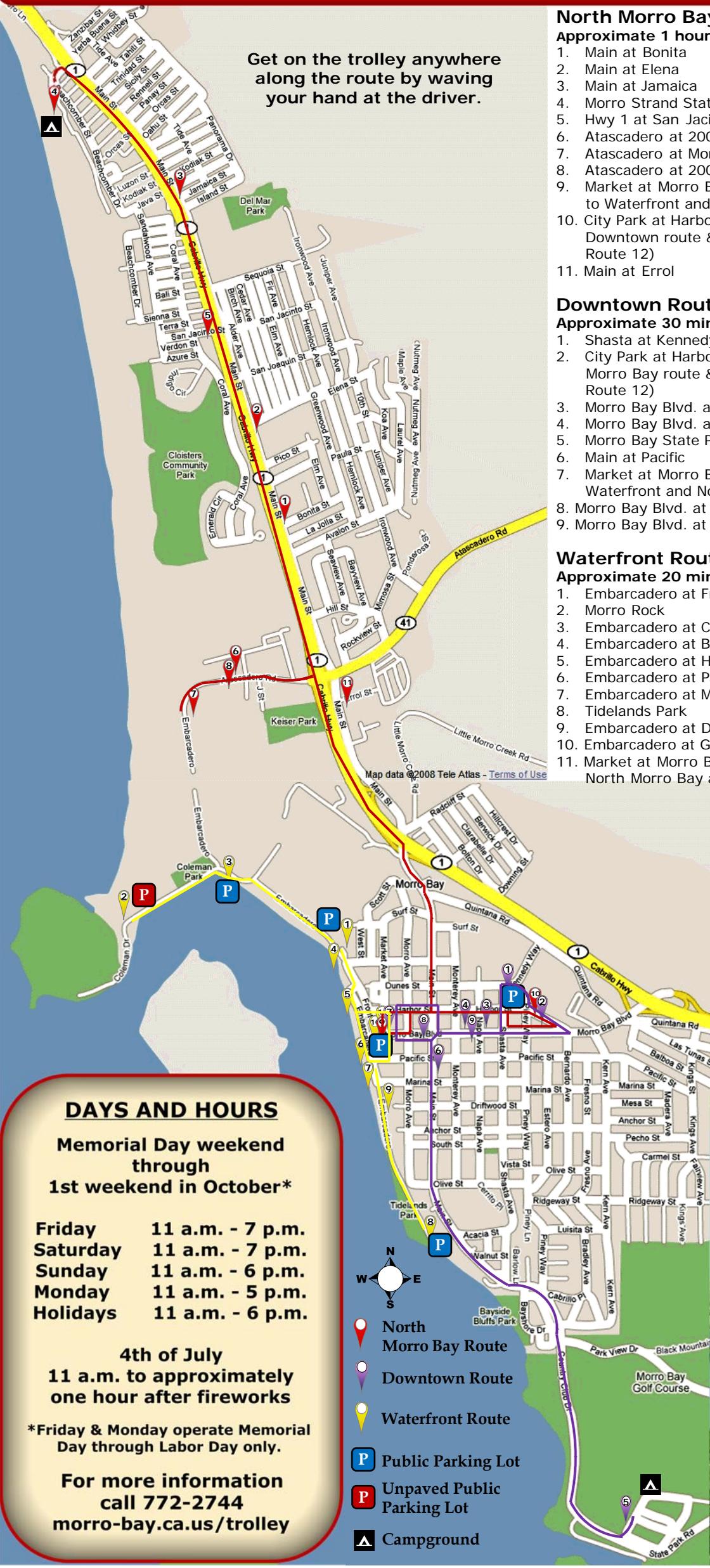
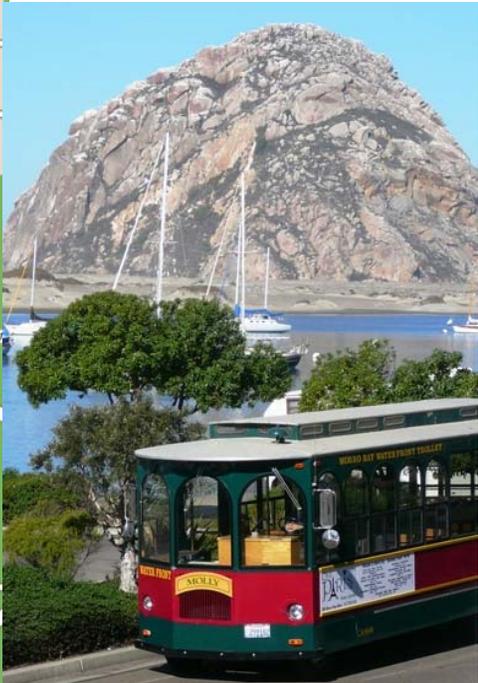
Approximate 20 minute loop

1. Embarcadero at Front
2. Morro Rock
3. Embarcadero at Coleman Beach
4. Embarcadero at Beach
5. Embarcadero at Harbor
6. Embarcadero at Pacific
7. Embarcadero at Marina
8. Tideland Park
9. Embarcadero at Driftwood
10. Embarcadero at Giant Chessboard
11. Market at Morro Bay Blvd. (transfer point to North Morro Bay and Downtown routes)

50¢
Child 5-12 yrs. old
\$1.25
13 yrs. and older
\$3
All Day Pass

Children under 5 ride free (limit 2 per fare paying rider)

Wooden Trolley Tokens make great souvenirs!



DAYS AND HOURS

Memorial Day weekend through 1st weekend in October*

Friday	11 a.m. - 7 p.m.
Saturday	11 a.m. - 7 p.m.
Sunday	11 a.m. - 6 p.m.
Monday	11 a.m. - 5 p.m.
Holidays	11 a.m. - 6 p.m.

4th of July
 11 a.m. to approximately one hour after fireworks

*Friday & Monday operate Memorial Day through Labor Day only.

For more information call 772-2744
morro-bay.ca.us/trolley

- North
- North Morro Bay Route
- Downtown Route
- Waterfront Route
- Public Parking Lot
- Unpaved Public Parking Lot
- Campground



AGENDA NO: D-2

MEETING DATE: 03/11/2014

Staff Report

TO: Honorable Mayor and City Council DATE: 03/4/2014

FROM: Joseph M. Woods, Recreation and Parks Director

**SUBJECT: Review and Approval of City of Morro Bay Recreation and Parks
Department Partnership Policy - Resolution 18-14**

RECOMMENDATION

Review and approve Resolution 18-14 providing a Partnership Policy as reviewed and recommended by the Recreation and Parks Commission (RPC).

ALTERNATIVES

- 1.) Discontinue any interest in a City-wide Partnership Policy.
- 2.) Accept the proposed partnership policy as a draft, and request staff to return to Council with any major edits as requested.
- 3.) Approve Resolution 18-14, and direct staff to implement the proposed Partnership Policy.

FISCAL IMPACT

Impact to the General Fund has been limited to staff time researching and preparing public reports and notifications. Future fiscal concerns will be addressed as part of each partnering request/opportunity.

SUMMARY

The Partnership Policy, as part of the Management and Operations Analysis section within the Recreation and Parks Department's Fiscal Sustainability Program, offers a guide to develop desired partnerships that can enhance and benefit the Morro Bay community. Providing a Partnership Policy would allow staff to invite potential partners to participate in community benefitting activities; as well as ensure consistent alignment with Departmental and City Missions and Goals. The Policy would outline expectations and gather pertinent information that will help in the decision to enter or not into the proposed partnership. Furthermore, the Policy would provide a standard procedure in which partnerships are formed.

Prepared By: JMW

Dept Review: JMW

City Manager Review: _____

City Attorney Review: _____

BACKGROUND

At the RPC meeting on September 19, 2013 staff was authorized to move the proposed Partnership Policy on to City Council with suggested edits. (Motion/Seconded) Coxwell/Sidaris (4-0); complete minutes are found on the City's website: <http://www.morrobay.ca.us/ArchiveCenter/ViewFile/Item/2018>. The Partnership Policy, as part of the Management and Operations Analysis section within our Fiscal Sustainability Program, offers a guide for the City to develop desired partnerships to enhance and benefit the Morro Bay community. Other components of the Program include sections on Needs Assessment and Community Engagement, and Assets Inventory and Level of Service Analysis. All sections have a variety of components with varying priority levels. The presented Policy is broad in scope and allows for many varied and beneficial partnerships.

The initial review of the proposed Partnership Policy was presented to the RPC at the regular meeting on May 16, 2013. The initial review was introductory only with no formal action being requested. Staff invited RPC members to discuss the proposed policy in its draft form. Staff also encouraged Commissioners to review the policy and make edits, line outs, and/or suggestions to discuss at a future Commission meeting. At the regular meeting of the RPC on September 19, 2013 the Partnership Policy was agendaized and discussed. The Commission supported establishing a Partnership Policy and endorsed the presented Policy post edits.

DISCUSSION

The City currently has many partnerships each with its own unique benefits and amenities. Some of these partnerships involve active decision making, while others, require a more passive role. The Limited Decision Making Partnerships we have engaged in include various grant and donor programs as well as volunteer programs. The Department has relied on volunteer coaches in our youth sports for years, and this relationship has enabled us to provide quality programs to our diverse community. Another notable volunteer program is our Adopt-a-Park Program, where currently the Department is partnered with ten local organizations who have adopted ten parkland areas.

Our Semi-Limited Decision Making Partnerships include event and program sponsors such as Culligan Water, Kiwanis of Bay-Osos, and many more. The majority of these sponsors are program level sponsors. The Department is interested in actively procuring sponsorships for facilities and programs as one type of beneficial partnership. More detailed information is provided in the Sponsorship Policy.

Active Partnerships include Management and Intergovernmental Agreements, Facility Leases, and Program Partnerships. Two very successful examples of Active Partnerships are the Morro Bay Senior Citizen's Incorporated's operations of the Senior Center; and the San Luis Coastal Unified School District's Joint Facility Use Agreement. The Department also maintains an active programming partnership with Project Surf Camp, Morro Bay Pups, 39+ Dance, Gold Coast Quilters, Flip City Gymnastics, Morro Bay Bike Club, and others.

A Partnership Policy would allow clarity of expectations along with a standard procedure to ensure equality of opportunity to interested parties. A Policy would also define each party's benefit and as well as contribution levels.

CONCLUSION

Partnerships are vital to the Department's ability to successfully deliver recreational programs and services. Our main interest is in promoting partnerships which involve cooperation among many partners, bringing resources together to accomplish goals in a synergistic manner. These partnerships have and will broaden ownership in various projects and increase public support for community recreational goals. As such, it is staff's recommendation to approve the proposed Partnership Policy.

RESOLUTION NO. 18-14

**RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF MORRO BAY, CALIFORNIA
APPROVING THE MORRO BAY PARTNERSHIP POLICY**

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

WHEREAS, the City of Morro Bay desires to partner with private, non-profit, or other governmental entities for the development, design, construction and operation of possibly partnered recreational facilities and/or programs that may occur on City property; and

WHEREAS, partnerships can accomplish tasks with limited resources, respond to compelling issues, encourage cooperative interaction and conflict resolution, involve outside interests, and serve as an education and outreach tool; and

WHEREAS, said policy will facilitate a mutually beneficial collaboration for all proposing partners including the City, and particularly for the citizens of Morro Bay; and

WHEREAS, the Morro Bay Recreation and Parks Department is interested in promoting partnerships which involve cooperation among many partners, bringing resources together to accomplish goals in a synergistic manner; and

WHEREAS, said partnering procedures established by the City would provide essential background information regarding the needs and contributions of potential partners; and

WHEREAS, at their regular meeting on September 19, 2013 the Recreation and Parks Commission voted unanimously to support the Partnership Policy and recommended City Council's approval.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Morro Bay, California, hereby approves and adopts the Partnership Policy and the implementing procedures.

PASSED AND ADOPTED by the City Council of the City of Morro Bay, at a regular meeting thereof held on the 11th day of March 2014, on the following vote:

AYES:
NOES:
ABSENT:

JAMIE L. IRONS, Mayor

ATTEST:

JAMIE BOUCHER, City Clerk

**City of Morro Bay
Recreation and Parks Department**

**Partnership Policy
And
Proposal Format**

City of Morro Bay Recreation and Parks Department Partnership Policy and Proposal Format

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I. Morro Bay Recreation and Parks Department Partnership Policy

A. Purpose

This policy is designed to guide the process for Morro Bay Recreation and Parks Department in their desire to partner with private, non-profit, or other governmental entities for the development, design, construction and operation of possibly partnered recreational facilities and/or programs that may occur on City property.

Morro Bay Recreation and Parks Department would like to identify private, non-profit, and governmental entities that are interested in proposing to partner with the City to develop recreational facilities and/or programs. A major component in exploring any potential partnership will be to identify additional collaborating partners that may help provide a synergistic working relationship in terms of resources, community contributions, knowledge, and political sensitivity. These partnerships should be mutually beneficial for all proposing partners including the City, and particularly beneficial for the citizens of the community.

This policy document is designed to:

- Provide essential background information,
- Provide parameters for gathering information regarding the needs and contributions of potential partners, and
- Identify how the partnerships will benefit the Morro Bay Recreation and Parks Department and the community.

Part Two: The “Proposed Partnership Outline Format”, provides a format that is intended to help guide Proposing Partners in creating a proposal for review by Morro Bay Recreation and Parks Department staff.

B. Background and Assumptions

Partnerships are being used across the nation by governmental agencies in order to utilize additional resources for their community’s benefit. Examples of partnerships abound, and encompass a broad spectrum of agreements and implementation. The most commonly described partnership is between a public and a private entity, but partnerships also occur between public entities and non-profit organizations and/or other governmental agencies.

In order for partnerships to be successful, research has shown that the following elements should be in place prior to partnership procurement:

- There must be support for the concept and process of partnering from the very highest organizational level – i.e.: the City Council, Recreation and Parks Commission, and/or department head.
- The most successful agencies have high-ranking officials that believe that they owe it to their citizens to explore partnering opportunities whenever presented, those communities both solicit partners and consider partnering requests brought to them.
- It is very important to have a Partnership Policy in place before partner procurement begins. This allows the agency to be proactive rather than reactive when presented with a partnership opportunity. It also sets a “level playing field” for all potential partners, so that they can know and understand in advance the parameters and selection criteria for a proposed partnership.
- A partnership policy and process should set development priorities and incorporate multiple points for go/no-go decisions.
- The partnership creation process should be a public process, with both Partners and the Partnering Agency well aware in advance of the upcoming steps.

C. Partnership Definition

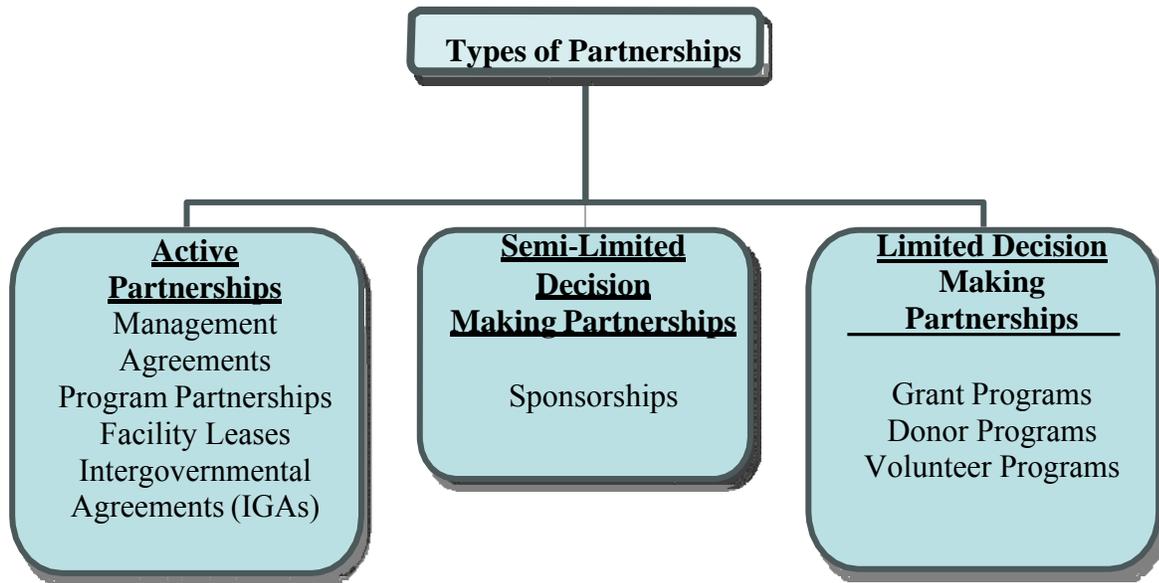
For purposes of this document and policy, a Proposed Partnership is defined as:

"An identified idea or concept involving Morro Bay Recreation and Parks Department and for- profit, non-profit, and/or governmental entities, outlining the application of combined resources to develop facilities, programs, and/or amenities for the City and its citizens."

A partnership is a cooperative venture between two or more parties with a common goal, who combine complementary resources to establish a mutual direction or complete a mutually beneficial project. Partnerships can be facility-based or program-specific. The main goal for Morro Bay Recreation and Parks Department partnerships is enhancing public offerings to meet the mission and goals of the City. Morro Bay Recreation and Parks Department is interested in promoting partnerships which involve cooperation among many partners, bringing resources together to accomplish goals in a synergistic manner. Proposals that incorporate such collaborative efforts will receive priority status.

Partnerships can accomplish tasks with limited resources, respond to compelling issues, encourage cooperative interaction and conflict resolution, involve outside interests, and serve as an education and outreach tool. Partnerships broaden ownership in various projects and increase public support for community recreation goals. Partners often have flexibility to obtain and invest resources/dollars on products or activities where municipal government may be limited.

Partnerships can take the form of (1) cash gifts and donor programs, (2) improved access to alternative funding, (3) property investments, (4) charitable trust funds, (5) labor, (6) materials, (7) equipment, (8) sponsorships, (9) technical skills and/or management skills, and other forms of value. The effective use of volunteers also can figure significantly into developing partnerships. Some partnerships involve active decision making, while in others, certain partners take a more passive role. The following schematic shows the types of possible partnerships discussed in this policy:



D. Possible Types of Active Partnerships

Morro Bay Recreation and Parks Department is interested in promoting collaborative partnerships among multiple community organizations. Types of agreements for Proposed “Active” Partnerships may include leases, contracts, sponsorship agreements, marketing agreements, management agreements, joint-use agreements, inter-governmental agreements, or a combination of these. An innovative and mutually beneficial partnership that does not fit into any of the following categories may also be considered.

Proposed partnerships will be considered for facility, service, operations, and/or program development including associated needs, such as parking, paving, fencing, drainage systems, signage, outdoor restrooms, lighting, utility infrastructure, etc.

E. Sponsorships

Morro Bay Recreation and Parks Department is interested in actively procuring sponsorships for facilities and programs as one type of beneficial partnership. Please see *the Morro Bay Recreation and Parks Department Sponsorship Policy* for more information.

F. Limited-Decision Making Partnerships: Donor, Volunteer, and Granting Programs

While this policy document focuses on the parameters for more active types of partnerships, the City is interested in, and willing to discuss, a proposal for any of these types of partnerships, and may create specific plans for such in the future.

G. Benefits of Partnerships with Morro Bay Recreation and Parks Department

The City expects that any Proposed Partnership will have benefits for all involved parties. Some general expected benefits are:

Benefits for the City and the Community:

- Merging of resources to create a higher level of service and facility availability for community members.
- Making alternative funding sources available for public community amenities.
- Tapping into the dynamic and entrepreneurial traits of private industry.
- Delivering services and facilities more efficiently by allowing for collaborative business solutions to public organizational challenges.
- Meeting the needs of specific groups of users through the availability of land for development and community use.

Benefits for the Partners:

- Land and/or facility availability at a subsidized level for specific facility and/or program needs.
- Sharing of the risk with an established stable governmental entity.
- Becoming part of a larger network of support for management and promotion of facilities and programs.
- Availability of professional City recreation and planning experts to maximize the facilities and programs that may result
- Availability of City staff facilitation to help streamline the planning and operational efforts.

II. The Partnering Process (Checklist)

The steps for the creation of a partnership with the Morro Bay Recreation and Parks Department are as follows:

- A. Morro Bay Recreation and Parks Department will create a public notification process that will help inform any and all interested partners of the availability of partnerships with the City. This will be done through notification in area newspapers, City's website, Department's distribution list, listing marketing efforts, or through any other notification method that is applicable and feasible.
- B. The proposing partner takes the first step to propose partnering with the City. To help in reviewing both the partnerships proposed, and the project to be developed in partnership, the City asks for a Preliminary Proposal according to a specific format as outlined in Part Two □ Proposed Partnership Outline Format.
- C. If initial review of a Preliminary Proposal yields interest and appears to be mutually beneficial based on the City Mission and Goals, and the Selection Criteria, a City staff or appointed representative will be assigned to work with potential partners.
- D. The City representative is available to answer questions related to the creation of an initial proposal, and after initial interest has been indicated, will work with the proposing partner to create a checklist of what actions need to take place next. Each project will have distinctive planning, design, review and support issues. The City representative will facilitate the process of determining how the partnership will address these issues. This representative can also facilitate approvals and input from any involved City departments, providing guidance for the partners as to necessary steps.
- E. An additional focus at this point will be determining whether this project is appropriate for additional collaborative partnering, and whether this project should prompt the City to seek a **Request for Proposal (RFP)** from competing/ collaborating organizations.

Request for Proposal (RFP) Trigger: In order to reduce concerns of unfair private competition, if a proposed project involves partnering with a private "for-profit" entity and a dollar amount greater than \$5,000, and the City has not already undergone a public process for solicitation of that particular type of partnership, the City will request Partnership Proposals from other interested private entities for identical and/or complementary facilities, programs or services. A selection of appropriate partners will be part of the process.

- F. For some projects, a Formal Proposal from the partners for their desired development project will need to be presented for the City's official development review processes and approvals. The project may require approval by the Legal, Planning, Fire and Safety, Finance and/or other City Departments, Recreation and Parks Commission, Planning Commission, The City Council, and/or the City Manager's Office, depending on project

complexity and applicable City Charter provisions, ordinances or regulations. If these reviews are necessary, provision to reimburse the City for its costs incurred in having a representative facilitate the partnered project's passage through Development Review should be included in the partnership proposal.

- G. Depending on project complexity and anticipated benefits, responsibilities for all action points are negotiable, within the framework established by law, to assure the most efficient and mutually beneficial outcome. Some projects may require that all technical and professional expertise and staff resources come from outside the City's staff, while some projects may proceed most efficiently if the City contributes staff resources to the partnership.
- H. The partnership must cover the costs the partnership incurs, regardless of how the partnered project is staffed, and reflect those costs in its project proposal and budget. The proposal for the partnered project should also discuss how staffing and expertise will be provided, and what documents will be produced. If City staff resources are to be used by the partnership, those costs should be allocated to the partnered project and charged to it.
- I. Specific **Partnership Agreements** appropriate to the project will be drafted jointly. There is no specifically prescribed format for **Partnership Agreements**, which may take any of several forms depending on what will accomplish the desired relationships among partners. The agreements may be in the form of:
 - Lease Agreements
 - Management and/or Operating Agreements
 - Maintenance Agreements
 - Intergovernmental Agreements (IGAs)
 - Or a combination of these and/or other appropriate agreements

Proposed partnership agreement might include oversight of the development of the partnership, concept plans and project master plans, environmental assessments, architectural designs, development and design review, project management, and construction documents, inspections contracting, monitoring, etc. Provision to fund the costs and for reimbursing the City for its costs incurred in creating the partnership, facilitating the project's passage through the Development Review Process, and completing the required documents should be considered.

- J. If all is approved, the Partnership begins. The City is committed to upholding its responsibilities to Partners from the initiation through the continuation of a partnership. Evaluation will be an integral component of all Partnerships. The agreements should outline who is responsible for evaluation; the types of measures used, and detail what will occur should the evaluations reveal Partners are not meeting their Partnership obligations.

III. The Partnership Evaluation Process

A. Mission Statements and Goals

All partnerships with Morro Bay Recreation and Parks Department should be in accord with the City's and the Recreation and Parks Department's Mission and Goals to indicate how a proposed partnership for that Department would be preliminarily evaluated:

**Morro Bay Recreation &
Parks Department**
MISSION STATEMENT

We are committed to providing quality recreational services, facilities, and parks necessary to live a healthy and enriched life. We provide these services to our customers in a responsive courteous manner. Our programs strive to build wellness in people, families, and the community.
“Creating Community through People, Parks and Programs”

GOALS

- Help to build strong communities and neighborhoods
- Promote environmental stewardship through recycling and education
- Provide beautiful, safe, and functional parks and facilities that improve the lives of all citizens
- Preserve cultural and historic features within the City's parks and recreation systems
- Provide a work environment for the Recreation & Parks Department staff that encourages initiative, professional development, high morale, productivity, teamwork, innovation, and excellence in management

B. Other Considerations

1. Costs for the Proposal Approval Process

For most proposed partnerships, there will be considerable staff time spent on the review and approval process once a project passes the initial review stage. This time includes discussions with Proposing Partners, exploration of synergistic partnering opportunities, possible RFP processes, facilitation of the approval process, and assistance in writing and negotiating agreements, contracting, etc. There may also be costs for construction and planning documents, design work, and related needs and development review processes mandated by City ordinances.

Successful Partnerships will take these costs into account and may plan for City Recovery of some or all of these costs within the proposal framework. Some of these costs could be considered as construction expenses, reimbursed through a negotiated agreement once operations begin, or covered through some other creative means.

2. Land Use and/or Site Improvements

Some proposed partnerships may include facility and/or land use. Necessary site improvements cannot be automatically assumed. Costs and responsibility for these improvements should be considered in any Proposal. Some of the general and usual needs for public facilities that may not be included as City contributions and may need to be negotiated for a project include:

- Any facilities or non-existent infrastructure construction
- Roads or street improvements
- Maintenance to specified standards
- Staffing
- Parking
- Lighting
- Outdoor restrooms
- Water fountains
- Complementary uses of the site
- Utility improvements
- Custodial
- Trash removal

3. Need

The nature of provision of public services determines that certain activities will have a higher need than others. Some activities serve a relatively small number of users and have a high facility cost. Others serve a large number of users and are widely available from the private sector because they are profitable. The determination of need for facilities and programs is an ongoing discussion in public provision of programs and amenities. The project will be evaluated based on how the project fulfills a public need.

4. Funding

Only when a Partnership Proposal demonstrates high unmet needs and high benefits for City citizens, will the City consider contributing resources to a project. The City recommends that Proposing Partners consider sources of potential funding. The more successful partnerships will have funding secured in advance. In most cases, Proposing Partners should consider funding and cash flow for initial capital development, staffing, and ongoing operation and maintenance.

The details of approved and pending funding sources should be clearly identified in a proposal.

For many partners, especially small private user groups, non-profit groups, and governmental agencies, cash resources may be a limiting factor in the proposal. It may be a necessity for partners to utilize alternative funding sources for resources to complete a proposed project. Obtaining alternative funding often demands creativity, ingenuity, and persistence, but many forms of funding are available.

Alternative funding can come from many sources, e.g. Sponsorships, Grants, Donor Programs, and internet searches can help with foundation and grant resources. Developing a solid leadership team for a partnering organization will help find funding sources. In-kind contributions can, in some cases, add additional funding.

All plans for using alternative funding should be clearly identified. The City's Sponsorship Policy, and partnered projects will be expected to adhere to this Policy. This includes the necessity of having an Approved Sponsorship Plan in place prior to procurement of sponsorships for a Partnered Project.

C. Selection Criteria

In assessing a partnership opportunity to provide facilities and services, the City will consider (as appropriate) the following criteria. The Proposed Partnership Outline Format in Part Two provides a structure to use in creating a proposal. City staff and representatives will make an evaluation by attempting to answer each of the following Guiding Questions:

- How does the project align with the City and affected Department's Mission Statement and Goals?
- How does the proposed facility fit into the current City and the affected Department's Master Plan?
- How does the facility/program meet the needs of City residents?
- How will the project generate more revenue and/or less cost per participant than the City can provide with its own staff or facilities?
- What are the alternatives that currently exist, or have been considered, to serve the users identified in this project?
- How much of the existing need is now being met within the City borders and within adjacent cities?
- What is the number and demographic profile of participants who will be served?
- How can the proposing partner assure the City of the long-term stability of the proposed partnership, both for operations and for maintenance standards?
- How will the partnered project meet Americans with Disabilities Act and EEOC requirements?
- How will the organization offer programs at reasonable and competitive costs for participants
- What are the overall benefits for both the City and the Proposing Partners?

Part Two
Morro Bay Recreation and Parks
Proposed Partnership Outline Format

Please provide as much information as possible in the following outline form.

I. Description of Proposing Organization:

- Name of Organization
- Years in Existence
- Contact Name, Mailing Address, Physical Address, Phone, Fax, E-mail
- Purpose of Organization
- Services Provided
- Member/User/Customer Profiles
- Accomplishments
- Legal Status

II. Decision Making Authority

Who is authorized to negotiate on behalf of the organization? Who or what group (i.e. Council/Commission/Board) is the final decision maker and can authorize the funding commitment? What is the timeframe for decision making?

Summary of Proposal (100 words or less)

What is being proposed in terms of capital development, and program needs?

III. Benefits to the Partnering Organization

Why is your organization interested in partnering with the Morro Bay Recreation and Parks Department? Please individually list and discuss the benefits (monetary and non-monetary) for your organization

IV. Benefits to the Morro Bay Recreation and Parks Department

Please individually list and discuss the benefits (monetary and non-monetary) for the Morro Bay Recreation and Parks Department and residents of the City.

V. Details (as currently known)

The following page lists a series of *Guiding Questions* to help you address details that can help outline the benefits of a possible partnership. Please try to answer as many as possible with currently known information. Please include what your organization proposes to provide and what is requested of Morro Bay Recreation and Parks Department. Please include (as known) initial plans for your concept, operations, projected costs and revenues, staffing, and/or any scheduling or maintenance needs, etc.

Guiding Questions

Meeting the Needs of our Community:

- In your experience, how does the project align with Recreation & Parks Department goals?
- How does the proposed program or facility meet a need for City residents?
- Who will be the users? What is the projected number and profile of participants who will be served?
- What alternatives currently exist to serve the users identified in this project?
- How much of the existing need is now being met? What is the availability of similar programs elsewhere in the community?
- Do the programs provide opportunities for entry-level, intermediate, and/or expert skill levels?
- How does this project incorporate environmentally sustainable practices?

The Financial Aspect:

- Can the project generate more revenue and/or less cost per participant than the City can provide with its own staff or facilities? If not, why should the City partner on this project?
- Will your organization offer programs at reasonable and competitive costs for all participants? What are the anticipated prices for participants?
- What resources are expected to come from the Recreation & Parks Department?
- Will there be a monetary benefit for the City, and if so, how and how much?

Logistics:

- How much space do you need? What type of space?
- What is critical related to location?
- What is your proposed timeline?
- What are your projected hours of operations?
- What are your initial staffing projections?
- Are there any mutually-beneficial cooperative marketing benefits?
- What types of insurance will be needed and who will be responsible for acquiring and paying premiums on the policies?
- What is your organization's experience in providing this type of facility/program?
- How will your organization meet Americans with Disabilities Act and EEOC requirements?

Agreements and Evaluation:

- How, by whom, and at what intervals should the project be evaluated?
- How can you assure the City of long-term stability of your organization?
- What types and length of agreements should be used for this project?
- What types of “exit strategies” should we include?