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, APRIL 14, 2015
VETERANS MEMORIAL HALL - 6:00 P.M.
209 SURF ST., MORRO BAY, CA

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

PUBLIC PRESENTATIONS - NONE

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

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

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

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 JOINT CITY COUNCIL AND PLANNING COMMISSION MEETING HELD ON MARCH 24, 2015; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE CITY COUNCIL MEETING HELD ON MARCH 24, 2015; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF MINUTES FOR THE SPECIAL CITY COUNCIL MEETING HELD ON MARCH 31, 2015; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-4 APPROVAL OF PROCLAMATION DECLARING APRIL 2015 AS "SEXUAL ASSAULT AWARENESS MONTH"; (ADMINISTRATION)

RECOMMENDATION: Approve and file.

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

RECOMMENDATION: Receive and file.

A-6 WATER RECLAMATION FACILITY (WRF) PROJECT UPDATE; (PUBLIC WORKS)

RECOMMENDATION: Receive and file.

A-7 APPROVAL OF RESOLUTION NO. 13-15 EXECUTING AMENDMENT #5 TO THE LEASE AGREEMENT FOR LEASE SITE 124-128/124W-128W & 113W LOCATED AT 1215 EMBARCADERO, TO RESTRUCTURE LEASE REDEVELOPMENT PROCESS AND REQUIREMENTS AS THEY RELATE TO LEASE TERMS AND CONDITIONS; (HARBOR)

RECOMMENDATION: Adopt Resolution No. 13-15 executing Amendment #5 to the Lease Agreement.

A-8 AWARD OF CONTRACT TO ELLISON ENVIRONMENTAL, INCORPORATED DBA FLUID RESOURCE MANAGEMENT OF GROVER BEACH, CA FOR THE

PROJECT NO. MB2015-WW05: DIGESTER #1 REPAIRS & COATING PROJECT; (PUBLIC WORKS)

RECOMMENDATION: Award the contract as recommended.

A-9 ESTABLISHMENT OF A TWELVE (12) MEMBER GENERAL PLAN/LOCAL COASTAL PROGRAM ADVISORY COMMITTEE (GPAC); (COMMUNITY DEVELOPMENT)

RECOMMENDATION: Adopt Resolution No. 16-15 establishing the General Plan/Local Coastal Program Advisory Committee (GPAC).

B. PUBLIC HEARINGS

B-1 RESOLUTION NO. 14-15 INITIATING PROCEEDINGS TO LEVY THE ANNUAL ASSESSMENT FOR THE CLOISTERS PARK AND OPEN SPACE LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (PUBLIC WORKS)

RECOMMENDATION: Adopt Resolution No. 14-15

B-2 RESOLUTION NO. 15-15 INITIATING PROCEEDINGS TO LEVY THE ANNUAL ASSESSMENT FOR THE NORTH POINT NATURAL AREA LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (PUBLIC WORKS)

RECOMMENDATION: Adopt Resolution No. 15-15

C. UNFINISHED BUSINESS / SECOND READING AND ADOPTION OF ORDINANCES - NONE

D. NEW BUSINESS

D-1 COUNCIL CONSIDERATION OF CITIZEN REQUEST FOR A 45 DAY BUILDING MORATORIUM AND COUNCIL CONSIDERATION OF OTHER ACTIONS RELATED TO NEIGHBORHOOD COMPATIBILITY; (CITY COUNCIL)

RECOMMENDATION: Deny the request for a 45 day building moratorium and adopt Resolution No. 18-15 committing to completing the General Plan/Local Coastal Program update in three years.

D-2 DISCUSSION AND DIRECTION TO STAFF REGARDING FEE SUBSIDIES AND COST RECOVERY; (ADMINISTRATION)

RECOMMENDATION: Review the report and provide direction to staff.

D-3 CONSIDERATION AND DIRECTION ON FUTURE OF LEASE SITE 102/102W, LOCATED AT 1001 FRONT STREET (CENTRAL COAST SEAFOOD/GIOVANNI'S FISH MARKET, MICHAEL AND ORIETTA DEGARIMORE, THE "LEASEHOLDER"); (HARBOR)

RECOMMENDATION: Authorize staff to begin lease negotiations with the current lease holder.

D-4 CONSIDERATION OF ADOPTION OF RESOLUTION NO. 17-15 RESCINDING RESOLUTION NO. 31-08 RELATED TO INTERSECTION CONTROL AT SAN JACINTO & MAIN STREETS AND PROVIDE UPDATE OF CITY/CALTRANS ACTIVITY REGARDING THIS INTERSECTION; (PUBLIC WORKS)

RECOMMENDATION: Adopt Resolution No. 17-15.

D-5 DISCUSS ADVISORY BOARD JOINT MEETINGS AND RECOGNITION EVENT FOR ADVISORY BOARD MEMBERS; (CITY COUNCIL)

RECOMMENDATION: Discuss Advisory Board Joint Meetings and a Recognition Event for Advisory Boards and provide direction to staff.

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: April 14, 2015

MINUTES – MARCH 24, 2015
JOINT MEETING OF THE MORRO BAY
CITY COUNCIL AND PLANNING COMMISSION
MORRO BAY VETERAN'S HALL
209 SURF STREET – 4:30 P.M.

PRESENT:	Jamie Irons	Mayor
	Christine Johnson	Councilmember
	John Headding	Councilmember
	Matt Makowetski	Councilmember
	Noah Smukler	Councilmember
	Robert Tefft	Planning Commission Chairperson
	Katherine Sorenson	Planning Commission Vice Chairperson
	Michael Lucas	Planning Commissioner
	Richard Sadowski	Planning Commissioner
ABSENT:	Gerald Luhr	Planning Commissioner
STAFF:	David Buckingham	City Manager
	Joe Pannone	City Attorney
	Dana Swanson	City Clerk
	Scot Graham	Community Services Manager

ESTABLISH QUORUM AND CALL TO ORDER
A quorum was established by the City Council with all members present.
A quorum was established by the Planning Commission with Commissioners Tefft, Sorenson, Lucas and Sadowski present.

The meeting was called to order at 4:30pm

PUBLIC COMMENT RE: ITEMS ON THE AGENDA

The public comment period for Item I was opened.
https://youtu.be/n_213bWStVQ?t=1m35s

Marla Jo Bruton, Morro Bay, spoke regarding a May 2013 citizen presentation to the State Water Board regarding nitrate infiltration and asked the Council to discuss results of sucralose testing in the wells west of Main Street.

KC Caldwell, Morro Bay, asked the Council and Commission to make the General Plan update the highest priority and use Dynegy funds to cover the cost if existing funds and grants aren't enough. She appreciates the effort staff has put into the draft neighborhood guidelines but has concerns. A community forum is scheduled on March 25 at 7pm at the Morro Bay Community Center.

Kenny Blackwell, Morro Bay, asked that neighborhood compatibility guidelines be a priority and hopes the City will seek more public input.

Judy Walters, Morro Bay, supports a thoughtful look into neighborhood compatibility with consideration of the quality of life in neighborhoods. She is concerned about the amount of resources larger homes are consuming, particularly with the drought, and wants to keep the small town character.

Glenn Silloway, Morro Bay, shared the City is embarking on a difficult process, and that receiving public input in a way that makes a difference and helps to develop the vision is the most important step. The following steps are more technical, but easier.

The public comment period was closed.

SPECIAL MEETING AGENDA ITEM:

I. REVIEW OF DRAFT WORK PLAN FOR THE GENERAL PLAN/LOCAL COASTAL PROGRAM (GP/LCP) UPDATE
https://youtu.be/n_213bWStVQ?t=14m49s

Community Development Manager Graham presented the staff report noting the average cost for the GP/LCP update is $1.2 million; current resources include $397,000 in grant funds, $100,000 currently set aside, and $100,000 of Dynegy funds being requested for the 2015-16 budget year. He requests the Council and Commission discuss budget needs, review the draft work plan and provide direction to staff to move forward with a request for proposals for the GP/LCP update.

City Manager Buckingham noted community involvement in this process began on December 2, 2014, and suggests establishing GP/LCP advisory committee as one step of community involvement. One of the key goals and objectives is to develop the mission, vision and values of the community. That advisory committee could work with the community developing that mission, vision and values document to help drive the plan. The formation of the citizens advisory committee will be brought to the Council at a future meeting, as will the consultant contract and final work plan.

Councilmember Smukler noted there is consistent language about the environmental or sustainability component of the plan and importance of drafting that so it doesn't limit our economic growth and potential, but that language is not as clear in the environmental stewardship side. Our economy is dependent on a healthy environment, whether it relates to tourism, fishing industry or new emerging industries. He asks the language be adjusted to be sure it's clear environmental stewardship is a key component.

Jeff Henderson of PMC noted could be accommodated by adding some language to the green print, in particular. It comes across strongly in the blue print but not the green print. Based on general direction tonight, that adjustment can be made.

Mr. Henderson explained the draft work plan is responsive to the very unique characteristics, staging, funding, and priorities established in December workshop and current status of the City's planning documents. All was taken into account to develop a document that is specific to

Morro Bay. Economic vitality goal is common to all cities, but this document is also responsive to concerns about neighborhood compatibility, sea level rise, a working waterfront, and a variety of conditions that exist in Morro Bay and do not exist in other cities.

There was Council and Commission consensus to endorse the proposed work plan that includes Councilmember Smukler's recommended changes and directs staff to move forward with the RFP process.

The meeting adjourned at 5:51p.m.

Recorded by:

Dana Swanson
City Clerk

AGENDA NO: A-2

MEETING DATE: April 14, 2015

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – MARCH 24, 2015
VETERAN'S MEMORIAL HALL – 6:00P.M.

PRESENT:	Jamie Irons	Mayor
	Noah Smukler	Councilmember
	John Headding	Councilmember
	Christine Johnson	Councilmember
	Matt Makowetski	Councilmember

STAFF:	David Buckingham	City Manager
	Joe Pannone	City Attorney
	Dana Swanson	City Clerk
	Susan Slayton	Administrative Services Director
	Rob Livick	Public Works Director
	Scot Graham	Community Development Manager
	Joe Woods	Recreation Director
	Eric Endersby	Harbor Director
	Amy Christey	Police Chief
	Steve Knuckles	Fire Chief

ESTABLISH QUORUM AND CALL TO ORDER
The meeting was called to order at 6:05pm

MOMENT OF SILENCE
PLEDGE OF ALLEGIANCE
CLOSED SESSION REPORT

MAYOR AND COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS

Mayor Irons gave a report on the C-MANC Conference in Washington D.C.
https://youtu.be/HBjf46LX-wU?t=3m46s

PUBLIC PRESENTATIONS

- SLO Regional Rideshare and Bike Month Update
  https://youtu.be/HBjf46LX-wU?t=16m21s
  Peter Williamson, Employer Outreach Coordinator at SLO Regional Rideshare, provided an update on available programs including 511 and 511.org which provide transportation and rideshare information, Safe Routes to School, Know How to Go for persons with disabilities and the elderly, and Back 'n' Forth Club for employers who encourage their employees to use alternative transportation. May 2015 is Bike Month and two events will take place in Morro Bay. May 15th is "Bike to Work Day" and a bike breakfast will be held from 7:00-

9:00am at the Chamber of Commerce. A bike cruise will be held on May 6 from 7:00-8:30pm. The theme for Bike Month is "Let's Get Visible" and this event is planned to teach residents how to ride safely at night. More information is available at rideshare.org

- POST Executive Certificate for Chief Christey
  https://youtu.be/HBjf46LX-wU?t=21m4s
  City Manager Buckingham and the City Council presented Chief Christey with a POST Executive Certificate. POST professional certificates are awarded to peace officers who achieve increasingly higher levels of education, training and experience in their pursuit of professional excellence. Less than 1,500 POST Executive Certificates have been issued since 1972. The City congratulates Chief Christey on her accomplishment.

PUBLIC COMMENT
https://youtu.be/HBjf46LX-wU?t=26m59s

Richard Sadowski, Morro Bay, spoke regarding nitrate study he co-authored and asked the Council to address the results of the State Water Board sucralose testing to identify if sewage is in the drinking water.

Glenn Silloway, Morro Bay, stated opposition to Item C-3 asking the Council to give this more thought and not to delegate what they were elected to do.

Barry Brannin, Morro Bay, spoke about the importance of zoning enforcement, noting there are numerous illegal structures in north Morro Bay. Planning is important, but not effective if there is no procedure to ensure rules are enforced.

Robert Davis, on behalf of Morro Bay Friends of the Library, presented a Certificate of Appreciation to the City for its support and commitment of the Morro Bay Library Remodel Campaign.

Sil De Santis, Morro Bay, spoke in support of the parklet, comparing it to the round-about which looked a bit odd at first but now nobody is complaining. He suggests possibly extending the area to create a casual walk area.

Linna Thomas, Morro Bay business owner, spoke in opposition to the parklet, submitting nine signed petition pages, for a total of 915 signatures to date, asking the parklet be moved from Main Street. She notes the San Francisco parklet handbook advises applicants that their application will not be considered unless surrounding businesses support the parklet.

Lynda Merrill, Morro Bay, reminded residents it is Snowy Plover nesting season so be careful on the beaches as birds may be foraging outside the designated areas. She also asked for consideration of a 15mph speed limit at Cedar and Sequoia to allow children to cross the street safely.

Barbara Jo Osborne, Morro Bay, spoke about the importance of process and listening to different points of view. She disagrees with 900 people who don't like parklet and also asks the LEAP

action teams allow those who work during the day be provided an opportunity to participate evenings and weekends.

KC Caldwell, Morro Bay, stated the GP/LCP is of paramount importance and the use of Dynegy funds for that project is appropriate; also, neighborhood compatibility needs to be done as quickly as possible. She agrees the City should update technology; however, radio and newspaper announcements are still needed to reach older residents. With regard to Item C-3, she asked the Council not approve the Citizens Finance Committee.

Alex Beattie, Morro Bay, spoke regarding bird hunting in the bay asking that Council write a letter to the Department of Fish and Game similar to Mayor Peters June 13, 2005 letter, which offered good suggestions for how to balance different uses.

Doug Claassen, manager and owner of Morro Bay RV Park, asks the City Council not sell Morro Bay's share of the wastewater treatment plant to Cayucos.

The public comment period was closed.

A. CONSENT AGENDA
https://youtu.be/HBjf46LX-wU?t=1h3m35s

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 CITY COUNCIL MEETING HELD ON MARCH 3, 2015; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE SPECIAL CLOSED CITY COUNCIL MEETING HELD ON MARCH 5, 2015; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF MINUTES FOR THE CITY COUNCIL MEETING HELD ON MARCH 10, 2015; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-4 AWARD OF CONTRACT TO DUKE'S ROOT CONTROL, INC. FOR SEWER LINE ROOT CONTROL SERVICES; (PUBLIC WORKS)

RECOMMENDATION: Authorize the Public Works Director to execute contract with Duke's Root Control, Inc..

A-5 AWARD OF CONTRACT TO ALPHA ELECTRICAL SERVICE FOR CONTROL SYSTEM UPGRADES AT LIFT STATION 3; (PUBLIC WORKS)

RECOMMENDATION: Authorize the Public Works Director to execute contract with Alpha Electrical Service.

A-6 AWARD OF CONTRACT TO MUNICIPAL MAINTENANCE EQUIPMENT, INC. (MME) FOR MAINTENANCE AND REPAIR OF THE VAC-CON TRUCK; (PUBLIC WORKS)

RECOMMENDATION: Authorize the Public Works Director to execute contract Municipal Maintenance Equipment, Inc.

A-7 REVIEW AND APPROVAL OF THE MEMORANDUM OF UNDERSTANDING BETWEEN THE MORRO BAY SENIOR CITIZENS INC. AND THE CITY OF MORRO BAY; (RECREATION)

RECOMMENDATION: Review and approve the proposed Memorandum of Understanding (MOU) between the Morro Bay Senior Citizens Inc. and the City of Morro Bay.

Mayor Irons pulled Item A-4, A-5 and A-6. Councilmember Headding pulled Item A-7

MOTION: Councilmember Smukler moved to approve Items A-1, A-2, and A-3. The motion was seconded by Councilmember Johnson and carried unanimously, 5-0.

A-4 AWARD OF CONTRACT TO DUKE'S ROOT CONTROL, INC. FOR SEWER LINE ROOT CONTROL SERVICES; (PUBLIC WORKS)

A-5 AWARD OF CONTRACT TO ALPHA ELECTRICAL SERVICE FOR CONTROL SYSTEM UPGRADES AT LIFT STATION 3; (PUBLIC WORKS)

A-6 AWARD OF CONTRACT TO MUNICIPAL MAINTENANCE EQUIPMENT, INC. (MME) FOR MAINTENANCE AND REPAIR OF THE VAC-CON TRUCK; (PUBLIC WORKS)
https://youtu.be/HBjf46LX-wU?t=1h4m17s

Mayor Irons pulled Items A-4, A-5 and A-6 to allow the opportunity to discuss why these contracts are coming before the Council.

City Manager Buckingham noted these contracts fall into a specific category that staff does not have the authority to execute, even although the dollar amount is within the normal range for approval by the City Manager. Staff will come back to Council with recommendations for a policy update, including appropriate dollar amounts, to authorize staff to execute contracts for projects within the approved budget. As to contracting in general, staff will implement a

quarterly contract review process whereby staff looks ahead at contracts in the quarter before they expire to determine the best course of action.

MOTION: Councilmember Johnson moved the Council approve Items A-4, A-5 and A-6 as presented. The motion was seconded by Councilmember Headding and carried unanimously, 5-0.

A-7 REVIEW AND APPROVAL OF THE MEMORANDUM OF UNDERSTANDING BETWEEN THE MORRO BAY SENIOR CITIZENS INC. AND THE CITY OF MORRO BAY; (RECREATION)
https://youtu.be/HBjf46LX-wU?t=1h15m47s

Councilmember Headding asked staff questions about the contract and the contract was revised to provide clarification. The revised contract was provided to the Council for review and can be made available to the public, upon request.

MOTION: Councilmember Headding moved the Council approve Item A-7, as revised by staff prior to the meeting. The motion was seconded by Councilmember Makowetski and carried unanimously, 5-0.

B. PUBLIC HEARINGS - NONE

C. UNFINISHED BUSINESS / SECOND READING AND ADOPTION OF ORDINANCES

C-1 REVIEW AND ENDORSEMENT OF LEAP ACTION TEAM INITIATIVES; (ADMINISTRATION)
https://youtu.be/HBjf46LX-wU?t=1h23m2s

City Manager Buckingham gave an overview of tonight's activity, which is to provide Council an update of the LEAP initiatives requesting general endorsement of those activities, not specific approval or adoption of a plan. It is a living initiative and process that is continually evolving.

Don Maruska noted over 100 people are currently involved in helping this process move forward. The purpose is not only to boost the economy but to strengthen the community. There are still many opportunities for people to get involved.

A representative from each of the ten LEAP Action Teams presented a brief update on their initiatives.

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

Jeremiah O'Brien, Morro Bay Commercial Fisherman's Association, has received the first part of the boatyard marketing study and the Harbor Advisory Board Ad Hoc Committee will be reviewing the document and present their findings to the Harbor Advisory Board.

Barbara Jo Osborne, Morro Bay, noted she was listed as a key person on four of the LEAP initiatives; she had signed up in January but only heard from one person. She asks that evening meetings be made available for those citizens who work during the day.

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

MOTION: Councilmember Johnson moved the Council endorse LEAP initiatives as presented in staff report. The motion was seconded by Councilmember Smukler and carried unanimously, 5-0.

MOTION: Councilmember Headding moved the Council approve the LEAP initiative support request recommended by staff as presented, up to $20,000. The motion was seconded by Councilmember Smukler and carried unanimously, 5-0.

C-2 REVIEW PRELIMINARY RECOMMENDATIONS FOR NEW WATER AND SEWER RATES, APPROVE THE PROPOSITION 218 NOTICE AND SET MAY 26, 2015, AS THE DATE FOR A PUBLIC HEARING AND TO ESTABLISH NEW WATER AND SEWER RATES**;** (PUBLIC WORKS)
https://youtu.be/HBjf46LX-wU?t=2h48m1s

City Manager Buckingham presented the staff report and Alex Handlers of Bartle Wells Associates gave a brief presentation of the proposed water and sewer rate increases, and responded to Council inquiries.

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

Barry Brannin, Morro Bay, has a problem with the cost of the sewer plant. He envisions the City has a piece of property (existing WWTP plant) with an estimated value of $10m that should offset the cost of the new plant.

Bob Keller, Morro Bay, supports this item and asked Council to move forward and secure services in Morro Bay.

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

Council discussed the importance of outreach to educate the community on the Prop 218 vote; uncertainty with regard to State water pass thru and the likelihood the State will not have a project ready in the 5-year time frame; the importance of community buy-in and potential risk of including the State water pass thru surcharge at this time.

MOTION: Councilmember Smukler moves the Council approve the water and sewer rate structures as presented with the surcharge for desal facility use and water shortage emergency rates. The motion was seconded by Councilmember Johnson.

The motion was amended to include setting May 26, 2015 for the water and sewer rate public hearing. Councilmember Smukler accepted the amendment. The amended motion was seconded by Councilmember Johnson and carried unanimously, 5-0.

MOTION: Councilmember Smukler moves the Council direct staff to initiate a dynamic public outreach and engagement effort presenting the reasons and structure of the rate increase proposal to ensure accessibility to clear and accurate information. The motion was seconded by Councilmember Headding and carried unanimously, 5-0.

C-3 ADOPTION OF RESOLUTION NO. 12-15 EXPANDING THE DUTIES OF THE CITIZENS OVERSIGHT COMMITTEE TO INCLUDE DUTIES AS THE CITIZENS FINANCE COMMITTEE FOR THE CITY OF MORRO BAY; (ADMINISTRATIVE SERVICES)
https://youtu.be/HBjf46LX-wU?t=4h7m28s

Administrative Services Director Slayton presented the staff report.

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

Councilmember Makowetski appreciates Mr. Siloway's comments and heard from other citizens as well that this type of committee can be problematic, and has the potential to be misused from a political standpoint.

Councilmember Johnson sees public input in every key area of the City, except the financial aspect. The key word is "advisory" to the Council; it isn't a way to delegate. She finds value in having more voices and this would enable staff to work directly with citizens who have expertise in an area that councilmembers may not.

Councilmember Headding feels it is important for citizens to understand and know the condition of the City; it adds a layer of transparency to have community input in this area. This committee doesn't take away Council's fiduciary responsibility and he supports mid-year and year-end budget committee.

MOTION: Councilmember Johnson moves the Council adopt Resolution No. 12-15 expanding the duties of the Citizens Oversight Committee to include duties as the Citizens Finance Committee. The motion as seconded by Councilmember Headding and carried 4-1, with Councilmember Makowetski voting no.

C-4 UPDATE AND DISCUSSION OF CITY OWNED PROPERTIES FOR POTENTIAL SALE; (PUBLIC WORKS)
https://youtu.be/HBjf46LX-wU?t=4h22m21s

Public Works Director Livick presented the staff report and identified four properties with quick potential for sale: Main @ Hwy 1, San Jacinto @ Coral (Council had previously directed staff to move forward with sale of this property), Mindoro Street and Downing Street. Other properties identified for discussion with potential issues include: 460 Bonita Street, Civic Center Blocks, 1500 Main Street, and 700 block of Embarcadero.

Mr. Livick also noted that in some residential neighborhoods there are 80 feet of right of way where 54 feet of right of way is needed. The City could consider a partial abandonment or partial vacation of the street so that property would revert to the abutting property owners, putting it back on the tax rolls.

Councilmember Johnson noted she would need to recuse herself during discussion of the Mindoro Street property as that is located near her residence. City Attorney Pannone recommended the Council discuss the Mindoro Street property separately from the other properties recommended for sale.

Councilmember Johnson recused herself due to a conflict of interest related to the Mindoro Street property which is located near her residence.

The public comment period was open related to the Mindoro Street property; seeing none, the public comment period was closed.

MOTION: Mayor Irons moves the Council direct staff to divest the City of the Mindoro Street property at a fair and equitable price. The motion was seconded by Councilmember Headding and carried 4-0-1, with Councilmember Johnson abstaining.

Councilmember Johnson rejoined the meeting.

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

Council discussed the Downing Street property and agreed to set this one aside due to its proximity to the Tri-W property and future green belt discussions. As Council had previously directed staff to pursue sale of the San Jacinto and Coral property, discussion moved toward the vacant lot at Main Street and Hwy. 1.

Councilmember Smukler noted the funds generated from the sale of this excess property could be used to fund the General Plan/Local Coastal Plan update.

MOTION: Councilmember Headding moved to direct staff to liquidate the property at Main Street and Hwy 1. The motion was seconded by Councilmember Johnson and carried unanimously, 5-0.

D. NEW BUSINESS

D-1 DISCUSS ADVISORY BOARD JOINT MEETINGS AND RECOGNITION EVENT FOR ADVISORY BOARD MEMBERS; (CITY COUNCIL)
https://youtu.be/HBjf46LX-wU?t=4h48m43s

MOTION: Mayor Irons moved to continue Item D-1 to date certain at the next regular City Council meeting. The motion was seconded by Councilmember Johnson and carried unanimously, 5-0.

E. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS
https://youtu.be/HBjf46LX-wU?t=4h50m6s

Councilmember Smukler asked for future discussion of a letter to the Department of Fish and Wildlife regarding fowl hunting, as requested during Public Comment. Councilmembers Johnson and Makowetski concurred.

ADJOURNMENT
The meeting adjourned at 10:58 p.m.

Recorded by:

Dana Swanson
City Clerk

AGENDA NO: A-3

MEETING DATE: April 14, 2015

MINUTES - MORRO BAY CITY COUNCIL
SPECIAL MEETING – MARCH 31, 2015
MORRO BAY VETERAN'S HALL
209 SURF STREET – 4:30 P.M.

PRESENT:	Jamie Irons	Mayor
	Christine Johnson	Councilmember
	John Headding	Councilmember
	Matt Makowetski	Councilmember
	Noah Smukler	Councilmember
STAFF:	David Buckingham	City Manager
	Joe Pannone	City Attorney
	Dana Swanson	City Clerk
	Susan Slayton	Administrative Services Director

ESTABLISH QUORUM AND CALL TO ORDER
The meeting was called to order at 4:30pm

SPECIAL MEETING AGENDA ITEM:

I. TEN-YEAR BUDGET FORECAST STUDY SESSION
HTTPS://YOUTU.BE/2AXT5LDKFLA?T=25S

City Manager Buckingham and Bob Leland of Management Partners presented the staff report and responded to Council inquiries.

PUBLIC COMMENT RE: ITEMS ON THE AGENDA
The public comment period was open; seeing none, the public comment period was closed.

Council discussed the need to diversify Morro Bay's economy and reduce reliance on TOT, specifically in the areas of light industrial and niche cottage industry, with fiber optic being one aspect of that; the need to assess City fees to determine the desired subsidy for various services; improve sales tax revenue through improving the quality and diversifying the type of product we make to reach a broader area; and review policies related to the Risk Management Fund and General Fund Emergency Reserve.

ADJOURNMENT
The meeting adjourned at 8:27 p.m.

Recorded by:

Dana Swanson
City Clerk

AGENDA NO: A-4

MEETING DATE: April 14, 2015

A PROCLAMATION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY DECLARING APRIL 2015 AS "SEXUAL ASSAULT AWARENESS MONTH"

CITY COUNCIL
City of Morro Bay, California

WHEREAS, Sexual Assault Awareness Month is intended to draw attention to the fact that sexual violence is widespread and has public health implications for every community member of San Luis Obispo County; and

WHEREAS, rape, sexual assault, and sexual harassment impact our community as seen by statistics indicating that one in six women and one in thirty-three men will be sexually assaulted in their lifetime; and

WHEREAS, one in four women on college campuses will experience a sexual assault while pursuing higher education; and

WHEREAS, child sexual abuse prevention must be a priority to confront the reality that 44% of sexual assault survivors are under the age of 18; and

WHEREAS, we must work together to educate our community about sexual violence prevention, supporting survivors, and speaking out against harmful attitudes and actions; and

WHEREAS, staff and volunteers of RISE encourage every person to speak out when witnessing acts of violence, however small; and

WHEREAS, with leadership, dedication, and encouragement, there is compelling evidence that we can be successful in reducing sexual violence in San Luis Obispo County through prevention education, increased awareness, and holding perpetrators who commit acts of violence responsible for their actions; and

WHEREAS, the City of Morro Bay strongly supports the efforts of RISE, and of every citizen, to actively engage in public and private efforts, including conversations about what sexual violence is, how to prevent it, how to help survivors connect with services, how to Start by Believing when a loved one discloses an experience, and how every segment of our society can work together to better address sexual violence.

NOW, THEREFORE, BE IT RESOLVED that the Morro Bay City Council does hereby proclaim April 2015 as "Sexual Assault Awareness Month" in Morro Bay.

IN WITNESS WHEREOF I have hereunto set my hand and caused the seal of the City of Morro Bay to be affixed this 14th day of April, 2015

_____
Jamie L. Irons, Mayor
City of Morro Bay, California

AGENDA NO: A-5

MEETING DATE: April 14, 2015

Staff Report

TO: **Honorable Mayor and City Council** **DATE: April 6, 2015**

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

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

RECOMMENDATION

Staff recommends 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 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;
- 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
- 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 an 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.

Staff's focus has continued to be on developing and implementing work on the MMRP projects

Prepared By: ___RL_____ **Dept Review:** ___RL_____

City Manager Review: _____

City Attorney Review: _____

approved for the FY14/15 budget. The adopted FY14/15 budget contains $1.221M in funding MMRP projects. The funds represent new MMRP projects as well as roll over from the FY13/14 budget for the headworks screening project and chlorine contact tank repairs.

Additionally, in anticipation of the budget preparation process for the 2015/2016 fiscal year, staff is continuing to coordinate with City and District staff as well as MKN to identify priority projects and develop budgetary numbers for inclusion in the MMRP for the next fiscal year's budget for the WWTP. The goal in developing the budget for the MMRP is to recognize that the City has a goal to have the new WRF operational during the life of the next NPDES operational permit. This goal will insure prudent spending on this facility and still maintain the high quality effluent that is discharged to the Estero Bay.

DISCUSSION

Digester #1 Repair

An Invitation to Bid was public noticed on March 22, 2015, for sandblasting and coating of digester #1, Project: WWTP Digester #1 Repairs and Coating: MB-2015-WW05. Bids are due on Tuesday, April 7. Due to the April joint meeting of the City of Morro Bay and Cayucos Sanitary District being moved to April 30, and the need to expedite the coating process to get the tank back on-line as soon as possible, staff is planning to award the contract at separate meetings of the Morro Bay City Council and Cayucos Sanitary District Board. Staff will bring the award of contract to the City Council on April 14, and the Cayucos Sanitary District Board meeting on April 16. Plant staff has continued to proceed with the repair and replacement projects for the valving and piping on digester #1.

Chlorine Contact Basin Improvements

Staff has coordinated with the contractor to perform the necessary repairs beginning at 12:01 am on Wednesday April 8. The work is scheduled to be complete by 11:30 pm on Wednesday the 8th. Staff will provide an update at the April 14 Council meeting on the outcome of the repair project. The work will require by-passing the chlorine contact for at most a twenty-four hour period. By-passing of the tank will result in an effluent violation and the associated minimum mandatory penalty of $3,000. During the time period the tank is off-line, staff will chlorinate and disinfect the effluent, but will not be able to dechlorinate the effluent resulting in the violation. Staff at both the Regional Water Quality Control Board and the California Department of Health Shellfish Division has been notified of our intent to by-pass the chlorine contact tank while the repairs are performed.

Rehabilitation of primary clarifier #2

Staff has begun making repairs to the catwalk on primary clarifier #2. The repairs entail removal of some badly corroded steel cross members and replacing them with new steel cross members. Staff has entered into a contract with Sunrise Coatings to prepare and coat the catwalks for primary clarifier #1 and #2. Staff has also purchased valving and piping for repairs to the sludge and scum pump piping on the two clarifiers. Ultimately, staff anticipates the work will include repairs to the metal framework on the flights and skimmer cage assembly, repairs to the catwalk, repair and replacement of piping and valving, and other associated components.

Purchase and Installation of New Distributor Arms and Biofilter Improvement Project

Staff will continue to work with City Public Works Engineering staff and MKN for the purchase and installation of new distributor arms on biofilter #2 and replacement of the main bearing on the turntable.

These units are a critical component of the secondary treatment system. This project will likely be deferred to the FY15/16 budget as staff will not be able to complete the work in this fiscal year.

Floodwall Installation at the Biofilters and Interstage Pumping Station

Staff will continue to work with City Public Works Engineering staff on the design and installation of flood walls around the periphery of the two biofilters and interstage pumps to prevent inundation during a flooding event in accordance with the requirements of the existing and anticipated NPDES permit.

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: April 14, 2015

Staff Report

TO: **Honorable Mayor and City Council** **DATE: April 3, 2015**

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

SUBJECT: **Water Reclamation Facility (WRF) Project Update**

RECOMMENDATION

Staff recommends the Council review the information regarding the current status and the proposed next steps regarding the development of a WRF project proposal for the Rancho Colina site and for the Council to provide any further direction as necessary.

ALTERNATIVES

No alternatives are recommended.

FISCAL IMPACT

The following is a summary of the existing contract with specialty consultants used to assist in the WRF site selection.

JFR Consulting – Site Selection/Project Management Assistance	
Original Contract	$117,256
Amendment #1	$76,129
Amendment #2	$91,336
Amendment #3	$23,147
Amendment #4	$44,279
Total Contract	**$352,147**
Kestrel Consulting – Assessment Funding	
Contract Amount	**$20,530**
Larry Walker and Associates – Permitting Constraints	
Original Contract	$24,970
Amendment #1	$5,100
Total Contract	**$30,070**
Cleath-Harris Associates – Stream Flow Augmentation	
Contract Amount	$7,500
Amendment #1	$6,500
Amendment #2	$4,000

Prepared By: ___RL_____ **Dept Review: ___RL___**

City Manager Review: _____

City Attorney Review: _____

Total Contract	**$18,000**
Carollo Engineers – CMC Capacity, Siting Evaluation and Cost Estimate	
(Proposed to be Reimbursed by RWQCB using SEP Funds)	
Total Contract	***$101,945***
Kevin Merk Associates – Preliminary Bio Assessment	
Contract Amount	$12,835
Total Consultant Contract Amount	**$545,527**

DISCUSSION

Staff provides this report as a monthly update to the progress made to date on the new WRF project. 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. See Attachment 1 for a brief review of dates, status and accomplishments on the WRF facility project. Note the shaded information has been added since your last review.

ATTACHMENTS

1. Timeline of WRF events January 2013 to present
2. Draft Revised Project Schedule

WRF Project Timeline
January 2013 - Present

Date	Action
April 30, 2015	*Scheduled Joint Meeting of the CSD Board of Directors and Morro Bay City Council for continued discussion regarding the MOU for the New WRF*
April 8, 2015	*Rate Notices to be Mailed out to all City property owners and residents*
April 8, 2015	*WRFCAC Meeting to appoint members to WRF FMP review committee*
March 24, 2015	*City Council Approves Proposition 218 Notice for Water and Sewer Rate Adjustments and Schedules Public Hearing for May 26, 2015*
March 19, 2015	*Issued Contract to KMA not to exceed $12,835 for Preliminary Biological Assessment of Rancho Colina site and pipeline corridor.*
March 19, 2015	*Release RFP for WRF Facilities Master Planning*
March 11, 2015	*Joint Meeting of Morro Bay City Council and Cayucos Sanitary District Board of Directors in Cayucos*
February 25, 2015	JFR Contract Ammendment #4 for $44,279.00 to assist with fatal flaw analysis
February 25, 2015	Facilities Master Plan RFP Completed for internal staff review
February 23, 2015	CSD Legal Council transmitted CSD DRAFT MOU to City
February 19, 2015	Letter from Ken Harris, RWQCB regarding the New WRF project and deadline for operations.
February 19, 2015	Public Works Advisory Board – Second Water and Sewer Rate Study Workshop
February 11, 2015	WRFCAC Meeting to review MOU for Now
February 11, 2015	Scheduled Joint Meeting of Morro Bay City Council and Cayucos Sanitary District Board of Directors in Cayucos was canceled
February 5, 2015	Meeting between Morro Bay Council Subcommittee and Cayucos Sanitary District Board Sub Committee to Discuss the MOU for Now
January 29, 2015	Public Works Advisory Board – Water and Sewer Rate Study Workshop
January 26, 2015	Meeting with between Morro Bay and Cayucos Staff to discuss next steps and "MOU for Now"
January 26, 2015	Meeting with between Morro Bay Staff, JFR/MKN and City Council sub-committeeto discuss next steps and "MOU for Now"
January 13, 2015	City Council to review "Next-Steps" and provide direction to Staff.
January 8, 2015	Staff presentation of the "Next-Steps" to the City Council and CSD Board
December 11, 2014	Staff presented to the City Council and the CSD Board of Directors the Final JFR report, including the CMC evaluation by Carollo Engineers. The csd Board of Directors concured that based on the information presented that the Rancho Colina site appeared the most viable and cost effective.
December 9, 2014	City Council meets to review the Final JFR report, including the CMC evaluation by Carollo Engineers. The City Council expresses their preference for Rancho Colina as their preferred site for the New WRF. The cost estimates indicated that the CMC site was nearly double that of the Rancho Colina site.
December 8, 2014	Corollo Engineers releases their Technical Morandum regarding CMC WWTP capacity and necessary facility expansion to accommodate increase flows from City and CSD.
December 8, 2014	Meeting metween MBNEP and City staff to discuss concerns regarding the siting of the WRF at CMC and increased pollutant loads to Chorro Creek.
December 8, 2014	Meeting between City staff and the WRF Technical Committee (Irons/Smukler) to review the project status.
December 1, 2014	Tour of the existing CMC facility with representatives from CDCR, CSD and the City.
November 19, 2014	Conference call between CDCR, CSD and Morro Bay staff regarding the logistics of siting at the CMC location.
November 18, 2014	Meeting between City and California Coastal Coastal Commission staff regarding a varieity of projects in Morro Bay including the WRF siting.

New items are indicated by shading.

WRF Project Timeline
January 2013 - Present

Date	Action
November 13, 2014	Staff presented to the City Council and the CSD Board of Directors the status of the CMC Capacity Analysis and also updated the CSD Board on the City Council meeting of November 12, 2014
November 12, 2014	The City Council reviewed the draft report from John Rickenbach Consulting regarding final site preference. As the result of the report being incomplete, without the Carollo CMC engineering analysis including comparable cost estimates, the City Council choose to delay their decision on final site preference until such time that the report is complete and the WRFCAC has had a chance to review and make a recommendation.
November 5, 2014	The WRFCAC met and reviewed the draft report from John Rickenbach Consulting regarding final site preference. As the result of the report being incomplete, without the Carollo CMC engineering analysis including comparable cost estimates, the WRFCAC moved to recommend to City Council to delay their decision on final site preference until such time that the report is complete and the WRFCAC has had a chance to review and make a recommendation to the City Council.
October 28, 2014	Cleath-Harris and Associates presented the Hydrogeological Technical Memoranda regarding the relative benefits of a Creek discharge in the Chorro Valley and In-Lieu recharge in the Morro Valley to the City Council at their regular meeting.
October 22, 2014	Meeting of the WRFCAC where they reviewed the Hydrogeological Technical Memoranda by Cleath-Harris and Associates and toured the Rancho Colina site.
October 20, 2014	A conference call between Morro Bay, CSD, CMC, Regional Board and CDCR was held to discuss the viability and timing of a regional facility at CMC. At that meeting CDCR authorized the release of WWTP data to Carollo for their process modeling.
October 10, 2014	A project kick off meeting was held at the City's Public Services offices for the Carollo CMC work, City and CSD staff along with the City's consultants were in attendance.
October 9, 2014	Meeting between the Morro Bay City Council and the Cayucos Sanitary District Board of Directors Meeting in Cayucos. City Council directed, by motion, City staff to work cooperatively with Cayucos Sanitary District staff.
October 8, 2014	Meeting of the WRFCAC where they reviewed the LWA report regarding permitting constraints, Kestral Consulting report regarding financing and grants and they formed three technical subcommittees.
October 2, 2014	Meeting of the Morro Bay City Council Technical/Executive Committee and the Cayucos Sanitary District Board of Directors in Morro Bay
September 30, 2014	The Public Services director executed a contract with Carollo Engineers for the study of capacity and expansion capability at the CMC site.
September 26, 2014	Meeting with Bartle Wells (Sewer and Water Rate Consultant) regarding hearing schedule and additional data needs
September 25, 2014	Received final scope and estimated fee ($101,945) from Carollo Engineers for the evaluation of the CMC option, Carollo requested changes to the standard City contract which are being reviewed by the City Attorney
September 23, 2014	City Council Special Meeting reviewed the Report by Larry Walker and Associates regarding the Water Quality permitting implications at each of the two final proposed sites. Council also discussed the potential of joint City Council/WRFCAC meetings and status of the CMC evaluation
September 11, 2014	Joint meeting of the Morro Bay City Council and the Cayucos Sanitary District Board of Directors Meeting in Morro Bay.
September 10, 2014	First Meeting of the WRFCAC
August 12, 2014	City Council confirmed Citizen Appointments to the WRFCAC
July 16, 2014	Kick off meeting with Larry Walker Associates regarding discharge permit requirements for various disposal/reuse options for the new WRF project.

New items are indicated by shading.

WRF Project Timeline
January 2013 - Present

Date	Action
July 10, 2014	Meeting with Cayucos Sanitary District staff to discuss the scope of work for the proposed Carollo Engineers CMC capacity evaluation study.
July 9, 2014	City Council conducted interviews for positions on the WRF Citizens Advisory Committee (WRFCAC). City Council appointed seven members to the WRFCAC.
June 30, 2014	Staff met internally to gather preliminary information for Bartle Wells Rate Study. Staff will have all info to Bartle Wells by the end of July.
June 27, 2014	Kick off meeting with Kestrel Consulting to discuss funding strategies for the new WRF project.
June 27, 2014	Meeting with Cleath-Harris to review draft Chorro Creek discharge study and effect on City water supply. Authorized Cleath-Harris to perform a similar study for the Morro Valley.
June 25, 2014	Meeting with John Rickenbach and Mike Nunley to discuss project schedule for the WRF project
June 20, 2014	City executed a contract with Larry Walker Associates in the amount of $24,970 to advise the City regarding discharge permit requirements for various disposal/reuse options for the new WRF project.
June 15, 2014	City executed a contract with Kestrel Consulting in the amount of $20,530 to develop funding strategies for the new WRF project.
June 14, 2014	Staff has met with a variety of alternative project delivery method firms to explore the requirements for this process, firm include: Corollo, CDMSmith; and Black and Veatch.
May 27, 2014	City Council adopted Resolution 34-14 that provides direction to staff regarding the “Rancho Colina” site, continuing parallel path discussion regarding the CMC site, and forming a Citizen’s Advisory Committee.
May 23, 2014	Selected Bartle Wells as Water and Sewer Rate Study consultant. The estimated fee for the study is not to exceed $67,440.
May 22, 2014	The City Clerk posted the notice of the formation of a new, limited term and scope, i.e. Water Reclamation Facility Citizen's Advisory Committee. Applications are due to the Clerk by Friday, June 13, 2014.
May 13, 2014	Council Approved New Water Reclamation Facility Project Report on Reclamation and Council Selection of a WRF Site and provided direction to staff to return to Council with a resolution that captured the motions made.
May 8, 2014	May JPA Meeting cancelled.
May 1, 2014	Scheduled site visit at Giannini site with WRF Subcommittee, JRF Consulting and Property Owner.
April 23, 2014	Meeting to review the “Rancho Colina” site with the Morro Bay and CSD Sub-Committees along with Water Board staff.
April 21, 2014	“Rancho Colina" site visit with staff and Council persons Leage and N. Johnson.
April 18, 2014	Letter sent to property owners of potential WRF sites, inviting a discussion regarding siting potential
April 11, 2014	"Rancho Colina" site visit with staff and Council person C. Johnson.
April 10, 2014	April JPA Meeting cancelled
March 21, 2014	Meeting between City of Morro Bay (Irons/Smukler) and CSD (Enns/Lloyd) Sub-Committees along with Morro Bay and CSD County and Water Board Staff to discuss overall project status and the CMC option.
March 20, 2014	WRF Sub-Committee meeting along with staff and property owner at the “Rancho Colina” Morro Valley site to get an overview of the potential for it as a project location.

New items are indicated by shading.

WRF Project Timeline
January 2013 - Present

Date	Action
March 10, 2014	March JPA Meeting cancelled.
March 6, 2014	Scheduled WRF Subcommittee meeting with staff to discuss grant opportunities and schedules.
February 28, 2014	Received a revised scope of work for a contract amendment received from Rickenbach recognizing the accelerated time schedule for the WRF. Estimated fees not to exceed $76,129.
February 25, 2014	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.
February 24, 2014	City Council Discussion of Eater and Sewer Rates at special Workshop and Council discussion and direction regarding City DRAFT MOU and CSD DRAFT MOU.
February 13, 2014	WRF Sub-Committee meeting to discuss the 5 year time schedule and grant opportunities.
February 13, 2014	February JPA Meeting held.
February 11, 2014	Mid-year Budget adjustment to include additional funding for WRF alternative site analyses. $100,000 was approved.
January 31, 2014	Status report preparation assigned to Public Services Director.
January 29, 2014	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.
January 23, 2014	Onsite staff meeting with property owner at Rancho Colina to tour a potential location.
January 23, 2014	Telephone discussion with City's Water Attorney regarding water rights to creek discharge of wastewater.
January 20, 2014	Received proposal from Cleath-Harris to study Chorro Creek discharge and effect on City water supply. Estimated fees not to exceed $7,500.
January 16, 2014	January JPA Meeting canceled.
December 19, 2013	December JPA Meeting held – Verbal update by both CMB and CSD.
December 10, 2013	Presentation of Options Report to City Council.
November 19, 2013	Meeting with RWCQB Staff regarding project Status and Permit Renewal.
November 14, 2013	November 2013 JPA Meeting Cancelled.
November 12, 2013	Presentation of Options Report to City Council.
November 5, 2013	Second Public Workshop – Presentation of Options Report for Public Feedback.
November 4, 2013	Public Works Advisory Board – Options Report to Board for Public Feedback.
October 29, 2013	Release of Public Draft – Options Report.
October 21, 2013	Quarterly Coastal Commission/City of Morro Bay Meeting.
September 27, 2013	October 2013 JPA Meeting cancelled.
September 16, 2013	Biosolids and Treatment Options Workshop at MB Veteran's Hall.
September 12, 2013	September JPA Meeting held.
August 19, 2013	Week ofmWorkshop Summary posted on City's website. Comments Form available on City's website for additional comments on the workshop and/or project.
August 15, 2013	Community Workshop #1 held at MB Veteran's Hall.
August 8, 2013	August JPA Meeting Cancelled.
July 25, 2013	Stakeholder Interviews conducted by Rickenbach team.
July 19, 2013	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

New items are indicated by shading.

WRF Project Timeline
January 2013 - Present

Date	Action
July 18, 2013	Quarterly Coastal Commission/City of Morro Bay meeting, Rickenbach Team participated in review and discussion of the status of the WRF project.
July 11, 2013	July JPA Meeting Cancelled.
July 3, 2013	Tentative Schedule from Rickenbach for the New WRF posted online and available.
July 3, 2013	Working with Coastal Commission staff to finalize date for quarterly meeting/teleconference.
June 28, 2013	Work with Rickenbach to determine updated schedule pursuant to the scope of work in the RFP. Determination of Stakeholder groups/individuals.
June 24, 2013	Kick-off Meeting with John Rickenbach and team members.
June 13, 2013	JPA Meeting – Cayucos Veteran's Hall.
May 28, 2013	Closed Session Item scheduled to discuss Righetti appraisal.
May 15, 2013	Public Services staff continues to work with John F. Rickenbach, Consulting to finalize the consultant contract
May 14, 2013	City Council meeting – Approval of John F. Rickenbach, Consulting as the Preliminary Planning Consultant for the WRF project.
May 9, 2013	May JPA meeting held, "Verbal Report by the City and District on the Progress of the future WWTP" was on the agenda and discussed.
May 2, 2013	Interviews to recommend the individual/team for the WRF project manage.
April 29, 2013	WRF Study Session at Veteran's Hall.
April 25, 2013	Quarterly Meeting with California Coastal Commission staff, WRF discussion and status report on the meeting agenda.
April 25, 2013	Initial meeting with Selection Committee for the RFP for Planning Services for the WRF.
April 23, 2013	City Council meeting for the reaffirmation of 5 members of citizen selection committee.

New items are indicated by shading.

AGENDA NO: A-7

MEETING DATE: April 14, 2015

Staff Report

TO: **Honorable Mayor and City Council** **DATE: April 2, 2015**

FROM: **Eric Endersby, Harbor Director**

SUBJECT: **Approval of Resolution No. 13-15 Executing Amendment #5 to the Lease Agreement for Lease Site 124-128/124W-128W & 113W located at 1215 Embarcadero, to Restructure Lease Redevelopment Process and Requirements as they Relate to Lease Terms and Conditions**

RECOMMENDATION

Staff recommends approval of Resolution No. 13-15 executing Amendment #5 to the lease agreement for Lease Site 124-128/124W-128W and 113W.

ALTERNATIVES

Do not approve Resolution/Amendment.

FISCAL IMPACT

If approved, then the amendment will result in a 5% increase of annual minimum rent, a $2,350/year increase over the current minimum rent of $47,000/year. In addition, once all phases of lease site redevelopment are completed, it is anticipated the tenant will produce a moderate-to-significant amount of percent gross revenues for the City.

BACKGROUND

In 2010, Sea One Solutions (dba Virg's Landing) entered into a new 20-year lease that, among other things, required significant water lease improvements including new docks and gangways below the main landing at Virg's, and a new side-tie dock and slips at lease site 113W between Great American Fish Co. and the Harbor Hut. At that time, Virg's, Harbor Hut and Great American Fish Co. embarked on a connected water lease redevelopment project for their three combined sites that was to go through the planning, permitting and construction processes concurrently with each other. The permitting process through the Coastal Commission level was accomplished concurrently; however, all subsequent efforts, including construction, on the three sites have been accomplished independently. This lease currently expires in 2030.

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Prepared By: ___EE_____ **Dept Review: ___EE_____**

City Manager Review: _____

City Attorney Review: ____JWP_____

The original lease included an option for a 20-year extension if the lessee completed landside improvements consisting of complete demolition and rebuilding of the existing landing building, demolition of the current Tognazzini's Dockside III smokehouse building and creation of a "pocket park" in its place, and addition of a small-scale marine fueling station in the pocket park area. The restaurant use would be moved into the new rebuilt main building.

Robert Fowler/MMBS, LLC assumed the lease site in 2012, and shortly thereafter embarked on Phase 1A of the water lease improvements, having obtained the necessary permitting. Phase 1A consisted of docks on the northern water lease area in front of the main landing. With Phase 1A complete, Mr. Fowler is currently in the final permit stages to begin construction on Phase 1B, which is the docks and gangways on the southern lease site area between the Harbor Hut and Great American Fish Co. Once Phase 1B is complete, Mr. Fowler intends to embark on Phase 2, which is the landside improvements.

At the December 9, 2014, Closed Session Meeting of the City Council, staff sought Council direction on negotiating this amendment.

In contrast to most new master leases, this lease as agreed-upon by the City and Sea One Solutions/Virg's in 2010 did not stipulate a minimum dollar amount of investment required to secure the lease terms and conditions.

DISCUSSION

The tenant and staff have negotiated an amendment to the lease and required improvements based on the tenant's requests and information provided, and input from Council. The major elements of this amendment are:

A. Restructuring of the original 20-year lease extension for completion of the land improvements to two 15-year extensions; the first extension predicated on completion of all water lease improvements, and the second predicated on completion of water improvements and the land improvements.

   The additional ten years to the term of the lease is predicated on: (i) increased time and costs in planning, permitting and building the improvements, (ii) the tenant paying an additional 5% of guaranteed minimum rent normally due over the term of the lease, (iii) requirement in the lease (where there wasn't a requirement before) to a total of at least $1.8M in total improvement expenditures, which is well above the level of recent other Measure D-area lease agreements, and commensurate with several non-Measure D-area leases and (iv) City option to use a portion of Lease Site 128 in the future (where Tognazzini's Dockside 3 currently exists and the "pocket park" will go under the current redevelopment plans) for a public restroom and/or public shower facility, if so needed or deemed desirable by the City.

B. Removal of the requirement for construction of a marine fueling station, and making it an option. Originally that fueling station was to be a very small-scale facility primarily for the tenants' (Virg's) own internal needs. The current tenant does not foresee that need, and the economics of construction and ongoing permitting, inspection, and maintenance of such a facility render it financially infeasible. In addition, installation of such a facility on or under

Lease Site 128, where it was slated to go, would render the City's option to use 128 for a public restroom or shower facility impossible. Finally, installation of the fueling station infrastructure on 128 would reduce the pocket park's useable area to a very small portion of the total.

CONCLUSION

The tenant is in good standing and has completed substantial redevelopment from what has historically been accomplished there. In order to secure financing and see the improvements through to completion, the lease and required improvements have been restructured to better match current economic and financial realities, while still ensuring redevelopment of this site and an equitable return to the City via a modern lease format and fuller utilization of the leased property. This full utilization will ultimately result in greater percent gross revenue opportunities and financial return to the City.

ATTACHMENTS

1. Resolution No. 13-15
2. Amendment #5 to Lease Site 124-128/124W-128W and 113W
3. Overhead photo of lease sites

RESOLUTION NO. 13-15

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
APPROVING AMENDMENT #5 TO LEASE AGREEMENT FOR
LEASE SITE 124-128/124W-128W & 113W BETWEEN THE CITY OF MORRO
BAY AND MMBS, LLC, LOCATED AT 1215 EMBARCADERO**

**T H E C I T Y C O U N C I L
City of Morro Bay, California**

WHEREAS, the City of Morro Bay is the lessor of certain properties on the Morro Bay Waterfront described as City Tidelands leases and properties; and

WHEREAS, MMBS, LLC/Robert Fowler ("Tenant") is the lessee of Lease Site 124-128/124W-128W & 113W and is a tenant in good standing; and

WHEREAS, Tenant has redevelopment commitments and deadlines pursuant to the lease of the property; and

WHEREAS, restructuring of the original lease and lease extension for the completion of land and water improvements to ensure those improvements are completed is in the best interest of the City and has benefits to the City.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, as follows:

Section 1. The attached Amendment #5 to the Lease Agreement for Lease Site 124-128/124W-128W & 113W is hereby approved.

Section 2. The Mayor is hereby authorized to execute the Amendment to the Lease Agreement.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 14th day of April, 2015 on the following vote:

AYES:
NOES:
ABSENT:

_____
Jamie L. Irons, Mayor

ATTEST:

_____
Dana Swanson, City Clerk

AMENDMENT #5 TO LEASE AGREEMENT FOR
LEASE SITE 124-128/124W-128W AND 113W

This Amendment is made and entered into as of this 14th day of April, 2015 by and between the City of Morro Bay a municipal corporation of the State of California (hereinafter "CITY") and MMBS, LLC, a California limited liability company (hereinafter "TENANT") to amend that certain lease agreement for Lease Site 124-128/124W-128W and 113W (hereinafter "Lease") between CITY and TENANT dated October 19, 2010.

WHEREAS, TENANT is the successor-in-interest to the Lease;

WHEREAS, TENANT has completed construction of the first phase of dock improvements on Lease Sites 124W-128W per CUP #UPO-058; and,

WHEREAS, the Lease and its amendments provide, upon completion of the second phase of dock improvements on Lease Site 113W and the landside building improvements per CUP #UPO-058, TENANT shall have the option to renew the Lease for an additional period of twenty (20) years; and,

WHEREAS, due to increased time and costs in planning, permitting and building said improvements, TENANT is requesting to amend the Lease to restructure the next phases of construction to provide for an optional fifteen-year extension at the successful completion of the second phase of dock construction on Lease Site 113W, and an optional second fifteen-year extension at the successful completion of the landside improvements, all as outlined in CUP #UPO-058; and,

WHEREAS, in additional consideration of restructuring the Lease, TENANT agrees to pay additional Annual Minimum Rent, and to allow CITY to take over a portion of Lease Site 128 at CITY's option as described in this amendment; and,

WHEREAS, CITY and TENANT have agreed to this amendment of the Lease in order to coordinate improvements on the Lease Sites.

NOW THEREFORE, CITY and TENANT mutually agree to amend the Lease as follows:

SECTION 1. Section 2.01 of the Lease is amended by adding the following to the end of the first paragraph:

> "As additional consideration for the additional lease term, as described in Sections 13.02, TENANT agrees, upon completion of the second phase dock improvements on Lease Site 113W the Annual Minimum Rent shall be increased to one hundred and five percent (105%) of the amount normally due under the terms and conditions of the Lease as set forth in Sections 2.01, 2.02 and 2.03 for the term of this Lease Agreement."

SECTION 2. Section 13.02 of the Lease shall be restated in its entirety to read as follows:

<u>Section 13.02 Conditional Options to Renew Lease for Two – Fifteen-Year Terms for Construction of Waterside and Landside Improvements</u>

> TENANT shall have an option to renew this Lease Agreement for an additional period of fifteen (15) years potentially resulting in a thirty-five-year lease; provided, that TENANT completes all of the second phase dock improvements on Lease Site 113W as outlined in CUP #UPO-058 by July 1, 2019 (the "Second Phase Improvements"). That option shall only be valid if the Improvements for the docks on Lease Site 113W

are completed and final building inspections and a certificate of occupancy, as needed, are obtained by July 1, 2019. The Second Phase Improvements shall be valued at a minimum of $400,000.00 of actual construction costs (the "2nd Minimum Construction Costs"), and proof of expenses, as evidenced by copies of invoices by the proscribed timeline shall be provided to CITY. Failure to timely complete the Second Phase Improvements and provide invoices evidencing the 2nd Minimum Construction Costs shall be a material default of this section and void the option for TENANT to exercise the first fifteen-year extension for completion of the Second Phase Improvements.

If the previous option is not voided as provided above, then TENANT shall have another option to renew this Lease Agreement for a second additional fifteen (15) years potentially resulting in a fifty-year Lease; provided, that TENANT completes the Second Phase Improvements in addition to completion of the landside building improvements on Lease Sites 124-128 and 124W-128W, all as outlined in CUP #UPO-058 by July 1, 2019 (the "Third Phase Improvements"). That option shall only be valid if the Third Phase Improvements are completed and final building inspections and a certificate of occupancy, as needed, are obtained by July 1, 2019; provided, that the parties understand and agree TENANT is not responsible to for completing the pocket park portion of the Third Phase Improvements if CITY exercises the CITY'S Option, described below in Section 13.06. The Third Phase Improvements shall be valued at a minimum of $1,000,000.00 of actual construction costs (the "3rd Phase Minimum Construction Costs"), and proof of expenses, as evidenced by copies of invoices by the proscribed timeline shall be provided to CITY. Failure to timely complete the Third Phase Improvements and provide invoices evidencing the 3rd Minimum Construction Costs shall be a material default of this section and void the option for TENANT to exercise second fifteen-year extension for completion of the Third Phase Improvements.

TENANT further agrees to obtain Precise Plan approval of CUP #UPO-058 by December 31, 2015, and within sixty (60) days will submit to the California Coastal Commission for obtaining Coastal Commission approval of those plans. Within ninety (90) days after the Coastal Commission's approval TENANT shall submit working drawings and materials to CITY in order to obtain a CITY Building Permit for construction of Second and Third Phase Improvements.

It is TENANT's obligation to fully investigate the issues and costs in obtaining all the necessary permits. Failure to obtain any and all required permits and approvals for the Second and Third Phase Improvements shall not be a reason for failure to comply with this Section. TENANT further acknowledges CUP #UPO-058 and construction of the Second and Third Phase Improvements may require repair or replacement of all of portions of the existing buildings, revetments, access ways, sidewalk, drainage systems and other current improvements on the Premises to the standards of the City Engineer; and TENANT agrees to meet those standards through review and revision of final Building Plans prior to issuance of a Building Permit for the construction of the Second and Third Phase Improvements. TENANT shall follow the general conditions required under Section 13.01, 1-5, during all phases of construction.

SECTION 3. Section 13.06 shall be added to the Lease to read as follows:

Section 13.06 <u>City's Option to Take a Portion of the Leasehold for Public Facilities.</u>

"CITY shall have the option to remove Lease Site 128 from the Premises for the purpose of building a public restroom and/or shower facility on Lease Site 128 (the "CITY'S Option"). CITY hereby acknowledges the area of Lease Site 128 is to be modified under the conditions of CUP #UPO-058 and the Coastal Commission conditions of CDP 3-08-025 to conform to the area of the "pocket park," as shown in the exhibits to those permits; and CITY shall take such action as is necessary to modify the area of Lease Site 128 to the contemplated dimensions needed for the public restroom and/or shower facility as a condition precedent to CITY exercising the CITY'S Option.

CITY may exercise the CITY'S Option only after the expiration (December 31, 2017) of the current sublease with Mark and Bonnie Tognazinni for Tognazzini's Dockside 3 restaurant, or if terminated earlier by TENANT or Subtenant, and after TENANT has received all necessary permitting and authorizations for the improvements required by CITY pursuant to CUP #UPO-058 and the Coastal Commission under CDP 3-08-025.

After issuance of such permits and authorizations, TENANT shall provide CITY with a minimum of 120-days' written notification of TENANT's intent to proceed with demolition of existing building on the Premises. Within 60 days after receiving that notice from TENANT, CITY shall, by written notice delivered to TENANT, declare CITY's intent to exercise the CITY'S Option and remove the reconfigured Lease Site 128 from the Premises. If no such notice is received from CITY within that 60-day time frame, then the CITY's right to exercise the CITY'S Option shall be cancelled and of no further force or effect.

CITY shall not take any action or make any application to change the approval status of the Lease Site 128 prior to the exercise of the CITY'S Option nor in anyway interfere with the implementation of CUP #UPO-058 and CDP 3-08-025. TENANT shall retain the right to build and use a trash/recycle enclosure to accommodate standard size trash and recycle containers/dumpsters on Lease Site 128, and CITY's design of a public restroom and/or shower facility shall accommodate said trash enclosure.

Upon completion of all of the improvements contemplated under the permits issued under CUP #UPO-058 and CDP 3-08-025, except for the improvements on Lease Site 128 if CITY exercises the CITY'S Option, CITY shall issue the appropriate certificates of occupancy, as needed, without the improvements on Lease Site 128 being completed. If the CITY'S Option is exercised, then CITY shall pay any and all costs associated with the modification of the approvals to Lease Site 128, any further reconfiguration of Lease Site 128, and any other related development costs associated with exercising the CITY'S Option, excepting demolition of the existing structure and reconfiguration of the roadway/alleyway, which shall be the responsibility of and costs shall be borne by TENANT.

SECTION 4. Except as modified herein all terms and conditions of the Lease and the amendments to the Lease shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto hereby execute this Amendment.

CITY OF MORRO BAY

_____
Jamie L. Irons, Mayor

_____
David Buckingham, City Manager

TENANT-MMBS, LLC

_____
Robert J. Fowler, Authorized Member
MMBS, LLC

ATTEST:

_____
Dana Swanson, City Clerk

APPROVED AS TO FORM:

_____
Joseph W. Pannone, City Attorney

Attachment 3

AGENDA NO: A-8

MEETING DATE: April 14, 2015

Staff Report

TO: **Honorable Mayor and City Council** **DATE: April 8, 2015**

FROM: **Bruce Keogh, Wastewater Treatment Plant Manager**
Richard Sauerwein, PE, Capital Projects Manager

SUBJECT: **Award of Contract to Ellison Environmental, Incorporated dba Fluid Resource Management of Grover Beach, CA for the Project No. MB2015-WW05: Digester #1 Repairs & Coating Project**

RECOMMENDATION

Staff recommends the Council award the Project contract to Ellison Environmental, Incorporated dba Fluid Resource Management in the amount of $132,653.

ALTERNATIVES

None

FISCAL IMPACT

The Project is fully funded from the projects contained within the FY 14/15 WWTP budget that was adopted by both the City and Cayucos Sanitary District. The adopted budget contains $1.221M in funding for MMRP projects presented during the budget hearing at the joint meeting of the City and District. Of the $331,000 specifically allocated to rehabilitate Digester #1, $97,000 has been spent to date in preparing the Digester for this coating project and performing repairs to piping and valving on the sludge recirculation and transfer piping. Additional funding may be required to complete this project if the full contingency is expended.

SUMMARY

The Invitation for Bids was posted in the San Luis Obispo Tribune on March 22 and 29; bids were opened on April 7 at 2 PM in the Public Works Conference Room. Bids were received from three (3) contractors as noted in the attached Bid Summary Sheet. All bidders were deemed responsive. The bids ranged from a low of $132,653 to a high of $168,000. The Engineer's estimate for this project is $100,000 to $150,000. Upon successful award of contract, staff anticipates a Notice to Proceed in mid-May and completion of the project by July 2015.

Due to the April joint meeting being moved to April 30, and the need to expedite the coating process to get the tank back on-line as soon as possible, staff is bringing the award of contract to separate

Prepared By: ___BK___ **Dept Review: __RL___**

City Manager Review: _____

City Attorney Review: _____

meetings of the Morro Bay City Council and Cayucos Sanitary District Board in April. Staff will bring the award of contract to the Council on April 14, and the Cayucos Sanitary District Board meeting on April 16.

CONCLUSION

Staff recommends the City Council and Cayucos Sanitary District award the Project contract to Ellison Environmental, Incorporated dba Fluid Resource Management in the amount of $132,653, and authorize the discretion in 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 meetings.

ATTACHMENT

Bid Summary Sheet

		Bidder		Fluid Resource Management	ERS Indusctrial Services	Cor-Ray Painting Co.
	ITEM DESCRIPTION	**QTY**	**UNIT**	Total Cost	Total Cost	Total Cost
1	Mobilization/Demobilization	1	LS	$5,306.12	$6,750.00	$7,000.00
2	Interior Coating	1	LS	$117,071.62	$121,613.02	$140,000.00
3	Removal and Disposal of topping Concrete	1	LS	$5,985.62	$4,775.00	$10,000.00
4	Repair of Spalled Concrete Surfaces on Exterior	1	LS	$3,700.09	$4,775.00	$10,000.00
5	Premium for Acts of God Insurance (Builder's Risk)	1	LS	$589.60	$2,500.00	$1,000.00
			GRAND TOTAL	$132,653.05	$140,413.02	$168,000.00

AGENDA NO: A-9

MEETING DATE: April 14, 2015

Staff Report

TO: **Honorable Mayor and City Council** **DATE: April 3, 2015**

FROM: **Scot Graham, Community Development Manager**

SUBJECT: **Establishment of a Twelve (12) Member General Plan/Local Coastal Program Advisory Committee (GPAC)**

RECOMMENDATION

Staff recommends the City Council adopt Resolution No. 16-15 affirming the makeup of the General Plan/Local Coastal Program Advisory Committee and initiating the recruitment process.

ALTERNATIVES

1. Provide direction to staff to alter the committee makeup to reflect Council's desired composition for the committee.
2. Direct staff to delay initiation of the advisory committee until after the General Plan/Local Coastal Program consultant is chosen.

FISCAL IMPACT

None

BACKGROUND

The Morro Bay City Council has identified the update of both the City's General Plan and Local Coastal Program as a key City goal, a draft work program for the update has been prepared and reviewed by Council, and staff anticipates release within thirty (30) days of a request for proposal (RFP) for consultant services to carry out the update.

DISCUSSION

The focus of the 12-member committee is to provide input and guidance throughout the update process to ensure the interests and values of all segments of the community are well represented in the City's updated General Plan/Local Coastal Program. Committee members will participate in both the review of the RFP and selection of the consultant. Additionally, GPAC committee members can expect to participate in approximately 16 open public meetings over a three year period, beginning in May of 2015.

Prepared By: _____SG_____ **Dept Review:** __SG_____

City Manager Review: _____

City Attorney Review: _____

Committee make up:

- 2 City Councilmembers
- 1 Planning Commissioner
- 1 Public Works Advisory Board member
- 1 Harbor Advisory Board member
- 1 Recreation and Parks Commissioner
- 6 members at-large

Representatives from the various City boards will be chosen by the individual boards and forwarded to Council for final authorization. The City will begin recruitment for the six at-large members.

As the update process moves forward, there will be the potential to form additional subcommittees or task force level groups to address specific topics, such as Sea-Level Rise, Conservation/Sustainability, Traffic and Economy/Market Trends.

CONCLUSION

The City is in the process of updating its General Plan/Local Coastal Program and an important and necessary component of the update process involves the creation of a centralized advisory body to help inform and guide the update moving forward. Adoption of Resolution No. 16-15 initiates creation of the advisory body. Final approval of the advisory body members will be brought back before the Council.

ATTACHMENT

Resolution No. 16-15

RESOLUTION NO. 16-15

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA, AUTHORIZING FORMATION OF A GENERAL PLAN/ LOCAL COASTAL PROGRAM ADVISORY COMMITTEE

THE CITY COUNCIL
City of Morro Bay, California

WHEREAS, the City of Morro Bay has both an outdated General Plan and Local Coastal Program; and

WHEREAS, the City Council has adopted the goal of updating and combining the General Plan and Local Coastal Program; and

WHEREAS, the City Council authorized preparation of a consultant prepared work plan for the update of General Plan/Local Coastal Program; and

WHEREAS, the City is in the process of preparing a Request for Proposal for consultant services to prepare an update of the General Plan/Local Coastal Program.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Morro Bay, California, as follows:

SECTION 1: The City Council provides the following direction to City staff:

A. Form a General Plan/Local Coastal Program Advisory Committee, composed of the following members:

- 2 City Councilmembers
- 1 Planning Commissioner
- 1 Public Works Advisory Board member
- 1 Harbor Advisory Board member
- 1 Recreation and Parks Commissioner
- 6 members at-large

Each advisory body shall be responsible for appointing the above noted representative to the committee. The Council will appoint the at-large members utilizing the same procedures as it uses to appoint its standing advisory boards.

PASSED, APPROVED, AND ADOPTED, by the City of Morro Bay City Council, at a regular meeting held on this 14th day of April, 2015 by the following vote:

AYES:
NOES:
ABSENT:

_____
Jamie L. Irons, Mayor

ATTEST:

_____
Dana Swanson, City Clerk

AGENDA NO: B-1

MEETING DATE: April 14, 2015

Staff Report

TO: **Honorable Mayor and City Council** **DATE: April 2, 2015**

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

SUBJECT: **Resolution No. 14-15 Initiating Proceedings to Levy the Annual Assessment for the Cloisters Park and Open Space Landscaping and Lighting Maintenance Assessment District**

RECOMMENDATION

Staff recommends City Council adopt Resolution No. 14-15 ordering the preparation of an Engineer's Report detailing the expenses projected for Fiscal Year 2015-16 for the maintenance of the Cloisters Park and Open Space.

FISCAL IMPACT

The F.Y. 2014-15 assessments provided $148,944 for the maintenance of the Cloisters Park and Open space totaling 34 acres.

BACKGROUND

On July 8, 1996, the City Council accepted lots 121 and 122 of the Cloisters Sub-division, thirty-four (34) acres of open space and organized park. On September 23, 1996, the City Council passed Resolution No. 69-96, which accepted the final map for Tract 1996, known as the Cloisters Sub-division, consisting of 124 lots. Lots 1 through 120 for single-family were fir residential purposes; and, Lots 121, 122 and 124 (dedicated for a fire station) were offered to the City subject to completion of the public improvements. Lot 123 was offered to the State. (Lot 122 is now Parcel 1 and Lot 123 is Parcel 2, as a result of subsequent MBAL 97-240 lot line adjustment.) Prior to the acceptance of the final map and pursuant to the Conditions of Approval, an assessment district was formed to cover the cost of maintenance of the parkland and open space. The assessment district formation proceedings began in August 1996 and concluded with the final public hearing for formation on September 23, 1996, which levied the annual assessment of $148,944 for the maintenance of the thirty-four (34) acres of parkland and open space.

On January 26, 1998, the City Council adopted Resolution No. 10-98 which accepted the public improvements for Cloisters Tract 1996. Although the public improvements were completed, the developer was responsible for their maintenance for the one year warranty period, with the City taking over the maintenance of the area on January 26, 1999.

Prepared By: ***RL*** **Dept Review:** **RL**

City Manager Review: _____

City Attorney Review: **JWF**

After the initial formation of the assessment district; each year, beginning in April, the City must hold a series of three (3) public hearings to confirm the levy of assessment for the upcoming fiscal year. The first public hearing initiates the annual levy process and directs the preparation of an Engineer's Report; the second hearing approves the Engineer's Report and notices the intent to levy the assessment; and the third public hearing actually levies the assessment for the upcoming fiscal year.

DISCUSSION

After the first public hearing and upon adoption of Resolution No. 14-15, which initiates the proceedings to levy the annual assessment, an Engineer's Report will be prepared for review and acceptance at the May 12, 2015 City Council meeting, which will be the second public hearing. At that second hearing will be a resolution for consideration declaring the City Council's intent to levy and collect the assessment. That Resolution will list the improvements, names the district and gives its general location; it also refers to the proposed assessment and gives notice of the time and place for the third and last public hearing regarding the levy of the proposed assessment, as well as stating whether or not the proposed assessment is an increase from the previous year. The Government Code states the third and final public hearing must be noticed ten (10) days prior to the actual hearing, which is tentatively scheduled for June 23, 2015. Any interested person may file a written or oral protest with the City Clerk stating all grounds of objection for levy of assessment. However, only protests by property owners in the proposed assessment district are used to determine if a majority protest exists. A majority protest would only affect the ability to increase the assessment amount, but would not be effective in dissolving the assessment district.

The Cloisters Landscaping and Lighting Maintenance Assessment District is a separate fund from all other City funds and can only be utilized for improvements within the District. Once set, the annual assessment is transmitted to the County Auditor for recording on the County assessment role. The assessment amount will then appear each year on the parcel owner's property tax bill.

In conformance with Proposition 218, The Right to Vote on Taxes Act, passed in 1996 by the voters in the State of California, the Cloisters Landscaping and Lighting Maintenance Assessment District was approved by one hundred percent (100%) of the owners for which the assessment is to be levied. All property owners were fully apprised of the costs and benefits associated with the district, prior to its approval by them.

CONCLUSION

Resolution No. 14-15 has been prepared for City Council review and adoption. The Resolution serves as the initiation of the annual assessment proceedings and orders an Engineer's Report detailing the proposed costs for the maintenance of the Cloisters Park and Open Space for the purpose of assessing private property owners of Tract Map No. 1996 (excluding the City's property). The Resolution also gives notice that a public hearing on the intent to levy the assessment, review and acceptance of the Engineer's Report, will be held on May 12, 2015.

RESOLUTION NO. 14-15

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
INITIATING PROCEEDINGS TO LEVY THE ANNUAL ASSESSMENT
FOR CLOISTERS LANDSCAPING AND LIGHTING
MAINTENANCE ASSESSMENT DISTRICT PURSUANT TO THE
"LANDSCAPING AND LIGHTING ACT OF 1972"
(STREETS AND HIGHWAYS SECTIONS 22500 *ET SEQ*.)**

**T H E C I T Y C O U N C I L
City of Morro Bay, California**

WHEREAS, the City Council has placed certain conditions on the development of Tract 1996, The Cloisters, requiring formation of a property Maintenance Assessment District encompassing and coterminous with the proposed subdivision to provide for the maintenance of a public park, bicycle pathway, right-of-way landscaping, coastal access ways, ESH restoration area, and other common area improvements to be held by or dedicated to the City of Morro Bay as required by City Ordinance and;

WHEREAS, these conditions are more specifically identified in Vesting Tentative Tract Map (condition 10e) and Precise Plan (condition 2c) as required by City Ordinance; and

WHEREAS, the owners of the real property within the proposed district (the "Owners") have consented in writing to the formation of the district pursuant to the Landscaping and Lighting Act of 1972 (Streets and Highways Code sections 22500 *et seq*.) (the "Act"), and are the only owners of property to be subject to assessments within the district; and

WHEREAS, the Owners of real property within the proposed district have dedicated in fee and in perpetuity, Lot 121 (Parcel 1) and Lot 122 of Tract 1996, and the City has accepted that Offer of Dedication; provided that the costs of maintenance thereof, are borne by an assessment district as required by the Conditions of Approval of the project; and

WHEREAS, one hundred percent (100%) of the property owners approved formation of the district to assure conformance with the "Right to Vote on Taxes Act" (Proposition 218, California Constitution Act XIII C & D).

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay:

1. The City Council of the City of Morro Bay hereby declares its intent to initiate the proceedings to levy and collect assessments pursuant to the Act.

2. The improvements to be subject to assessment for maintenance by such District shall

include those enumerated in the conditions of project approval and in Section 22525 of the Act, which were installed by the developer as a condition of approval of Tract 1996; pursuant to the Final Improvement Plans for the Cloisters Project as approved by the City.

3. The Assessment District is a District located in the City of Morro Bay, County of San Luis Obispo. A map showing the boundaries of the proposed District is attached as Exhibit A which is hereby incorporated herein.

4. An Engineer's Report will be prepared for consideration at a public hearing to be held on May 12, 2015, by the City Council.

5. This District is called the "Cloisters Landscaping and Lighting Maintenance Assessment District."

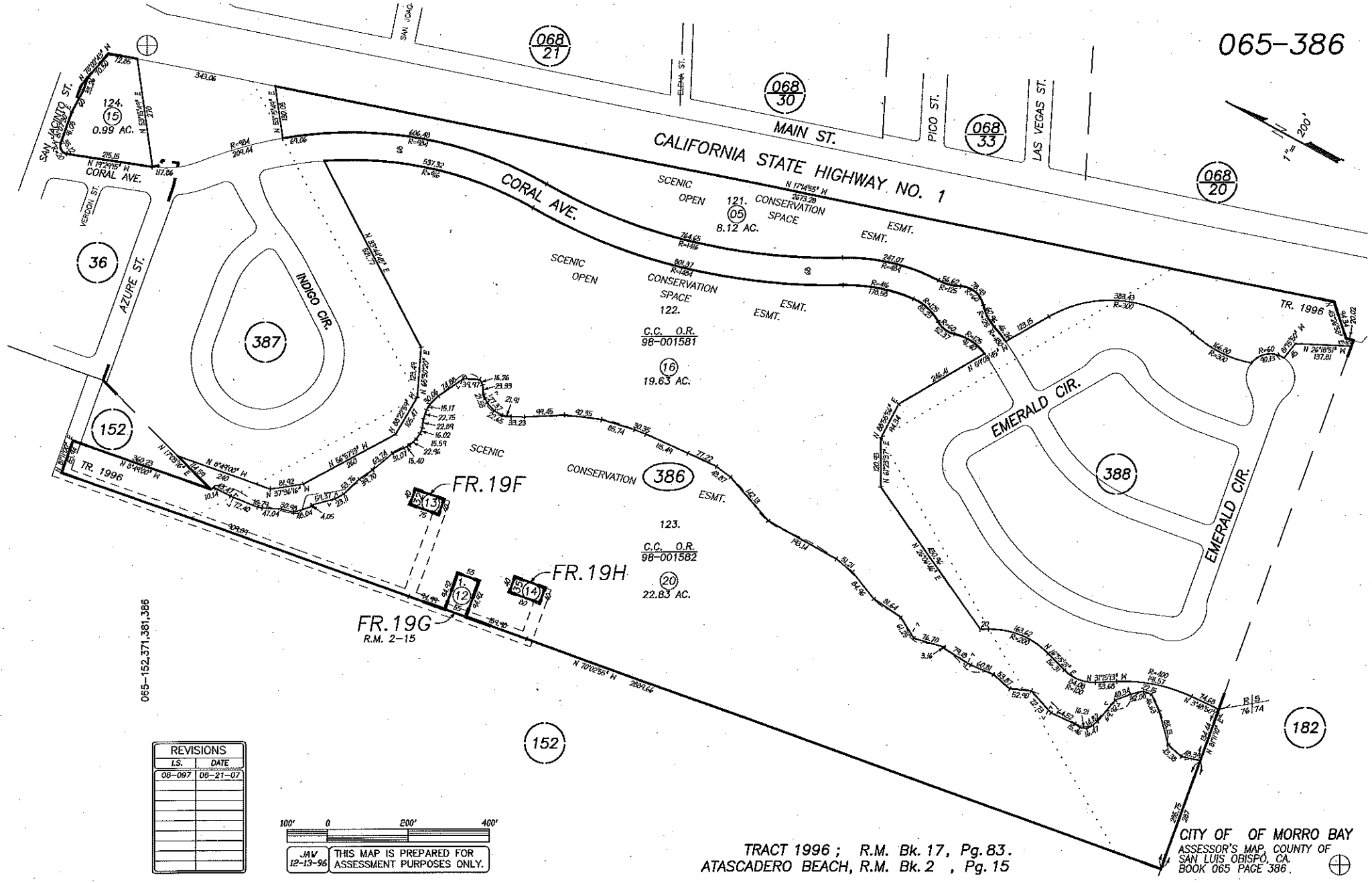
PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 14th day of April, 2015 by the following vote:

AYES:
NOES:
ABSENT:

_____
Jamie L. Irons, Mayor

ATTEST:

_____
Dana Swanson, City Clerk



REVISIONS	
I.S.	DATE
08-097	06-21-07

TRACT 1996 ; R.M. Bk. 17, Pg. 83.
ATASCADERO BEACH, R.M. Bk. 2 , Pg. 15

AGENDA NO: B-2

MEETING DATE: April 14, 2015

Staff Report

TO: **Honorable Mayor and City Council** **DATE: April 2, 2015**

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

SUBJECT: **Resolution No. 15-15 Initiating Proceedings to Levy the Annual Assessment for the North Point Natural Area Landscaping and Lighting Maintenance Assessment District**

RECOMMENDATION

Staff recommends the City Council hold a public hearing and adopt Resolution No. 15-15, ordering the preparation of an Engineer's Report detailing the expenses projected for Fiscal Year 2015-16 for the maintenance of the North Point Natural Area.

FISCAL IMPACT

The F.Y. 2014-15 assessments provided $5,645 for the maintenance of the North Point Natural Area.

BACKGROUND

On June 27, 1994, the City Council accepted Lot 11 of the North Point subdivision and accepted the final map for Tract 2110. As per the conditions of approval, a Landscaping and Lighting Maintenance Assessment District was formed for the ongoing maintenance of the 1.3 acre natural area. The area includes a non-irrigated meadow area, decomposed granite and asphalt walkways, stairway/beach access, parking lot, drip irrigation system, public access signage and parking lot.

On December 9, 1996, the City Council adopted Resolution No. 89-96 which ordered the formation of the North point Landscaping and Lighting Maintenance Assessment District and confirmed the yearly assessment of $5,645. On January 13, 1997, the City Council adopted Resolution No. 01-97 which approved and accepted the on- and off-site improvements for Tract 2110. By adoption of Resolution No. 01-97, the City officially started the maintenance of the North Point Natural Area.

After the formation of the assessment district, each year beginning in April the City must hold a series of three (3) public hearings to confirm the levy of assessment for the upcoming fiscal year. The first public hearing initiates the annual levy process and directs the preparation of an Engineer's

Prepared By: ***RL*** **Dept Review:** ***RL***

City Manager Review: _____

City Attorney Review: **JWF**

Report; the second hearing is to consider approval of the Engineer's Report and notices the intent to levy the assessment; and the third public hearing actually levies the assessment for the upcoming fiscal year.

DISCUSSION

Upon adoption of Resolution No. 15-15, which initiates the proceedings to levy the annual assessment, an Engineer's Report will be prepared for the second public hearing scheduled for the May 12, 2015 City Council meeting. Also included will be a Resolution declaring the City Council's intent to levy and collect the assessment. The Resolution also lists the improvements, names the district and gives its general location, refers to the proposed assessment, gives notice of the time and place for the third and last public hearing regarding the levy of the proposed assessment as well as states whether or not the proposed assessment is an increase from the previous year.

The Government Code states the third and final public hearing must be noticed ten (10) days prior to the actual hearing, which is tentatively scheduled for June 23, 2015. Any interested person may file a written or oral protest with the City Clerk stating all grounds of objection for levy of assessment. However, only protests by property owners in the proposed assessment district are used to determine if a majority protest exists. A majority protest would only affect the ability to increase the assessment amount, but would not be effective in dissolving the assessment district. However, the assessment amount could not be increased over the highest assessment on record, $5,645, if a majority protest is received.

The North Point Natural Area Landscaping and Lighting Maintenance Assessment District is a separate fund from all other City funds and can only be expended for improvements authorized for the District. Once set, the annual assessment is transmitted to the County Auditor for recordation on the County assessment role. The assessment amount will then appear each year on the parcel owner's property tax bill.

In conformance with Proposition 218, "The Right to Vote on Taxes Act," passed in 1996 by the voters in the State of California, the North Point Natural Area Landscaping and Lighting Maintenance Assessment District was approved by one hundred percent (100%) of the owners for which the assessment is to be levied. All property owners were fully apprised of the costs and benefits associated with the district, prior to its approval by them.

CONCLUSION

Resolution No. 15-15 has been prepared for City Council review and adoption. The Resolution serves as the initiation to the annual assessment proceedings and orders an Engineer's Report detailing the proposed costs for the maintenance of the North Point Natural Area for the purpose of assessing private property owners of Tract Map No. 2110 (excluding the City's property). The Resolution also gives notice a public hearing on the intent to levy the assessment, review and accept the Engineer's Report will be held on May 12, 2015.

RESOLUTION NO. 15-15

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
INITIATING PROCEEDINGS TO LEVY THE ANNUAL ASSESSMENT
FOR THE NORTH POINT NATURAL AREA LANDSCAPING AND LIGHTING
MAINTENANCE ASSESSMENT DISTRICT PURSUANT TO THE
"LANDSCAPING AND LIGHTING ACT OF 1972"
(STREETS AND HIGHWAYS SECTIONS 22500 *ET SEQ*.)**

**T H E C I T Y C O U N C I L
City of Morro Bay, California**

WHEREAS, the City placed certain conditions on the development of Tract 2110 "North Point," requiring formation of a property Landscaping and Lighting Maintenance Assessment District encompassing and coterminous with the proposed subdivision to provide for the maintenance of a natural area, parking lot, landscaping, decomposed granite and asphalt walkways, and coastal access stairway and other common area improvements to be held by or dedicated to the City of Morro Bay; and

WHEREAS, those conditions are more specifically identified in the Precise Plan (condition F1-F7) related to North Point; and

WHEREAS, the owners of the real property within the proposed district (the "Owners") consented to the formation of the district pursuant to the Landscaping and Lighting Act of 1972 (Streets and Highways Code sections 22500 *et seq*.) (the "Act"), and are the only owners of property to be subject to assessments within the district; and

WHEREAS, the Owners of real property within the proposed district offered in fee and in perpetuity, Lot 11 of Tract 2110, and the City accepted that Offer of Dedication; provided, that the cost of maintenance, thereof, would be borne by an assessment district as required by the Conditions of Approval of North Point; and

WHEREAS, one hundred percent (100%) of the property owners approved formation of the District to assure conformance with the "Right to Vote on Taxes Act" (Proposition 218, California Constitution Act XIII, C & D).

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California:

1. The City Council of the City of Morro Bay hereby declares its intent to initiate the proceedings to levy and collect assessments pursuant to the Act.

2. The improvements to be subject to assessment for maintenance by the District shall include those enumerated in the conditions of approval of North Point and in Section 22525 of the Act, which were installed by the developer as a condition of approval of Tract 2110 or which are hereafter installed by developer; pursuant to the Final Improvement Plans for North Point as approved by the City.

3. The Assessment District is a District located in the City of Morro Bay, County of San Luis Obispo. A map showing the boundaries of the proposed District is attached as Exhibit A which is hereby incorporated herein.

4. An Engineer's Report will be prepared for consideration at the May 12, 2015 City Council meeting and that date is set for a public hearing to review that report.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 14th day of April, 2015 by the following vote:

AYES:
NOES:
ABSENT:

_____
Jamie L. Irons, Mayor

ATTEST:

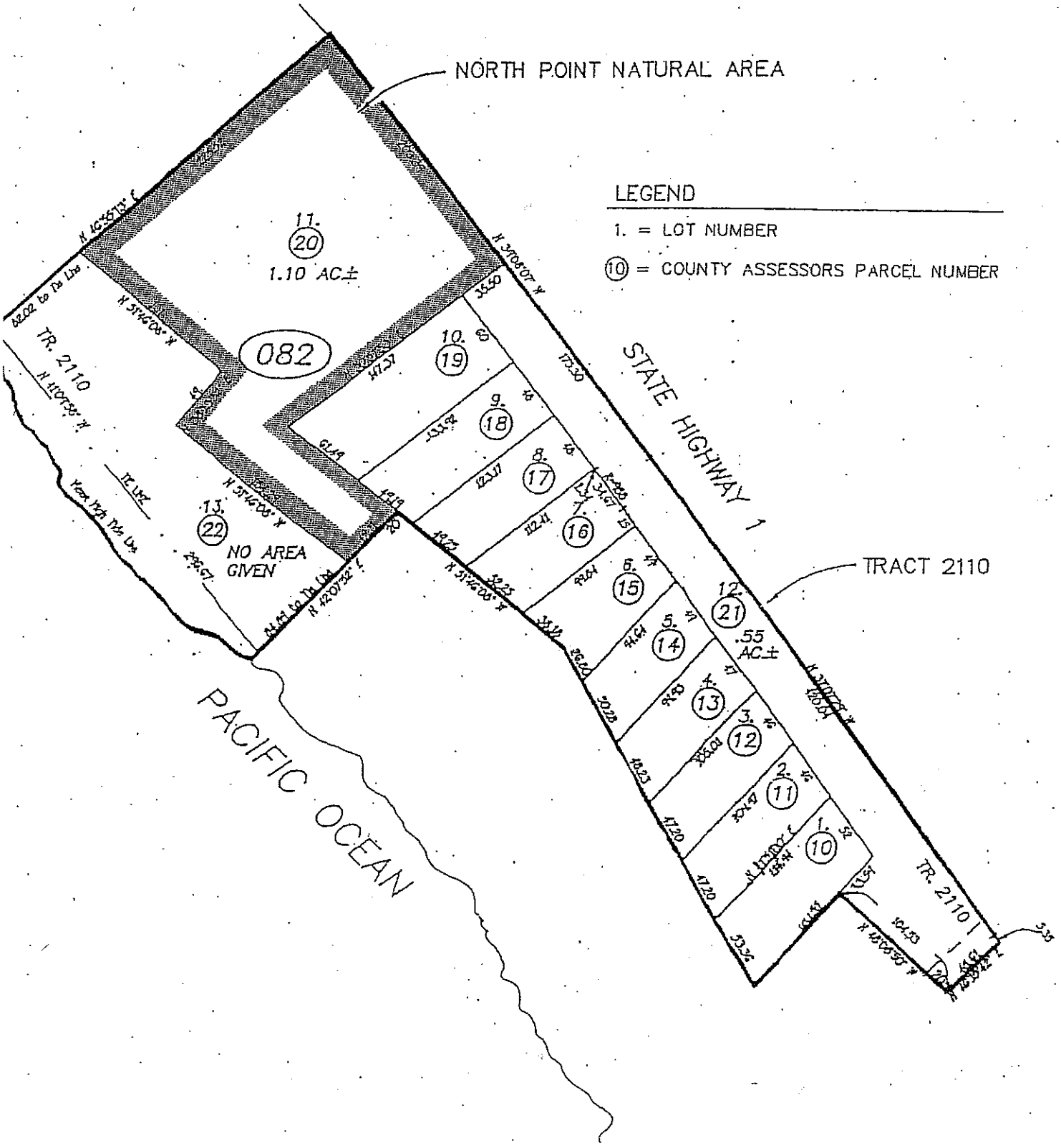
_____
Dana Swanson, City Clerk

EXHIBIT 'A'

CITY OF MORRO BAY

NORTH POINT NATURAL AREA LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT

ASSESSMENT DIAGRAM



AGENDA NO: D-1

MEETING DATE: April 14, 2015

Council Report

TO: **City Council** **DATE: April 10, 2015**

FROM: **Jamie L. Irons, Mayor**

SUBJECT: **Council Consideration of Citizen Request for a 45 day Building Moratorium and Council Consideration of other actions related to Neighborhood Compatibility**

RECOMMENDATION

Deny the request for a building moratorium and adopt Resolution No. 18-15 committing to completing the General Plan/Local Coastal Program (GP/LCP) update in three years.

ALTERNATIVES

Direct staff to start the process to enact a 45 day building moratorium.

FISCAL IMPACT

The fiscal impact of a 45-day building moratorium includes the potential loss of development impact and permit fees, loss of sales tax due to reduced or no building, and the loss of incidental spending from the loss of building in the City.

BACKGROUND/DISCUSSION

Discuss citizen request to consider a 45 day building moratorium on new building permits. The consideration was presented due to the concern of the Neighborhood Compatibility Coalition (NECCO) over the development of homes larger in size, bulk, and scale, than the surrounding homes in the neighborhood and their desire to protect views. Also, discuss current status of interim design guidelines, status of GP/LCP update and RFP, Neighborhood Compatibility City Goal and consider adopting Resolution No. 18-15.

On March 25, a community meeting was held at the Community Center organized by a citizen group called Neighborhood Compatibility Coalition (NECCO). The discussion was centered around neighborhood compatibility, design guidelines, and view protection. At the conclusion of the meeting the question was asked if a building moratorium should be enacted until design guidelines could be implemented. The response from the 80 some people in attendance was overwhelmingly in support of a moratorium. Following the meeting, one of the organizers, KC Caldwell, sent an email to the Mayor and City Council with the request to

Prepared By: ___JI_____

City Manager Review: _____

City Attorney Review: _____

place an urgency item on the April 14th City Council agenda. The same request was followed by many others who attended the meeting expressing the need for urgency in this matter.

Process to enact a 45 day urgency ordinance

In order to implement a 45-day moratorium on development, the City Council must adopt an urgency ordinance outlining the reasons for the moratorium and defining which types of development applications are subject to the moratorium. Pursuant to California Government Code Section 65858, the City Council may, in order to protect public safety, health and welfare, adopt an interim ordinance prohibiting any uses that may be in conflict with a contemplated general plan, specific plan, or zoning proposal that the legislative body, Planning Commission or planning department is considering or studying, or intends to study within a reasonable time. Legislative findings are required to be made that there is a current and immediate threat to the public health, safety and welfare. A four-fifths vote of the Council is necessary and the interim ordinance may be in effect for 45 days. The legislative body may, after proper notice and public hearing, extend the interim ordinance for a 10 month and 15 day period, and extend again with proper notice and a public hearing for another one year period (also requires a four-fifths vote), for a total of two years. The findings that are necessary in support of a moratorium must relate to specific, adverse impacts to health, and safety, and the absence of a feasible alternative.

Council Policies and Procedures 1.2.2;

Pursuant to Policy 1.2., the Mayor is responsible for establishing the agenda and may place an item on the agenda without Council support. In such situation, the Mayor, or Council Member who the Mayor is accommodating, shall be responsible for providing a Mayor or Council report. (Reso. 11-11)

Additionally, an individual Council Member may place an urgency item on an agenda with a minimum of 72 hours legal notice and a memorandum from the Council Member to the Council and Staff setting forth the substantive issues of the item. For the purposes of this paragraph, urgency shall arise in those limited situations where an item requires immediate action, and the need to take immediate action came to the attention of the Council Member subsequent to the distribution of the agenda.

Initially, upon receipt of the request to agendize this matter, I suggested NECCO could speak at public comment and Council as a whole could discuss whether or not it should be agendized. I did not receive a request to agendize this matter from any other Council Member. However, in preparation for making comments on this topic I decided it was appropriate to agendize it because the issue is intertwined with several other topics currently being addressed by this Council.

History and understanding of neighborhood compatibility and the City's planning documents.

Neighborhood compatibility and neighborhood character have been discussed for some time in the City of Morro Bay and there have been more meetings and discussions around this topic than outlined in this report. Our General Plan, Local Coastal Plan, and Zoning Ordinance have language and policy that outlines ***Protection of visual resource and compatible design,***

and Protection of Neighborhood Character. As a City, we have experienced much debate about how some residential projects have met the criteria of our policy documents and ordinance. The most recent significant project appealed to City Council was 1000 Ridgeway which the City Council ultimately upheld the appeal and denied the project. In addition to denying the project, Council directed Planning staff to develop interim design guidelines with stronger and clearer language for applicants and the community. The request for interim design guidelines was to address conflicting interpretation of our policy documents for the near term with the understanding that the long term fix would take place during our GP/LCP update that has been initiated and will go out for RFP shortly.

To date there have been five public meetings at Planning Commission and the interim design guidelines are slated to come to Council for adoption in the near future. It is fair to say various projects in Morro Bay over the years have been met with conflicting interpretation of the City's policy on neighborhood character. This conflict has made it difficult for staff, applicants, and our residents.

The following is a brief summary of the City's existing documents that address Neighborhood Compatibility, views, and a brief history of the City's planning documents, including our General Plan and Local Coastal Plan update that took place from 1997 to 2004 (**Attachment 1 includes timeline and correspondence)**. That update was adopted by City Council in 2004 but failed to get certified by the California Coastal Commission (CCC). This is an important and timely discussion considering the City will be embarking on updating our GP/LCP once again.

The City of Morro Bay has three development documents: a General Plan, Local Coastal Plan and Zoning Ordinances. The GP and LCP are the blueprints to the City. They are the vision that shapes the future of how we grow. The zoning ordinances are tools for implementing these two documents. The GP/LCP has chapters or elements that are specific such as Land Use, Circulation, Housing Element, Visual Recourses, etc. Within those chapters are policy statements that are directives in how we implement the GP and LCP. In addition, as required by State law, the Housing Element in our General Plan is required to be updated every five years, and includes neighborhood compatibility language and programs.

In October of 1982, the CCC certified the City of Morro Bay's Local Coastal Plan. A Local Coastal Program is a local government's land use plan, zoning ordinances, zoning district maps, and implementing actions which, when taken together, meet the requirements of and implement the provisions of the Coastal Act at the local level. Our LCP has thirteen parts.

Chapter XIII. of our LCP pertains to Visual Recourses. Section 6. of chapter XIII outlines <u>Protection of Neighborhood Character</u>. It states, "***One of the priorities of the Coastal Act is the protection of the character of the community and its neighborhoods. Morro Bay recognizes the need to preserve the unique character of its varied neighborhoods and to create a higher quality visual environment within them. Among some of the issues that predicate the establishment of policy to preserve neighborhood character are the following".***
Attachment 2 has the entire section and includes the policy statement 12.06.

In 1988, the City of Morro Bay's General Plan was adopted. State law requires that each city prepare and adopt a comprehensive, long-term General Plan for the physical development of the city. The plan must also include any area outside of the community which in the City's judgment bears a relation to its planning. The General Plan must be internally consistent and it must contain implementation measures to ensure its compliance. Our GP has eight Elements.

Our GP element IV Visual Resources and Scenic Highway Element outlines Protection of Neighborhood Character which is identical in language and policy as our LCP **(Attachment 3*)***. Our GP has a Housing Element that also has language and programs that address Neighborhood Compatibility. A Housing Element is required by California law to establish policies and programs that will support the provision of an adequate housing supply for citizens of all income levels. The intent of state law is to ensure that all jurisdictions in the state provide adequate housing to all members of the community. Our Housing Element was approved and adopted in June of 2014. **Attachment 4** lists community comments from the adopted Housing Element pertaining to Neighborhood Compatibility and a program with strengthened and revised language committing the City to adopt neighborhood compatibility standards.

The City Council made a strong statement to adopt neighborhood compatibility standards in program H-13.1 of our Housing Element. However, clear guidelines must be adopted as an ordinance for guidelines to be enforceable. The Zoning Ordinance is the tool that implements the GP and LCP. **Attachment 5** explains provisions and titles from our Zoning Ordinance that implement the policies and programs from our GP/LCP.

In 2008, the City contracted with a consultant group, Management Partners to perform a City assessment. The City just now completed another city assessment by the same firm. The Management Partners Report 2008 was presented to City Council in May of 2008. The number 1 recommendation stated: ***Use this report to lobby the Coastal Commission for an expeditious approval of the City's General Plan. The City must explain its grave financial position to the Commission and the need for certainty surrounding land use issues in order to attract investment to the community*** **(Attachment 6).**

In February of 2011, the City received a letter from the CCC stating the 2004 Application to Certify the City's GP/LCP was deemed withdrawn for lack of activity (**Attachment 7**). Eleven years after the GP/LCP was approved and adopted by City Council we are faced with undertaking this process all over again at an estimated cost of $800,000 to $1,000,000. The 2004 GP/LCP also included neighborhood compatibility titled ***Residential areas consistent with the city's character*** (**Attachment 8**).

CONCLUSION

My recommendation is to deny the request for a 45 day building moratorium and instead, stay the course on development of interim guidelines and updating and certifying the City's GP/LCP. Adopt Resolution No. 18-15 committing to completing the GP/LCP update in three years. While the lack of clear neighborhood compatibility guidelines is a concern, Council has recognized that with their request for interim design guidelines and setting a goal for

Neighborhood Compatibility Standards. In addition, to adopting Resolution No. 18-15, I recommend that Council gives direction to staff and the Planning Commission that we remain focused on completing on Neighborhood Design Guidelines, that we do not layer this process with Commercial Design guidelines and view protection at this time. I do not believe there is a level of urgency to warrant a building moratorium and the City is currently on course to undertake the development of a new GP/LCP and Design Controls that address Neighborhood Compatibility.

General Plan Timeline

June 1997	Grant Application to Update the GP/LCP
Nov 1997	Coastal Resources Grant of $65,000 awarded; City match of $52,752; total $117.752.
April 1998	RFP issued - Crawford, Multari, Clark & Mohr hired
Aug 26, 1998	Planning Commission Workshop
Oct 20, 1998	Council, Commissions and Boards Joint Workshop
Mar 4, 1999	Workshop 2
Mar 29, 1999	Planning Commission Public Hearing
July 13, 1999	Planning Commission Public Workshop – Review of Draft Goal Statements
Aug 7, 2000	Planning Commission Plan Update Orientation
Jan 17, 2001	All Boards/Commissions GP/LCP Workshop
Jan 31, 2001	PC/PWAB GP/LCP Workshop
Mar 14, 2001	PC/HARBOR ADVISORY BOARD GP/LCP Workshop
Mar 28, 2001	PC/REC & PARKS COMMISSION GP/LCP Workshop
April 30, 2001	PC GP/LCP Workshop
June 4, 2001	PC – Visual Resources & Scenic Highway Element
June 19, 2001	PC – Visual Resources & Scenic Highway Element
July 2, 2001	PC – Consultant/City Attorney
Sept 12, 2001	PC – Access and Recreation Element
Oct 1, 2001	PC – Harbor Resources Element
Oct 15, 2001	PC – Harbor Resources Element
Oct 22, 2001	CC – GP/LCP Update

Nov 19, 2001	PC – General Plan Update
Dec 3, 2001	PC – General Plan Update
Dec 17, 2001	PC – Safety Element
Jan 7, 2002	PC – Safety Element
Feb 4, 2002	PC – General Introduction to Land use & Circulation Elements
Feb 19, 2002	PC – General Introduction to Land use & Circulation Elements and review of past action on Public Facilities and Services Element
March 4, 2002	PC – General Introduction to Land use & Circulation Elements
March 18, 2002	PC – Land Use Elements
April 1, 2002	PC – Land Use Elements
April 15, 2002	PC – Land Use Elements
May 6, 2002	PC – General Introduction to Land Use & Circulation Elements
May 20, 2002	PC – Land Use, Conservation and Open Space and Circulation Elements
June 17, 2002	PC – Circulation and Land Use Elements
July 1, 2002	PC – Circulation and Land Use Elements and/or Conservation and Open Space Element
July 15, 2002	PC – General Introduction to Land Use
Aug 5, 2002	PC – Land Use, Circulation and/or Conservation and Open Space
Sept 3, 2002	PC – General Plan Update
Sept 16, 2002	PC – General Plan Update
Oct 21, 2002	PC – Consultant's comments on Safety Element and General Plan Update
Nov 4, 2002	PC – General Plan Update
Nov 18, 2002	PC – General Plan Update

Dec 2, 2002	PC – General Plan Update
Jan 6, 2003	PC – Bike and pathways, dog-park and Duke text
Jan 21, 2003	PC – General Plan Update
Feb 3, 2003	PC – General Plan Update
Mar 3, 2003	PC – General Plan Update
April 21, 2003	PC – General Plan Update
June 16, 2003	PC – General Plan Update
July 7, 2003	PC – General Plan Update
July 21, 2003	PC – Public Hearing
Oct 6, 2003	PC – Review of Planning Commission Direction
Oct 20, 2003	PC – Review of Planning Commission Direction
Nov 17, 2003	PC – Public Hearing
Jan 26, 2004	CC – Public Hearing
Feb 23, 2004	CC – Resolution 17-04
Nov 28, 2005	Submittal to California Coastal Commission
Jan 13, 2006	Response from Coastal Commission
Apr 10, 2007	Work Program Proposal Submittal to California Coastal Commission
July 25, 2007	Response to Coastal Commission

CITY OF MORRO BAY
PUBLIC SERVICES DEPARTMENT
955 SHASTA AVENUE • MORRO BAY, CA 93442
805-772-6261

MEMORANDUM

To: California Coastal Commission Staff **Date:** November 28, 2005

From: Bruce Ambo, AICP
Public Services Director

Subject: City of Morro Bay - General Plan/Local Coastal Plan, Zoning Ordinance, Local Coastal Program and Coastal Implementation Plan

This memo forwards the: 1) General Plan/Local Coastal Plan, GP/LCP Map, and 2) Zoning Ordinance, Zoning Map, Local Coastal Program and Coastal Implementation Plan that were respectively approved by the City of Morro Bay on February 23, 2004, and July 20, 2005. The public record is also transmitted that includes all of the staff reports, environmental documentation – Negative Declarations, Tables of Proposed Changes, public hearing meeting minutes, pubic hearing notices, comments and responses to both documents including the names and addresses of commenters, and all other related materials in the record of consideration and approval of both documents.

In accordance with sound planning principles we are hereby requesting that the Coastal Commission staff complete their review of the broader policy context first, where the planning framework is set forth in the General Plan/Local Coastal Plan. The primary purpose of the update was to merge the outdated and confusing policies found in separate documents (LCP, adopted 1982; GP, adopted 1988) into one cohesive product that reflected the needs and expectations of the community and the current requirements of the Coastal Act. We strongly believe that it is critically important to have thorough understanding of the policy perspective developed in these plans before any meaningful analysis of the implementation tools found in the Zoning Ordinance, Local Coastal Program and Coastal Implementation Plan can be conducted.

After the policy analysis is completed by the Coastal Commission and reconfirmed by the City, our hope is to systematically work through the updated Zoning Ordinance (LCP/CIP). The purpose of the update is to simplify the ordinance, clarify provisions and terms, provide illustrative graphics, and reorganize the document in an easily understandable format. A "Table of Proposed Changes" has been added for reference that summarizes substantive changes from the current code. Please note that while the Parking Regulations (Chapter 17.21) are currently under review by the City Council, they have been included in unapproved text in the code. We have also omitted the PD, Planned Development Overlay Zone, from the proposed code. However, since it exists in the current code we are going to be conducting parcel specific rezones at a later date to complete the zoning amendment process that formally eliminates the PD Zone district.

Throughout this amendment process we have been listening to the community and carefully considering their expectations in confirming their support for these policies and regulations. We believe both of these documents are far more articulate than the existing plans in expressing the wants, needs and expectations of the community. Please feel free to contact us if you have any questions or would like additional information. We look forward to working with you on this important project. Thank you in advance for your thorough and expeditious review.

cc: Robert Hendrix, City Manager
Planning Staff

STATE OF CALIFORNIA – THE RESOURCES AGENCY

ARNOLD SCHWARZENEGGER, Governor

CALIFORNIA COASTAL COMMISSION
CENTRAL COAST DISTRICT OFFICE
725 FRONT STREET, SUITE 300
SANTA CRUZ, CA 95060
(831) 427-4863

January 13, 2006

Bruce Ambo, Public Services Director
City of Morro Bay
955 Shasta Avenue
Morro Bay, CA 93442

RECEIVED
JAN 17 2006
City of Morro Bay
Public Services Department

Subject: ***Morro Bay LCP Update Submittal File Status***

Dear ~~Mr. Ambo,~~ Bruce

We are pleased to be in receipt of the City's update of its Local Coastal Program (LCP), Land Use Plan and Implementation Plan. Thank you for meeting with us in our office to discuss this submittal. This letter indicates what is necessary before we can file the documents, and also outlines the review process and concludes with some topical comments.

Process: It is our understanding that at this time, the City has submitted for Commission action only the general plan / land use plan portion of the LCP. Accordingly, as requested in the City's submittal letter of November 28, 2005 and as further discussed with you, we will divide our review of the City's LCP update into two discrete tasks, beginning first with an evaluation of the City's General Plan / Land Use Plan (GP/LUP) document. Review and evaluation of the zoning ordinance and other implementation components will commence afterward. We understand that the updated zoning ordinance has been provided to staff for information purposes only at this time. Thus, the City will need to formally submit the zoning ordinance and other implementation components along with all necessary supporting materials for certification and action by the Commission at a later date. We look forward to discussing with you in more detail what will be needed for a complete Implementation Plan submittal in the coming months. Please note, that this outlined process is not typically how the Commission handles LCP amendments, and is being offered to accommodate the City's request. Certified LCPs consist of two components: coastal land use plans and coastal implementation plans. Amendments to LCPs that involve both plan and implementation provisions (such as the City's GP/LUP update) are typically processed together, and for good reason: so that an inconsistency does not develop between the certified planning and implementing documents. Since the City is asking for separate processing, it will be incumbent on you to cooperate with us to ensure that implementation plan processing occurs in a timely fashion to avoid creating an inconsistency between the certified plan and zoning. If this is not what the City intends, please modify the submittal letter and clarify.

Filing Requirements: With respect to the general plan/land use plan document, Commission staff has reviewed the contents of the City's submittal and determined that the following materials will be required before the document can be filed pursuant to Coastal Act Section 30514:

1. List of participants and summary of significant comments. Section 13552(a) of the California Code of Regulations requires that the City provide the public maximum opportunity to participate in the LCP planning process. In so doing, the City must provide a listing of members of the public, organizations, and agencies appearing at any hearings, providing written or oral comment, or contacted for comment on the LCP. Ideally, the list would include name, address, and other contact information. In addition, the City is required to provide

copies or summaries of significant comments received and the City's response to the comments. Most of the City Council and Planning Commission meeting minutes have been submitted. In general though, the submitted minutes do not appear to provide the full extent of the comments received or the City's response to those comments.

2. GIS data layers. Section 13552a of the Commission's regulations require the City to provide all necessary materials in sufficient detail to facilitate Commission staff's review for conformity with the requirements of the Coastal Act. Maps must be at a scale to clearly show the applicable land use and zoning designations. To this end, the Commission has been implementing a GIS-based system for more precise pinpointing of the underlying land use / zoning designations as well as establishing accurate permit jurisdiction boundaries and locations of coastal resources. Thus, staff requests the City provide any available GIS data, particularly data layers at the parcel-level illustrating each parcel, current land use and zoning, mapped parks, open space and ESHA, undeveloped lots, public access facilities, archeological sites, shoreline protective structures, chronology of subdivision, and recently surveyed historic resources.

3. Supplemental Planning Documents and Background Documents. The updated GP/LUP document references other City plans and documents (e.g., Storm Water Master Plan, Flood Damage Prevention Ordinance, Parking Management Plan, Urban Water Management Plan, Environmentally Sensitive Habitat Technical Appendices, etc.). Please provide a copy of any document that is referenced in the GP/LUP, other than a State statute. For example, LUP Policy PF-8A states, "the City shall continue to implement the drainage improvements listed in the Stormwater Master Plan." For each referenced document please also indicate its status; e.g., if it has been officially adopted by the City and when; is it considered part of the GP/LUP? If the document is to be prepared in the future, please indicate when this is expected to occur and whether it is anticipated to constitute a future LCP amendment. Also please submit any other document that contains any background data from which any policy guidance is derived. In particular, we are interested in any background information on the status of parking utilization and regulation and the status of the wastewater treatment that you mentioned. .

4. Electronic copy of LCP submittal. It would be helpful to have an electronic copy of the LCP so that it can provide comment and/or recommended changes to the LCP.

Responses to the above requests will be required before the LPC amendment submittal will be considered complete and filed for action. After we have received the requested materials, it will again be reviewed and will be filed if all is in order (Gov't Code Section 65943(a)). That said, we intend to continue to move forward with the evaluation of the City's submittal so that we may move towards certification as quickly as possible.

Evaluation Comments: We have previously provided you with some comments on the updated General Plan and you can anticipate that the gist of those comments will be carried forward in our staff report and recommendation. At this time, we would again like to highlight some of the important concerns we have with your submittal, in case you would like to further discuss these points with us before we complete work on our staff report.

1. Public Access. The Access element needs general policy statements that comply with the Coastal Act Access and Recreation requirements for maximizing public access and protecting low-cost visitor and recreational amenities. While the LUP stresses providing new

access, it also needs to contain a commitment to protect existing public access. There also needs to be a general statement regarding the City's commitment to and priority for identifying and improving its segment of the California Coastal Trail.

2. Parking. While parking is a traffic and circulation issue, it is also an important Coastal Act access issue. The general plan access element does not address parking or parking related issues. The access element needs a policy that protects the public's right to access by protecting/maintaining the availability of unrestricted public parking along the coast and the Embarcadero. The circulation element refers to a parking management plan that we have not seen. The parking management plan should identify the existing parking resources, establish the physical boundaries covered, state the goals of the plan, include management measures, state in-lieu fee parameters (i.e., parking requirements, fee development, etc.), and identify future parking resources. As noted above the parking plan must be based on protecting existing public access (i.e., parking) to the shoreline, such as by maintaining an adequate supply, not unduly limiting hours, and not fostering competition for these spaces by other uses.

3. Environmentally Sensitive Habitat. The Conservation and Open Space element is important in implementing Coastal Act environmentally sensitive habitat and other resource protection policies. To its credit the element draws attention to the importance of the unique habitat values of the larger Morro Bay area. It contains a general overview of some of the various habitat types surrounding Morro Bay and a short list of specific species identified living therein, but remains incomplete. Rather than providing specific details on sensitive habitats and sensitive species, the general plan relegates the identification of terrestrial and aquatic habitats and species to a Technical Appendix. At a minimum, the General Plan should accurately describe all environmentally sensitive habitat areas, their location, and the rare and sensitive plant and animal species dependent upon those habitats, their needs for survival, and known threats to their existence. Specific policies detailing measures that must be taken to avoid habitat disruption and/or species disturbance are needed. Likewise, specific mitigation standards should be included that would be applied when avoidance is not possible.

4. Coastal Act References. The GP/LUP document often references coastal act policies as a substitute for more specific policy language. For example, implementation standard OSC-2C states in part: "Development permitted within wetland and/or buffer areas are limited to the uses listed in section 30233 of the Coastal Act." Staff recommends these types of coastal act references be removed from the text of the policies or implementation standards and replaced with specific language.

5. Public Services. The public services element needs to be consistent with Coastal Act policies that tie new development to adequate, available public services. While the goal to have an adequate water supply is appropriate, the corollary of ensuring there is adequate water before approving new development is also important to state. Although we are not necessarily endorsing any annexations, rules should be in place to demonstrate a sustained long-term, publicly owned and managed, water source prior to approval of annexation. Reference is made to the Water Management Plan, which needs to be evaluated for possible updating, including incorporating appropriate desalination policies. The issue of allowing wells in the City also needs to be addressed.

If you have any questions regarding this local coastal program amendment application, please contact me.

Regards,

Mike Watson

Mike Watson
Coastal Planner

City of Morro Bay
Morro Bay, CA 93442 • 805-772-6200
www.morro-bay.ca.us

Mr. Mike Watson
Coastal Planner
California Coastal Commission
Central Coast District
725 Front Street, Suite 300
Santa Cruz, CA 95060

April 10, 2007

Subject: City of Morro Bay General Plan/Local Coastal Plan Update

Dear Mr. Watson,

After a considerable length of time with no apparent progress on the General Plan/Local Coastal Plan update (GP/LCP), I am proposing a work program that I believe addresses your concerns and allows the City to begin the review of the Coastal Commission staff comments concurrently while some of the issues you have raised are addressed. In reference to your January 13, 2006 letter request for information we provide the following:

1. *List of participants and summary of significant comments.* The list of participants was provided in our original submittal to your office on November 28, 2005 in the minutes of the public workshops and meetings of the Planning Commission and City Council.
2. *GIS data layers.* A digital formatted disc with the GP/LCP mapping was also provided with the original submittal.
3. *Supplemental Planning Documents and Background Documents.* After carefully researching our records we have confirmed that the originally certified Local Coastal Plan and General Plan documents did not involve these materials and we are similarly requesting to have them excluded from the review because they are not being amended through this process. However, we acknowledge there is one exception to this with the Water Management Plan that was certified by your office in 1995. This same document was again approved by Morro Bay in 2003. You should have a copy of this in your office. If not, please let me know and I'll provide one.
4. *Electronic copy of LCP submittal.* A digital copy of the disc was also provided with the original submittal.

You have also identified general "Evaluation Comments" in the broad stroke areas of Public Access, Parking, Environmentally Sensitive Habitat, Coastal Act References, and Public Services. We obviously used the Coastal Act to frame the drafting principals of the GP/LCP in context with the

expressed needs and preferences of our community. Therefore, I believe it would be more helpful and productive to see your specific comments and concerns with the actual text of the document. In the end, it will at least reduce potential confusion between our offices.

Thanks again for your time and attention on this mutually important project. Please give me a call if you would like to meet and/or go over your comments in more thorough detail.

Sincerely,

Bruce Ambo, AICP
Public Services Director

cc: Bob Hendrix, City Manager
Robert Schultz, City Attorney
Mike Prater, Planning Mangaer

City of Morro Bay
Morro Bay, CA 93442 • 805-772-6200
www.morro-bay.ca.us

Mr. Mike Watson
Coastal Planner
California Coastal Commission
Central Coast District
725 Front Street, Suite 300
Santa Cruz, CA 95060

Date: July 25, 2007

RE: City of Morro Bay Zoning Ordinance/Local Coastal Plan Amendment Update

Dear Mr. Watson:

Thank you for your efforts to move the Local Coastal Plan Amendment review process along. I would like to clarify for the record the amendment request as it relates to the Planned Development (PD) Overlay zone which should include the original text and map boundaries certified under the 1997 revision and subsequent amendments certified by the Coastal Commission. As indicated in the first submittal memo dated November 28, 2005 we have omitted the PD from the bound July 2005 copy of the Implementation Plan/Zoning Ordinance since it exists in the current code. This existing chapter will be incorporated once the amendment is certified.

Sincerely,

Bruce Ambo, AICP
Public Services Director

Cc: Robert Schultz, City Attorney
Mike Prater, Planning Manager

Local Coastal Plan, Chapter XIII, Visual Resources, Section 6.
Protection of Neighborhood Character.
It states; *One of the priorities of the Coastal Act is the protection of the character of the community and its neighborhoods. Morro Bay recognizes the need to preserve the unique character of its varied neighborhoods and to create a higher quality visual environment within them. Among some of the issues that predicate the establishment of policy to preserve neighborhood character are the following:*

a) New residences and new residential additions are often out of scale and character with other residences in the vicinity.
b) The current allowable height and bulk for residential development is not appropriate for some portions of the community. Such buildings would in many cases block important views and conflict with the character of the individual neighborhoods.
c) Standards of guidelines are needed to create buffers between conflicting land uses.
d) There is a need for balancing formula governing the allowable height and bulk of residential and commercial buildings.

There are three neighborhoods which require consideration for neighborhood character protection. These are the Embarcadero, the Downtown, and Atascadero Beach Tract (planning Area 1). It should be noted that protection of community character does not mean protection of or continuation of dilapidated buildings, no community improvements or no progress. It means that the enjoyable qualities of the area should be preserved as much as possible.

Local Coastal Plan, Chapter XIII, Visual Resources, Policy 12.06
Protection of Neighborhood Character.

It states; *New development in areas designated on figure 31 as having visual significance shall include as appropriate the following:*

a) Height/bulk relationships compatible with the character of surrounding areas or compatible with neighborhoods or special communities which, because of their unique characteristics, are popular visit destination points for recreation uses.
b) Destination of Land for Parks and open space in new developments which because of their location are popular visitor destination points for recreation uses.
c) View easements or corridors designed to protect views to and along ocean and scenic and coastal areas.

General Plan, Element IV, Visual Resources and Scenic Highway Element
Protection of Neighborhood Character.
It states; *One of the priorities of the Coastal Act is the protection of the character of the community and its neighborhoods. Morro Bay recognizes the need to preserve the unique character of its varied neighborhoods and to create a higher quality visual environment within them. Among some of the issues that predicate the establishment of policy to preserve neighborhood character are the following.*

1) *New residences and new residential additions are often out of scale and character with other residences in the vicinity.*
2) *The current allowable height and bulk for residential development is not appropriate for some portions of the community. Such buildings would in many cases block important views and conflict with the character of the individual neighborhoods.*
3) *Standards of guidelines are needed to create buffers between conflicting land uses.*
4) *There is a need for balancing formula governing the allowable height and bulk of residential and commercial buildings.*

General Plan, Element IV, Visual Resources and Scenic Highway Element
Protection of Neighborhood Character.
Program VR-2.2 states; *New development in areas designated on figure 31 as having visual significance shall include as appropriate the following:*

a) *Height/bulk relationships compatible with the character of surrounding areas or compatible with neighborhoods or special communities which, because of their unique characteristics, are popular visit destination points for recreation uses.*
b) *Destination of Land for Parks and open space in new developments which because of their location are popular visitor destination points for recreation uses.*
c) *View easements or corridors designed to protect views to and along ocean and scenic and coastal areas.*

Community comments:

- Should the 2500 square foot housing rule be in the Housing Element?
- Supportive of conservation and rehabilitation of affordable while preserving community character. Should also look beyond square footage to see if a project adds to community character.
- The Housing Element is the heart and soul of how we define our community in Morro Bay.
- Need definitive standards in the building code (commenter may mean Zoning Ordinance) regarding neighborhood compatibility (commenter referenced the project on 1000 Ridgeway).
- There is a lot of existing information to pull from and build on from the 2007 workshop on neighborhood compatibility.
- Need to include neighborhood compatibility in the new General Plan. Lots of time and money was spent on the project on Ridgeway. Several comments noted that antipathy between neighbors has been created due to that project.
- Make neighborhood compatibility rules clear.
- City response - The city will start on neighborhood compatibility ordinance once the new Planning Manager starts in July.
- What happened to the "Big House" ordinance?
- City response - It was an urgency ordinance and it expired in 2009 and was not renewed.

2014-2019 Housing Element program addressing neighborhood compatibility. Program H-13.1 was revised to strengthen the City's commitment to working on neighborhood compatibility standards.

Program H-13.1

The City will adopt neighborhood compatibility standards for new developments in existing neighborhoods including development of a definition of neighborhood compatibility. The City will develop a standard set of criteria to use in determining whether proposed projects are compatible with the existing neighborhoods in which they are proposed, the purpose of which is to give project proponents clear direction for project design and to provide staff and the Planning Commission with clear guidelines for decision-making. These criteria could include a pre-application process to provide clear direction for the project.

Zoning Ordinance - General Provisions, Chapter 17.04

Purpose - 17.04.020 - The purpose of this title is to implement the general plan and local coastal plan and to promote the growth of the city in an orderly manner; and to promote the public health, safety, peace, comfort, and general welfare of the city by establishing regulations pertaining to uses of land and uses, location, height, bulk, size and types of buildings and open spaced around buildings in certain districts; providing for administration and enforcement of such regulations and prescribing penalties for violations thereof.

General Regulations, Conditions and Exceptions - Chapter 17.48

Protection of visual resources and compatible design - 17.48.190 - New development shall project and, where feasible, enhance the visual quality of the surrounding area. New development may be permitted only if the siting and design meet the following standards:

A. Protection of public views: significant public views to and along the coast are protected.

B. Natural landform protection: alterations to the natural landforms are minimized.

C. Compatibility: the development is visually comparable with the character of the surrounding area and any design themes adopted for the area by the city.

D. Visual Quality: restores and enhances visual quality in visually degraded areas.

E. Scenic area standards: in highly scenic areas, as depicted in the Morro Bay coastal land use plan/coastal element, the following additional standards shall apply:

1. Character: the proposed development shall be subordinate in character to its surroundings.

2. Height/bulk: the height/bulk relationship in the development shall be compatible with the surrounding area.

3. Parks or open space: parks or open space shall be designated and incorporated into new developments.

4. View corridors: view corridors shall be incorporated into the development to protect significant public views to and along the shoreline and other scenic areas.

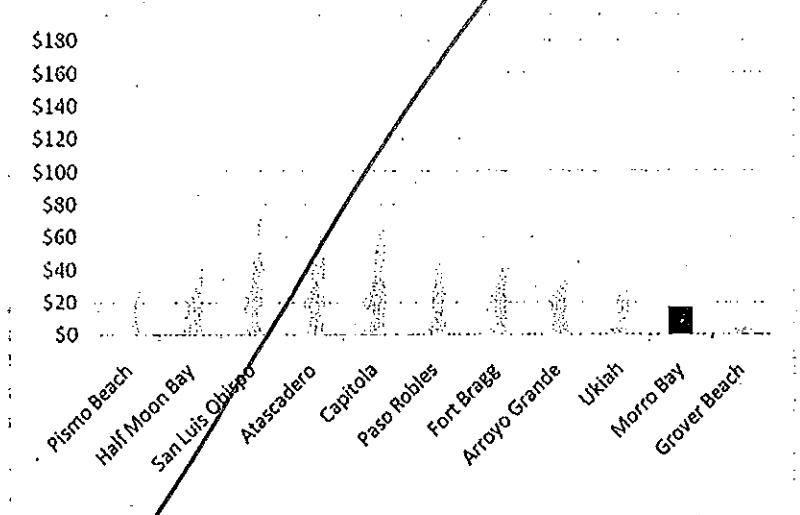
5. Landscaping: landscaping shall be provided to restore and enhance visually degraded areas using native, if feasible, and drought-resistant plant and tree species.

6. Preservation and enhancement: preservation and enhancement of views of the ocean, bay, sandspit and Morro Rock.

As shown in Figure 22 below, Morro Bay's spending on planning and community development is the second lowest in comparison to peers. Morro Bay spends $16.31 per capita on planning and community development as compared with $6.64 in Grover Beach on the low end and a high of $156.45 in Pismo Beach.

These figures are as reported by various City budget documents. Because Morro Bay is organized differently from many cities, this is a rough comparison and not reliable for drawing any strong conclusions.

FIGURE 22: PLANNING AND COMMUNITY DEVELOPMENT EXPENDITURES PER CAPITA



While the City has been frugal in this area, this is in part due to a delay in approving its new General Plan. While a General Plan update is complete, it is pending before the Coastal Commission. The Commission cites lack of funds to review the City's General Plan and has no deadline for doing so. In essence, the City's revised General Plan has fallen between the cracks. This delay in approval of a new General Plan is sending mixed signals to the development community and likely having a negative impact upon the City's economy and ability to attract development.

Recommendation 1: Use this report to lobby the Coastal Commission for an expeditious approval of the City's General Plan. The City must explain its grave financial position to the Commission and the need for certainty surrounding land use issues in order to attract investment to the community.

STATE OF CALIFORNIA - NATURAL RESOURCES AGENCY

EDMUND G. BROWN, JR., Governor

CALIFORNIA COASTAL COMMISSION

CENTRAL COAST DISTRICT OFFICE
725 FRONT STREET, SUITE 300
SANTA CRUZ, CA 95060
PHONE: (831) 427-4863
FAX: (831) 427-4877

RECEIVED

MAR 02 2011

City of Morro Bay
Public Services Department

February 28, 2011

Rob Livick, Public Services Director
City of Morro Bay
955 Shasta Street
Morro Bay, CA 93442

Copies to:
Kathleen Wold
Rob Schultz
Andrea Lueker

Subject: **City of Morro Bay Loc al Coastal Program Update**

Dear Mr. Livick:

This letter is to formalize our previous discussions on the status of the City of Morro Bay's Local Coastal Program (LCP) Update. As you know, the City adopted an update to its certified LCP in 2004, and this update was submitted to the Commission in late 2005 for review and potential certification (LCP Amendment MRB-1-05). Subsequently, Commission staff informed the City that the amendment package was incomplete, and identified the additional information that the City would need to provide to allow the amendment to be filed, reviewed, and set for a Commission hearing. Following identification of information gaps and over the course of multiple years, Commission and City staff engaged in a series of discussions regarding information gaps, Commission staff's substantive concerns with the update, and the best way to move the process forward. The City was not willing at that time to provide the information requested, and instead inquired about different means of resolving gaps and issues. Ultimately, the two staffs together honed in on a strategy of working cooperatively to draft a new update that could go through the City's process and then be re-submitted for Commission certification. Unfortunately, however, City staff was apparently not in a position to spend time on re-drafting efforts, and nothing ever came of that approach. When we met last year in Santa Cruz in an attempt to restart that stalled re-drafting attempt, we all agreed that it still made sense to approach the issues from a new starting point as a means to best move things forward. Although we have not to date seen any materials from the City in the time since our meeting last year, we still believe that that is the best approach to LCP update in Morro Bay.

The purpose of this letter is two-fold. First, to formally inform the City that LCP Amendment MRB-1-05 is deemed withdrawn for lack of activity and because it does not meet the Coastal Act's minimum public participation requirements for LCP amendments (which provide that an LCP amendment must have been subject to local public hearings on the amendment within four years to allow the amendment to be filed for Commission review and action, presuming first that all other information has been provided). With respect to the latter specifically, the City's update is the result of a public process that is now bordering on a decade ago, and well past the minimum required 4-year time period. As a result, we will keep the materials submitted to date in support of LCP Amendment MRB-1-05 for reference in our inactive files, but that amendment file is considered closed, and the amendment itself will not be the subject of any future Commission hearings. Second, and perhaps more importantly, we remain available to work with City staff on a new LCP update, and continue to believe that this provides the most appropriate

means to bring the City's update vision to reality. Recent review of projects in the City indicates that the City's certified LCP is outdated in certain respects, confusing and internally inconsistent in certain ways. In addition, the LCP lacks an updated vision for the City's coastal zone that is reflective of significant changes since LCP certification, including in terms of limited water supply, sensitive habitat protection, and an economy that is moving away from coastal-dependent industrial development and commercial fisheries and towards visitor-serving opportunities embracing tourism. In fact, even if the City is not interested in pursuing a complete LCP update at this time, another option may be to pursue more focused updates to specific elements of the LCP as a means of updating the LCP in parts over time (e.g., an update to the Waterfront Master Plan that was incorporated, in part, into the LCP in 1997, that would allow the City to address the evolving character of the Embarcadero, which is the focal point of the City's visitor-serving amenities). Obviously, the choice is the City's to make, but we strongly encourage the City to build on recent efforts to help make the LCP update part of the City's immediate planning future. The City, including its residents' visions for what the City should be and how the LCP should be structured to help make that happen, deserves nothing less.

We look forward to continuing to work with you during the process of updating your LCP. Please do not hesitate to contact me if you would like to discuss this matter further.

Sincerely,

Madeline Cavalieri
Coastal Planner

family neighborhoods. In all of these areas, special attention needs to be given to planning decisions to insure the livability of the residential environment. Mixed-use development can provide an opportunity for neighborhood security and may provide a form of affordable housing.

Unique Environmental Setting

Some vacant residential parcels in the City remain undeveloped because of site constraints. The design of residential development is critical where a parcel of land has features that are to be preserved and the buildable portion of the parcel is reduced.

Goal 5: Residential areas consistent with the City's character.

Policy LU-4: The City shall enhance community character with zoning regulations that limit height, size, and other issues to assure that new development occurs as part of a community pattern and character.

Implementation Standard LU-4A: Additions to and remodeling of existing houses are encouraged as valuable forms of reinvestment in the neighborhood.

Policy LU-5: The City shall continue to require new residential development to respect site constraints such as property size and shape, ground slope, access, creeks and wetlands, wildlife habitat, native vegetation and significant trees.

Implementation Program LU-5A: The City through the Zoning Ordinance and Subdivision Regulations will continue to respect site constraints.

Policy LU-6: The City shall continue to encourage the use of cluster concepts to keep street surface area to a minimum.

Implementation Program LU-6A: The City through the Subdivision Regulations will continue to encourage cluster concepts and minimizing street area.

Policy LU-7: The City shall require commercial development located immediately adjacent to residentially zoned property to be designed for compatibility. This would include building mass, scale and incorporating transitional elements (colors, materials, height, et cetera) between abutting building interfaces.

Implementation Program LU-7A: The City shall amend the Zoning Ordinance to require commercial development immediately adjacent to residentially zoned property to establish design criteria for compatibility.

Policy LU-8: The City shall encourage second units, and consider amendments to the City's Zoning Ordinance to support them.

RESOLUTION NO. 18-15

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
COMMITTING TO UPDATING THE CITY'S GENERAL PLAN AND LOCAL
COASTAL PLAN BY DECEMBER 2017**

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

WHEREAS, the General Plan (GP) and Local Coastal Plan (LCP) are the blueprints for the City, they serve as the foundation for planning Morro Bay's future, they are the basis for the preparation of measures and the initiation of actions which guide proper development of the City; and

WHEREAS, the City's current GP was certified in 1988, and the City's current LCP was certified in 1982, both documents are sorely overdue for an update; and

WHEREAS, in 1997 the City embarked on updating both plans over the course of seven years, and on February 23, 2004 adopted an updated GP/LCP that was submitted to the California Coastal Commission (CCC) for their review and certification; and

WHEREAS, in 2008 a City Assessment performed by Management Partners made the number one recommendation to lobby the CCC for an expeditious approval of the City's GP/LCP, suggesting the City explain its grave financial position to the CCC and the need for certainty surrounding land use issues in order to attract investment to the community; and

WHEREAS, on February 28, 2011, the City received a letter from the CCC stating the City's 2004 GP/LCP application for certification was deemed withdrawn for lack of activity; and

WHEREAS, on April 23, 2013, City Council adopted a goal to update the City's GP/LCP; and

WHEREAS, on November 21, 2013, the City was awarded a $250,000 grant from the Ocean Protection Council, and a $147,000 grant from the CCC; and

WHEREAS, on February 24, 2015, the City Council reaffirmed the goal to update the City's GP/LCP including development and implementation of neighborhood design guidelines, by December 2017; and

WHEREAS, on March 24, 2015 a joint meeting between the City Council and Planning Commission reviewed the draft work plan performed by PMC consulting to update the GP/LCP, with an estimated cost to complete the update of between $806,250 and $1,590,800; and

WHEREAS, the work plan identifies Neighborhood Compatibility as a key issue in Morro Bay and calls for the formation of a citizens advisory committee to play a key role in the GP/LCP update including the development of Neighborhood Compatibility Standards; and

WHEREAS, the work plan lays out a timeline, cost, and the necessary steps to update the City's GP/LCP and it informs the public and City Council of the commitment required to achieve a updated GP/LCP; and

WHEREAS, the City Council understands in order to meet the City's goal of updating the GP/LCP by December of 2017 it must commit a minimum $806,250, through all sources, including grants; and

WHEREAS, the City Council commits to working collaboratively with the CCC and all agencies to accomplish the update of the GP/LCP; and

WHEREAS, the City Council understands the negative effects an outdated GP/LCP has on the City and a new updated GP/LCP would address continued concerns regarding maintaining and improving the quality of life of residents and visitors for the future.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City Morro Bay affirms its desire to commit adequate resources to achieve meeting the City's goal of updating the City's General Plan and Local Coastal Plan by December 2017.

PASSED AND ADOPTED by the City Council of the City of Morro Bay, at a regular city council meeting thereof held on the 14th day of April 2015, by the following vote:

AYES:
NOES:
ABSENT:

_____
JAMIE L. IRONS, Mayor

_____
DANA SWANSON, City Clerk

AGENDA NO: D-2

MEETING DATE: April 14, 2015

Staff Report

TO: **Honorable Mayor and City Council** **DATE: April 8, 2015**

FROM: **David Buckingham, City Manager**

SUBJECT: **Discussion and Direction to Staff Regarding Fee Subsidies and Cost Recovery**

RECOMMENDATION

Staff recommends the City Council direct staff to draft a resolution, for placement on the consent agenda for consideration of approval at a future City Council meeting, as follows:

- 0% fee subsidies for Community Development and Public Works services (including Development Impact Fees).
- 0% fee subsidies for all other City services not addressed below.
- 75% subsidy for appeals of Planning Permits to the Planning Commission and City Council.
- A decreased level of fee subsidy for commercial fishing slips, to be recommended to Council by the Harbor Advisory Board.
- Several subsidies designed to encourage compliance with established public safety services such as 100% subsidy for the first fire inspection of a new business.
- Graduated subsidies from 0% up to perhaps 75%, for various Recreation services, to be recommended to City Council by the Recreation and Parks Commission.

ALTERNATIVES

Instead of setting subsidy levels by policy, the Council could continue the present practice which essentially validates the master fee schedule on which some fees have a subsidy included and others do not.

FISCAL IMPACT

A general tightening up of our fee subsidy levels will have a measurable impact on City revenues. Simply establishing a standard of full cost recovery for Community Development and Public Works engineering fees will likely generate around $200,000 per year in revenue required to improve those services.

BACKGROUND

The City has two basic sources of revenue: taxes and fees. Fees are charged for various City services – from reviewing planning permits to issuing building permits to renting a City facility to participation in recreation programs.

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Prepared By: ___DWB_____ **Dept Review: _____**

City Manager Review: _____

City Attorney Review: ___JWF_____

By law, fees may not exceed the reasonable cost of providing the service in question. This cost should, however, include not only the staff time required to perform the service, but also a reasonable calculation of all of the additional operations, maintenance and capital replacement costs the City bears to provide the service.

"Cost recovery" is a term of art used to describe the establishment of fees to recover some or all of the costs of providing such services. "Full cost recovery" means the user of a service is charged the full cost the City bears for providing that service. "Fee subsidy" is a related term used to indicate to what level the City may choose to subsidize some or all of the cost of a particular service.

The City should be very deliberate in determining what services might be subsidized, and to what extent. This is because the money used to subsidize any service comes from the City's general revenues – the taxes paid by others who may not be directly benefitting from said service.

For example, the development, design and construction of a new home requires thousands of dollars in various City fee-based services, such as a building permit. If the City does not recover 100% of the cost of providing those services from the homebuilder then the amount not recovered must come from the City's general tax revenue. That means part of the City's costs generated by one resident building a new home would be subsidized by taxes of other City residents. In general, the cost of services that do not have a community-wide benefit should be borne by the individual primarily benefitting from the service.

Determining the actual cost of providing a service is important, and the City has commissioned consultant studies in the past to help determine the cost of services. While updating these cost studies in the future will be a wise investment, we believe we have a very good and fair idea what our current costs are from past consultant studies, internal re-assessments and comparison to other cities.

Once the costs are determined we can then factor in whatever subsidy level the City has, by policy, adopted for each type of service and then the fee for the service can be advertised and assessed.

For example, if the City determines the actual cost of an appeal of a decision on a planning permit is $3,000, and the Council had adopted a policy of 75% subsidy for appeals, then the fee for a planning permit appeal would be set at $3000 x 25% = $750.

The City publishes the cost of services annually in July following Council approval of the Master Fee Schedule.

DISCUSSION

For ease of discussion, there are six areas of fees, and potential subsidies, to consider:

- General Fees
- Community Development and Public Works
- Recreation
- Harbor Enterprise Fund
- Water and Sewer Enterprise Funds
- Accessibility to Appeals

a. **General Services.** These include a broad range of fees from the fingerprinting service provided

by the Police Department to inspections provided by the Fire Department to fees for providing paper copies of documents requested by a citizen.

1) **Basic Recommendation.** Staff recommends the Council adopt a no-subsidy standard for most general fees.
2) **Rationale**: Most general services are particular to the individual requesting the service and have little measurable community benefit. Thus, the city (read, other taxpayers) should not subsidize the cost of providing those services.
3) **Exceptions**: Staff recommends the following exception:
    a) New / annual business / facility fire inspection. Staff recommends 100% subsidy (free service) for the first inspection to encourage participation. Additional compliance inspections would receive no subsidy.

b. **Community Development and Engineering Services.** These include most of the fees required for services related to development and building – from subdivisions to encroachment permits to coastal permits to building permits. These do not include fees associated with enterprise funds, such as water and sewer.

1) **Basic Recommendation.** Staff recommends the Council adopt a no-subsidy standard for most general fees.
2) **Rationale**:
    a. Most development and building services are particular to the individual requesting the service and have little measurable community-wide benefit. The city (read, other taxpayers) should not, in general, subsidize the cost of building a private home.
    b. Most cities do not subsidize this category of fees. SLO, Pismo Beach and Atascadero all have "full cost recovery" policies for planning and building associated fees.
3) **Exceptions**: Staff does not recommend any exceptions. However, the City retains the ability, by Council action, to reduce or waive these fees on a case by case basis and should consider doing so for projects that have a sure and strong economic or community benefit.

c. **Recreation and Facility Rental Fees.** These include fees for specific recreation programs and services such as the Teen Center, Kids Club, Junior Lifeguard, sports leagues and the Holiday Tree Lighting, and also use fees for facilities such as Veteran's Hall, the Community Center and various public parks.

1) **Recommendation.** Staff recommends the Council ask the Recreation and Parks Commission to review the Recreation Department's current cost recovery / subsidy allocation model and make recommendations to rebalance cost recovery with broad community benefit.
2) **Considerations.**
    a. Recreation currently spans from no-subsidy to 100% subsidy, depending on the service / program / group.
    b. The Teen Center, for example, is free and is subsidized at around 95%, or $70,000 per year.
    c. Youth and adult sports are all subsidized at 20-30%.

d. Fees do not well-differentiate between residents and non-residents. Fees for both should be reassessed.
e. Facility rental fees may be subsidized too heavily. For example, use the Veteran's Hall is subsidized around 50%.

d. **Harbor Enterprise Fund Fees.** These include fees for moorage rents and services such as moorings, slips and tie up at City piers, live-aboard fees, launch ramp fees, etc.

1) **Recommendation.** Staff generally recommends that Harbor fees receive no subsidy, but also recommends the Council ask the Harbor Advisory Board to review the Harbor fee schedule and make recommendations to the City Council, particularly in the area of subsidies for services provided for commercial fishing activities.
2) **Commercial Fishing Subsidy.** The City currently provides a rental subsidy of around 66% for a qualified commercial fisherman. A City commercial fishing slip costs around $160/month while a similar slip at a 'private' lease site costs around $450/month. The City needs to make a better assessment of the cost of providing those City slips, and should consider the effect of significantly subsidized slip fees on the broader operations in the Tidelands Trust enterprise fund.

e. **Water and Sewer Enterprise Fund Fees.** These include fees for services provided in the utilities enterprise funds.

1) **Rates.** The City has conducted a rate study and is preparing to raise rates to a legally appropriate level.
2) **Fees.** The rate study also assessed and recommended appropriate fee levels.
3) **Subsidy.** The City may not subsidize fees with revenues generated within the enterprise funds. The City could choose to subsidize enterprise fund fees with general fund revenue.
4) **Recommendation.** Staff does not recommend the City use general fund revenues to subsidize any enterprise fund fees.

f. **Accessibility to Appeals.** Finally, the City's fee schedule should have a specific provision to ensure that certain appeal fees need are subject to "affordability" requirements in order to ensure low income individuals are not deprived of due process should they seek to appeal various items, including City citations, etc. Staff is researching such a provision and will ensure it is included in the Master Fee Schedule update in July 2015.

CONCLUSION

In general, the City should aim toward full cost recovery for most services, especially those for which the benefit is primarily individual. For services with a broader community benefit, some level of subsidy is reasonable. Some additional assessment is warranted, especially in the areas of Recreation and benefits to commercial fishermen. Thus, staff recommends Council discuss and provide subsidy guidance (0% recommended) in the areas of general fees, Community Development and Public Works, and request the Recreation and Parks Commission and Harbor Advisory Board review fee subsidy policies in those areas and provide recommendations to City Council. Staff intends to complete this process by June, and for Council to adopt a fee subsidy policy in June before approving the 2015-2016 Master Fee Schedule in July.

AGENDA NO: D-3

MEETING DATE: April 14, 2015

Staff Report

TO: **Honorable Mayor and City Council** **DATE: April 3, 2015**

FROM: **Eric Endersby, Harbor Director**

SUBJECT: **Consideration and Direction on Future of Lease Site 102/102W, Located at 1001 Front Street (Central Coast Seafood/Giovanni's Fish Market, Michael and Orietta DeGarimore, the "Leaseholder")**

RECOMMENDATION

Staff is recommending Alternative A as outlined in this staff report.

ALTERNATIVES

A. Authorize staff to begin lease negotiations with the Leaseholder for their proposed operation of the lease site.

B. Direct staff to prepare and bring back a Request for Proposals (RFP) for the site.

FISCAL IMPACT

Increased revenue expected as the Pipkin lease on Lease Site 102/102W is retired and replaced with a modern lease that would include percent of gross sales requirements in addition to property re-appraisal and new base or minimum rent adjustment every five years.

BACKGROUND

Lease Site 102/102W is a 50-year Pipkin lease that expires in September, 2018, and is within the last five years of its lease term. The site is primarily water with a moderate portion on land, including a section of the Giovanni's Fish Market building itself. It is important to note, like the water-only leases at the south end of the Morro Bay waterfront, this is primarily a water-only lease site with private property interest in the adjoining land area and improvements.

DISCUSSION

For Tidelands Trust Leases from Beach Street to Tidelands Park, the City's Lease Management Policy states:

> "In this area, the City controls land and water areas. In this area tenants are encouraged to propose redevelopments of lease sites to improve public benefits on these sites,

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Prepared By: ___EE____ **Dept Review: ___EE____**

City Manager Review: _____

City Attorney Review: ___JWP_____

> enhance the Embarcadero business environment, and renegotiate leases to modern terms. To help accomplish this, and to provide tenants motivation not to let long-term leases run to the very end of their terms with degraded building/improvements, and under market lease terms, the City will generally not renew leases with existing tenants in this area if they allow their leases to run to a term of less than five years remaining."

As previously stated, the subject site is primarily water-only with private interests controlling the land, and as such does not exactly fit the policy stated above. Therefore, the Lease Management Policy for the southern water-only leases is germane to the consideration of this site as well. For the southern water-only leases, the Lease Management Policy states:

> "In this area the City leases only the water areas as the upland property and access to the water areas is owned and controlled by private parties. The City will encourage continuation/enhancement of marine dependent uses such as boat slips and boat repair facilities where feasible. However, this area is not suitable for large redevelopment projects and in most cases the City will negotiate a new 10 to 30 year lease extension with existing tenants when they meet the above criteria."

In addition, the City's Lease Management Policy states the City will use the following standards for determining whether to negotiate a new lease with a tenant:

> A. The tenant has a good history of performance and lease compliance and the improvements on the site are well maintained. Example standards for determining "good history" of lessee performance are:
>
> 1. The tenant's record with respect to the prompt and accurate payment of rent due the City;
> 2. The tenant's record of compliance with existing lease conditions;
> 3. The appropriateness of the proposed tenant business with respect to the total mix of uses and services available to the public and with respect to the long-term planning goals of the City;
> 4. The tenant's financial and personal investment in tenant business and the leasehold improvements;
> 5. The contribution to the surrounding business community made by the tenant's business;
> 6. The quality of direct services to the public provided by the tenant and its business;
> 7. The value received by the public in goods or services.
> 8. The total financial return to City from the leasehold;
> 9. Other pertinent considerations as may be appropriate as determined by the City Council.

While the Leaseholder of 102/102W has not submitted a redevelopment proposal per se, under their tenancy the leasehold has seen significant improvements and fuller utilization of the site in recent years, including addition of new public seating and Harborwalk space on the wharf, the addition of eight new

vessel slips and associated improvements, and substantial wharf and piling maintenance and repair projects. The Leaseholder's proposal is to continue to operate the site with the new improvements and enter into a new, modern lease agreement with modern terms and conditions, while concurrently operating their adjoining private property improvements in a complementary fashion.

Alternative A would accept the Leaseholders' proposed operation of the lease site and authorize staff to begin vetting preliminary terms and conditions of a new lease with the Leaseholder. If that alternative is chosen, then staff will come back to Council in a future Closed Session Meeting for direction on lease term and condition parameters.

Alternative B would to put the lease sites out for a RFP. The existing Leaseholder could submit a proposal. If that alternative is chosen, then staff will begin work on crafting a RFP for future Council approval.

CONCLUSION

Staff recommends City Council take public input, consider the Leaseholder's proposal, and provide staff direction on the alternatives being presented. Staff is recommending Alternative A, since the City does not control the land adjacent to the lease site and the Leaseholder's are tenants in good standing with a "good history of lessee performance," including good maintenance and repair of improvements, addition of public access space where previously there was none and construction of significant improvements in the form of new slips.

ATTACHMENTS

1. Lease Management Policy
2. Aerial view of lease site

CITY OF MORRO BAY
HARBOR DEPARTMENT LEASE MANAGEMENT POLICY

BACKGROUND

Tracing back to English Common law the Public Trust Doctrine establishes that navigable water or lands subject to tidal influence are "sovereign", held open to the public for commerce, fisheries or navigation. In 1942-44, the federal government constructed a revetment along the Morro Bay waterfront and filled most of the area now known as the commercial strip along the Embarcadero. The State of California claimed ownership of the newly created land as at least a portion of it had previously been below the high tide line. After many years of dispute with private property owners, who also claimed an interest in the land, most title issues were settled in the 1950s-1960s by designating those lands west of Embarcadero Road as public trust lands owned by the State, and those lands east of Embarcadero Road as privately owned. Attached is a map of the tidelands grant in Morro Bay.

In 1947, the State of California granted those public trust lands in Morro Bay to the County of San Luis Obispo. The City of Morro Bay assumed trusteeship of the granted lands upon incorporation in 1964-1965. The tidelands grant in Morro Bay is in perpetuity, provided the City conforms to the terms of the legislative grant. The granted lands must be used for commerce, fisheries, navigation, recreational purposes, parklands, public access, public parking and environmental protection or enhancement. Residential use of these public lands is specifically prohibited. The City may lease out these lands to private businesses for a period up to 50 years and all revenues from such leases must be expended within the area of the granted lands for the purposes of the public trust. Much of the granted lands were leased to established businesses in the 1960s on long-term leases that provided low rental rates in exchange for tenant investment in the business on the sites or settlement of previous land ownership or county lease disputes. Some of these old long-term leases have accrued significant "bonus" value to the benefit of the private party because waterfront property values have increased far in excess of the contractual rental return to the City.

Over the years, the City has changed its leasing practices and policies to better protect the public interest by adopting modern lease formats and standards for fair market rent and periodic rental adjustments. There has been some resistance on the part of existing tenants to changes in the City's leasing practices and many issues regarding granted land use and City policy have been difficult to make clear to the general public because of their complexity. In 1985, the City created the Harbor Department to focus property management efforts in the tidelands and to assure the State that tidelands revenues were properly accounted for. The Harbor Department is operated through a City enterprise fund known as the Harbor Fund. Similar to the Water and Wastewater enterprise funds, all Harbor services are funded with either users fees or property management income (no tax revenues). In FY88-89 Harbor Fund lease revenues were $427,634 increasing to $777,784 in lease revenues in FY98-99. The aggressive modernization of the City's property management practices over the last 15 years have allowed the Harbor Department to expand services to the boating public and improve existing harbor/park facilities.

While many coastal cities in California manage tidelands grants similar to that in Morro Bay, such a property management role is not necessarily a natural fit for local government. Familiarity with the history and terms of the various contract forms allows for resolution on contract interpretation issues before they become problems.

The Harbor Department routinely handles five to ten lease "questions" a week. If these questions were put through a political or bureaucratic process, the result would replicate the situation in Morro Bay in the mid-1980s when the Harbor Commission reviewed all lease actions. The City Council reorganized the Harbor Commission into the current Harbor Advisory Board and took lease management issues out of the Board's purview to streamline City responsiveness and improve lease management. Inability to answer contract interpretation questions, or to process City required contractual approvals in a timely manner could cripple tenants' ability to succeed on the tidelands lease sites.

On the one hand, the purpose of the tidelands grant is to develop harbor facilities and with percentage rents, the City is essentially a partner with the lessees along the tidelands. On the other hand, facility development and the desire to increase harbor lease revenues through tidelands lease improvement and business success must be balanced with City planning and land use policies requiring public benefit on sites and good community projects. In the 1990s the City demonstrated it can successfully achieve that balance by working cooperatively with tenants to renegotiate long-term leases (with increased rental revenues) for commercial redevelopment.

The City Manager coordinates the various interests by delegating lease management to the Harbor Director with the understanding that planning, zoning and land use issues shall be determined in accordance with adopted City Plans and Policies administered by the City Planning Staff, legal issues by the City Attorney and insurance issues by the City Risk Manager. The City has previously adopted a lease negotiation policy and a master lease format as policy but has never attempted a more comprehensive statement of management policy. The purpose of this document is an attempt to integrate existing policy with broader statement of public leasing policy to enhance public understanding and provide a framework for future actions.

The City of Morro Bay will use the following policy guidelines in management of the tidelands and Harbor Fee leases in the Harbor Department lease management program.

GENERAL POLICY

The City will manage the tidelands leases to provide and support harbor facilities and enhancement.

The City shall appropriately account for tidelands revenues and expenses in compliance the state law and the tidelands grant.

The Harbor Department will actively work with and attempt to enhance marine dependent or marine related uses in compliance with the adopted City Plans and Policies, and the City's goals of maintaining a small commercial fishing harbor and working waterfront.

The City shall at all times be governed in its management of the tidelands properties by the granting statutes as interpreted and managed by the State Lands Commission.

The Harbor Department will manage leases in a way that will strive to support tidelands visitor serving lease businesses to increase revenues consistent with adopted City Plans and Policies, and coordinated with City planning and land use policies.

Many property management functions of the City such as: lease assignment, sublease approval, lease renewal, extension or renegotiations contractually require City Council review and approval. The City Council approval process can sometimes be misconstrued by the public or the lessees to mean the City Council approves other issues, required permits or plans for the site. The Harbor Department will process lease contract administration issues requiring City Council approval in a timely fashion so lessees are not unduly burdened in their business operations. Any such approval shall not waive any and all other permits, approvals or governmental regulations such as planning and land use permits, building permits, etc.

SPECIFIC POLICIES FOR CONTRACT ADMINISTRATION

Master Lease Format: The City has developed a master lease format based on modern leasing practices and similar formats used by other public agencies. The City master lease format adopted in 1986 is hereby amended and attached to this policy statement. Any lease agreements in the future will be in the approved master lease format. The City may use a license agreement for temporary, interim or non-exclusive use of property when appropriate.

Approved Uses: Uses on the lease sites shall be in conformance with the Tidelands Trust and the City Conditional Use Permit for the site. Proposed new uses for lease sites must be in conformance with the then planning, zoning and land use policies of the City. Lessees proposing or considering new uses for a site will be referred to the Planning Division or Department of the City for review and approval.

Negotiation: Following is the lease negotiation policy adopted by the City Council July 10, 1987:

"It is the policy of the City Council of the City of Morro Bay that negotiations relative to leasing public tidelands shall commence and remain at the appropriate staff level, as managed by the City Administrator. The City Administrator is to serve as the initial level of negotiation appeal, with the City Attorney participating when legal issues arise. Differences of opinion shall be resolved to the maximum extent possible between the parties at the staff level, *prior* to any City Council consideration of the lease.

In the event certain lease issues remain unresolved upon exhaustion of administrative review, the lessee (tenant) may submit a written document to the City Council outlining their points and perspectives concerning the outstanding lease issues. Upon City receipt of the written report, the City Clerk shall cause the item to be placed on the City Council agenda, and the lessee or his/her representative may provide a brief verbal summary of their perspectives to the City Council during a public meeting. It is the policy of the City Council to receive under advisement any written or verbal report at that time, but not to comment on or negotiate in public.

Following receipt of this input from the lessee, the City Council will exercise its authority under California Government Code Section 54956.8, to meet in Closed Session to give instructions to the City's negotiator(s) regarding negotiations for lease of real property (public tidelands). Upon conclusion of the Closed Session considering the points submitted by the tenant, the City's negotiators will be properly instructed and authorized to finalize negotiations and the lease with the tenant."

The following two sub paragraphs are added for clarification on the negotiation process:

A. In many cases parties who are considering buying a tidelands leasehold interest desire to renegotiate the lease (to extend the term, change rent or uses) prior to completing the sale/assignment of the lease. Normally, City staff will not negotiate with prospective tenants due to limited staff time and the potential impact on the "sale" price of a lease. **Prospective buyers of leasehold interest are buying the existing lease agreement only.**

B. All lease sites eventually need to be reconstructed or significantly remodeled. In general, the City desires such reconstruction to bring improvements up to modern building codes, design criteria, and market conditions. The City acknowledges that tenants will need to renegotiate leases to new longer terms to amortize and collateralize their investment on the public property. The normal stage for lease negotiation to commence in a reconstruction redevelopment situation is when the tenant has received Planning Commission and/or City Council approval of a Concept Plan for a Conditional Use Permit to redevelop the site. The project will therefore be at a stage when the CUP can be attached to a new lease and the tenant can be required to construct improvements in compliance with the CUP in a given period of time. The appropriate term for the new lease will be determined by the size of the lease site and the level of private investment proposed for the public property.

Lease Renewal: The practice of the City in the past has been to automatically renew or renegotiate a lease with an existing tenant. This has led to a false sense of private ownership of the lease site and sometimes leads to tenants not maintaining lease or reconstructing prior to the expiration of a given lease term. The City should set some standards for renewing a lease. Lease expiration dates should be encouraged to coincide where adjoining sites may have mutual planning benefits. In some cases, the City should not renew a lease, either for the purpose of consolidating sites or to pursue other extenuating public benefit.

The City will use the following standards for determining whether it should negotiate a new lease with a tenant:

A. The tenant has a good history of performance and lease compliance and the improvements on the site are well maintained. Example standards for determining "good history" of lessee performance are:

1. The tenant's record with respect to the prompt and accurate payment of rent due the City;
2. The tenant's record of compliance with existing lease conditions;
3. The appropriateness of the proposed tenant business with respect to the total mix of uses and services available to the public and with respect to the long-term planning goals of the City;
4. The tenant's financial and personal investment in tenant business and the leasehold improvements;
5. The contribution to the surrounding business community made by the tenant's business;
6. The quality of direct services to the public provided by the tenant and its business;
7. The value received by the public in goods or services.
8. The total financial return to City from the leasehold;
9. Other pertinent considerations as may be appropriate as determined by the City Council.

B. In addition to the above, the City recognizes that there are three distinct zoning areas on the waterfront that require different considerations in lease renewals issues. As follows:

1. Tidelands Park south water area only leases. In this area the City leases only the water areas as the upland property and access to the water areas is owned and controlled by private parties. The City will encourage continuation/enhancement of marine dependent uses such as boats slips and boat repair facilities where feasible. However, this area is not suitable for large redevelopment projects and in most cases the City will negotiate a new 10 to 30 year lease extension with existing tenants when they meet the above criteria.

2. Embarcadero from Beach Street to Tidelands Park. In this area, the City controls land and water areas. In this area tenants are encouraged to propose redevelopments of lease sites to improve public benefits on these sites, enhance the Embarcadero business environment, and renegotiate leases to modern terms. To help accomplish this, and to provide tenants motivation not to let long-term leases run to the very end of their terms with degraded building/improvements, and under market lease terms, the City will generally not renew leases with existing tenants in this area if they allow their leases to run to a term of less than five years remaining.

3. Embarcadero from Beach Street north. This area is designated with zoning to preserve commercial fishing/marine dependent uses. In addition, existing restaurants or retail uses are grandfathered in. The City will strongly encourage tenants who propose enhancement of commercial fishing uses or marine dependent uses by considering new long-term leases that facilitate these types of projects. Existing restaurant/retail sites shall be extended or renewed if the tenant can develop plans for enhancement of the site within the constraints of CF District zoning. Within the general outlines of this policy the City Council will provide specific direction to the City's designated negotiator on the Morro Bay Power Plant outfall lease.

In general, leases that are not renewed should be put out to public bid or kept in short-term interim lease arrangements until adjacent sites become available for consolidation. In addition, the City has many long-term ground leases (known as the County or Pipkin leases), which provide low rent in exchange for tenant investment or settlement of previous disputes. These long-term leases provide that the tenant-constructed improvements revert to City ownership upon lease termination and this was a critical part of the consideration in allowing the tenant such a long-term lease at the specified rents. The County and Pipkin leases were 50-year leases (the maximum term set by the tidelands grant) and may not be extended or renewed. The City shall encourage tenants to renegotiate these leases into the new City master lease format well before the termination date of that lease.

In the CF District the City should attempt to consolidate leases in the area between the T-Piers to facilitate marine dependent redevelopment such as a seafood processing plant.

Fair Market Rent: State Law requires that fair market rent be charged for use of the granted tidelands. Fair market rental shall be determined through the use of an independent appraiser to appraise the fair market value of the property and the City will set a minimum annual rent equal to 8% of the appraised value of the land or improvements if the improvements have reverted to the City. The lease rent will be structured to provide for a minimum annual rent as outlined above or a percentage of gross sales rent as shown on the attached Schedules entitled Standard City percentage of gross sales rent.

In cases where the tenant is proposing complete redevelopment of a site to eminent modern design criteria at significant private investment the City may allow both temporary reductions in the outlined minimum rent to offset tenants period of reduced revenues during construction and reduction in the standard retail percentage of gross sales to 3% for the first 10 years of a new long-term lease agreement.

Maintenance of Improvements: The City has a paramount interest in ensuring that the improvements on the lease site are being properly maintained and are in a safe and secure condition. The City shall contract to have the lease sites inspected and a report made on such inspections every five years. City staff will require significant deficiencies noted in the lease site inspection reports to be repaired or cured by the tenants. As long-term leases draw close to expiration tenants tend to defer maintenance and the City must carefully monitor and strictly enforce lease maintenance provisions to protect the reversionary interest in the lease site improvements.

Percentage of Gross Sales Audits: Where tenants are subject to percentage of gross sales rent, the City will contract to have the business accounting records examined for lease compliance at least every five years. City staff will require tenants to comply with or cure any deficiencies noted in the accounting records examinations.

Lease Assignment/Sale: All City leases require City Council approval of the sale or assignment of a lease agreement. Any tenant requesting such approval will be required to pay fees noted in the master fee schedule, to submit financial documentation to indicate qualifications to the satisfaction of the Finance Director, and be in full compliance with the terms and conditions of their lease agreement. If the proposed assignment or sale includes a change in use of the site, then the change in use will be reviewed by the Public Services Department of the City for conformance with planning and zoning regulations. Proposed changes in uses for lease sites must comply with City planning and zoning ordinances, the City's adopted Local Coastal Plan and Measure D limitations for properties north of Beach Street. Where zoning allows a variety of uses, preference will be given to coastal related uses whenever possible.

Sublease Approval: All leases require City approval of sublease agreements. Prior to approval of the sublease, the tenant shall pay any fees noted in the master fee schedule; submit a properly executed copy of the City standard Consent to Sublease form and a copy of the Sublease Agreement. Future lease agreements may provide for the City Manager or designee to approve sublease agreements which meet the stated qualifications for approval and which comply with the terms and conditions of the lease agreements.

Financing: The City will not approve financing related to or using the lease site, or leasehold interest as collateral unless such financing is for sole investment upon the lease site or for City requested public improvements.

SCHEDULE A

PERCENTAGE RENT FOR GROUND LEASES

		% GROSS SALES
FOOD SERVICE:	Restaurant, Dining Room	3
	Snack Bar, Delicatessen,	5
	Fast Food, Convenience Food	5
	Bar/Lounge, Beer & Wine Sales	5
RETAIL SALES & SERVICE:	Tenant	3-5
FISH & SEAFOOD:	Retail Sales	3-5
	Wholesale Sales	0
MOORINGS, TIES & SLIPS:	Pier/Fixed Piles	10
	Pier/Floating	10
BOAT REPAIR & SALES:	Boat & Marine Repair	3
	New Boat Sales	1
	Used Boat Sales	2
FUEL:	Gasoline	$0.02/gal.
	Diesel	$0.015/gal.
MOTEL:		5
ALL OTHER USES:		5

Percentage Rental is to be based on the gross amount received from any and all sources of income derived from the lease site.

SCHEDULE B

PERCENTAGE RENT FOR BUILDING LEASES

		% GROSS SALES
FOOD SERVICE:	Restaurant, Dining Room	5
	Snack Bar, Delicatessen,	7
	Fast Food, Convenience Food	7
	Bar/Lounge, Beer & Wine Sales	10
RETAIL SALES & SERVICE:	Tenant	7
	Sublease	7
FISH & SEAFOOD:	Retail Sales	5
	Wholesale Sales	0.5
MOORINGS, TIES & SLIPS:	Pier/Fixed Piles	20
	Pier/Floating	20
BOAT REPAIR & SALES:	Boat & Marine Repair	5
	New & Used Boat Sales	2
FUEL:	Gasoline	.02/gal.
	Diesel	$0.015/gal.
MOTEL:		10
RV PARK:		25
ALL OTHER USES:		10

Percentage Rental is to be based on the gross amount received from any and all sources of income derived from the lease site.

Attachment 2

AGENDA NO: D-4

MEETING DATE: April 14, 2015

Staff Report

TO: **Honorable Mayor and City Council** **DATE: April 8, 2015**

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

SUBJECT: **Consideration of Adoption of Resolution No. 17-15 Rescinding Resolution No. 31-08 related to Intersection Control at San Jacinto & Main Streets and Provide Update of City/Caltrans Activity Regarding this Intersection**

RECOMMENDATION

Staff recommends the Council adopt Resolution No. 17-15 rescinding City Council Resolution No. 31-08, review information regarding the current status of this intersection and provide further direction, as necessary.

ALTERNATIVES

Maintain the status quo; do not rescind City Council Resolution No. 31-08.

FISCAL IMPACT

There is no direct fiscal impact as a result of the recommended action. The estimated cost for a complete preliminary traffic engineering study of the intersection, including counts and turning movement analysis, with recommendations for improvements is approximately $60,000. Depending on what level of improvements are desired by the community, the cost could range from almost nothing to eliminate the free right turn on red from the freeway, to over $3,000,000 for construction of a roundabout.

DISCUSSION/BACKGROUND

On June 9, 2008 the Morro Bay City Council adopted Resolution No. 31-08, which resolved that the Main/San Jacinto/Alder intersection is a low priority and that the City should not pursue this project (intersection improvements) at this time nor should it be on any work list unless approved by the City Council.

In the Circulation Element of the City's 1988 General Plan, it calls for the subject intersection and the intersection with Highway One at Yerba Buena to be reconfigured as interchanges with grade separations for the crossings. In 1999, the City received grant funding to study three intersection including Main/San Jacinto/Alder. The results of the study were presented to the Public Works

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Prepared By: ___RL_____ **Dept Review: ___RL___**

City Manager Review: _____

City Attorney Review: ___JWF_____

Advisory Board in 2001, at which time the Board recommended that the Main/San Jacinto/Alder intersection be considered a low priority. The City then focused work efforts on Main/Highway 41 and Morro Bay Boulevard (MBB)/Quintana. These studies ultimately resulted in the installation of a roundabout at MBB/Quintana and additional funding for more detailed evaluation at Main/41. The Main/41 intersection is currently being evaluated by Caltrans through the Intersection Control Evaluation or ICE process which compares a roundabout to signalization.

In 2012-2013, the City Council approved the expenditure of funds on San Jacinto/Alder for installation of sidewalk and striping of bike lanes. Additionally, the parking was removed to facilitate safer bicycling.

CalTrans traffic staff has evaluated the intersection and has concluded that the problems related to the intersection are due to driver behavior and that this is especially true during Del Mar Elementary drop off and pick-up times. Caltrans is not recommending any modifications to its facilities.

CONCLUSIONS

Staff recognizes that this intersection is used by many people in a variety of modes of transportation, including pedestrians, bicyclists and motorists. Also, there are conflicts between those modes of transportation. Staff will continue to monitor this area and recommend any operational improvements, as appropriate. Additionally, should the Council desire to commit resources to this intersection for a major work effort, it should provide that direction.

ATTACHMENTS

1. City Council Resolution No. 31-08

RESOLUTION NO. 17-15

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
RESCINDING RESOLUTION 31-08**

**The City Council
City of Morro Bay, California**

WHEREAS, the City Council of Morro Bay approved Resolution No. 31-08 on June 9, 2008; and

WHEREAS, Resolution No. 31-08 resolved that the Main/San Jacinto/Alder intersection is a low priority and that the City should not pursue this project (intersection improvements) at this time nor should it be on any work list unless approved by the City Council; and

WHEREAS, due to safety concerns that have developed because of the use of multiple modes of transportation at this intersection, the community desires analysis for possible improvements; and

WHEREAS, on January 27, 2015, the City Council requested a discussion of safety issues at the intersection of San Jacinto and Main Street and review of the 2008 Resolution related to this issue; and

WHEREAS, it is necessary to rescind Resolution No. 31-08 to allow City staff to perform any analysis of this intersection.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay does hereby rescind Resolution 31-08, allowing staff to work toward improvements that will facilitate multiple modes of transportation.

PASSED AND ADOPTED by the Morro Bay City Council at a regular meeting thereof held on the 14th day of April 2015 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Jamie L. Irons, Mayor

ATTEST:

_____
Dana Swanson, City Clerk

RESOLUTION NO. 31-08

RESOLUTION IDENTIFYING AND DETERMINING THAT THE MAIN/SAN JACINTO/ ALDER INTERSECTION IS A LOW PRIORITY CAPITAL IMPROVEMENT PROJECT AND SHOULD NOT BE PURSUED AT THIS TIME AND IS NOT ON ANY WORKLIST

THE CITY COUNCIL,
CITY OF MORRO BAY, CALIFORNIA

WHEREAS, the City of Morro Bay has adopted a Circulation Element to its General Plan; and

WHEREAS, said Plan identifies specific transportation-related capital improvement projects necessary to fulfill the City's future needs; and

WHEREAS, certain other transportation needs have been identified since adoption of said Element; and

WHEREAS, it is necessary and appropriate to prioritize projects into a coherent Capital Improvement Plan to facilitate funding and implementation; and

WHEREAS, in 1999, the City of Morro Bay received a grant to perform feasibility studies for alternatives for improvements to three intersections in the community including the Main/San Jacinto/Alder intersection; and

WHEREAS, in 2001, the Public Works Advisory Board considered different design alternatives for the Main/San Jacinto/Alder intersection and determined that this project was a low priority and that City should not pursue this project at this time; and

WHEREAS, since 2001, the Main/San Jacinto/Alder intersection has been a low priority capital improvement project and the City has not pursued this project; and

WHEREAS, on October 22, 2007 Councilmember Winholtz requested to agendize a discussion on the removal of the proposed roundabout project at San Jacinto and Highway One from the work list and Councilmember DeMeritt and Councilmember Grantham concurred; and

WHEREAS, since declaring this as a future agenda item, City Staff has spent time researching City files and has determined that the Main/San Jacinto/Alder intersection project is not on any work list.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, that the Main/San Jacinto/Alder intersection is a low priority and that City should not pursue this project at this time nor should it be on any work list unless approved by the City Council.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 9th day of June 2008 by the following vote:

AYES: DEMERITT, GRANTHAM, PEIRCE, WINHOLTZ, PETERS
NOES: NONE
ABSENT: NONE

JANICE PETERS, Mayor

ATTEST:

BRIDGETT BAUER, City Clerk

AGENDA NO: D-5

MEETING DATE: April 14, 2015

Staff Report

TO: **Honorable Mayor & City Council** **DATE: April 8, 2015**

FROM: **Dana Swanson, City Clerk**

SUBJECT: **Discuss Advisory Board Joint Meetings and Recognition Event for Advisory Board Members**

BACKGROUND

This item was continued from the March 24, 2015 City Council meeting to date certain, the next regular City Council Meeting. The previous Council report is attached for reference and discussion purposes.

Prepared By: __DS_____ **Dept Review: _____**

City Manager Review: _____

City Attorney Review: _____

AGENDA NO: D-1

MEETING DATE: March 24, 2015

Council Report

TO: **City Council** **DATE: March 17, 2015**

FROM: **Jamie L. Irons, Mayor**

SUBJECT: **Discuss Advisory Board Joint Meetings and Recognition Event for Advisory Board Members**

RECOMMENDATION

The recommendation is to discuss a recognition event and joint meetings for all advisory boards, including: Planning Commission (PC), Recreation & Parks Commission (Rec&Park), Public Works Advisory Board (PWAB), Harbor Advisory Board (HAB), Citizens Oversight Committee (Measure Q) / Citizens Finance Committee, Water Reclamation Facility Citizen Advisory Committee (WRFCAC), and Tourism Business Improvement District Advisory Board (TBID).

ALTERNATIVES

1. Set annual recognition event and joint meetings with certain advisory boards, as deemed necessary.
2. Forego any recognition event and schedule joint meetings with the Planning Commission as required in the Council Policies and Procedures, and request an annual update from the chair of each advisory board as required in the Council Policies and Procedures.
3. Other recommendations as determined by Council.

FISCAL IMPACT

Cost estimates for a recognition event are $800 to $1,500. Joint meeting costs to be determined, however, meetings can be in conjunction with regular scheduled meetings to minimize the impact.

BACKGROUND/DISCUSSION

Advisory board members volunteer their time on behalf of the community and serve the City Council. Each board has a focused purpose that provides valuable information and recommendations to Council. Joint meetings amongst Council and advisory boards provide an opportunity to discuss annual objectives as they pertain to City goals, review policy and procedures, have open dialogue to discuss expectations, and receive an annual update from the advisory boards. Per the Council Policies & Procedures, an annual report is required by advisory board chairs. In the past, joint meetings have taken place with Planning Commission but not all advisory boards. Recognition events for advisory boards have also

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Prepared By: ***JI*** **Dept Review:** _____

City Manager Review: _____

City Attorney Review: _____

taken place in the past, but not for some time.

CONCLUSION

Council may consider setting joint meetings or request annual reports from the advisory board chairs as the opportunity to dialogue and communicate with advisory boards. Recognition events are an opportunity to thank our volunteer advisory board members for their devoted service to our community.