



# CITY OF MORRO BAY CITY COUNCIL AGENDA

*The City of Morro Bay provides essential public services and infrastructure to maintain a safe, clean and healthy place for residents and visitors to live, work and play.*

## Notice of Special Meeting

Tuesday, July 11, 2017

3:30 P.M. – 5:30 P.M.

Veterans' Memorial Hall

209 Surf Street, Morro Bay, CA

ESTABLISH QUORUM AND CALL TO ORDER

PUBLIC COMMENT RE: ITEMS ON THE AGENDA

SPECIAL MEETING AGENDA ITEM:

- I. PROVIDE DIRECTION TO STAFF ON THE DISPOSITION OF REAL PROPERTY IDENTIFIED AS 1 JORDAN TERRACE (CERRITO PEAK); APN: 066-221-001

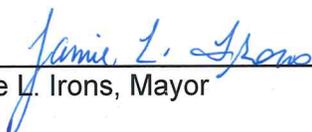
**RECOMMENDATION:** Council direct the sale of the subject City-owned property, located at 1 Jordan Terrace, (APN: 066-221-001) and otherwise known as Cerrito Peak, and direct staff to deposit sale proceeds from same to the General Fund Emergency Reserve (should Council authorize disposition by means of sale).

- II. REVIEW OF PREFERRED LAND USE ALTERNATIVES FOR THE GENERAL PLAN/LOCAL COASTAL PROGRAM UPDATE AND PROVIDE FEEDBACK DEEMED APPROPRIATE

**RECOMMENDATION:** Council review the presentation by staff, receive public comment and review the prepared materials and provide feedback on the preferred Land Use Alternatives associated with the General Plan/ Local Coastal Program update.

ADJOURNMENT

DATED: July 7, 2017

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

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.

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AGENDA NO: I

MEETING DATE: July 11, 2017

# Staff Report

**TO:** Honorable Mayor and City Council **DATE:** July 1, 2017

**FROM:** Scot Graham, Community Development Director  
Craig Schmollinger, Finance Director/City Treasurer

**SUBJECT:** Provide Direction to Staff on the Disposition of Real Property identified as 1 Jordan Terrace (Cerrito Peak); APN: 066-221-001

## RECOMMENDATION

Staff recommends the City Council direct the sale of the subject City-owned property, specifically for the purpose of preservation as publicly available open space, located at 1 Jordan Terrace, (APN: 066-221-001) and otherwise known as Cerrito Peak, and direct staff to deposit sale proceeds from same to the General Fund Emergency Reserve (should Council authorize disposition by means of sale).

## ALTERNATIVES

1. The Council may decide not to dispose of the property.
2. Council may direct staff to utilize the property for some other purpose.

## FISCAL IMPACT

The City purchased the subject property for \$350,000, as authorized at the May 23, 2017, Council meeting, with funding sourced from the General Fund Emergency Reserve (GFER) and paid to the seller. However, at close of Escrow, \$85,000 was paid back to the City by the Seller for reimbursement of City legal expenses incurred as part of the litigation involving *Save the Park, et al v. City of Morro Bay*.

Staff obtained a Brokers Price Opinion from Frankie Ciano, dated May 9, 2017, which sets value range for the property at \$650,000 to \$750,000 as bare dirt, without entitlement (see Attachment A).

Staff recommends, if Council directs the sale of the property, then revenue proceeds from such a sale be placed in the GFER to replenish the fund.

## BACKGROUND/DISCUSSION

In December of 2011, the City Council approved, on appeal, a new single-family residence on the subject property (UPO-233, CPO-285). *Save the Park et al*/subsequently filed a lawsuit challenging the City's approval as not meeting environmental and other requirements. As a result of that lawsuit, the land use entitlements were provisionally suspended. The court decision, which was finalized on August 4, 2015, also required several actions from the property owner before the Council could consider whether the suspended land use entitlements should be reinstated, if at all. The existing entitlements will expire, by their own terms, on September 18, 2017.

The subject property is unique and many in the community have expressed a desire to preserve it. Due to that desire, Council directed staff to work with the property owner to purchase the property, with the

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Prepared By: ___ CS/SG ___	Dept Review: ___ CS/SG ___
City Manager Review: ___ MRL ___	City Attorney Review: ___ JWP ___

intended desire to maintain it in its current undeveloped state and the ultimate goal of selling the property to a private non-profit whose mission is preservation of open spaces. Given that intent, staff is recommending Council confirm its intent is to dispose of the property to a private non-profit group for ultimate preservation as open space.

City staff attended a Morro Bay Open Space Alliance (MBOSA) meeting on Thursday June 22, 2017. The meeting was centered on group planning efforts to better research the property and surrounding land and planning efforts focused on grant and fund raising opportunities to secure sufficient funds to purchase the property from the City. The intent of the purchase efforts is to maintain the property permanently, as publicly available open space.

City staff will continue to research opportunities for securing funds toward the permanent preservation of the Cerrito Peak property as publicly available open space, including grant prospects and identification of other nonprofits that may have interest in permanently preserving the property.

It should be noted, prior to the sale of any publicly owned property, California Government Code Section 65402(a) requires the Planning Commission to review and report on the property disposition as to conformity with the City's General Plan. The General Plan conformance hearing will be held at some point in the future when a sale partner is identified.

### **CONCLUSION**

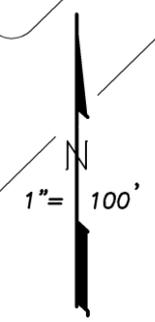
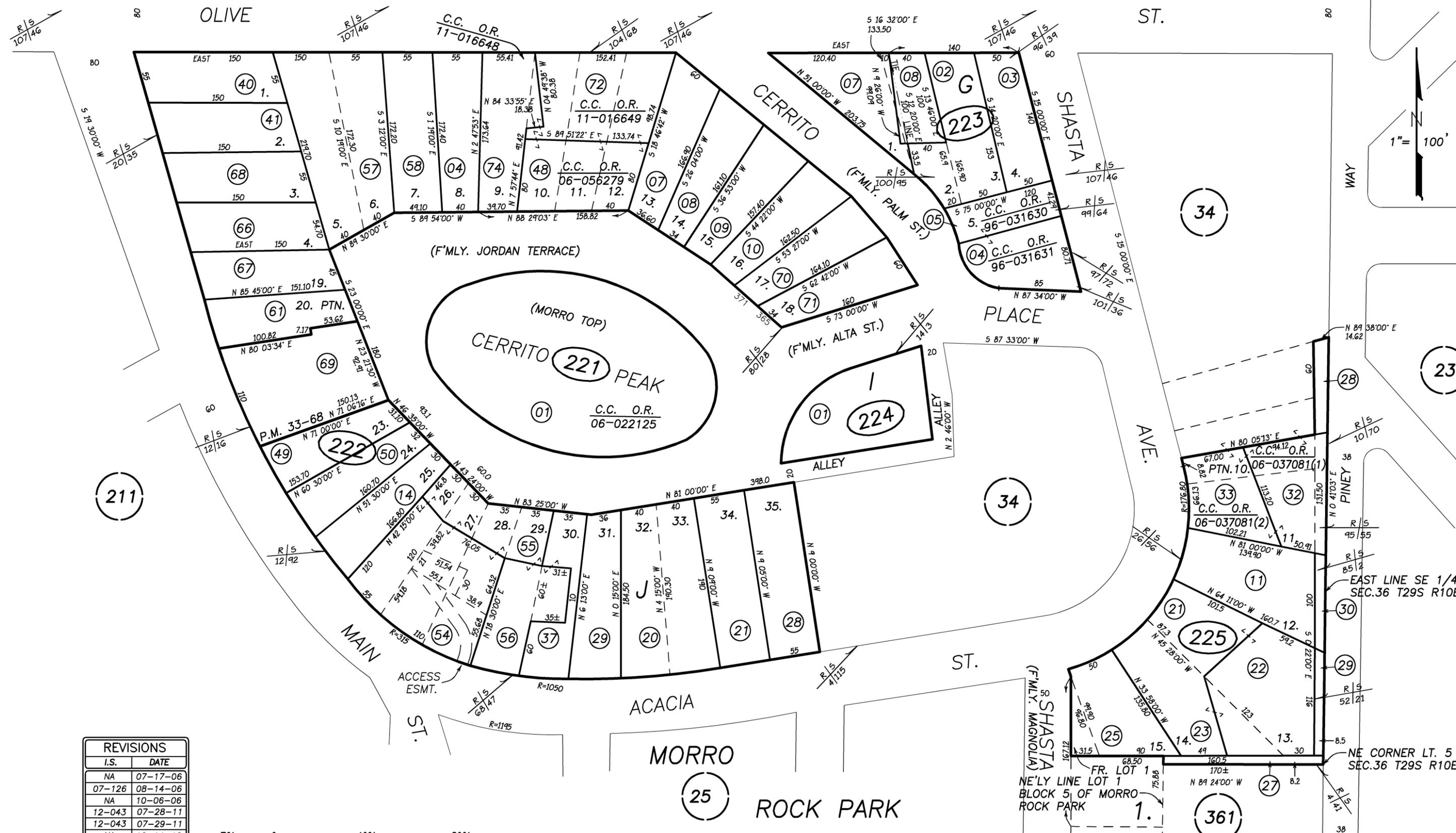
Staff recommends the City Council direct the sale of the subject City-owned property, specifically for the purpose of preservation of publicly available open space, located at 1 Jordan Terrace, (APN: 066-221-001) and otherwise known as Cerrito Peak, and direct staff to deposit sale proceeds from same to the General Fund Emergency Reserve (should Council authorize disposition by means of sale).

### **ATTACHMENT(S)**

- A. Assessor's Parcel Page Map

17

18



REVISIONS	
I.S.	DATE
NA	07-17-06
07-126	08-14-06
NA	10-06-06
12-043	07-28-11
12-043	07-29-11
NA	12-14-12
NA	12-30-14

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JS  
06-08-99

THIS MAP IS PREPARED FOR ASSESSMENT PURPOSES ONLY.

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AGENDA NO: II

MEETING DATE: July 11, 2017

# Staff Report

**TO:** Honorable Mayor and City Council **DATE:** June 26, 2017  
**FROM:** Scot Graham, Community Development Director  
**SUBJECT:** Review of Preferred Land Use alternatives for the General Plan/Local Coastal Program Update and provide feedback deemed appropriate

## **RECOMMENDATION**

Staff recommends the Council review the presentation by staff, receive public comment and review the prepared materials and provide feedback on the preferred Land Use Alternatives associated with the General Plan/Local Coastal Program update.

## **BACKGROUND**

The Planning Commission met jointly with the City Council on March 28, 2017, as part of a special joint study session to review Preferred Land Use Alternatives for the General Plan/Local Coastal Program update. The Council and Planning Commission were unable to complete the review in the time allotted and it was therefore necessary to continue the evaluation effort at a regularly scheduled City Council meeting.

Staff has provided the Land Use Plan alternatives memo and associated attachment from the March 28th joint meeting (Attachments 1 & 2 to the staff report). The Council and Commission did complete review of the Land Use Plan Alternatives through Site E: North Main. The continued review will commence with Site F: Tri-W Site.

The Planning Commission reviewed the remainder of the Land Use Alternatives at their meeting on April 4, 2017. Planning Commission comment is included in Attachment 3 of the Staff report.

The item was again scheduled for review by Council on April 25, 2017, along with a request to extend the project schedule and to add meetings for the GPAC and PC. The Council was able to provide direction on the overall project schedule and additional meetings, but given the late hour (almost 11pm), Council was unable to review the Land Use alternatives and provide input.

## **CONCLUSION**

Staff along with Michael Baker will compile comments from the Council on the remaining items, update the Preferred Land Use Alternatives and move forward with development of Land Use policies.

## **ATTACHMENTS**

1. Michael Baker, March 28, 2017, Land Use Plan Memo
2. Attachment 1 to the March 28, 2017, Land Use Plan Memo
3. April 4, 2017 Planning Commission Comments on Land Use Preferred Alternatives

Prepared By: SG

Dept Review: SG

# Land Use Alternatives

As part of the initial phases of *Plan Morro Bay*, the Michael Baker team worked with City staff and the General Plan Advisory Committee (GPAC) to collect and review existing plans, policies, and technical studies; conduct a community engagement program; develop community themes; prepare a Community Vision and Values; and identify key issues to be addressed in the updated General Plan and Local Coastal Plan. Next in the *Plan Morro Bay* process, City staff and the Michael Baker team used these materials to develop a number of land use alternatives for opportunity sites located throughout the community. We received input from the GPAC and the community related to the opportunity sites and alternatives regarding focused changes to land use designations that align with the Community Vision and Values. Input was received at a public workshop and through a hard copy and online survey. The memo reviewed by GPAC at their January and February 2017 meetings is provided as Attachment 1 to this staff report and has been updated to include a summary of input received on the alternatives.

This report presents preferred alternatives for ten opportunity sites in the city and four study areas outside the city limits identified by City staff and the GPAC where changes to existing land use have been considered. This process will lead to preparation of the General Plan Land Use Map and completion of a draft Land Use Element for the General Plan update.

March 28, 2017



## Land Use Classifications

### Existing Land Use Designations

The existing General Plan includes a variety of land use designations which pertain to residential, commercial, industrial, agricultural, mixed-use, visitor-serving, coastal-dependent, public facility, and other uses. The following sections provide an overview of the current land use designation categories. The Coastal Act requires that the LUP include a land use designation or designations that specifically accommodate visitor-serving and coastal-dependent/coastal-related uses. Under the existing Morro Bay General Plan and LUP, the designations that achieve this goal are Visitor Serving Commercial, Commercial/Recreational Fishing, Mariculture and Marine Research, Mixed Uses (Harbor), and Coastal Dependent Industrial.

#### Residential

The 1988 Morro Bay General Plan includes four residential land use categories based on the following density levels:

- **Low Density:** Up to 4 units per acre
- **Moderate Density:** 4 to 7 units per acre
- **Medium Density:** 7 to 15 units per acre
- **High Density:** 15 to 27 units per acre

The residential land use designations are the only designations in the existing General Plan with densities or intensities. The updated *Plan Morro Bay* will include these standards for the proposed land use designations. The majority of parcels designated for residential use in the General Plan are located in the northern and south-central portions of the planning area.

#### Commercial

In the General Plan, commercial land use categories are generally located along Highway 1 and in downtown, with one small additional commercial area located in the southern coastal area north of Fairbanks Point. Much of the commercial development in Morro

Bay is visitor-serving, a category which includes hotels and inns, restaurants, and shops. The five commercial land use categories are:

- Medium Density Residential/Neighborhood Commercial
- District Commercial
- Service Commercial
- Visitor Serving Commercial
- Commercial/Recreational Fishing

### Industrial

The General Plan includes two industrial categories to differentiate coastal-dependent industry from noncoastal-dependent industry: **General (Light) Industrial** is used for noncoastal dependent uses, and **Coastal Dependent Industrial** is used for coastal-dependent uses. Coastal-dependent uses include thermal power plants, seawater intake structures, discharge structures, tanker support facilities, and other similar uses.

### Mariculture and Marine Research

Uses allowed in the **Mariculture and Marine Research** designation are coastal-dependent and include the buildings, tanks, raceways, and pipelines for breeding, hatching, grow-out, and related research as well as administrative offices and educational facilities.

### Golf Course

Uses in the **Golf Course** designation include golf courses and related facilities such as club houses, pro shops, maintenance buildings, parking areas, and irrigation systems, along with other passive recreational areas.

### Harbor/Navigational Ways

The **Harbor and Navigational Ways** designation applies to areas of the city covered by seawater and includes areas from the mouth of the bay to the southern city limits. Uses are restricted to those which must be located on the water in order to function, such as mariculture, boating, fishing, habitat, and visitor-serving uses where public access is enhanced or facilitates coastal-dependent uses.



## Open Space/Recreation

The **Open Space/Recreation** designation includes land which is not defined as environmentally sensitive habitat and is not intended to accommodate intensive recreational activities. Uses in this designation typically include athletic fields, campgrounds, horse stables, and other recreational uses.

## Mixed Uses (Harbor)

A mixture of visitor-serving commercial uses and harbor-dependent land uses are accommodated in the **Mixed Uses (Harbor)** designation. Examples include sport fishing facilities, fish stores, gift shops, and recreational boat docks. Areas along the Embarcadero are located within this designation, and include restaurants and hotels as major uses.

## Environmentally Sensitive Habitat

The **Environmentally Sensitive Habitat** designation includes protected areas which provide habitat for rare or especially valuable plant or animal life that could be easily disturbed or degraded by human activity. Fishing, clamming, and hiking may be allowed in these areas.

## Agriculture

The **Agriculture** designation provides for the identification and preservation of agricultural land for cultivating crops and raising animals. Lands which fit this designation include those with prime soils, prime agriculture land, land in existing agricultural use, land with agricultural potential, and land under Williamson Act contracts. The agriculture designation allows one residential unit per parcel.

## Mixed Use

Areas within the **Mixed Use** designation include parts of the city that generally feature a mixture of residential, office, commercial, visitor-serving, and recreational lands.



## Overlays

The following overlays are included in the land classification system:

1. Planned Development
2. Restricted Areas
3. Park
4. School
5. Public/Institutional
6. Interim/Open Space Uses in Industrial Categories

**Table 1** below compares the existing general plan land use designations with corresponding zoning districts. The Existing General Plan Land Use Map follows the table.



Table 1. General Plan Land Use Designation/Zoning Consistency

General Plan Land Use Designation	Description of LU Designation	Allowed Density	Corresponding Zoning Districts
Low Density	Detached single-family homes.	0-4 du/ac	AG, R-A, CRR
Moderate Density	Detached or attached single-family homes.	4-7 du/ac	R-1
Medium Density	Detached or attached single-family homes, townhomes, duplexes, and condominiums.	7-15 du/ac	R-2
High Density	Multifamily housing, including apartments, townhomes, and condominiums.	15-27 du/ac	R-3, R-4
Medium Density Residential/ Neighborhood Commercial	Detached or attached single-family homes, townhomes, duplexes, and condominiums. Provides for the daily needs of residents nearby and includes grocery stores, laundromats, pharmacies, and household stores.	7-15 du/ac	R-2, MCR
District Commercial	District commercial areas serve a regional commercial need such as shopping centers and major goods and services.		C-1, MCR
Service Commercial	Commercial uses that are not compatible with residential neighborhoods, as well as light industrial and manufacturing uses, particularly those related to commercial fishing.		C-2, MCR
Visitor Serving Commercial	Encourages tourist-oriented services and uses at easily accessible and destination locations, particularly along Highway 1.		R-4, C-VS
Commercial/ Recreational Fishing	Implements Measure D, which protects the tidelands area between Beach Street and Target Rock by limiting development and use permits to fishing activities only.		CF
General (Light) Industrial	Light industry uses which are not compatible with residential or most commercial uses.		M-1, C-2
Coastal-Dependent Industrial	Specifically for uses which must be located near the coast to function, and are thereby given priority pursuant to the California Coastal Act.		M-2
Mariculture and Marine Research	Areas considered suitable for the propagation and rearing of ocean fish and shellfish.		MMR
Golf Course	Golf courses and related facilities.		GC
Harbor/Navigational Ways	Areas of the city covered by seawater and used for boating, fishing, and visitor-serving uses.		H
Open Space/Recreation	Uses which are not intended for development or intensive recreational uses, but which are not classified as sensitive habitat.		OA



General Plan Land Use Designation	Description of LU Designation	Allowed Density	Corresponding Zoning Districts
Mixed Uses (Harbor)	A mixture of visitor-serving commercial uses and harbor-dependent land uses.		WF
Environmentally Sensitive Habitat	Protection areas which serve as habitat for rare or especially valuable plant or animal life that could be easily disturbed or degraded by human activity.		ESH
Agriculture	Land for cultivating crops and raising animals.		AG
Mixed Use	Mixed-use areas apply to certain parts of the city that generally include a mixture of residential, office, commercial, visitor-serving, and recreational lands		MCR, G-O, Combining MU <sup>1</sup>
<b>Overlays</b>			
Planned Development	Areas which are part of a precise or specific development plan that has received discretionary City approval.		PD
Restricted Areas	Sensitive habitats which have critical or endangered plant or animal life that would be disturbed by even passive recreational uses.		ESH
Park	Existing or proposed public parks.		No corresponding district identified
School	Existing or proposed school facilities.		SCH
Public/Institutional	Facilities which serve the public, including government buildings and service facilities, or quasi-public facilities such as hospitals and cultural, civic, or religious resources.		No corresponding district identified
Interim/Open Space Uses in Industrial Categories	Areas being held for future use but which may have a temporary use in the meantime.		I

**Zoning Districts Legend**

**R-A** Suburban residential district

**R-1** Single-family residential district

**R-2** Duplex residential district

**R-3** Multiple-family residential district

**R-4** Multiple-family residential-hotel-professional district

**CRR** Coastal resource residential district

**C-1** Central business district

**C-2** General commercial district

**MCR** Mixed commercial/residential district

**Note 1: Split zoning makes additional areas consistent with MU.**

**C-VS** Visitor serving commercial district

**G-O** General office district

**M-1** Light industrial district

**M-2** Coastal-dependent industrial district

**AG** Agriculture district

**OA** Open area district

**WF** Waterfront district

**CF** Commercial/recreational fishing district

**H** Harbor and navigable ways district

**MMR** Mariculture and marine research

**SCH** School district

**GC** Golf course district

**PD** Planned development, overlay zone

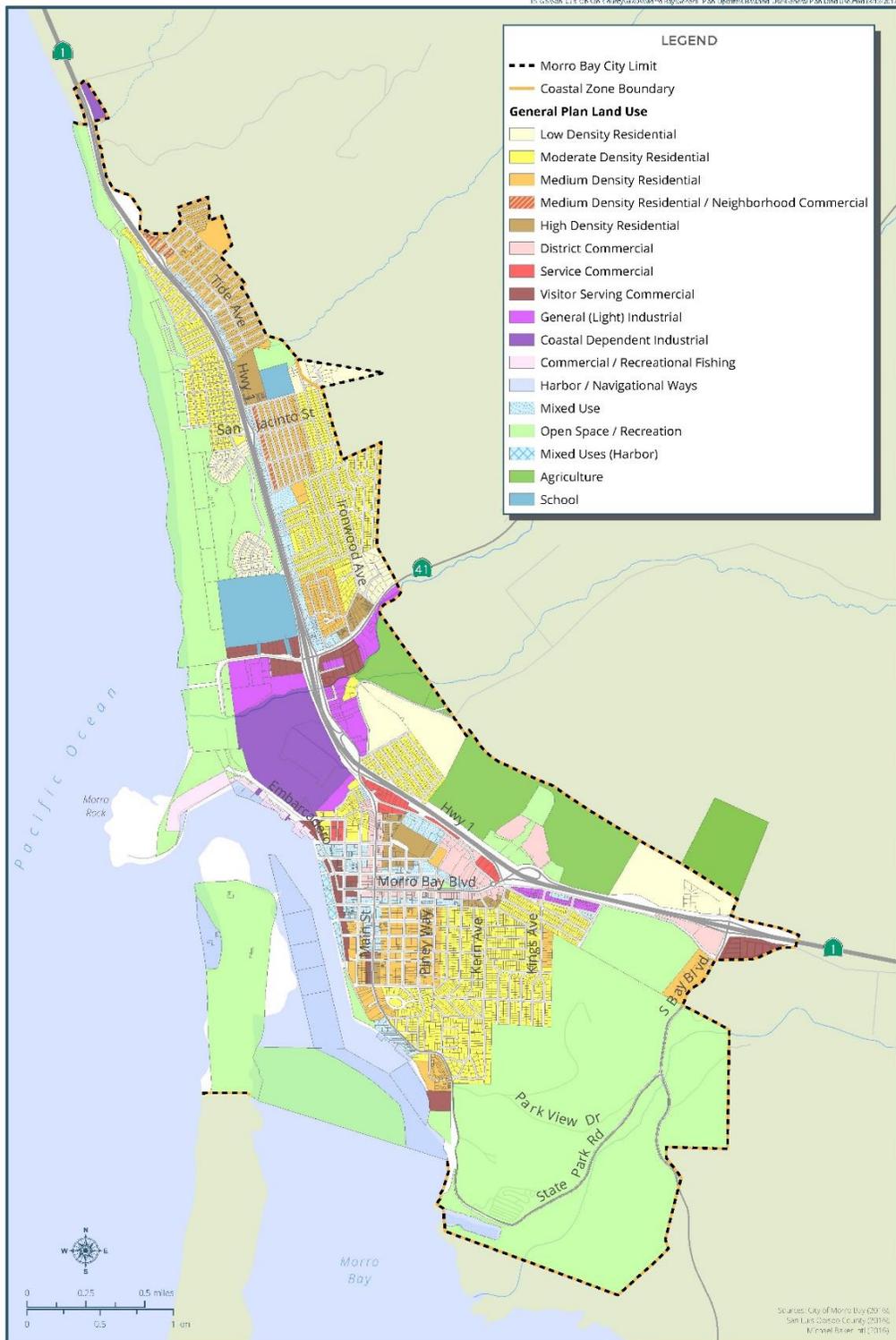
**ESH** Environmentally sensitive habitat overlay zone

**S** Special treatment overlay zone

**Combining MU** Combining mixed use overlay zone

**I** Interim use overlay zone

### Existing General Plan Land Use Designations



Existing General Plan Land Use Designations

## Proposed Changes to Land Use Designations

As part of the *Plan Morro Bay* process, staff recommends the addition of one new land use classification, and modifications to two existing designations:

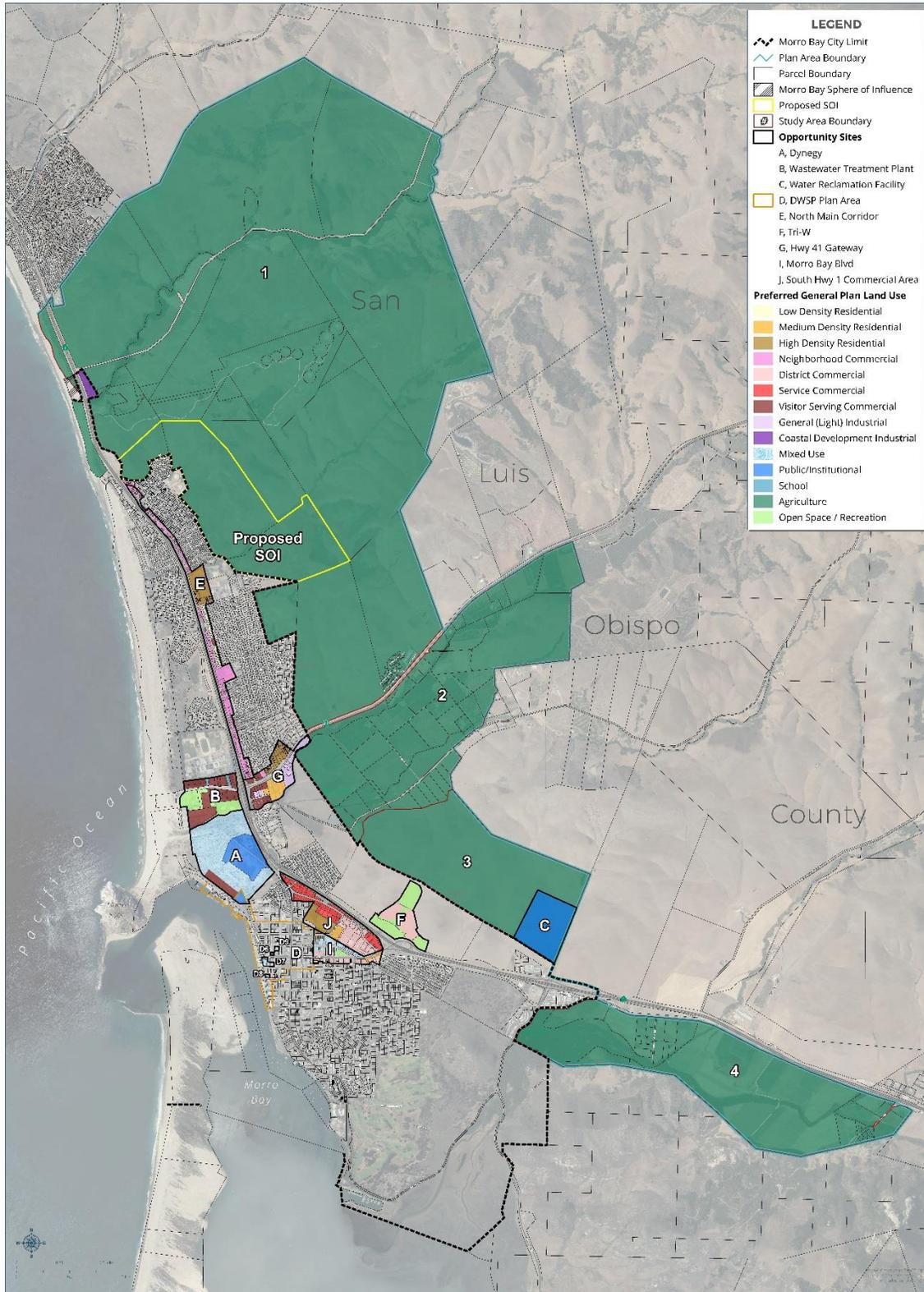
- The Medium Density Residential/Neighborhood Commercial combined classification should be eliminated and a stand-alone Neighborhood Commercial classification should be included.
- Remove Mariculture and Marine Research. This designation does not appear on the Land Use Map and will no longer appear on the Zoning Map after clean-up revisions are made for land use and zoning consistency. The uses it is intended to serve can be addressed through other land uses.
- Some changes to the purpose, standards, and allowed uses for the Mixed Use classification are proposed.
  - Existing Mixed Use Areas A through G will not be applied on the proposed Land Use Map.
  - The Mixed Use designation will be divided into two sub-categories: Mixed Use and Mixed Use-Visitor Serving. The Mixed Use designation will be consistent with the existing Mixed Use land use classification. Mixed Use-Visitor Serving will have the intent of developing mixed-use projects with visitor-serving uses in them.
  - The zoning code update will further define allowed uses and standards through a series of mixed-use zones.
- Changes to Overlays
  - Remove Planned Development overlay. Planned development should be used as a zoning tool.
  - Replace Restricted Areas overlay with the updated ESHA designation. This will correspond one-to-one with the updated ESHA zoning designation.
  - Remove the Park overlay and instead utilize the base designation of Open Space/Recreation and create an implementing zone of Park during the zoning code update.
  - Change the Public/Institutional overlay to a base designation.
  - Remove the School overlay and utilize the base designation of Public/Institutional.
  - Remove the Interim/Open Space Uses in Industrial Categories overlay and instead use a holding zone rather than a holding land use designation.



## Preferred Land Use Alternatives

Based upon background research, City staff and GPAC input, and community engagement, ten opportunity sites have been identified (see Opportunity Sites Overview Map on the following page). These are parcels or areas that are likely to change or are seen as in need of change by the community. The Land Use Element provides policy direction to guide these changes and resulting physical development. Changes are primarily accomplished through the zoning code. Ten sites in the city were identified. One of those sites (Site D) is the Downtown Waterfront Strategic Plan (DWSP) area (see Site D figure). Within that site, there are 15 opportunity sites or corridors where change is anticipated. Each of those sites is discussed individually under Site D. Out of the nine other citywide sites, seven have proposed changes to land use. The remaining two were selected for policy recommendations only.

Opportunity Sites Overview Map



City of Morro Bay General Plan Update  
Preferred General Plan Land Use  
Opportunity Sites and Study Areas

Site D Map of DWSP Opportunity Sites





## Site A: Dynegy Power Plant Site

### Existing Conditions

The site of the decommissioned Morro Bay Power Plant owned by Dynegy is located just across from the north Embarcadero and the bay northeast of Morro Rock, north of the public parking lot and south of Morro Creek (see Site A figure). A smaller portion of this opportunity site is the substation owned by PG&E. It is located behind the Dynegy property, and is still operational. The City-owned Triangle Parking Lot parcel is also included at the southern end of this site. That parcel is 2.3 acres in size and is currently an unpaved vacant site used for parking.

### Existing General Plan

The existing General Plan land use designation on the site is Coastal Dependent Industrial. Dynegy is actively looking to sell its property at the site. Potential future uses for the site could span a broad range including but not limited to recreation/public access, retail, restaurants, senior housing, and an office park. The vision and future land uses for this site will be further defined through a master plan process (or other site-specific planning process) once the site has been sold by Dynegy and before it is redeveloped. PG&E is planning on hardening and moving equipment into a structure on the substation parcel so the facility's footprint will be reduced on its parcel. The northern edge of this site is ESHA.

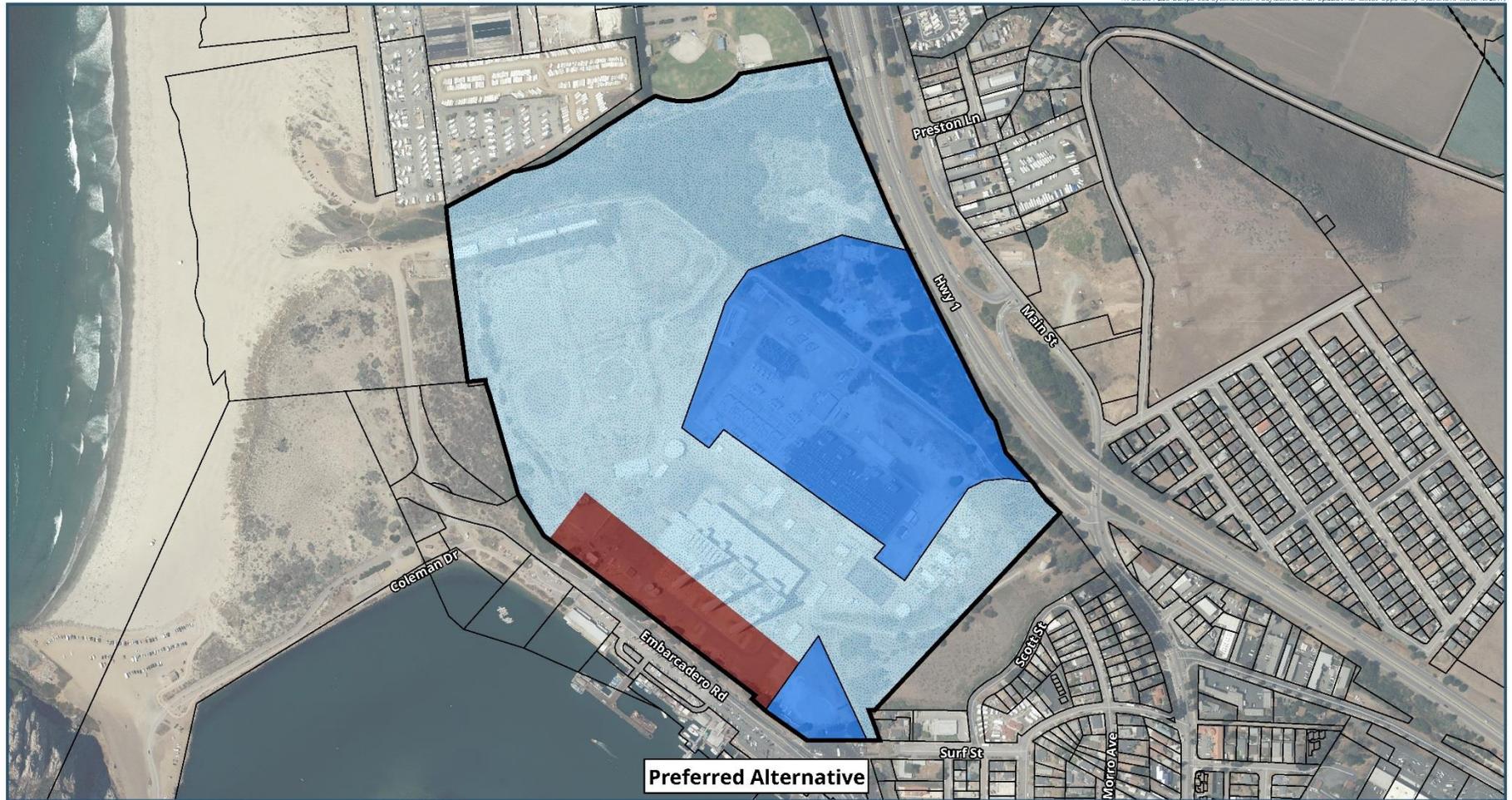
### Preferred Alternative

Based on the site's location proximate to the coast, and the community input received to date, land use changes are anticipated for the portion of the site owned by Dynegy. The land use designation for the PG&E substation parcel would be Public/Institutional. The proposed land use designations for the future of the site are predominantly Mixed Use, with some Visitor Serving Commercial uses fronting Embarcadero.

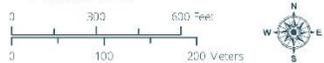
The anticipated future catalyst projects on the Triangle Parking Lot portion of this site are a market/seafood hall or a cultural, maritime, or historical museum, a boatyard, and a parking lot or structure. While progress is made toward a permanent catalyst project on this site, interim uses are anticipated to occur. These interim uses could include parking as is occurring now, passive recreation, or landscape maintenance.

**SITE A: DYNEGY POWER PLANT**

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**Preferred Alternative**



**LEGEND**

- Opportunity Site
- Parcels
- Morro Bay City Limit
- General Plan Land Use - Public/Institutional
- General Plan Land Use - Mixed Use
- General Plan Land Use - Visitor Serving Commercial

Source: City of Morro Bay (2016);  
San Luis Obispo County (2016);  
Michael Baker Int. (2016).



## Site B: Existing Wastewater Treatment Plant and Desalination Plant

### Existing Conditions

This area is located near the coast along State Route (SR) 41 and Atascadero Road west of Highway 1 (see Site B figure). It includes the City's wastewater treatment plant (WWTP), desalination plant, and driveways to Morro Bay High School. Other uses include motels, the building formerly housing Flippo's roller rink, the skate park and teen center, Lila Keiser Park, and Morro Strand and Morro Dunes RV parks.

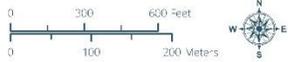
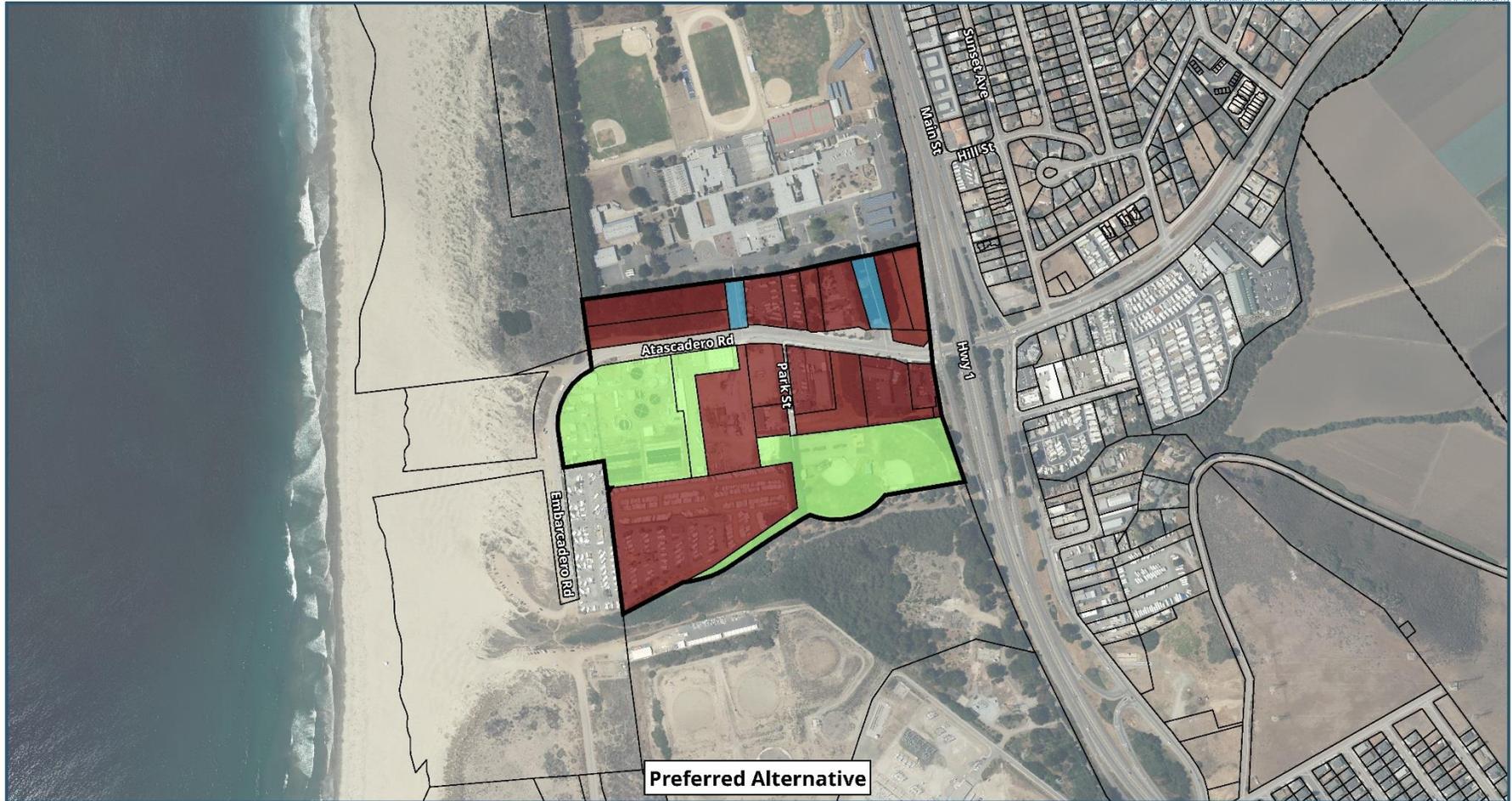
### Existing General Plan

The existing land use designations on this site are General (Light) Industrial, Visitor Serving Commercial, School, and Open Space/Recreation.

### Preferred Alternative

The future land uses for this site will be driven largely by plans to relocate the existing City WWTP within the next five years. Other potential land use changes in this area rely on less certain potential changes. Land uses are not proposed to change on the former Flippo's site. The Morro Dunes RV park on the south side of SR 41 is proposed to change to Visitor Serving Commercial to more closely align with the existing use and future vision. The existing land use at Lila Keiser Park does not match on-the-ground land use. The park's designation would be changed from General (Light) Industrial to Open Space/Recreation to reconcile this discrepancy. Public/Institutional is an overlay in the existing Land Use Element and would be proposed as a base designation in the update. After the WWTP closes and if the desalination plant closes or is relocated in the future, that portion of this site could be designated for either Visitor Serving Commercial or Open Space/Recreation use. This preferred alternative shows a configuration that would accommodate both uses.

**SITE B: EXISTING WWTP/DESALINATION PLANT**



**LEGEND**

Opportunity Site	<b>General Plan Land Use</b>
Parcels	Visitor Serving Commercial
Morro Bay City Limit	Open Space / Recreation
	School

Sources: City of Morro Bay (2010);  
San Luis Obispo County (2015);  
Michael Severik (2015)



## Site C: Proposed Water Reclamation Facility

### Existing Conditions

This site is located outside the city limits just east of Highway 1 near the south end of Morro Bay (see Site C figure). The city limit is on the other edge of the highway.

### Existing General Plan

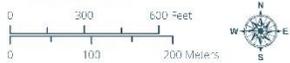
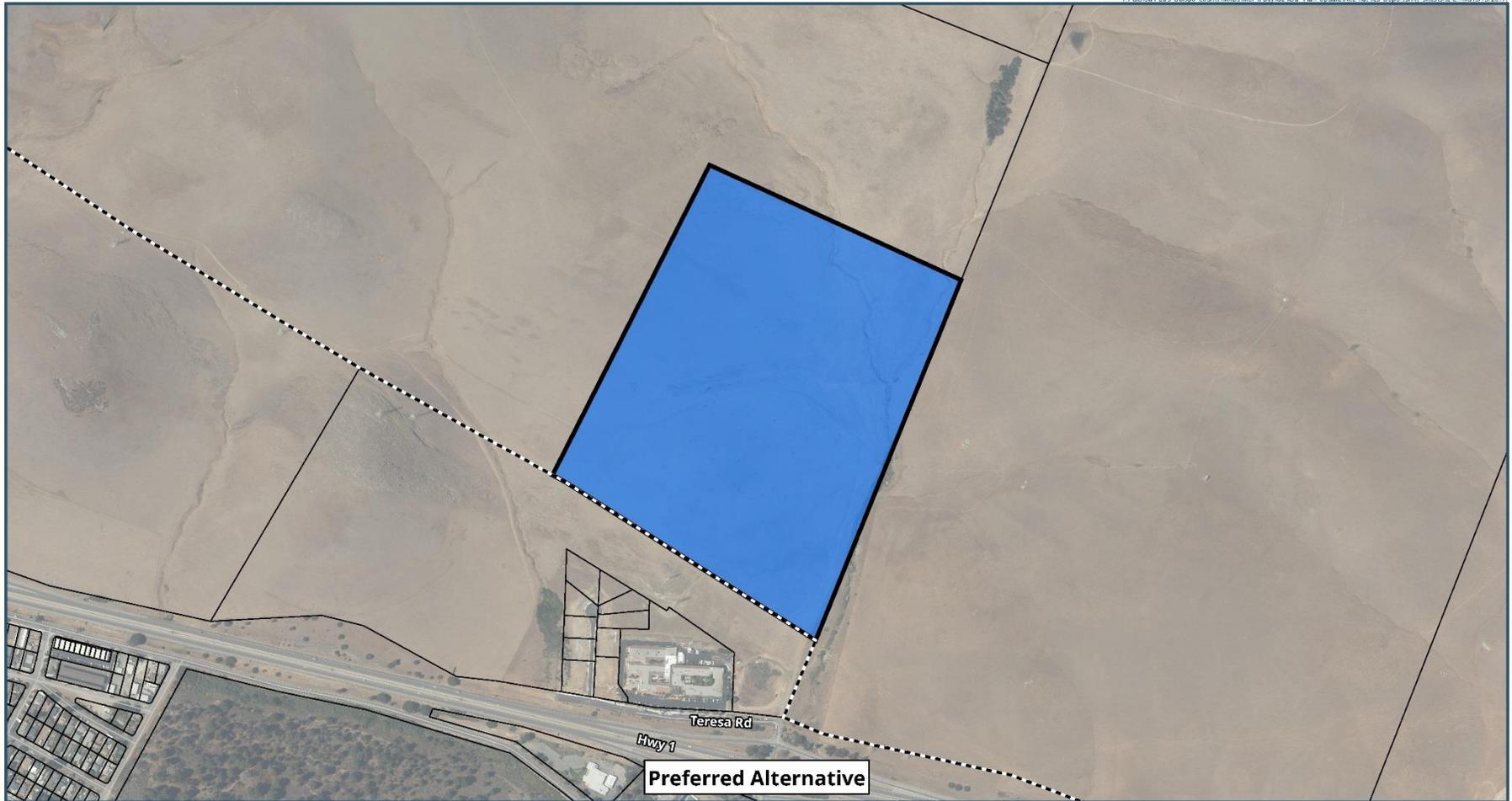
The existing County land use designation on the site Agriculture. This site will be included in the Memorandum of Agreement with the County regarding SOI expansion and potential future annexation.

### Preferred Alternative

This site is the preferred location for the proposed Morro Bay Water Reclamation Facility (WRF). If that project is approved, the City would propose annexation of this site into the City. If this site is annexed into the City, the proposed land use designation would be Public/Institutional.

SITE C: PROPOSED WRF SITE

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LEGEND

- Opportunity Site
- Parcels
- Morro Bay City Limit
- General Plan Land Use  
Public/Institutional

Sources: City of Morro Bay (2016);  
San Luis Obispo County (2016);  
Michael Baker Inc. (2016).



## Site D: Downtown Waterfront Strategic Plan Area

The sites discussed in this section are located in the Downtown Waterfront Strategic Plan (DWSP) area. Sites with proposed changes to land uses have one or more proposed catalyst projects associated with them in the DWSP. The change to land use on the site is necessary to allow for the catalyst project uses. Only the sites with proposed changes to land use are included here for consideration. (Some sites identified in the DWSP have suggested policy recommendations rather than proposed alternative land use classifications.)

### Site D.6 Vacant Lots at Market Avenue and Morro Bay Boulevard

#### Existing Conditions

This site consists of three vacant parcels located at the northeast corner of Market Avenue and Morro Bay Boulevard (see Site D.6 figure) currently used as private surface parking lots. The three parcels total 0.22 acres.

#### Catalyst Projects

The anticipated future catalyst projects at this site are a full-service hotel and conference center or creative mixed-use project. If the chosen catalyst project was a full-service hotel and conference center a portion but not all of that type of facility could be accommodated on these lots. While progress is made towards a permanent catalyst project on this site it is anticipated interim uses may occur here. These interim uses could include parking, passive recreation and landscape maintenance.

#### Existing General Plan

The existing land use designation on the site is Visitor Serving Commercial. This designation would allow either the existing use (surface parking) or the full-service hotel and conference center catalyst project. It could also accommodate a wider range of alternative visitor-serving uses consistent with the Coastal Act.

**SITE D.6: VACANT LOTS AT MARKET AVE AND MORRO BAY BLVD**



**LEGEND**

- Opportunity Site
- Parcels
- Morro Bay City Limit
- General Plan Land Use - Mixed Use

Source: City of Morro Bay (2016);  
San Luis Obispo County (2016);  
Michael Baker Intl (2016).

## Land Use Alternatives Memo

### Preferred Alternative

The creative mixed-use catalyst project would require a change in land use designation for this site to Mixed Use.

### D.7 City-Owned Lots at Embarcadero and Pacific Street

#### Existing Conditions

This site consists of six City-owned vacant parcels at the northeast corner of Embarcadero and Pacific Street (see Site D.7 figure). The parcels total 1.43 acres.

Five of the parcels are on Embarcadero and one is on the other side of Market Avenue on Pacific Street. Many of these lots are currently used as public surface parking lots.

#### Catalyst Projects

The anticipated future catalyst projects at this site are a market/seafood hall, ecotourism, or a full-service hotel and conference center. While progress is made towards a permanent catalyst project on this site, it is anticipated interim uses may occur here. These interim uses could include parking, passive recreation and landscape maintenance.

#### Existing General Plan

The existing land use designations on the site are Visitor Serving Commercial and Mixed Use. These designations could accommodate the existing use (surface parking), or the market/seafood hall, museum, or full-service hotel and conference center. They could also accommodate a wider range of alternative visitor-serving uses consistent with the Coastal Act.

#### Preferred Alternative

Depending on the specific proposed use, ecotourism uses could require land use designation changes on a portion of the site from Visitor Serving Commercial to Mixed Use. This could impact the existing supply of public parking and reduce the amount of visitor-serving commercial area located within the coastal zone. Unless these reductions

## Land Use Alternatives Memo

are offset by land use changes on other opportunity sites within the coastal zone, this could be determined to be in conflict with the Coastal Act by the California Coastal Commission.

### D.8 Vacant Lot at Embarcadero and Marina Street

#### Existing Conditions

This site consists of one vacant 0.28-acre parcel located at the northeast corner of Embarcadero and Marina Street near the Shell Shop and aquarium (see Site D.8 figure). The site is currently unpaved and not in use.

#### Catalyst Projects

The anticipated future catalyst projects at this site are a market/seafood hall, family outdoor entertainment, ecotourism, a cultural, maritime, or historical museum, or full-service hotel and conference center. It may also be subject to the proposed Embarcadero streetscape furnishing palette. If the chosen catalyst project was a full-service hotel and conference center a portion but not all of that type of facility could be accommodated on these lots. While progress is made towards a permanent catalyst project on this site it is anticipated interim uses may occur here. These interim uses could include parking, passive recreation and landscape maintenance.

#### Existing General Plan

The existing land use designation on the site is Visitor Serving Commercial. This designation could accommodate the existing use or the market/seafood hall, family outdoor entertainment, museum, or full-service hotel and conference center (within the constraints of the size of these parcels as discussed above). It could also accommodate a wider range of alternative visitor-serving uses consistent with the Coastal Act.

SITE D.7: CITY LOTS AT EMBARCADERO AND PACIFIC ST



LEGEND

Opportunity Site	General Plan Land Use
Parcels	Mixed Use
Morro Bay City Limit	

\*Sources: City of Morro Bay (2016); San Luis Obispo County (2016); Michael Baker Intl (2016).

**SITE D.8: VACANT LOT AT EMBARCADERO RD AND MARINA ST**

15:43:08 San Luis Obispo County\MGIS\Morro Bay\General Plan\LandUseAlternatives\Opportunity Sites\Site D.8.mxd (2/12/2017)



**Preferred Alternative**

LEGEND

- Opportunity Site
- Parcels
- Morro Bay City Limit
- General Plan Land Use
- Mixed Use



Sources: City of Morro Bay (2015);  
San Luis Obispo County (2015);  
Michael Baker Intl (2015).

## Preferred Alternative

Depending on the specific proposed use, ecotourism uses could require a land use designation change to Mixed Use. This could reduce the amount of visitor-serving commercial area located within the coastal zone. Unless this reduction is offset by land use changes on other opportunity sites within the coastal zone, this could be determined to be in conflict with the Coastal Act by the California Coastal Commission.

## D.9 Vacant Lot at Harbor Street and Morro Avenue

### Existing Conditions

This site consists of one 0.4-acre vacant parcel at the southwest corner of Harbor Street and Morro Avenue (see Site D.9 figure). It is currently an unpaved vacant lot.

### Catalyst Projects

The anticipated future catalyst projects at this site are a creative mixed-use project or a cultural, maritime, or historical museum.

### Existing General Plan

The existing land use designation on the site is Visitor Serving Commercial. This designation could accommodate the museum. It could also accommodate a wider range of alternative visitor-serving uses consistent with the Coastal Act.

## Preferred Alternative

The creative mixed-use catalyst project would require a change in land use designation for this site to Mixed Use. This could impact the amount of visitor-serving commercial area located within the coastal zone. Unless this reduction is offset by land use changes on other opportunity sites within the coastal zone, this could be determined to be in conflict with the Coastal Act by the California Coastal Commission.

SITE D.9: VACANT LOT AT HARBOR ST AND MORRO AVE



LEGEND

Opportunity Site	General Plan Land Use Mixed Use
Parcels	
Morro Bay City Limit	

Sources: City of Morro Bay (2016);  
San Luis Obispo County (2016);  
Michael Baker Intl (2016).

## Site E: North Main Street Corridor

### Existing Conditions

This site makes up the commercial corridor along Main Street just east of Highway 1 in north Morro Bay (see Site E figure). It spans 1.9 miles from close to the northern city limit, just east of Highway 1, and includes crossings of Tahiti, Sequoia, San Jacinto, Elena, Bonita, and Hill Streets.

### Existing General Plan

The existing land use designations along this corridor include Mixed Use, Medium Density Residential/Neighborhood Commercial, and High Density Residential. The purpose of the existing land use designations is to support highway-serving commercial uses, but the actual on-the-ground uses are mostly neighborhood-serving commercial uses.

### Preferred Alternative

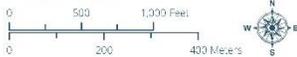
The future land uses for this site should address the actual neighborhood trends and on-the-ground land uses. There is a need for more neighborhood-serving commercial uses fronting Main Street. This can be accomplished by replacing the Mixed Use designation in this area with Neighborhood Commercial. Neighborhood Commercial should be applied independently from a residential designation (i.e., without the option for residential use) which contrasts with the practice identified in the existing Land Use Element and on the Land Use Map. Some nodes for focusing the neighborhood-serving commercial uses are suggested in circles on the Site E figure.

Existing commercial uses should be preserved rather than replaced with residential uses in this area. Residential uses should be allowed only above or behind other commercial uses in the Neighborhood Commercial areas. Between Sequoia Street and Elena Street, where the existing designation is Medium Density Residential/Neighborhood Commercial, the land uses should be changed to reflect the on-the-ground land uses. The existing motel should be designated Visitor Serving Commercial and the remainder of the parcels should be designated Low Density Residential.

SITE E: NORTH MAIN CORRIDOR



Preferred Alternative



LEGEND

- Opportunity Site
- Parcels
- Morro Bay City Limit
- General Plan Land Use - Low Density Residential
- High Density Residential
- Visitor Serving Commercial
- Neighborhood Commercial

Source: City of Morro Bay (2014); San Luis Obispo County (2014); V. Chad Jaker (2016).



## Site F: Tri-W Site

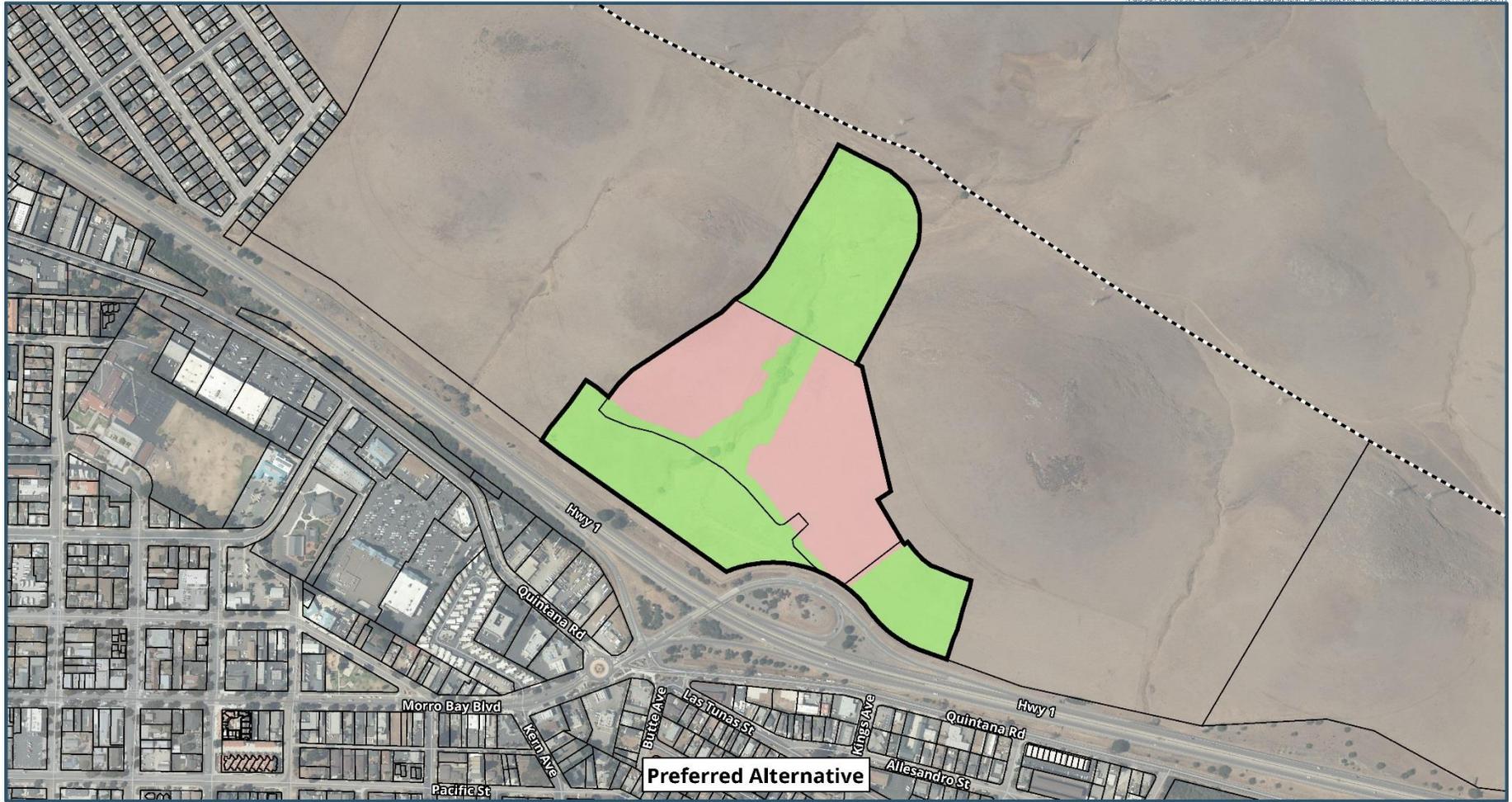
### Existing Conditions

The Tri-W site is located on the north side of Highway 1 adjacent to the Morro Bay Boulevard exit (see Site F figure). It is a vacant area made up of four parcels of hilly topography covered in annual grasses. The site was a subject of a voter referendum in 1990. Measure H (Ordinance No. 389) limited the zones and uses at the Tri-W property. It allows commercial development on only 13 acres of the 30-acre property, and establishes the location of the commercial uses to be “generally located adjacent to Highway 1 and Morro Bay Boulevard.” Any changes to these land uses would require voter approval by the citizens of Morro Bay.

### Preferred Alternative

The preferred alternative on this site is to maintain the existing land use designations of Open Space/Recreation and District Commercial and not revisit Measure H.

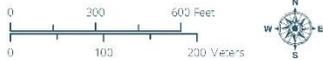
SITE F: TRI-W



Preferred Alternative

LEGEND

- |                      |                              |
|----------------------|------------------------------|
| Opportunity Site     | <b>General Plan Land Use</b> |
| Parcels              | District Commercial          |
| Morro Bay City Limit | Open Space / Recreation      |



Sources: City of Morro Bay (2011-08)  
San Luis Obispo County (2011-08)  
Michael Salzman (2017-08)



## Site G: State Route 41 Gateway

### Existing Conditions

This site is located on either side of SR 41 as it enters Morro Bay from the east. The area is a gateway to the city (see Site G figure). Existing on-the-ground uses include residential, commercial, visitor-serving commercial uses like gas stations and fast food, and landscaping, and the Silver City mobile home park. Future new development should improve this area as a gateway, including inviting-looking visitor-serving uses.

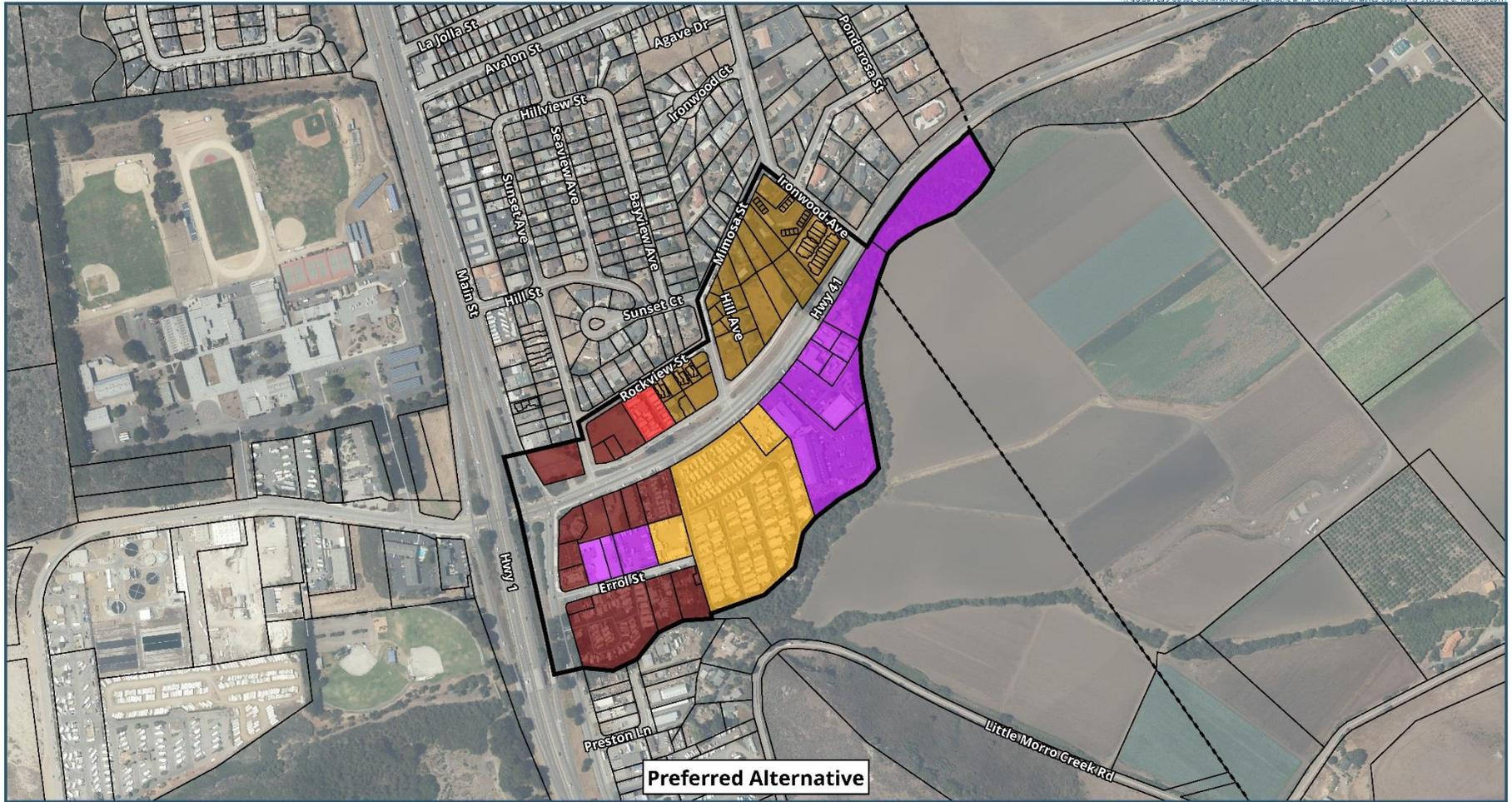
### Existing General Plan

The existing land use designations on this site are Visitor Serving Commercial, General (Light) Industrial, Mixed Use, and High Density Residential. These designations would accommodate most of the existing uses and could support enhancing the areas as a gateway.

### Alternative 1

Future land use changes in this area should reflect the on-the-ground land uses and encourage more visitor-serving uses along this gateway. The parcel where the mobile home park is located could be redesignated from Visitor Serving Commercial to Medium Density Residential. The area adjacent to Highway 41 on the north side closest to Highway 1 could be redesignated from Mixed Use to Visitor Serving Commercial. The rest of the land use designations are not proposed to change.

**SITE G: HIGHWAY 41 GATEWAY**



**Preferred Alternative**



**LEGEND**

- Opportunity Site
- Parcels
- Morro Bay City Limit
- Preferred Alternative
- Medium Density Residential
- High Density Residential
- Neighborhood Commercial
- Visitor Serving Commercial
- General (Light) Industrial

Sources: City of Morro Bay (2016), San Luis Obispo County (2016), Michael Baker Intl (2016).



## Site H: Measure D Area

### Existing Conditions

This site sits along the north Embarcadero and includes the properties on the bay side of the Embarcadero as well as Coleman Park (see Site H figure). The site was a subject of a voter referendum in 1981. Measure D (Ordinance No. 207) restricts development on state-owned tidelands between Beach Street and Target Rock. Only development serving primarily commercial or recreational fishing is permitted. Any changes to these land uses would be subject to voter approval by the citizens of Morro Bay.

### Existing General Plan

The majority of this site is currently designated Commercial/Recreational Fishing, along with a small amount of Coastal Dependent Industrial, and Open Space/Recreation.

There is a desire within the community and by the City to better define what is allowed in the Measure D area as the existing ordinance language has some ambiguities. However, no changes to the land use designations are proposed. Therefore, no land use alternatives are proposed for this area.

### Preferred Alternative

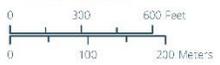
Except for minor changes to make land use and zoning consistent on this site, no changes to land use are proposed. Clarification of Measure D could be considered during the zoning code update.

## Site I: Morro Bay Boulevard Gateway

### Existing Conditions

This site centers on Morro Bay Boulevard from the traffic circle at the Highway 1 exit south to Napa Avenue (see Site I figure). City Park is included in this site. This area represents the main gateway to the city from Highway 1 as well as the entrance to downtown.

SITE H: MEASURE D/CF AREA



LEGEND

 Opportunity Site	 <b>General Plan Land Use</b>
 Parcels	 Coastal Development Industrial
 Morro Bay City Limit	 Commercial / Recreational Fishing
	 Harbor / Navigational Ways
	 Open Space / Recreation

Source: City of Morro Bay (2013), San Luis Obispo County (2016), Michael Baker Inc. (2013)



## Land Use Alternatives Memo

### Existing General Plan

Existing land use designations on this site include Mixed Use, District Commercial, Open Space/Recreation (City Park), and a small amount of High Density Residential.

The future vision for this site is driven by the desire to improve the area as a welcoming gateway and further unify the proposed uses. Future development should include a trend away from residential development and standards could be changed to prohibit new street-fronting residential development. The City should also consider a Civic Center Master Plan for the City-owned properties included as part of this site. The master plan could include plans for future upgrades to existing buildings and for additional density on City-owned properties in the long term.

### Preferred Alternative

As part of the desire to improve this area and create a welcoming environment, this alternative proposes to change the land use designation on the far western end of the block containing City Park from District Commercial to Open Space/Recreation. This creates a future opportunity to expand the park.

## Site J: Quintana Road North of Roundabout

### Existing Conditions

This site runs west along Quintana Road from Morro Bay Boulevard to Main Street on the south side of Highway 1 (see Site J figure). Existing on-the-ground land uses include highway-serving commercial uses like grocery stores and other retail uses and non-retail commercial, as well as a closed elementary school located on property owned by the school district.

### Existing General Plan

The existing General Plan land use designations on this site include Mixed Use, District Commercial, Medium Density Residential, High Density Residential (at the closed school site), and Service Commercial.

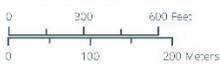
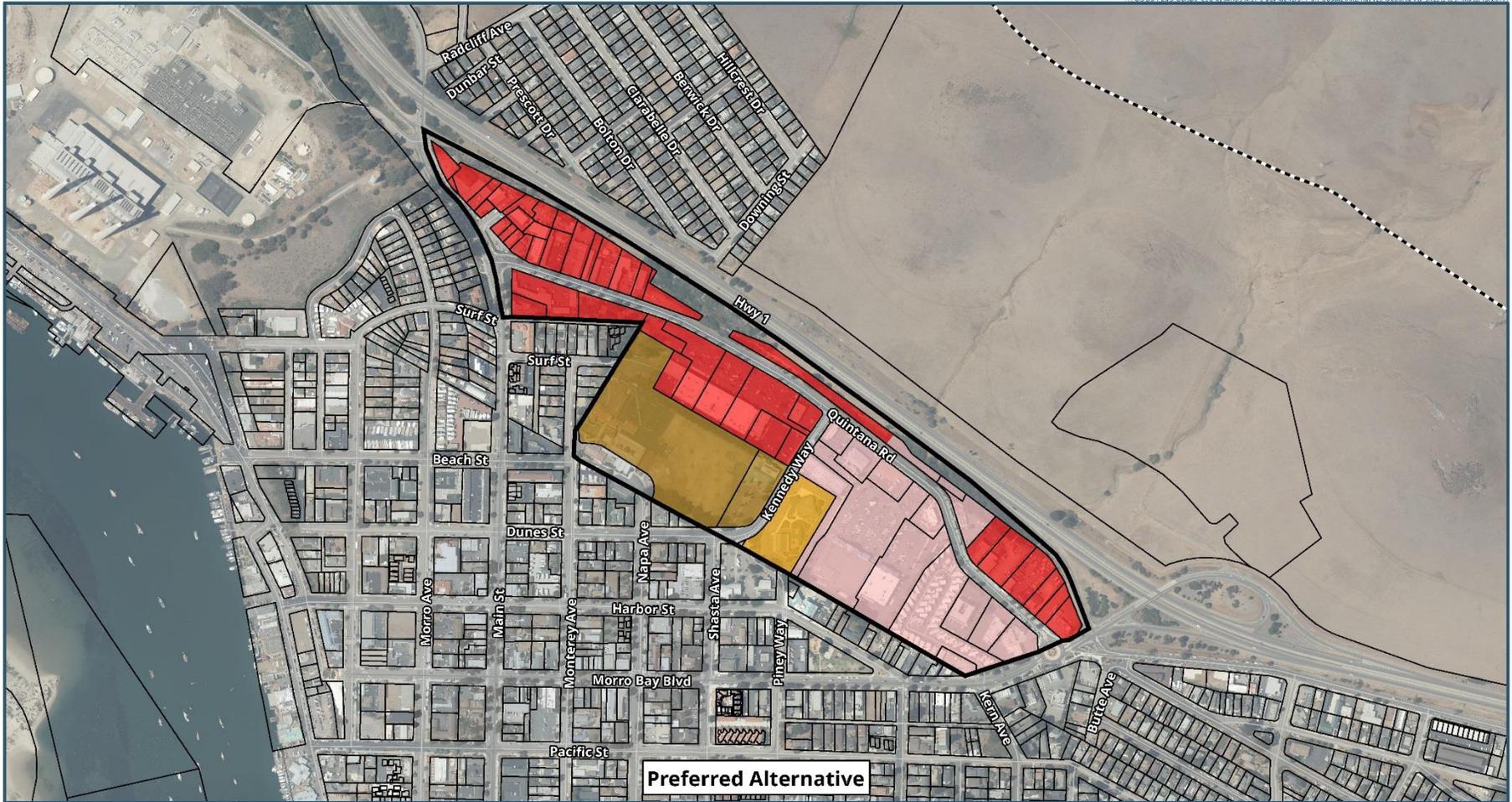
## Land Use Alternatives Memo

### Preferred Alternative

Minor changes are envisioned to the existing General Plan land use designations in this area to reflect the envisioned future character and consolidate land uses. Parcels located at the shopping center currently designated Mixed Use could be changed to Service Commercial.

**SITE J: HIGHWAY SERVING COMMERCIAL ALONG QUINTANA ROAD**

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**LEGEND**

- |                      |                              |                     |
|----------------------|------------------------------|---------------------|
| Opportunity Site     | <b>General Plan Land Use</b> | District Commercial |
| Parcels              | Medium Density Residential   | Service Commercial  |
| Morro Bay City Limit | High Density Residential     | Mixed Use           |

Source: City of Morro Bay (2016); San Luis Obispo County (2016); Michael Baker Inc (2016).

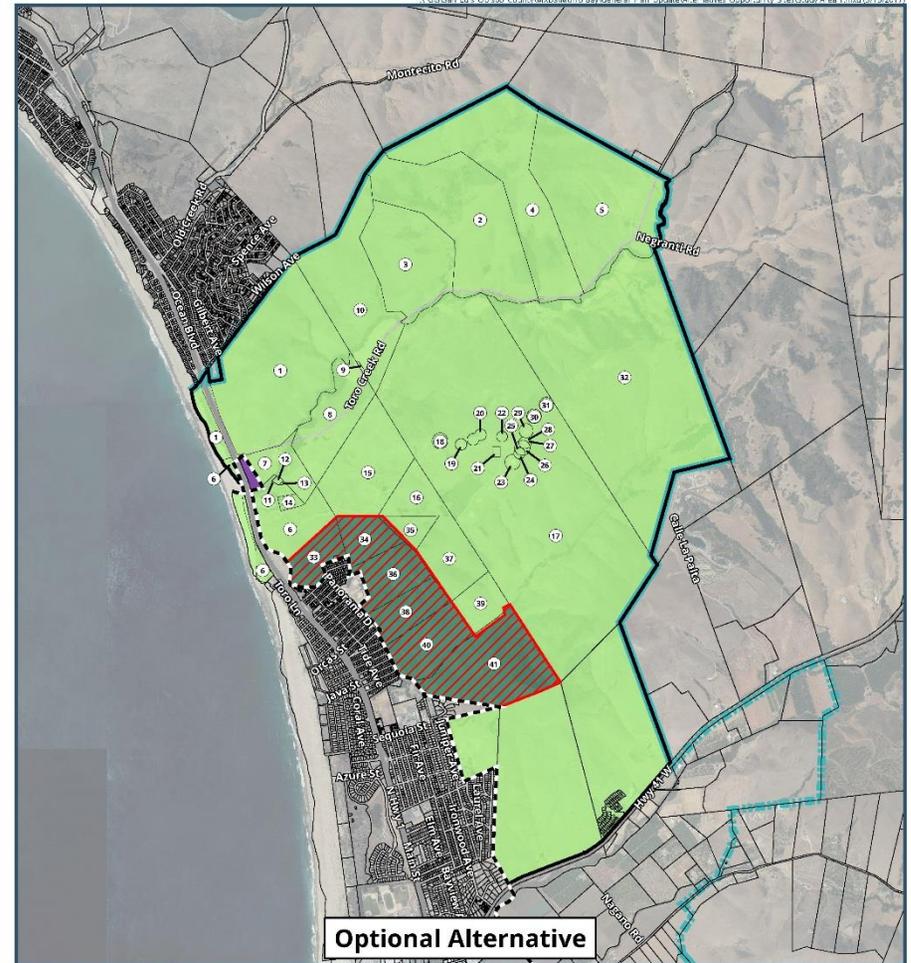
## Planning Area and Sphere of Influence

The areas discussed in this section are currently located outside of the Morro Bay city limits. As part of *Plan Morro Bay*, the City is considering establishing a planning area that extends beyond the city limits. In the future, the City may consider adding certain parts of the planning area into its sphere of influence (SOI) or annexing parcels. (Annexation was discussed earlier in the memo for Site C.) These areas are different from the opportunity sites discussed above because they do not currently have City land use classifications applied to them and they are not currently within the City's land use jurisdiction. If these areas were placed in the planning area, the City would have greater influence in these areas and would request to be notified by the County when any land use applications or other planning processes occur in these areas. If any of these areas were to be included in the City's SOI, they would need to proceed through LAFCO's process to be included in the SOI. If any portions of these areas were to be annexed, they would proceed through LAFCO's process and a City annexation process.

### Study Area 1

Study Area 1 is located east of the city limits from north of Toro Creek Road south to SR 41 (see Study Area 1 figure). It consists primarily of annual grasslands. Much of Study Area 1 includes the former site of the Estero Marine Terminal, which is owned by Chevron. The Estero Marine Terminal site includes marine terminal offices and a former tank farm. The area also contains a 200-acre parcel that includes a mobile home park in a portion of the area. About half of Area 1 is located in the coastal zone. Chevron is currently exploring options to divest from its property ownership in this area. Chevron has presented several times to the GPAC about its properties and potential options for future use of those properties. The figures and parcel numbers referenced in this section are based on maps Chevron presented. The City proposes to include part of this study area in its General Plan planning area and part in its SOI.

STUDY AREA 1



LEGEND

- |                              |                                |
|------------------------------|--------------------------------|
| Study Area                   | Coastal Development Industrial |
| Proposed Sphere of Influence | Agriculture                    |
| Proposed Plan Area Boundary  | Open Space/Recreation          |
| Parcels                      |                                |
| Morro Bay City Limit         |                                |



Source: City of Morro Bay (2016); San Luis Obispo County (2016); Michael Baker (2016)



## Proposed Sphere of Influence

About 25 percent of Study Area 1 is proposed for inclusion in the City's SOI. This area is all currently owned by Chevron and includes areas with potential for residential and commercial development.

## Existing Conditions

This area includes the former marine terminal and all of the Chevron parcels on the west side of Highway 1. It also surrounds an area (east of Highway 1) that is already in the city limits. Much of the area proposed to be in the City's planning area (outside the SOI) is more pristine than the proposed SOI area and includes some high-quality natural habitat. However, this area also includes the former Chevron tank farm as well as some existing residential development adjacent to SR 41.

## Existing General Plan

The property already located within the city limits is designated Coastal Dependent Industrial and is adjacent to another area (west of Highway 1) that is in the City's current SOI. The existing County General Plan land use designations in this area are Agriculture and Recreation.

## Preferred Alternative

Under the preferred alternative, Chevron parcels 33, 34, 36, 38, 40, and 41 would become part of the City's SOI and be designated Agriculture with the restriction of one residential unit per parcel. Under this alternative, only six residential units would be allowed on parcels adjacent to the existing city limits and the balance of this site would be included in the City's planning area with a designation of Agriculture.

## Optional Alternative

Under this slightly different optional alternative, Chevron parcels 33, 34, 36, 38, 40, and 41 would also become part of the City's SOI and be designated Agriculture with the restriction of one residential unit per parcel. Similarly under this alternative, only six residential units would be allowed on parcels adjacent to the existing city limits. The



balance of this site would be included in the City's planning area with a designation of Open Space/Recreation.

## Study Area 2

Study Area 2 is located east of the Morro Bay city limits and south of SR 41 (see Study Area 2 figure). Most of the land in this area is located north of Little Morro Creek Road, although a few parcels extend south of the road. The area is entirely within the Coastal Zone.

### Existing Conditions

Most of this area is under agricultural cultivation and is relatively flat. Avocado orchards are situated on many parcels, while other properties are used to grow field crops.

The vast majority of the land in Study Area 2 is designated as "prime soils." With the exception of some of the northeast portion of Study Area 2, large sections of the area are also considered prime agricultural land, and some parcels are under Williamson Act contracts.

### Existing General Plan

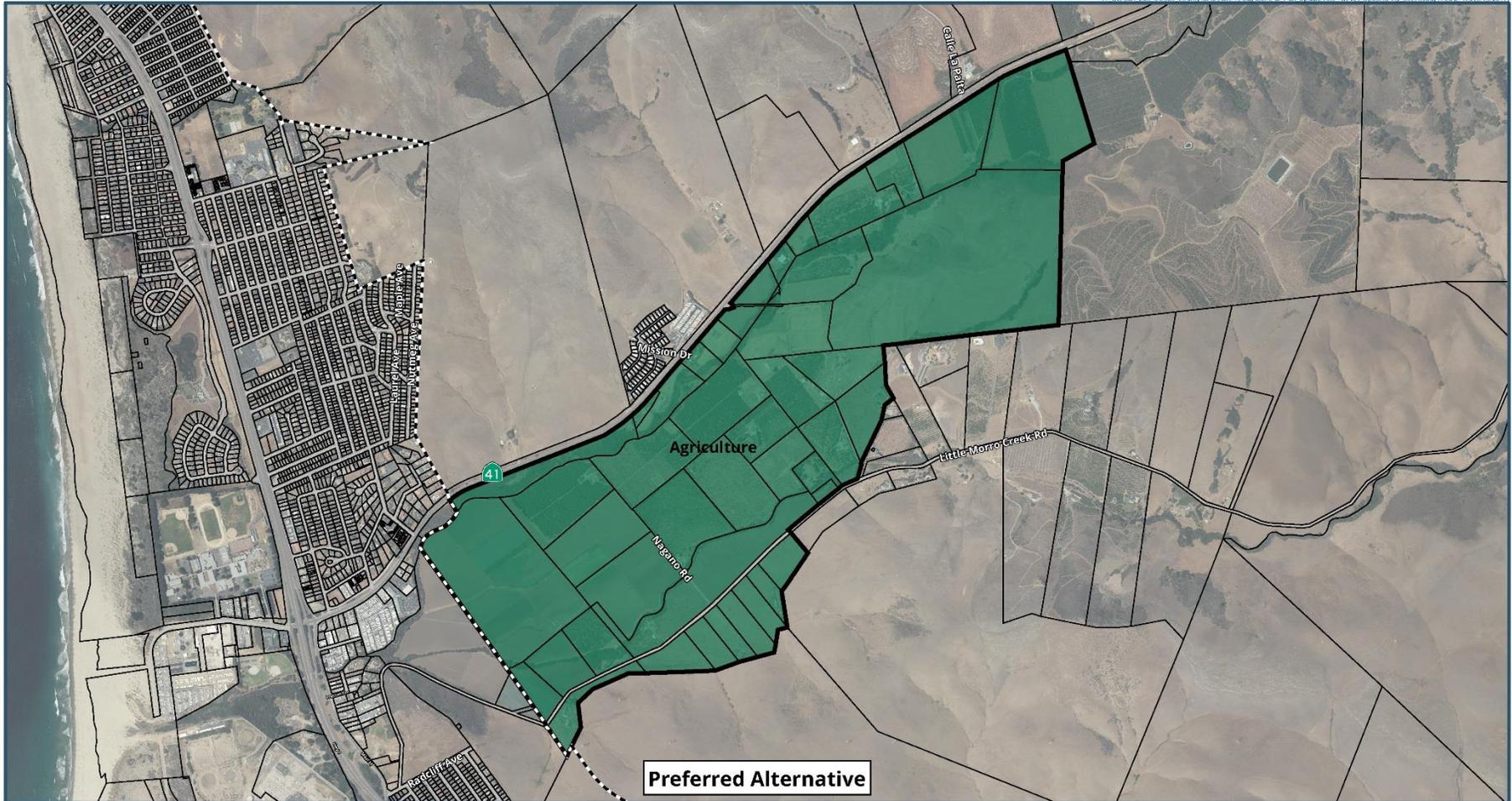
The existing County General Plan land use designation in this area is Agriculture.

### Preferred Alternative

The City's future vision for this area would be to retain the area in agriculture with the potential for conservation/preservation in the long term. This site would be included in the City's planning area with a designation of Agriculture.

STUDY AREA 2

T:\GIS\San\_Luis Obispo County\11701\Morro Bay\General\_Plan\_andLandUse\Map\_Overview\_Site\StudyArea2.mxd (11/14/2017)



Preferred Alternative



LEGEND

- Study Area
- Parcels
- Morro Bay City Limit
- General Plan Land Use
- Agriculture

Sources: City of Morro Bay (2015);  
San Luis Obispo County (2015);  
Michael Baker Intl (2015).



## Study Area 3

Study Area 3 is located north of Highway 1 adjacent to the Tri-W parcel that is located inside the city limits. It is east of Little Morro Creek Road and west of South Bay Boulevard (see Study Area 3 figure).

### Existing Conditions

Most of this area is used for grazing and is quite hilly. It is currently undeveloped. The City is currently evaluating an area at the southeast corner of this study area for the future location of the City's WRF. If that facility is approved, that portion of the study would be annexed and designated Public Facility as detailed under Site C above.

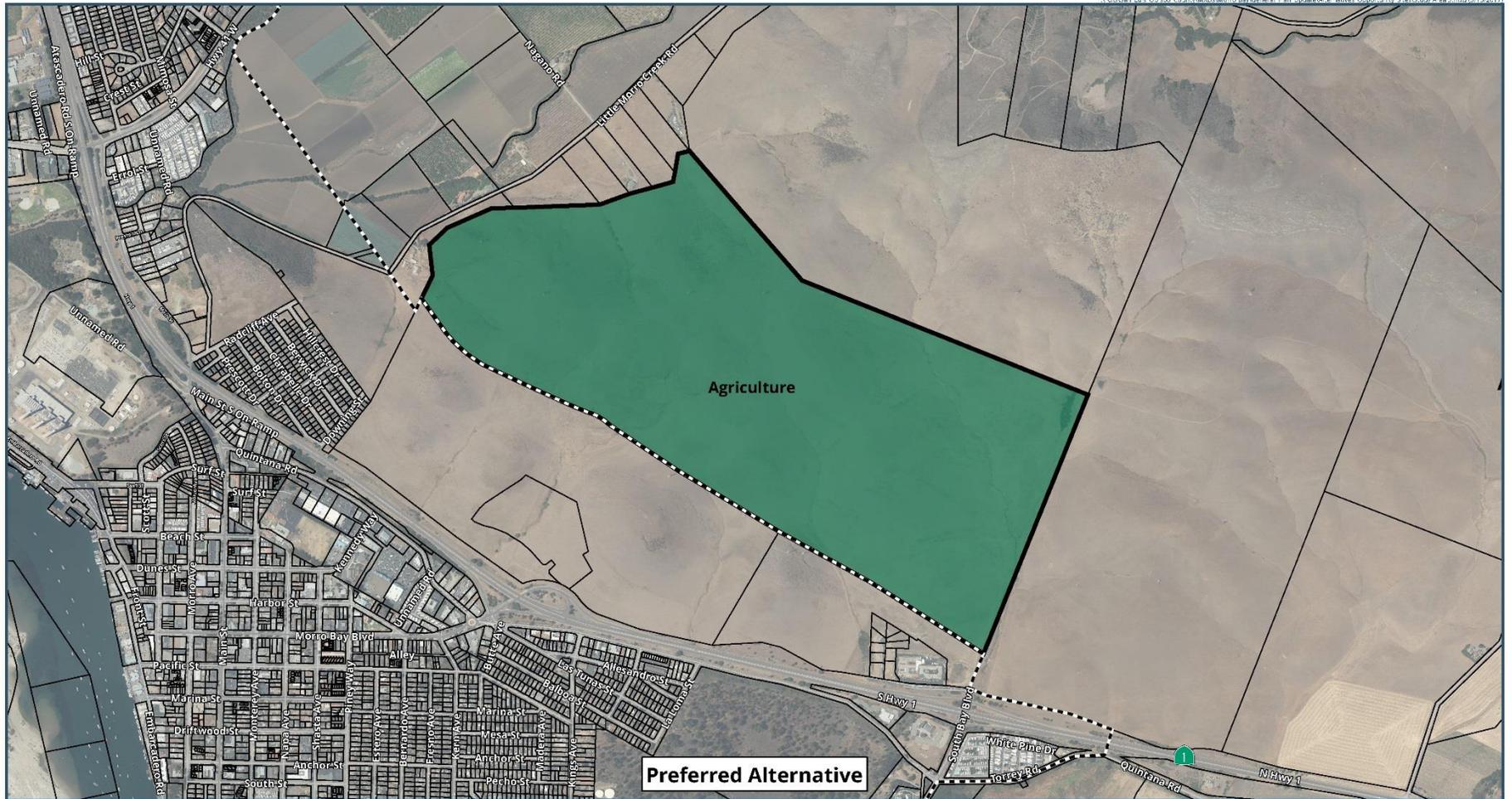
### Existing General Plan

The existing County General Plan land use designation in this area is Agriculture.

### Preferred Alternative

For the remainder of this area (aside from the WRF), or for the whole study area if the WRF location is not approved here, the City's future vision for this area would be to retain the area in agriculture with the potential for conservation/preservation in the long term. This site would be included in the City's planning area with a designation of Agriculture.

STUDY AREA 3



- LEGEND
- Study Area
  - Parcels
  - Morro Bay City Limit
  - General Plan Land Use
  - Agriculture

Source: City of Morro Bay (2016), San Luis Obispo County (2016), Michael Baker (2016).



## Study Area 4

Study Area 4 is located east of the Morro Bay city limits and south of Highway 1, extending east almost to Hollister Peak (see Study Area 4 figure). The terrain of Study Area 4 is fairly flat, lying just north of Cerro Cabrillo and Hollister Peak. Morro Creek runs the length of this study area. The area is located entirely within the Coastal Zone.

### Existing Conditions

Much of Study Area 4 is in agricultural cultivation, primarily as row crops. Almost all of the area is considered prime soil, and some parcels qualify as prime agricultural land. One large parcel is under a Williamson Act contract. The area known as Chorro Flats is owned by the Coastal San Luis Resource Conservation District, which maintains approximately 45 acres in active agricultural production and has restored the rest of the land to wetlands and other wildlife habitat.

### Existing General Plan

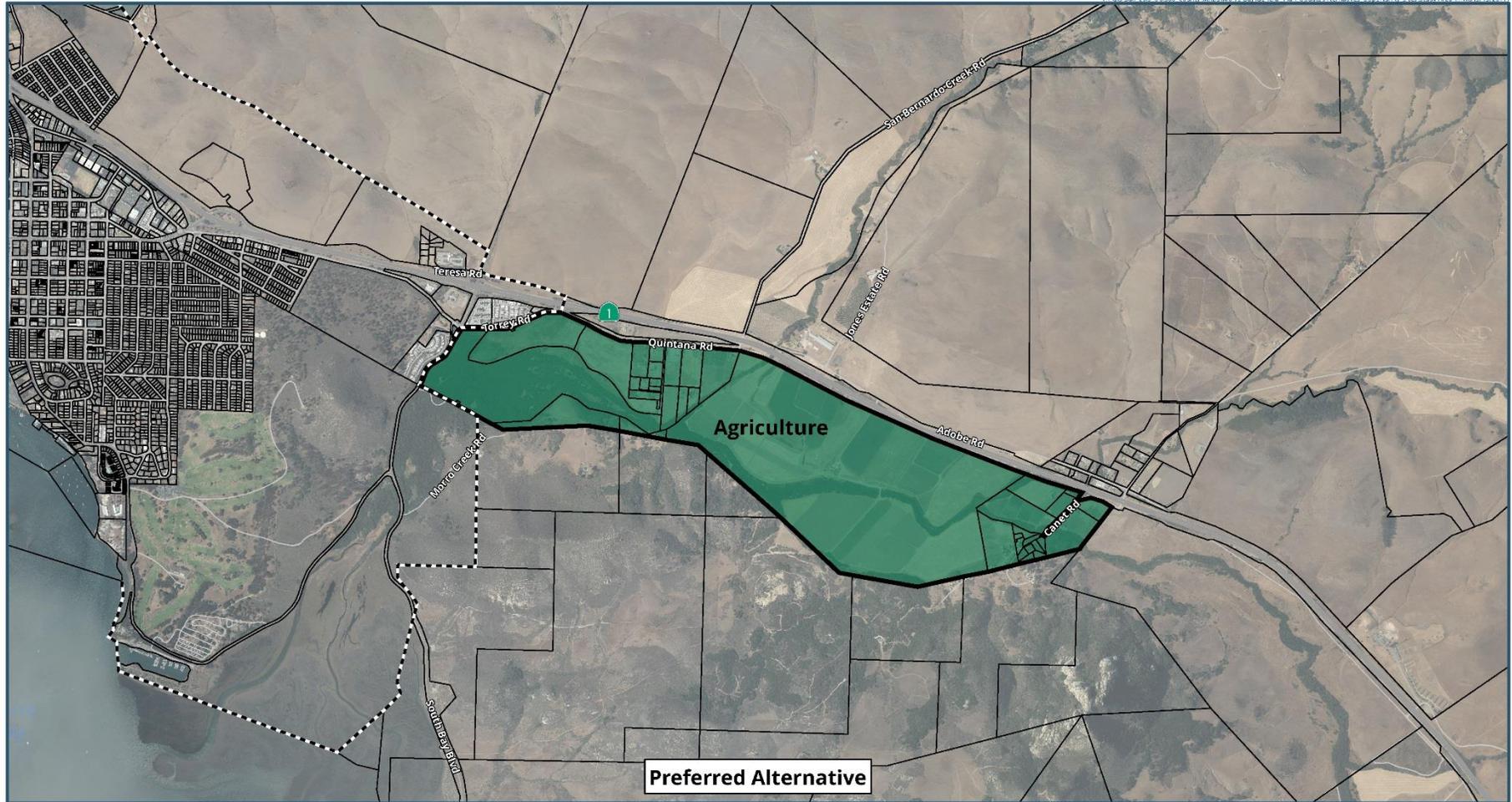
The existing County General Plan land use designation in this area is Agriculture.

### Preferred Alternative

The City's future vision for this area would be to retain the area in agriculture with the potential for conservation/preservation in the long term. This site would be included in the City's planning area with a designation of Agriculture.

STUDY AREA 4

I:\GIS\Plan\_Land\_Usage\_Co\_Env\Map\Map to Bay\Geoserver\_Plan\_LandUse\Alternatives\_Oupout\tr\_53603525\_Area 4.mxd (2/13/2017)



Preferred Alternative



LEGEND

- Study Area
- Parcels
- Morro Bay City Limit
- General Plan Land Use**
- Agriculture

Sources: City of Morro Bay (2016);  
San Luis Obispo County (2016);  
Michae Baker Intl (2016).

AGENDA NO: II  
ATTACHMENT: 2  
MEETING DATE: July 11, 2017

# Attachment:

## January 19, 2017 GPAC Land Use Alternatives Memo

# Land Use Alternatives

As part of the initial phases of Plan Morro Bay, the Michael Baker team worked with City staff and the General Plan Advisory Committee (GPAC) to collect and review existing plans, policies, and technical studies; conduct a community engagement program; develop community themes; prepare a Community Vision and Values; and identify key issues to be addressed in the updated General Plan and Local Coastal Plan. As a next step in the Plan Morro Bay process, City staff and the Michael Baker team have used these materials to develop a number of land use alternatives for opportunity sites located throughout the community. We are now seeking GPAC input related to the opportunity sites and alternatives that staff can use to inform recommendations to the Planning Commission and City Council regarding focused changes to land use designations that align with the Community Vision and Values.

This Land Use Alternatives Memorandum guides discussion regarding the selection of land use alternatives for ten opportunity sites and four study areas outside the city limits identified by City staff and the GPAC, where changes to existing land use or other changes to the vision for that site could be anticipated. These sites were presented to the GPAC at the November 17, 2016, meeting. Following that meeting, the project team identified policy approaches and land use alternatives for the opportunity sites for further discussion with the GPAC. Following GPAC discussion, staff and the Michael Baker team will present the opportunity sites and recommended alternatives to the Planning Commission and the City Council. This process will lead to preparation of the General Plan Land Use Map and completion of a draft Land Use Element for the General Plan update.

To facilitate discussion of proposed alternatives, GPAC members should review this document, and consider each site's recommended policies and proposed alternatives prior to the January 19, 2017, GPAC meeting. At the meeting, we will discuss each area and document GPAC comments and recommendations. This input will be used by the Planning Commission and City Council to identify a preferred alternative for each site, or to determine a combination of alternatives that best suits the needs of each area.

# Land Use Classifications

## Introduction

The Morro Bay General Plan guides the distribution of land use types in the planning area to provide efficient and compatible long-term development. California Government Code Section 65300 states the requirements for the preparation of a general plan, including scope and specific topics that must be covered by the plan. The existing General Plan was adopted in 1988, and includes the following elements:

- Introduction
- Land Use, Open Space, and Conservation
- Circulation
- Visual Resources and Scenic Highway
- Safety
- Noise
- Housing
- Access and Recreation

The land use portion of a general plan is required to establish the general locations for housing, business, industry, open space, and public facilities. It also must include population density and building standards for each district of the planning area. The Morro Bay General Plan land use section is combined with the open space and conservation sections, and includes the authority and purpose of a land use element, existing conditions and issues in Morro Bay, land use classifications, and objectives, policies, and programs regarding land use, open space, and conservation.

Plan Morro Bay also serves as the Local Coastal Program (LCP) for Morro Bay. The LCP consists of a Coastal Land Use Plan (LUP) and Local Implementation Plan; the land use portion of the General Plan will also serve as the LUP portion of the LCP.

Nearly all of Morro Bay is located in the coastal zone, with only the Church of Jesus Christ of Latter Day Saints and five residences on Sequoia Court located outside the coastal zone. Because of its location, the City must also accommodate visitor-serving and coastal-dependent uses adequately in its land use plan.

## Existing Land Use Designations

The existing General Plan includes a variety of land use designations which pertain to residential, commercial, industrial, agricultural, mixed-use, visitor-serving, coastal-dependent, public facility, and other uses. The following sections provide an overview of the current land use designation categories. The Coastal Act requires that the LUP include a land use designation or designations that specifically accommodate visitor-serving and coastal-dependent/coastal-related uses. Under the existing Morro Bay General Plan and LUP, the designations that achieve this goal are Visitor Serving Commercial, Commercial/Recreational Fishing, Mariculture and Marine Research, Mixed Uses (Harbor), and Coastal Development Industrial.

### Residential

The 1988 Morro Bay General Plan includes four residential land use categories based on the following density levels:

- **Low Density:** Up to 4 units per acre
- **Moderate Density:** 4 to 7 units per acre
- **Medium Density:** 7 to 15 units per acre
- **High Density:** 15 to 27 units per acre

The residential land use designations are the only designations in the existing General Plan with densities or intensities. The updated Plan Morro Bay will include these standards for the proposed land use designations. The majority of parcels designated for residential use in the General Plan are located in the northern and south-central portions of the planning area.

### Commercial

In the General Plan, commercial land use categories are generally located along Highway 1 and in downtown, with one small additional commercial area located in the southern coastal area north of Fairbanks Point. Much of the commercial development in Morro Bay is visitor-serving, a category which includes hotels and inns, restaurants, and shops. The five commercial land use categories are:

- Medium Density Residential/Neighborhood Commercial
- District Commercial
- Service Commercial
- Visitor Serving Commercial
- Commercial/Recreational Fishing

## Industrial

The General Plan includes two industrial categories to differentiate coastal-dependent industry from noncoastal-dependent industry: **General (Light) Industrial** is used for noncoastal dependent uses, and **Coastal Dependent Industrial** is used for coastal-dependent uses. Coastal-dependent uses include thermal power plants, seawater intake structures, discharge structures, tanker support facilities, and other similar uses.

## Mariculture and Marine Research

Uses allowed in the **Mariculture and Marine Research** designation are coastal-dependent and include the buildings, tanks, raceways, and pipelines for breeding, hatching, grow-out, and related research as well as administrative offices and educational facilities.

## Golf Course

Uses in the **Golf Course** designation include golf courses and related facilities such as club houses, pro shops, maintenance buildings, parking areas, and irrigation systems, along with other passive recreational areas.

## Harbor/Navigational Ways

The **Harbor and Navigational Ways** designation applies to areas of the city covered by seawater and includes areas from the mouth of the bay to the southern city limits. Uses are restricted to those which must be located on the water in order to function, such as mariculture, boating, fishing, habitat, and visitor-serving uses where public access is enhanced or facilitates coastal-dependent uses.



## Open Space/Recreation

The **Open Space/Recreation** designation includes land which is not defined as environmentally sensitive habitat and is not intended to accommodate intensive recreational activities. Uses in this designation typically include athletic fields, campgrounds, horse stables, and other recreational uses.

## Mixed Uses (Harbor)

A mixture of visitor-serving commercial uses and harbor-dependent land uses are accommodated in the **Mixed Uses (Harbor)** designation. Examples include sport fishing facilities, fish stores, gift shops, and recreational boat docks. Areas along the Embarcadero are located within this designation, and include restaurants and hotels as major uses.

## Environmentally Sensitive Habitat

The **Environmentally Sensitive Habitat** designation includes protected areas which provide habitat for rare or especially valuable plant or animal life that could be easily disturbed or degraded by human activity. Fishing, clamming, and hiking may be allowed in these areas.

## Agriculture

The **Agriculture** designation provides for the identification and preservation of agricultural land for cultivating crops and raising animals. Lands which fit this designation include those with prime soils, prime agriculture land, land in existing agricultural use, land with agricultural potential, and land under Williamson Act contracts. The agriculture designation allows one residential unit per parcel.

## Mixed Use

Areas within the **Mixed Use** designation include parts of the city that generally feature a mixture of residential, office, commercial, visitor-serving, and recreational lands.



## Overlays

The following overlays are included in the land classification system:

1. Planned Development
2. Restricted Areas
3. Park
4. School
5. Public/Institutional
6. Interim/Open Space Uses in Industrial Categories

**Table 1** below compares the existing general plan land use designations with corresponding zoning districts. The Existing General Plan Land Use Map follows the table.



Table 1. General Plan Land Use Designation/Zoning Consistency

General Plan Land Use Designation	Description of LU Designation	Allowed Density	Corresponding Zoning Districts
Low Density	Detached single-family homes.	0-4 du/ac	AG, R-A, CRR
Moderate Density	Detached or attached single-family homes.	4-7 du/ac	R-1
Medium Density	Detached or attached single-family homes, townhomes, duplexes, and condominiums.	7-15 du/ac	R-2
High Density	Multifamily housing, including apartments, townhomes, and condominiums.	15-27 du/ac	R-3, R-4
Medium Density Residential/ Neighborhood Commercial	Detached or attached single-family homes, townhomes, duplexes, and condominiums. Provides for the daily needs of residents nearby and includes grocery stores, laundromats, pharmacies, and household stores.	7-15 du/ac	R-2, MCR
District Commercial	District commercial areas serve a regional commercial need such as shopping centers and major goods and services.		C-1, MCR
Service Commercial	Commercial uses that are not compatible with residential neighborhoods, as well as light industrial and manufacturing uses, particularly those related to commercial fishing.		C-2, MCR
Visitor Serving Commercial	Encourages tourist-oriented services and uses at easily accessible and destination locations, particularly along Highway 1.		R-4, C-VS
Commercial/ Recreational Fishing	Implements Measure D, which protects the tidelands area between Beach Street and Target Rock by limiting development and use permits to fishing activities only.		CF
General (Light) Industrial	Light industry uses which are not compatible with residential or most commercial uses.		M-1, C-2
Coastal Dependent Industrial	Specifically for uses which must be located near the coast to function, and are thereby given priority pursuant to the California Coastal Act.		M-2
Mariculture and Marine Research	Areas considered suitable for the propagation and rearing of ocean fish and shellfish.		MMR
Golf Course	Golf courses and related facilities.		GC
Harbor/Navigational Ways	Areas of the city covered by seawater and used for boating, fishing, and visitor-serving uses.		H
Open Space/Recreation	Uses which are not intended for development or intensive recreational uses, but which are not classified as sensitive habitat.		OA



General Plan Land Use Designation	Description of LU Designation	Allowed Density	Corresponding Zoning Districts
Mixed Uses (Harbor)	A mixture of visitor-serving commercial uses and harbor-dependent land uses.		WF
Environmentally Sensitive Habitat	Protection areas which serve as habitat for rare or especially valuable plant or animal life that could be easily disturbed or degraded by human activity.		ESH
Agriculture	Land for cultivating crops and raising animals.		AG
Mixed Use	Mixed-use areas apply to certain parts of the city that generally include a mixture of residential, office, commercial, visitor-serving, and recreational lands.		MCR, G-O, Combining MU <sup>1</sup>
<b>Overlays</b>			
Planned Development	Areas which are part of a precise or specific development plan that has received discretionary City approval.		PD
Restricted Areas	Sensitive habitats which have critical or endangered plant or animal life that would be disturbed by even passive recreational uses.		ESH
Park	Existing or proposed public parks.		No corresponding district identified
School	Existing or proposed school facilities.		SCH
Public/Institutional	Facilities which serve the public, including government buildings and service facilities, or quasi-public facilities such as hospitals and cultural, civic, or religious resources.		No corresponding district identified
Interim/Open Space Uses in Industrial Categories	Areas being held for future use but which may have a temporary use in the meantime.		I

**Zoning Districts Legend**

**R-A** Suburban residential district

**R-1** Single-family residential district

**R-2** Duplex residential district

**R-3** Multiple-family residential district

**R-4** Multiple-family residential-hotel-professional district

**CRR** Coastal resource residential district

**C-1** Central business district

**C-2** General commercial district

**MCR** Mixed commercial/residential district

**Note 1: Split zoning makes additional areas consistent with MU.**

**C-VS** Visitor serving commercial district

**G-O** General office district

**M-1** Light industrial district

**M-2** Coastal-dependent industrial district

**AG** Agriculture district

**OA** Open area district

**WF** Waterfront district

**CF** Commercial/recreational fishing district

**H** Harbor and navigable ways district

**MMR** Mariculture and marine research

**SCH** School district

**GC** Golf course district

**PD** Planned development, overlay zone

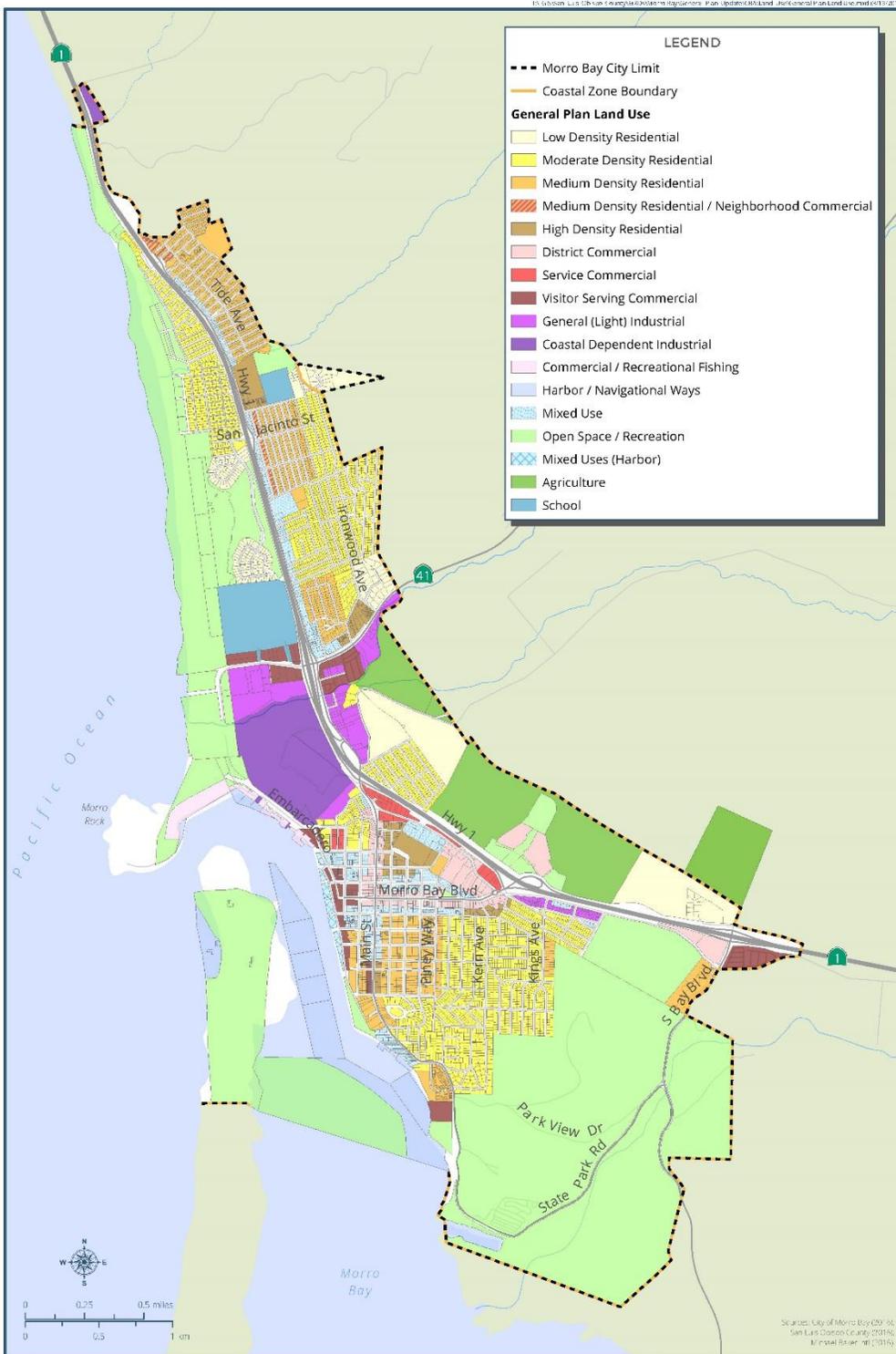
**ESH** Environmentally sensitive habitat overlay zone

**S** Special treatment overlay zone

**Combining MU** Combining mixed use overlay zone

**I** Interim use overlay zone

### Existing General Plan Land Use Designations



Existing General Plan Land Use Designations

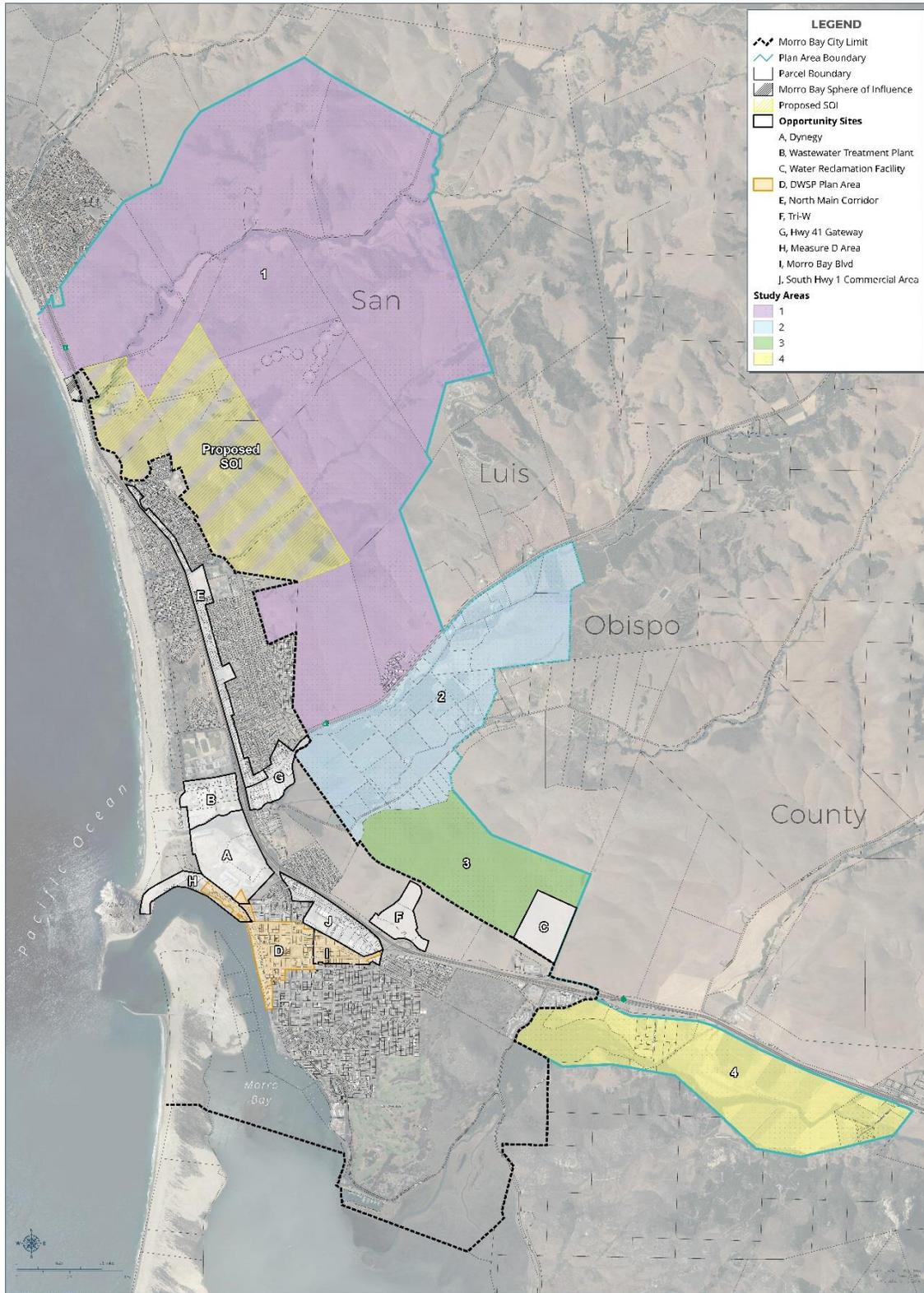




## Opportunity Sites

Based upon background research, City staff and GPAC input, and community engagement, ten opportunity sites have been identified (see Opportunity Sites Overview Map on the following page). These are parcels or areas that are likely to change or are seen as in need of change by the community. The Land Use Element provides policy direction to guide these changes and resulting physical development. Changes are primarily accomplished through the zoning code. Ten sites in the city were identified. One of those sites (Site D) is the Downtown Waterfront Strategic Plan (DWSP) area (see Site D figure). Within that site, there are 15 opportunity sites or corridors where change is anticipated. Each of those sites is discussed individually under Site D. Out of the nine other citywide sites, seven have proposed changes to land use. The remaining two were selected for policy recommendations only.

Opportunity Sites Overview Map



City of Morro Bay General Plan Update  
Opportunity Sites and Study Areas

Site D Map of DWSP Opportunity Sites



## Site A: Dynegey Power Plant Site

### Existing Conditions

The site of the decommissioned Morro Bay Power Plant owned by Dynegey is located just across from the north Embarcadero and the bay northeast of Morro Rock, north of the public parking lot and south of Morro Creek (see Site A figure). A smaller portion of this opportunity site is the substation owned by PG&E. It is located behind the Dynegey property, and is still operational. The City-owned Triangle Parking Lot parcel is also included at the southern end of this site. The Triangle Parking Lot site is Site D, subsite D.5.

### Existing General Plan

The existing General Plan land use designation on the site is Coastal Development Industrial. Dynegey is actively looking to sell its property at the site. Potential future uses for the site could span a broad range including but not limited to recreation/public access, retail, restaurants, senior housing, and an office park. The vision and future land uses for this site will be further defined through a master plan process (or other site-specific planning process) once the site has been sold by Dynegey and before it is redeveloped. PG&E is planning on hardening and moving equipment into a structure on the substation parcel so the facilities footprint will be reduced on their parcel. The northern edge of this site is ESHA.

### Alternative 1

Based on the site's location proximate to the coast, and the community input received to date, land use changes are anticipated for the portion of the site owned by Dynegey. The land use designation for the PG&E substation parcel would be Public Facility. The proposed land use designations for the future of the site are predominantly Mixed Use, with some Visitor Serving Commercial uses fronting Embarcadero.

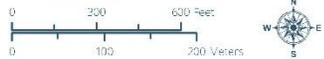
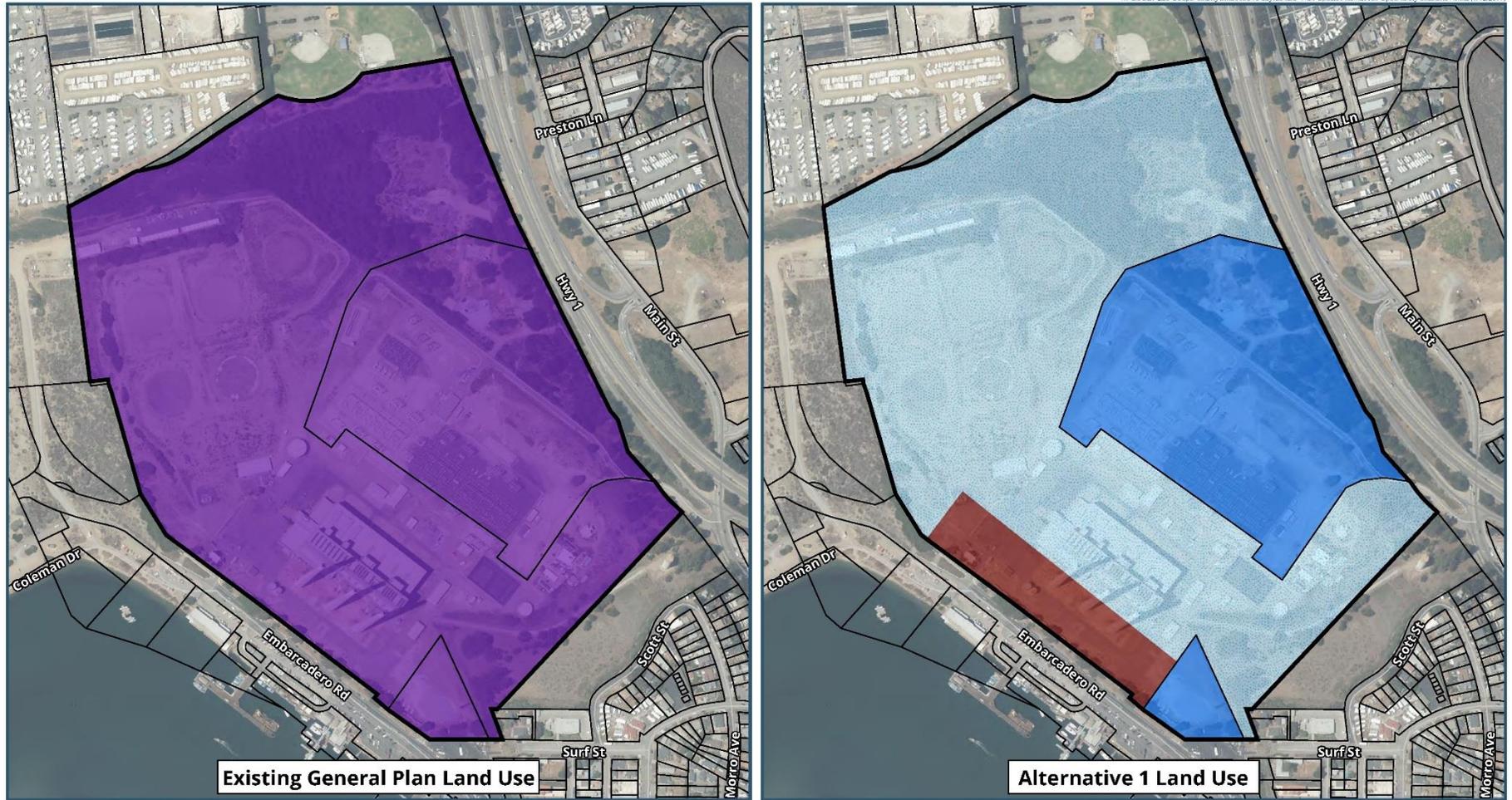
### Input Received

- Conduct the master plan or other site-specific planning effort before making detailed land use decisions.



- A majority of those who provided input preferred Alternative 1 (mixed residential and commercial uses with public/institutional at the PG&E substation),
- Mixed-use, institutional, and maritime supporting (perhaps light industrial) uses were well supported by community members, particularly if the mixed-use development includes multifamily residential and affordable housing. The mixed use allowed on this site should not allow 100% residential development.
- Community members had mixed feelings about the proposed placement of visitor-serving commercial uses on part of the site. Some had more interest in institutional uses (museums, event space, wildlife rescue/rehab center, and nature-based education), housing, and art/cultural (studios, live/work) uses other than visitor-serving commercial.
- Could extend Visitor Serving Commercial to the other side of the creek.
- Community members wanted to preserve the natural areas of the creek by designating the land around it as open space.
- The community felt the triangle parking lot parcel portion of this site is suitable for expansion of the maritime museum and for a boat haulout facility.

**SITE A: DYNEGY POWER PLANT**



**LEGEND**

- Opportunity Site
- Parcels
- Morro Bay City Limit
- Visitor Serving Commercial
- Coastal Development Industrial
- Mixed Use
- Public Facility

Sources: City of Morro Bay (2016); San Luis Obispo County (2016); Michael Baker Intl. (2016).



## Site B: Existing Wastewater Treatment Plant and Desalination Plant

### Existing Conditions

This area is located near the coast along State Route (SR) 41 and Atascadero Road west of Highway 1 (see Site B figure). It includes the City's wastewater treatment plant (WWTP), desalination plant, and driveways to Morro Bay High School. Other uses include motels, the building formerly housing Flippo's roller rink, the skate park and teen center, Lila Keiser Park, and Morro Strand and Morro Dunes RV parks.

### Existing General Plan

The existing land use designations on this site are General (Light) Industrial, Visitor Serving Commercial, School, and Open Space/Recreation.

### Alternative 1

The future land uses for this site will be driven largely by plans to relocate the existing City WWTP within the next five years. Other potential land use changes in this area rely on less certain potential changes. Land uses are not proposed to change on the former Flippo's site or at the Morro Dunes RV park on the south side of SR 41. The existing land use at Lila Keiser Park does not match on-the-ground land use. This designation would be changed from General (Light) Industrial to Public Facility to reconcile this discrepancy. Public Facility represents a new land use designation proposed for creation in the General Plan update. After the WWTP closes and if the desalination plant closes or is relocated in the future, that portion of this site could be designated for either Visitor Serving Commercial or Open Space/Recreation use. This alternative shows a configuration that would accommodate both uses.

### Alternative 2

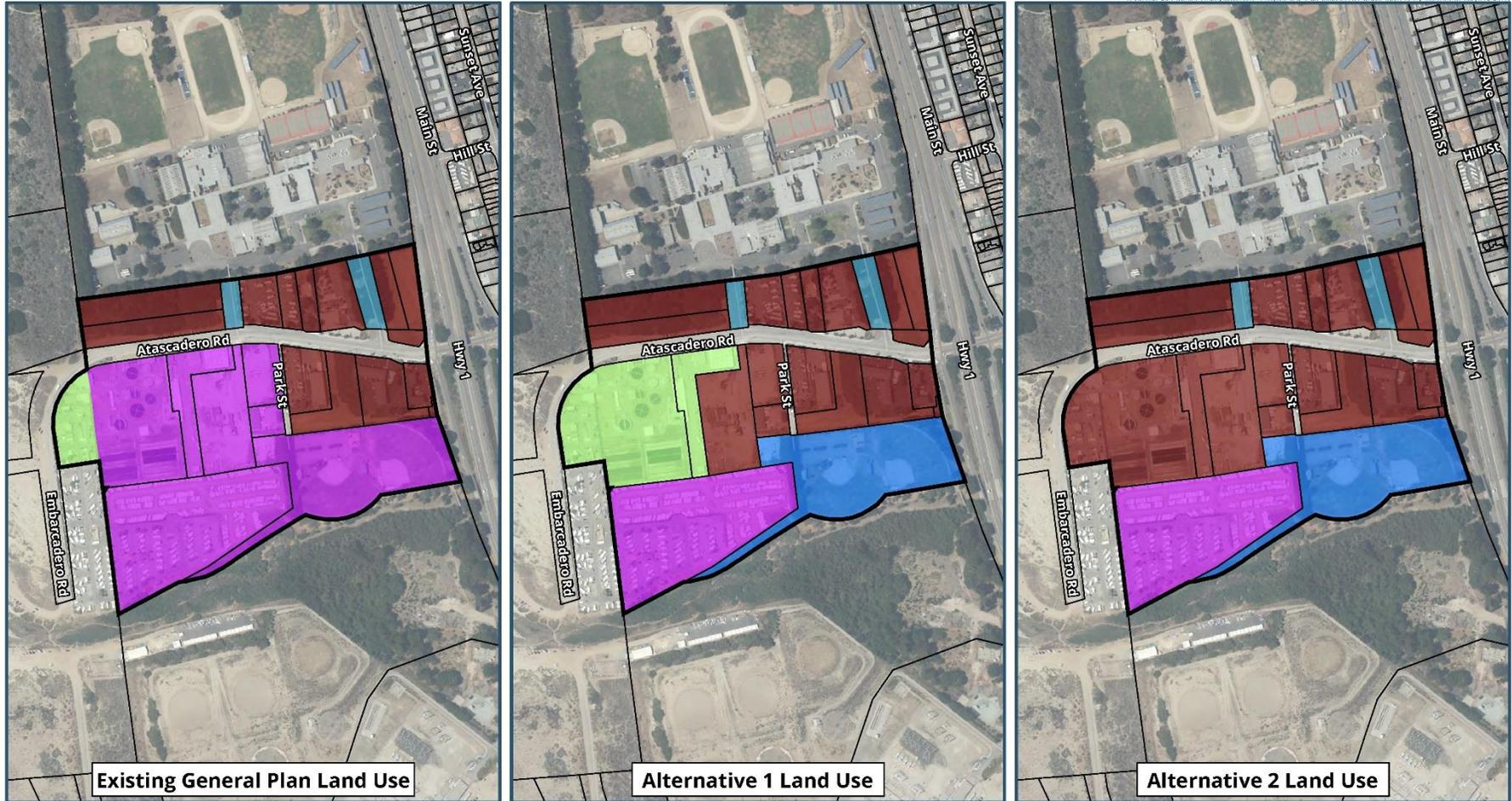
This alternative would be the same as Alternative 1, except for the WWTP and desalination plant sites. Under this alternative, both of those sites would be designated as Visitor Serving Commercial uses.



## Input Received

- Most of those providing input wanted to change the site to a mixture of open space and visitor-serving commercial land uses as called for under Alternative 1.
- Alternative 1 is preferred because the Open Space/Recreation is more resilient to potential flooding/inundation impacts. The preference among participants was to convert part of the site to open space uses, possibly with some recreational facilities or other activities that support neighboring Morro Bay High School.
- The community would like to see improved access to Lila Keiser Park from Highway 41 and improve access to the power plant site from Highway 1.
- Alternative 1 should also propose Visitor Serving Commercial on the more southern RV park part of this site.
- Alternative 1 should be changed to designate Lila Keiser Park as Public/Institutional rather than Park.

**SITE B: EXISTING WWTP/DESALINATION PLANT**



LEGEND

Opportunity Site	<b>General Plan Land Use</b>	Open Space / Recreation
Parcels	Visitor Serving Commercial	Public Facility
Morro Bay City Limit	General (Light) Industrial	School

Source: City of Morro Bay (2016);  
San Luis Obispo County (2019);  
Micro, Baker Ind (2016).



## Site C: Proposed Water Reclamation Facility

### Existing Conditions

This site is located outside the city limits just east of Highway 1 near the south end of Morro Bay (see Site C figure). The city limit is on the other edge of the highway.

### Existing General Plan

The existing County land use designation on the site Agriculture. This site will be included in the Memorandum of Agreement (MOA) with the County regarding SOI expansion and potential future annexation. This site would be included in the SOI and receive the designation decided on in this GP update process.

### Alternative 1

This site is the preferred location for the proposed Morro Bay Water Reclamation Facility (WRF). If that project is approved, the City would propose annexation of this site into the City. If this site is annexed into the City, the proposed land use designation would be Public Facility.

### Alternative 2

If this site is not approved for the WRF, it would not be annexed and would remain in the County. The land use designation would remain Agriculture.

### Input Received

- The majority of respondents were in favor of Alternative 1—using the site for the Water Reclamation Facility and annexing it into the City.
- A minority of those providing input questioned the need to find a new location for a wastewater treatment facility.
- Some of those providing input supported installing renewable energy facilities at the Water Reclamation Facility, and wanted to ensure that the site would be hidden as much as possible from roads and surrounding properties.

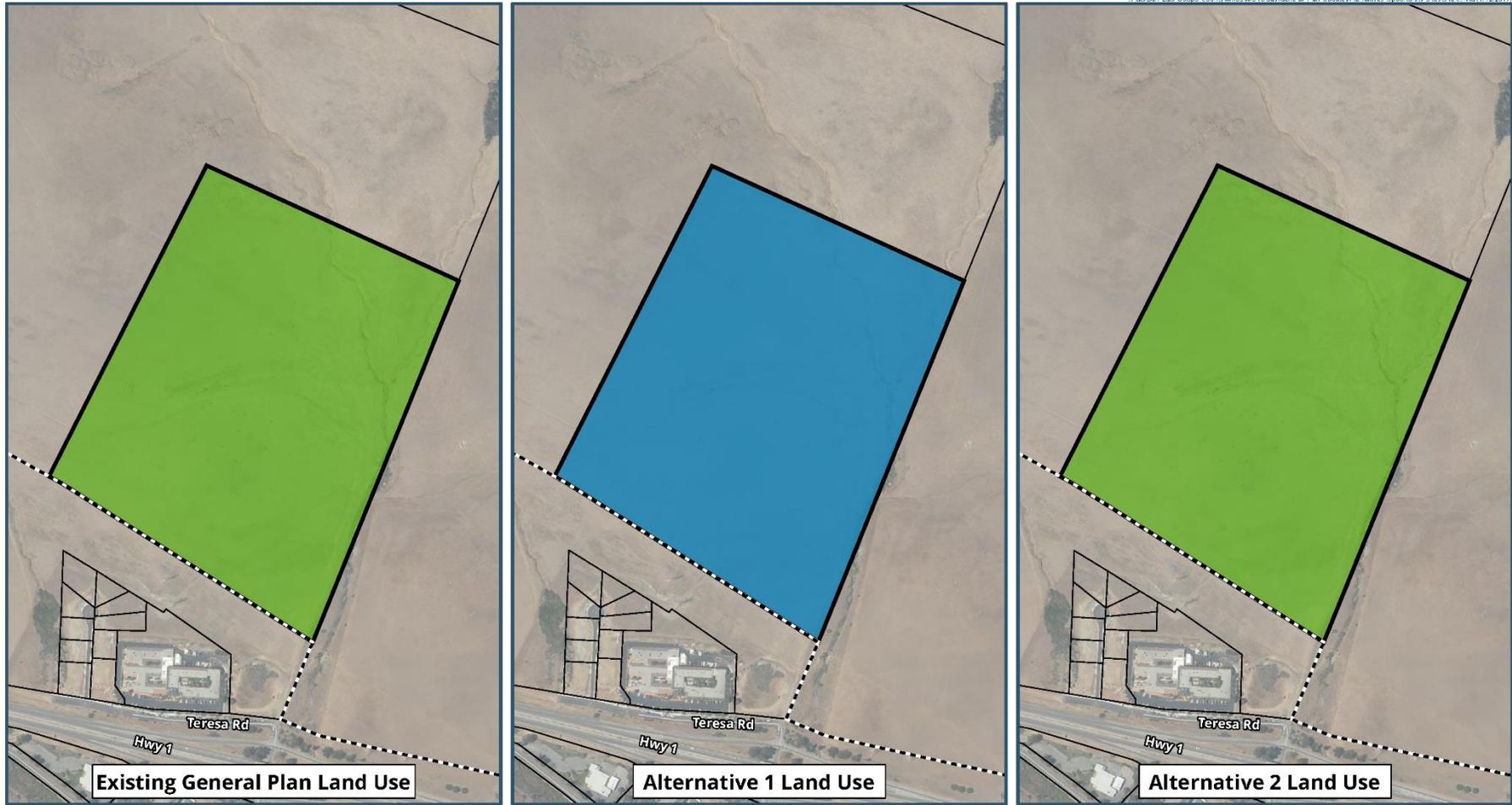
## Site D: Downtown Waterfront Strategic Plan Area

The sites discussed under the Site D section are located in the Downtown Waterfront Strategic Plan (DWSP) area. Some of the sites are a set of parcels while others are a corridor that is a focus in the DWSP. Not all of the sites with land use classifications have proposed alternatives to those classifications but rather have suggested policy recommendations. Sites with proposed changes to land use have one or more proposed catalyst projects associated with them in the DWSP. The change to land use on the site is necessary to allow for the catalyst project uses.

### Input Received

- Hard to provide input on sites in DWSP without circulation info.
- Many sites that are proposing a change from Visitor Serving Commercial to Mixed Use.
  - Need to get closer to defining Mixed Use moving forward.
  - Concerned because the City has allowed some prime Visitor Serving Commercial sites to become residential.
- Have property owners been contacted?
- 13 of the 15 opportunity sites are west of Monterey Avenue. That seems imbalanced. Should enlarge City Park to cover the whole block.
- There isn't an opportunity identified at Main and Morro Bay Boulevard. What about using that space for entertainment/market?
- Specific input was received on Site D.7 and is included under that site below.

SITE C: PROPOSED WRF SITE



LEGEND

Opportunity Site	Agriculture
Parcels	Public Facility
Morro Bay City Limit	

Sources: City of Morro Bay (10/15)  
San Luis Obispo County (2016)  
Michael Baker Inst (2015)

## D.1 Coastal Access

### Existing Conditions

This site represents the coastal access corridor identified in the DWSP.

### Catalyst Projects

The catalyst project identified in the DWSP for this site is a harbor walk providing lateral access along the coast.

### Existing General Plan

Existing General Plan land use designations would support implementation of these catalyst projects. Therefore, no land use alternatives are proposed.

## D.2 Centennial Parkway

### Existing Conditions

The Centennial Parkway runs from the water across the Embarcadero to the top of the Centennial Staircase in between Dorn's Restaurant and Di Stasio's Restaurant (see Site D.2 figure). It includes the staircase, chessboard, plaza, and associated facilities as well as the parking area located between The Libertine and Rose's Landing on the harborside of the street.

### Catalyst Projects

The anticipated future catalyst project at this site is family outdoor entertainment.

SITE D.2: CENTENNIAL PARKWAY



Existing General Plan Land Use



- LEGEND
- Opportunity Site
  - Parcels
  - Morro Bay City Limit
  - Visitor Serving Commercial
  - Mixed Uses (Harbor)

Source: City of Morro Bay (2015); San Luis Obispo County (2016); Michael Baker Int. (2017).

## Existing General Plan

The existing General Plan land use designations for this site are Mixed Use (Harbor) and Visitor Serving Commercial. These existing designations would support implementation of the catalyst project. Therefore, no land use alternatives are proposed.

### D.3 Vacant Lot at Harbor Street and Front Street

#### Existing Conditions

This .39 acre vacant lot is located on the nonwater side of Embarcadero, just south of Harbor Street and north of the Sun-N-Buns Bakery and Espresso Bar (see Site D.3 figure). Front Street borders the eastern edge of this site. The site is located slightly north of Centennial Parkway.

#### Catalyst Projects

The anticipated future catalyst projects at this site are a market hall or family outdoor entertainment. While progress is made towards a permanent catalyst project on this site it is anticipated interim uses may occur here. These interim uses could include parking, passive recreation or landscape maintenance.

#### Existing General Plan

The existing General Plan land use designation on the site is Visitor Serving Commercial. This existing designation would support implementation of the catalyst projects. Therefore, no land use alternatives are proposed.

### D.4 Embarcadero Corridor

The Embarcadero Corridor is generally identified in the DWSP as an opportunity site for future streetscape and landscaping improvements. The catalyst project is an Embarcadero streetscape furnishing palette. This catalyst project does not require land use approvals. Therefore, no land use alternatives are proposed.

**SITE D.3: VACANT LOT AT FRONT ST AND HARBOR ST**



**LEGEND**

Opportunity Site	<b>General Plan Land Use</b> Visitor Serving Commercial
Parcels	
Morro Bay City Limit	

Source: City of Morro Bay (2013);  
San Luis Obispo County (2016);  
Micro: Baker Inc. (2015).

## D.5 Triangle Parking Lot

### Existing Conditions

The Triangle Parking Lot parcel is located just south of the decommissioned Morro Bay Power Plant on the east side of the Embarcadero and is 2.3 acres in size (see Site D.5 figure). It is currently an unpaved vacant site used for parking.

### Catalyst Projects

The anticipated future catalyst projects at this site are a market hall or a cultural, maritime, or historical museum, a boatyard, and a parking lot or structure. While progress is made towards a permanent catalyst project on this site it is anticipated interim uses may occur here. These interim uses could include parking as is occurring now, passive recreation or landscape maintenance.

### Existing General Plan

The existing land use designation on the site is Coastal Development Industrial.

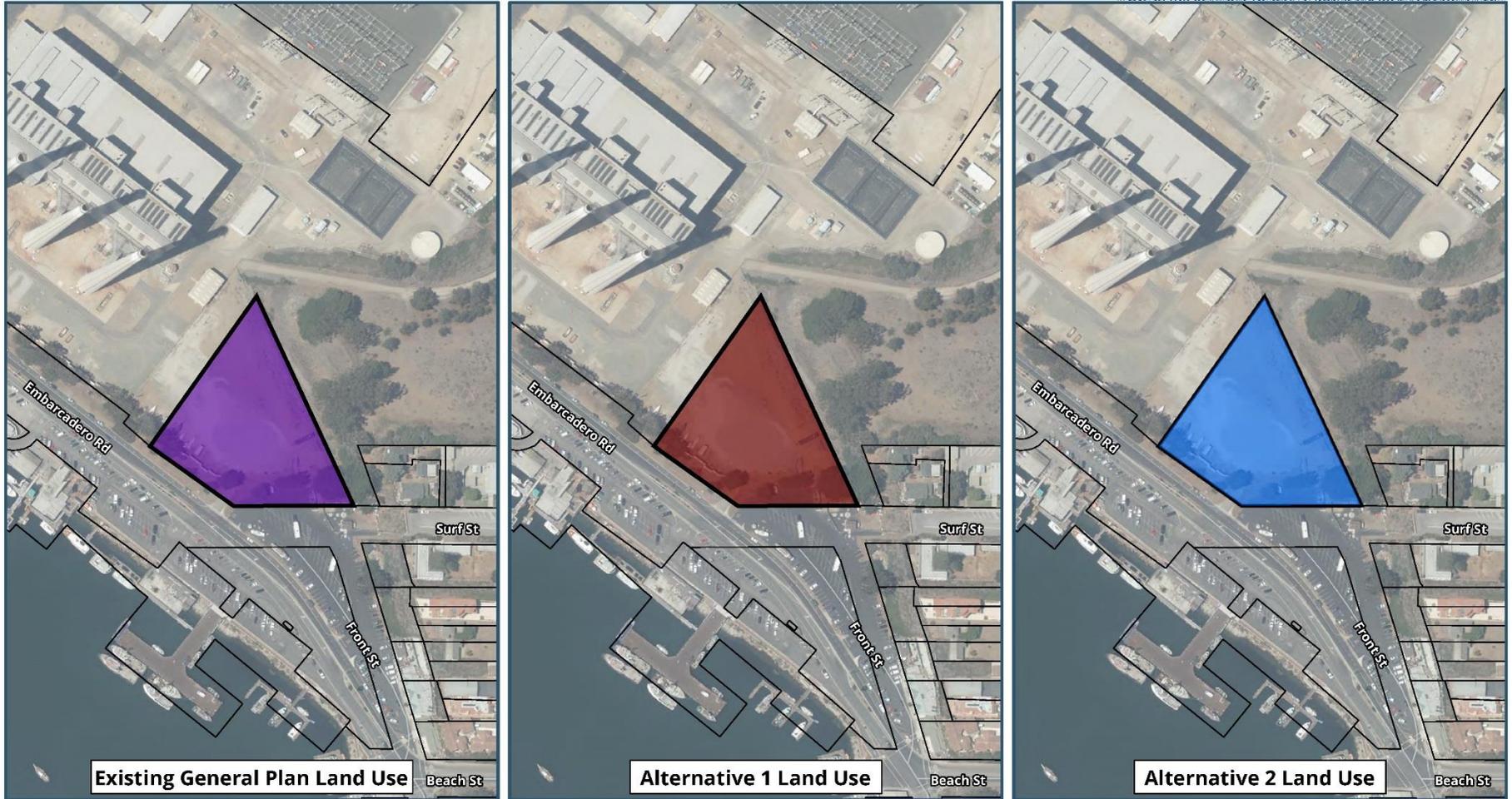
### Alternative 1

If a privately owned and operated market hall or museum were built on the site, the site would require a different land use designation than Coastal Development Industrial. A Visitor Serving Commercial designation would be appropriate for these uses, and could also accommodate a wider range of alternative visitor-serving uses and accommodations consistent with the Coastal Act at a prime location near the bay and the adjacent Dynegey site.

### Alternative 2

If a publicly owned and operated market hall or museum were built on this site, the land use designation of all or a portion of the site could be Public Facility. This could limit the range of allowable uses on these portions of the site relative to the Coastal Act, but would apply only to portions of the site under public ownership.

SITE D.5: TRIANGLE PARKING LOT



LEGEND

Opportunity Site	<b>General Plan Land Use</b>
Parcels	Visitor Serving Commercial
Morro Bay City Limit	Coastal Development Industrial
	Public Facility

Sources: City of Morro Bay (2015), San Luis Obispo County (2016), Michael Baker Inc. (2015).

## D.6 Vacant Lots at Market Avenue and Morro Bay Boulevard

### Existing Conditions

This site consists of three vacant parcels located at the northeast corner of Market Avenue and Morro Bay Boulevard (see Site D.6 figure) currently used as private surface parking lots. The three parcels total .22 acres.

### Catalyst Projects

The anticipated future catalyst projects at this site are a high-end hotel and conference center or creative mixed-use project. If the chosen catalyst project was a high-end hotel and conference center a portion but not all of that type of facility could be accommodated on these lots. While progress is made towards a permanent catalyst project on this site it is anticipated interim uses may occur here. These interim uses could include parking, passive recreation and landscape maintenance.

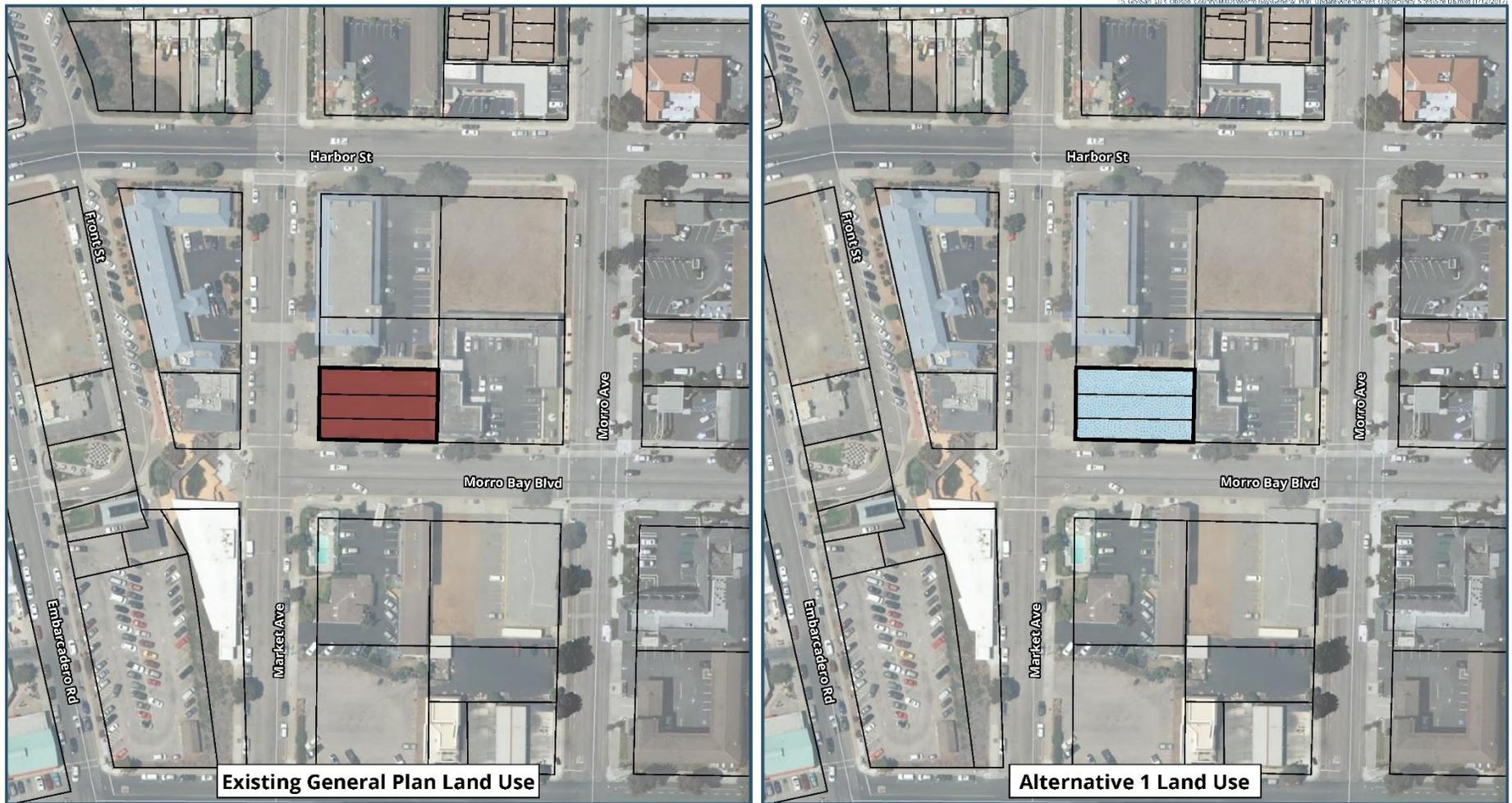
### Existing General Plan

The existing land use designation on the site is Visitor Serving Commercial. This designation would allow either the existing use (surface parking) or the high-end hotel and conference center catalyst project. It could also accommodate a wider range of alternative visitor-serving uses consistent with the Coastal Act.

### Alternative 1

The creative mixed-use catalyst project would require a change in land use designation for this site to Mixed Use.

**SITE D.6: VACANT LOTS AT MARKET AVE AND MORRO BAY BLVD**



**LEGEND**

- Opportunity Site
- Parcels
- Morro Bay City Limit
- Visitor Serving Commercial
- Mixed Use

Source: City of Morro Bay (2015), San Luis Obispo County (2016), Michael Baker (11/2015)

## D.7 City-Owned Lots at Embarcadero and Pacific Street

### Existing Conditions

This site consists of six City-owned vacant parcels at the northeast corner of Embarcadero and Pacific Street (see Site D.7 figure). The parcels total 1.43 acres.

Five of the parcels are on Embarcadero and one is on the other side of Market Avenue on Pacific Street. Many of these lots are currently used as public surface parking lots.

### Catalyst Projects

The anticipated future catalyst projects at this site are a market hall, ecotourism, a cultural, maritime, or historical museum, or a high-end hotel and conference center. While progress is made towards a permanent catalyst project on this site it is anticipated interim uses may occur here. These interim uses could include parking, passive recreation and landscape maintenance.

### Existing General Plan

The existing land use designations on the site are Visitor Serving Commercial and Mixed Use. These designations could accommodate the existing use (surface parking), or the market hall, museum, or high-end hotel and conference center. They could also accommodate a wider range of alternative visitor-serving uses consistent with the Coastal Act.

### Alternative 1

Depending on the specific proposed use, ecotourism uses could require land use designation changes on all or a portion of the site from Visitor Serving Commercial to Mixed Use. This could impact the existing supply of public parking and reduce the amount of visitor-serving commercial area located within the coastal zone. Unless these reductions are offset by land use changes on other opportunity sites within the coastal zone, this could be determined to be in conflict with the Coastal Act by the California Coastal Commission.

## Land Use Alternatives Memo

### Input Received

- Consensus not to locate Maritime Museum on this site. It should go on the triangle parking lot site.
- Do not put high end hotel/conference center on this site.
- Is a seafood market commercially viable? Don't want to have to replace local food with t-shirts.
- A seafood market at this location could take out some who have been in the community for years. Don't undercut those who are already here/doing this.
- Decided to change terminology to "Full-Service Hotel" rather than "High End Hotel."
- Concerned about adding restaurants that might displace existing restaurants on this site.
- Could see underground parking on the vacant part of the site.
- Don't want to create an area that is only of interest of those staying in a hotel by locating a stand-alone hotel here.

SITE D.7: CITY LOTS AT EMBARCADERO AND PACIFIC ST



LEGEND

- Opportunity Site
- Parcels
- Morro Bay City Limit
- General Plan Land Use  
Visitor Serving Commercial
- General Plan Land Use  
Mixed Use

\*Source: City of Morro Bay (2013); San Luis Obispo County (2013); Michael Baker Inc. (2013).

### D.8 Vacant Lot at Embarcadero and Marina Street

#### Existing Conditions

This site consists of one vacant .28 acre parcel located at the northeast corner of Embarcadero and Marina Street near the Shell Shop and aquarium (see Site D.8 figure). The site is currently unpaved and not in use.

#### Catalyst Projects

The anticipated future catalyst projects at this site are a market hall, family outdoor entertainment, ecotourism, a cultural, maritime, or historical museum, or high-end hotel and conference center. It may also be subject to the proposed Embarcadero streetscape furnishing palette. If the chosen catalyst project was a high-end hotel and conference center a portion but not all of that type of facility could be accommodated on these lots. While progress is made towards a permanent catalyst project on this site it is anticipated interim uses may occur here. These interim uses could include parking, passive recreation and landscape maintenance.

#### Existing General Plan

The existing land use designation on the site is Visitor Serving Commercial. This designation could accommodate the existing use or the market hall, family outdoor entertainment, museum, or high-end hotel and conference center (within the constraints of the size of these parcels as discussed above). It could also accommodate a wider range of alternative visitor-serving uses consistent with the Coastal Act.

#### Alternative 1

Depending on the specific proposed use, ecotourism uses could require a land use designation change to Mixed Use. This could reduce the amount of visitor-serving commercial area located within the coastal zone. Unless this reduction is offset by land use changes on other opportunity sites within the coastal zone, this could be determined to be in conflict with the Coastal Act by the California Coastal Commission.

**SITE D.8: VACANT LOT AT EMBARCADERO RD AND MARINA ST**



**LEGEND**

- Opportunity Site
- Parcels
- Morro Bay City Limit
- Visitor Serving Commercial
- Mixed Use

Source: City of Morro Bay (2016);  
San Luis Obispo County (2015);  
Michael Baker Corp. (2016).



## D.9 Vacant Lot at Harbor Street and Morro Avenue

### Existing Conditions

This site consists of one .4 acre vacant parcel at the southwest corner of Harbor Street and Morro Avenue (see Site D.9 figure). It is currently an unpaved vacant lot.

### Catalyst Projects

The anticipated future catalyst projects at this site are a creative mixed-use project or a cultural, maritime, or historical museum.

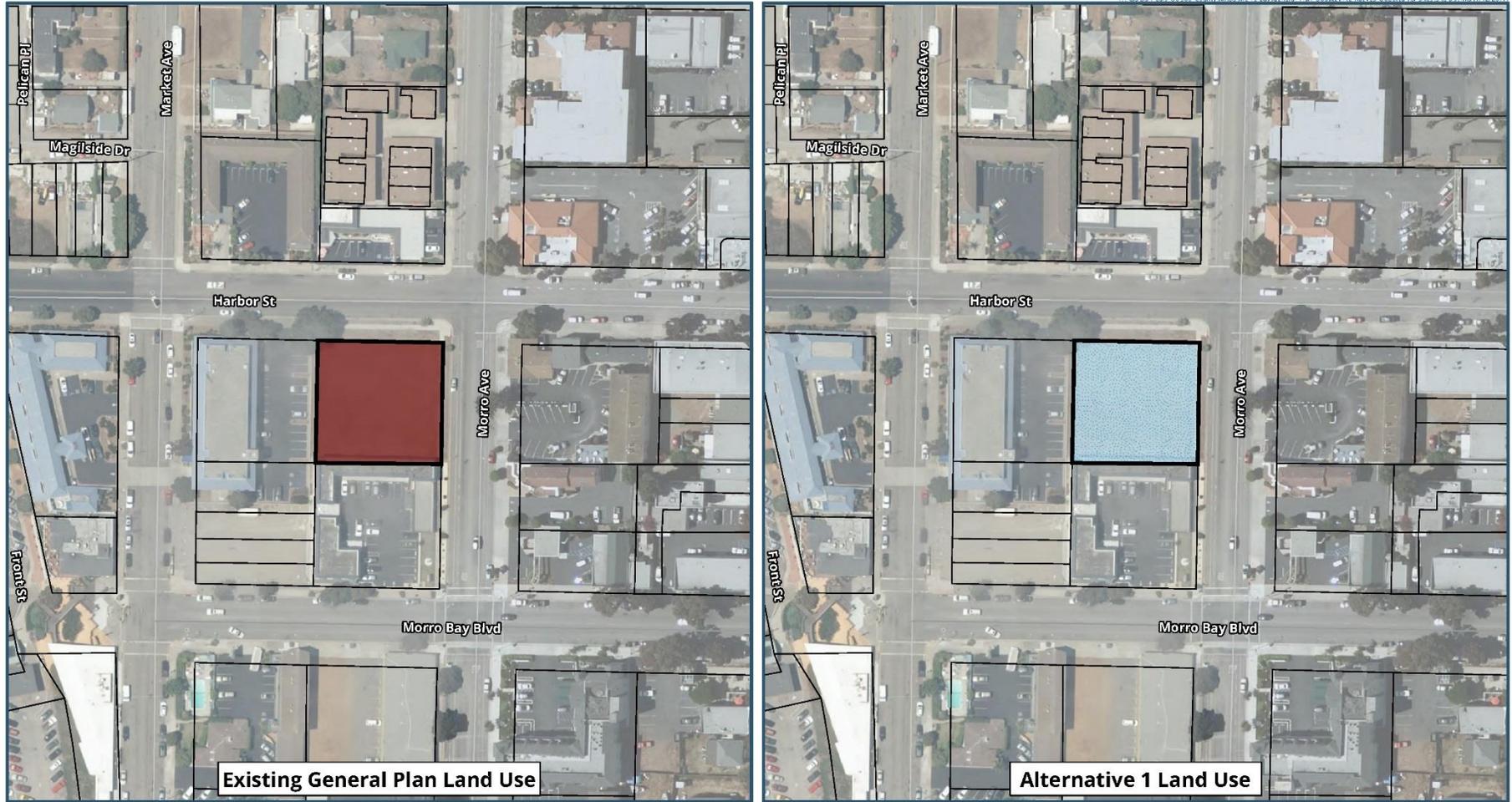
### Existing General Plan

The existing land use designation on the site is Visitor Serving Commercial. This designation could accommodate the museum. It could also accommodate a wider range of alternative visitor-serving uses consistent with the Coastal Act.

### Alternative 1

The creative mixed-use catalyst project would require a change in land use designation for this site to Mixed Use. This could impact the amount of visitor-serving commercial area located within the coastal zone. Unless this reduction is offset by land use changes on other opportunity sites within the coastal zone, this could be determined to be in conflict with the Coastal Act by the California Coastal Commission.

**SITE D.9: VACANT LOT AT HARBOR ST AND MORRO AVE**



**LEGEND**

- Opportunity Site
- Parcels
- Morro Bay City Limit
- General Plan Land Use**  
Visitor Serving Commercial
- Mixed Use

Source: City of Morro Bay (2016);  
San Luis Obispo County (2016);  
Michael Baker Corp. (2016).



## D.10 Underutilized Lots at Harbor and Monterey

### Existing Conditions

This site consists of one vacant parcel and an adjacent parcel with an existing duplex located at the southwest corner of Harbor Street and Monterey Avenue (see Site D.10 figure). The two parcels total .4 acres.

### Catalyst Projects

The anticipated future catalyst project at this site is a creative mixed-use project.

### Existing General Plan

The existing land use designation on the site is Mixed Use. The existing designation would support implementation of the catalyst project. Therefore, no land use alternatives are proposed.

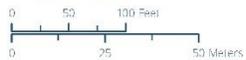
## D.11 Morro Bay Boulevard Corridor

The Morro Bay Boulevard Corridor is generally identified in the DWSP as an opportunity site for future streetscape and parking improvements. It does not include any catalyst projects that would require land use approvals. Therefore, no land use alternatives are proposed.

## D.12 Traffic Circle at Morro Bay Boulevard and Quintana Road

The traffic circle is generally identified in the DWSP as an opportunity site for future streetscape improvements. It does not include any catalyst projects that would require land use approvals. Therefore, no land use alternatives are proposed.

**SITE D.10: UNDERUTILIZED LOTS AT HARBOR ST AND MONTEREY AVE**



LEGEND

- Opportunity Site
- Parcels
- Morro Bay City Limit
- General Plan Land Use  
Mixed Use

Source: City of Morro Bay (2013);  
San Luis Obispo County (2016);  
Michael Ecker, Inc. (2015).

### D.13 Underutilized Area Northeast of City Park

#### Existing Conditions

This site consists of two parcels located on Harbor Street across from City Park (see Site D.13 figure). The two parcels total .38 acres. The site is currently occupied by four existing homes.

#### Catalyst Projects

The anticipated future catalyst project at this site is a creative mixed-use project.

#### Existing General Plan

The existing land use designation on the site is Mixed Use. The existing designation would support implementation of the catalyst project. Therefore, no land use alternatives are proposed.

### D.14 Vacant Lots at Front Street and Harbor Street

#### Existing Conditions

This site consists of four parcels located at the northeast corner of Front Street and Harbor Street (see Site D.14 figure). The parcels total .28 acres. The site is currently vacant and covered with low-lying vegetation. There is steep topography on part of the site as it spans the bluff between downtown and the waterfront.

#### Catalyst Projects

The anticipated future catalyst projects at this site are family outdoor entertainment; a cultural, maritime, or historical museum; or visitor accommodations. While progress is made towards a permanent catalyst project on this site it is anticipated interim uses may occur here. These interim uses could include parking, passive recreation and landscape maintenance.

**SITE D.13: UNDERUTILIZED AREA NORTHEAST OF MORRO BAY PARK**



**Existing General Plan Land Use**

LEGEND

- Opportunity Site
- Parcels
- Morro Bay City Limit
- General Plan Land Use
- Mixed Use



City of Morro Bay (2015)  
San Luis Obispo County (2016)  
Michael Baker Inc. (2015)

**SITE D.14: VACANT LOTS AT FRONT ST AND HARBOR ST**

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**LEGEND**

- Opportunity Site
- Parcels
- Morro Bay City Limit
- General Plan Land Use
- Visitor Serving Commercial

Source: City of Morro Bay (2015); San Luis Obispo County (2016); Michael Baker Corp. (2013).

## Existing General Plan

The existing land use designation on the site is Visitor Serving Commercial. The existing designation would support implementation of the catalyst projects, in addition to a wide range of other visitor-serving uses and accommodations that would support the Coastal Act. Therefore, no land use alternatives are proposed.

### D.15 Harbor Street Corridor

The Harbor Street Corridor is generally identified in the DWSP as an opportunity site for future streetscape improvements. It does not include any catalyst projects that would require land use approvals. Therefore, no land use alternatives are proposed.

## Site E: North Main Street Corridor

### Existing Conditions

This site makes up the commercial corridor along Main Street just east of Highway 1 in north Morro Bay (see Site E figure). It spans 1.9 miles from close to the northern city limit at the north, just east of Highway 1 and includes crossing of Tahiti, Sequoia, San Jacinto, Elena, Bonita and Hill.

### Existing General Plan

The existing land use designations along this corridor include Mixed Use, Medium Density Residential/Neighborhood Commercial, and High Density Residential. The purpose of the existing land use designations is to support highway-serving commercial uses, but the actual on-the-ground uses are mostly neighborhood-serving commercial uses.

### Alternative 1

The future land uses for this site should address the actual neighborhood trends and on-the-ground land uses. There is a need for more neighborhood-serving commercial uses fronting Main Street.

## Input Received

- Housing is important but so is neighborhood commercial
- Concerned about the strip orientation of the Neighborhood Commercial. What about nodes or clusters of Neighborhood Commercial?
- Could buffer the housing from Main Street.
- Participants preferred using the area for low-density and medium-density residential uses, with some limited commercial activities (particularly on Main Street). The favored commercial uses were small office spaces, medical offices, and working spaces as part of a live/work unit.
- Is the large 10-acre site on this corridor at Sequoia designated high density residential? Yes, this site is zoned R-3 and designated high density residential and is a housing element site. There was support for using this site for assisted/senior living, affordable housing, and live-work spaces. Participants felt that high-density residential on this site would create traffic problems (particularly at the intersections of Main Street with San Jacinto Street and Yerba Buena Street).
- Community members favored limiting development in the area to one or two stories.
- The input of those who participated was divided between those favoring mostly neighborhood commercial land uses with limited residential (Alternative 1), and those who favored the current mix of commercial and residential land uses at the site (existing conditions).
- Based on review of Site E and Site G a portion at the southern end of Site E adjacent to Highway 41 will be removed from Site E and added to Site G.
- Some consensus to select Alternative 1 but investigate the idea of focusing the Neighborhood Commercial at nodes.

SITE E: NORTH MAIN CORRIDOR



LEGEND

Opportunity Site	<b>General Plan Land Use</b>	Neighborhood Commercial
Parcels	Low Density Residential	Medium Density Residential / Neighborhood Commercial
Morro Bay City Limit	High Density Residential	Mixed Use
	Visitor Serving Commercial	

© Services City of Morro Bay (2013);  
San Luis Obispo County (2016);  
M. Chase Baker Ltd (2015)



This can be accomplished by replacing the Mixed Use designation in this area with Neighborhood Commercial. Neighborhood Commercial should be applied independently from a residential designation (i.e., without the option for residential use) which contrasts with the practice identified in the existing Land Use Element and on the Land Use Map.

Existing commercial uses should be preserved rather than replaced with residential uses in this area. Residential uses should be allowed only above or behind other commercial uses in the Neighborhood Commercial areas. Between Sequoia Street and Elena Street, where the existing designation is Medium Density Residential/Neighborhood Commercial, the land uses should be changed to reflect the on-the-ground land uses. The existing motel should be designated Visitor Serving Commercial and the remainder of the parcels should be designated Low Density Residential.

## Site F: Tri-W Site

### Existing Conditions

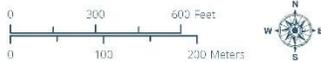
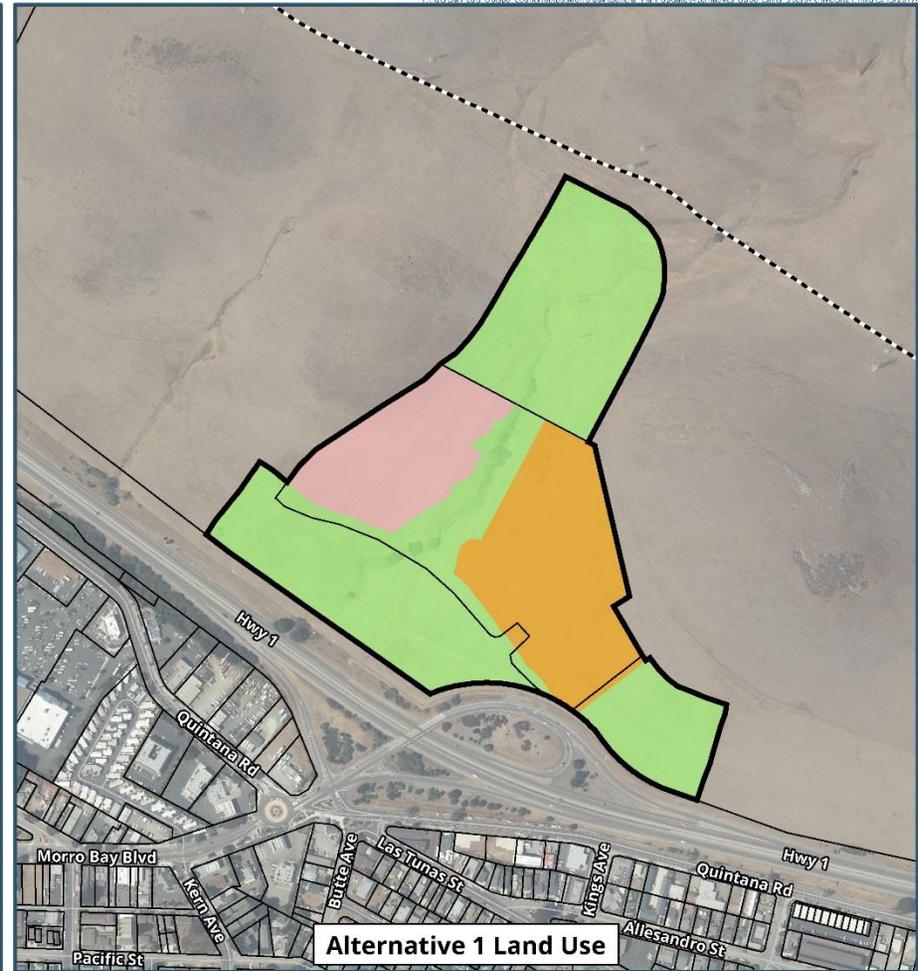
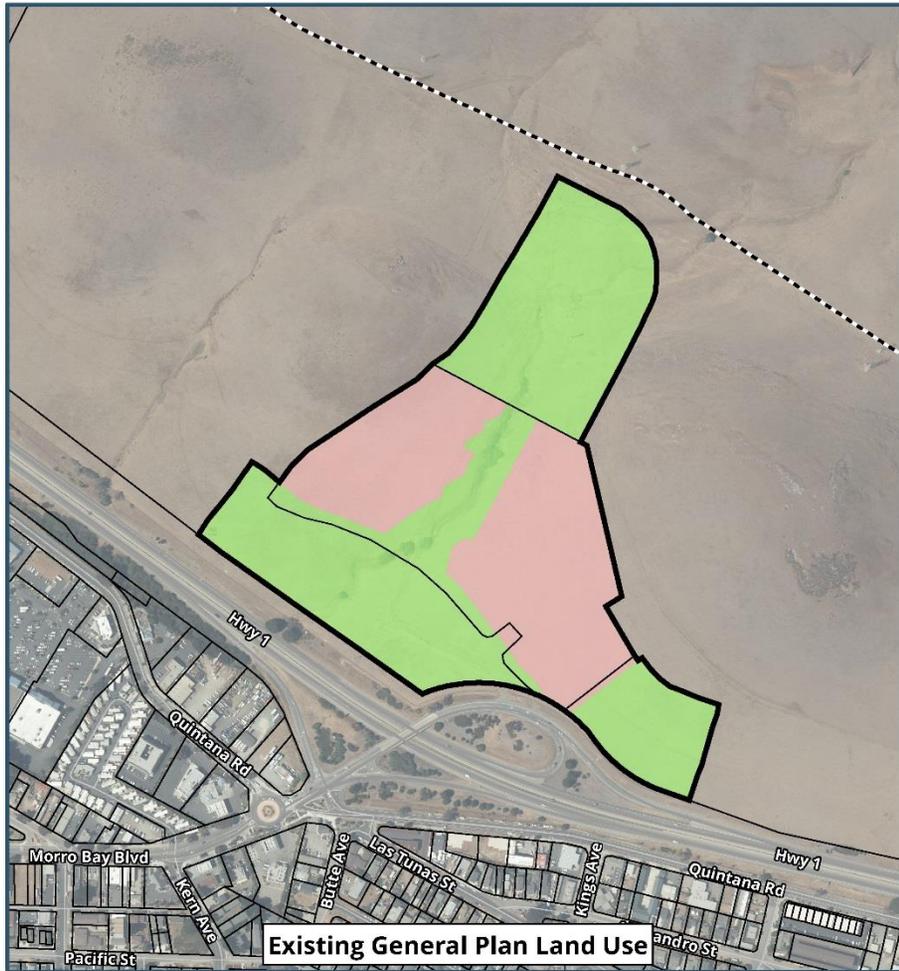
The Tri-W site is located on the north side of Highway 1 adjacent to the Morro Bay Boulevard exit (see Site F figure). It is a vacant area made up of four parcels of hilly topography covered in annual grasses. The site was a subject of a voter referendum in 1990. Measure H (Ordinance No. 389) limited the zones and uses at the Tri-W property. It allows commercial development on only 13 acres of the 30-acre property, and establishes the location of the commercial uses to be “generally located adjacent to Highway 1 and Morro Bay Boulevard.” Any changes to these land uses would require voter approval by the citizens of Morro Bay.

### Existing General Plan

The existing land use designations on this site are Open Space/Recreation and District Commercial.

SITE F: TRI-W

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LEGEND

- Opportunity Site
- Parcels
- Morro Bay City Limit
- Medium Density Residential
- District Commercial
- Open Space / Recreation

Sources: City of Morro Bay (2011)  
San Luis Obispo County (2011)  
Michael Soler (2017)

## Alternative 1

If changes to the mix and location of the land uses on the site are considered by Morro Bay citizens, the following should also be considered. One option would be to move the developable area of the site south and closer to the proposed WRF site in order to cluster development and minimize visual and other environmental impacts. The current land use plan for this site creates an island of developable land in the middle of surrounding undeveloped parcels used for grazing. The allowed land uses could be changed to a mix of residential and commercial land uses, including higher-density residential to help accommodate the City's future regional housing needs.

## Input Received

- A majority of those providing input did not want to consider residential uses on this site and wanted to stay within the confines of Measure H. However, a mix of more specific comments were received:
  - Seems like a good place for higher density/affordable housing. Wouldn't impact any existing neighborhoods.
  - Can the site be served in terms of water if residential is allowed?
  - Proposing a different land use on this site isn't genuine because it is controlled by Measure H. A lot of people don't want housing or any development on this site.
  - Not sure about the clustering idea – moving the area where development could occur south or towards WRF. Doesn't see it from a connectivity perspective because each of the sites C and F are close to connector roads on the other side of the highway.
  - Thinks there is currently an excess of residentially zoned land in Morro Bay. Thinks if residential is allowed there it should only be allowed in a mixed-use setting.
  - Not in favor of adding residential on the other side of Highway 1. Thinks there could be neighborhood quality issues. Would like to see low-rise industrial.
  - Perhaps when the population gets closer to 12,200 it might be the time to revisit this site for housing purposes.
  - Some of those providing input were supportive of residential uses on the site, if they were affordable.

- This site could be used for large highway-serving commercial, business park, or light industrial uses.

## Site G: State Route 41 Gateway

### Existing Conditions

This site is located on either side of SR 41 as it enters Morro Bay from the east. The area is a gateway to the city (see Site G figure). Existing on-the-ground uses include residential, commercial, visitor-serving commercial uses like gas stations and fast food, and landscaping, and the Silver City mobile home park. Future new development should improve this area as a gateway, including inviting-looking visitor-serving uses.

### Existing General Plan

The existing land use designations on this site are Visitor Serving Commercial, General (Light) Industrial, and High Density Residential. These designations would accommodate most of the existing uses and could support enhancing the areas as a gateway.

### Alternative 1

Future land use changes in this area should reflect the on-the-ground land uses. The parcel where the mobile home park is located could be redesignated from Visitor Serving Commercial to Medium Density Residential. The rest of the land use designations are not proposed to change under this alternative.

### Input Received

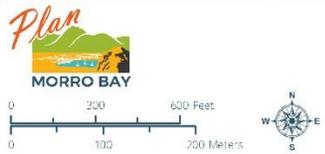
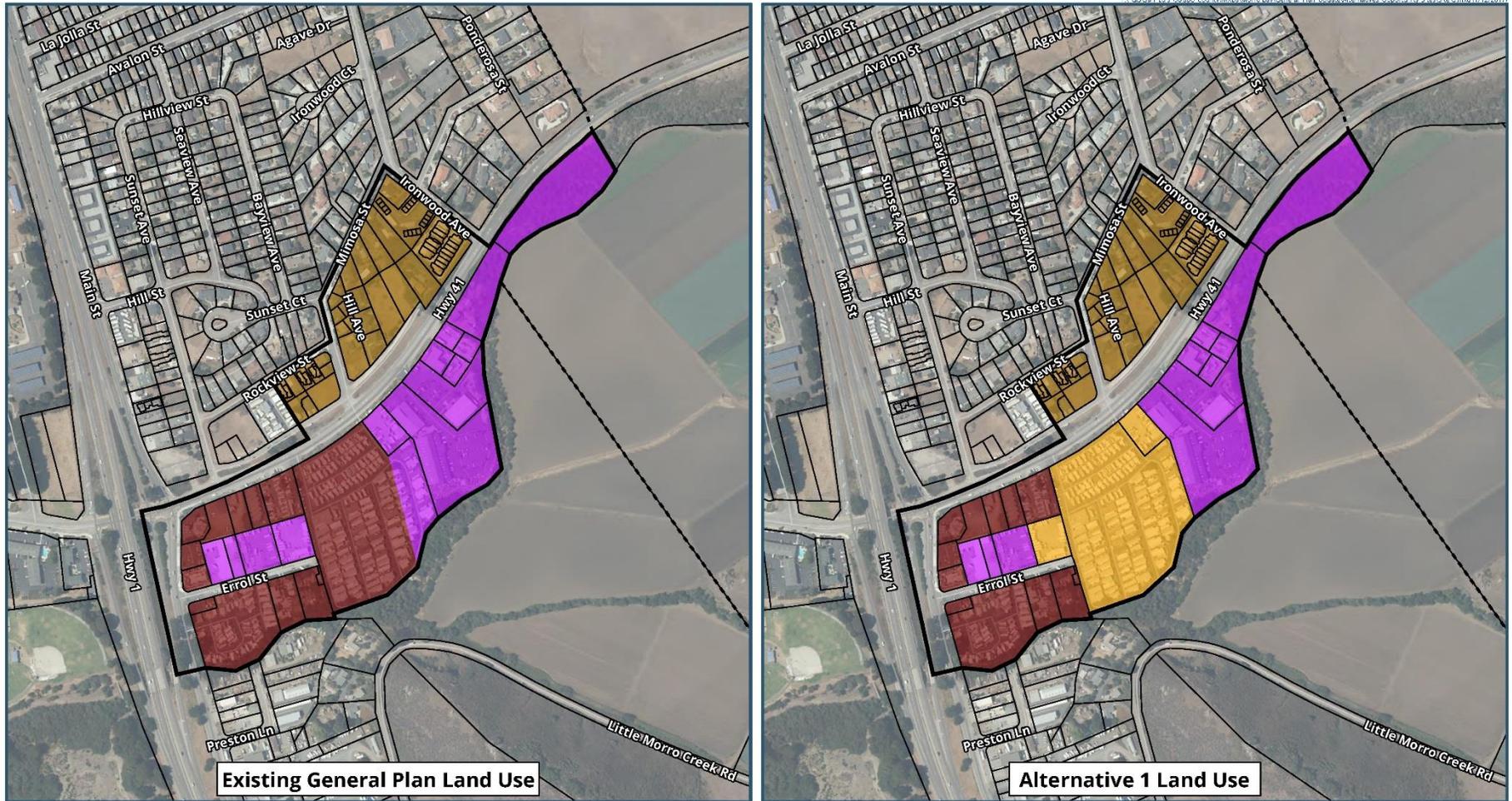
- Could the land use on the mobile home site be changed to HDR rather than MDR? Yes.
- Important to protect mobile home parks.
- Important to provide more visitor-serving and neighborhood serving commercial in this area
- Suggested a frontage of Visitor Serving Commercial or other commercial along Highway 41 instead of MDR all the way up to the highway.
- What about removing more of the Visitor Serving Commercial from Errol St?

## Land Use Alternatives Memo



- Propose adding the north side of Hwy 1 (currently part of Site E) to Site G and proposing Visitor Serving Commercial there.
- Use both sides of Highway 41 for commercial uses.

**SITE G: HIGHWAY 41 GATEWAY**



**LEGEND**

Opportunity Site	<b>General Plan Land Use</b>
Parcels	Medium Density Residential
Morro Bay City Limit	High Density Residential
	Visitor Serving Commercial
	General (Light) Industrial

Source: City of Morro Bay (2015), San Luis Obispo County (2016), Michael Baker Inc. (2015)

## Site H: Measure D Area

### Existing Conditions

This site sits along the north Embarcadero and includes the properties on the bay side of the Embarcadero as well as Coleman Park (see Site H figure). The site was a subject of a voter referendum in 1981. Measure D (Ordinance No. 207) restricts development on state-owned tidelands between Beach Street and Target Rock. Only development serving primarily commercial or recreational fishing is permitted. Any changes to these land uses would be subject to voter approval by the citizens of Morro Bay.

### Existing General Plan

The majority of this site is currently designated Commercial/Recreational Fishing, along with a small amount of Coastal Development Industrial, and Open Space/Recreation.

There is a desire within the community and by the City to better define what is allowed in the Measure D area as the existing ordinance language has some ambiguities. However, no changes to the land use designations are proposed. Therefore, no land use alternatives are proposed for this area.

### Input Received

- Area close to the rock should be open space.
- Measure D shouldn't be on the ballot and the way it is being applied now is good but that approach it isn't formalized outside the ambiguous language of Measure D.

## Site I: Morro Bay Boulevard Gateway

### Existing Conditions

This site centers on Morro Bay Boulevard from the traffic circle at the Highway 1 exit south to Napa Avenue (see Site I figure). City Park is included in this site. This area represents the main gateway to the city from Highway 1 as well as the entrance to downtown.

## Existing General Plan

Existing land use designations on this site include Mixed Use, District Commercial, Open Space/Recreation (City Park), and a small bit of High Density Residential.

The future vision for this site is driven by the desire to improve the area as a welcoming gateway and further unify the proposed uses. Future development should include a trend away from residential development and standards could be changed to prohibit new street-fronting residential development. The City should also consider a Civic Center Master Plan for the City-owned properties included as part of this site. The master plan could include plans for future upgrades to existing buildings and for additional density on City-owned properties in the long term. No changes to existing General Plan land use designations are proposed. Therefore, no land use alternatives are proposed for this area.

## Input Received

- Shouldn't the civic properties/uses be designated Public/Institutional?
- There are some unsightly derelict areas that are in the Mixed Use area of this site. Would like to improve them.
- Propose changing the commercial on the same block as the park to Open Space/Recreation.
- From east of the fire station on the west side of the site should stipulate residential above/commercial below but not prohibit residential altogether.
- Need different mixed use zones.

SITE H: MEASURE D/CF AREA



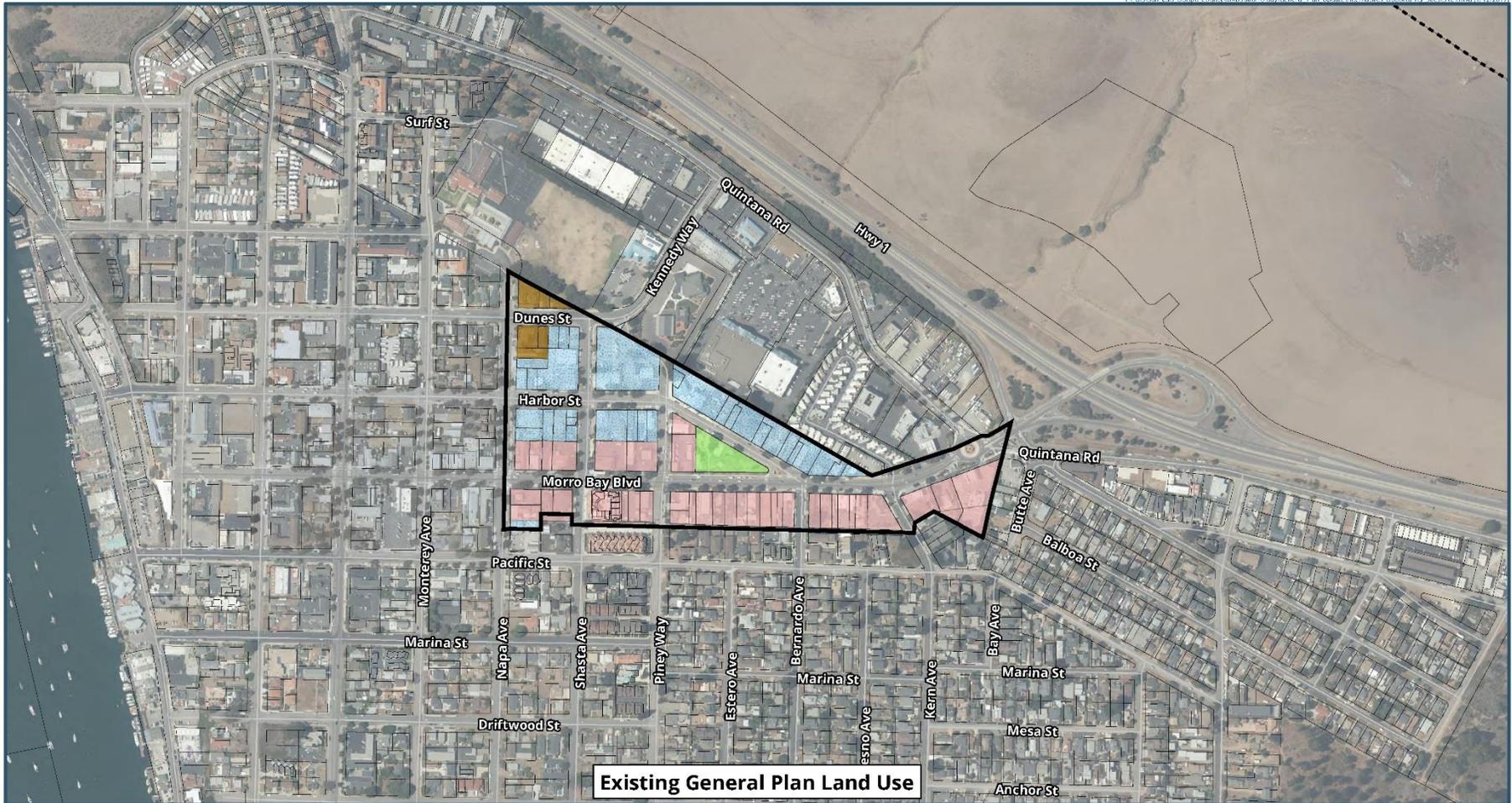
LEGEND

Opportunity Site	<b>General Plan Land Use</b>
Parcels	Coastal Development Industrial
Morro Bay City Limit	Commercial / Recreational Fishing
	Harbor / Navigational Ways
	Open Space / Recreation

Source: City of Morro Bay (10/13)  
San Luis Obispo County (2016)  
Michael Baker Inc (2013)

SITE I: DOWNTOWN AT HIGHWAY 1

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Existing General Plan Land Use



LEGEND	
	Opportunity Site
	Parcels
	Morro Bay City Limit
	High Density Residential
	District Commercial
	Open Space / Recreation
	Mixed Use

Sources: City of Morro Bay (2016);  
San Luis Obispo County (2013);  
McHale Baker Inc. (2016).

## Site J: Quintana Road North of Roundabout

### Existing Conditions

This site runs west along Quintana Road from Morro Bay Boulevard to Main Street on the south side of Highway 1 (see Site J figure). Existing on-the-ground land uses include highway-serving commercial uses like grocery stores and other retail uses and non-retail commercial, as well as a closed elementary school located on property owned by the school district.

### Existing General Plan

The existing General Plan land use designations on this site include Mixed Use, District Commercial, Medium Density Residential, High Density Residential (at the closed school site), and Service Commercial.

### Alternative 1

Small changes are envisioned to the existing General Plan land use designations in this area to reflect the envisioned future character and consolidate land uses. Parcels located at the shopping center currently designated Mixed Use could be changed to Service Commercial.

### Input Received

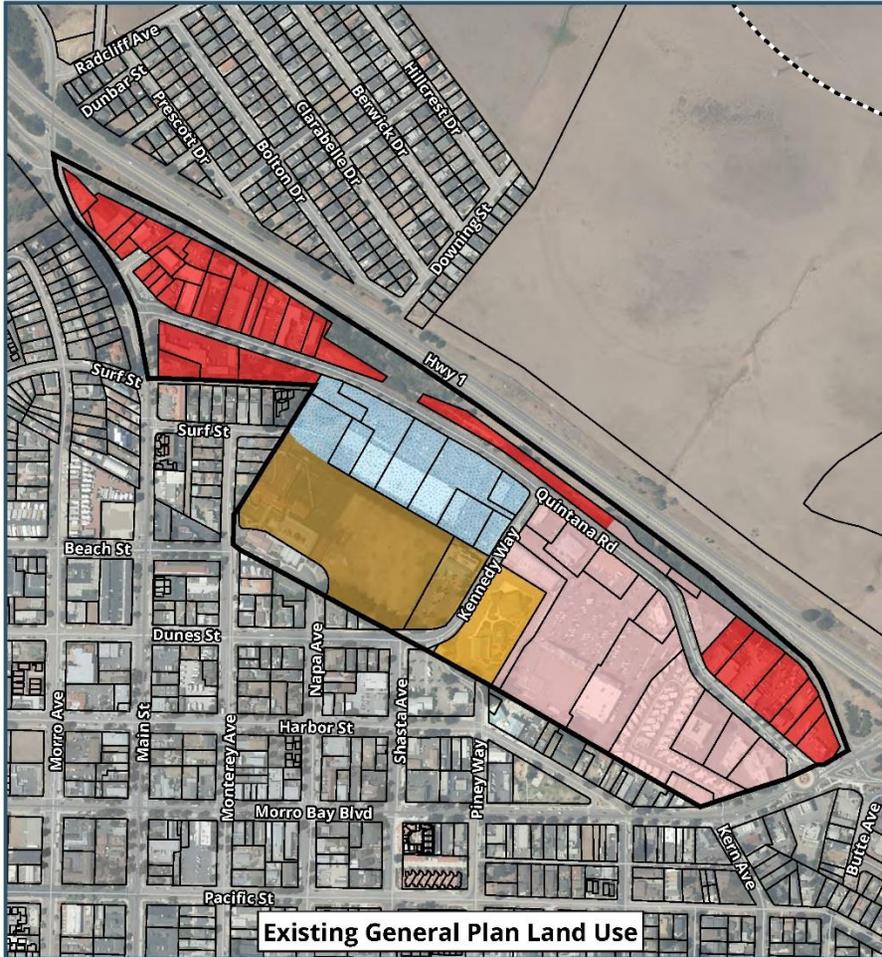
- A slight majority of those who provided input preferred Alternative 1 – to redesignate the Cookie Crock site to allow commercial land uses only.
- Why would one shopping center be one type of commercial and the other is another type?
- Some people said school and civic buildings should be designated to match on-the-ground land uses.
- It makes sense that vehicle-oriented uses are here. There is a big hill and this area topographically would never be very pedestrian friendly for anyone but the young.
- Supportive of commercial along Quintana but question the existing residential land uses on this site.

## Land Use Alternatives Memo

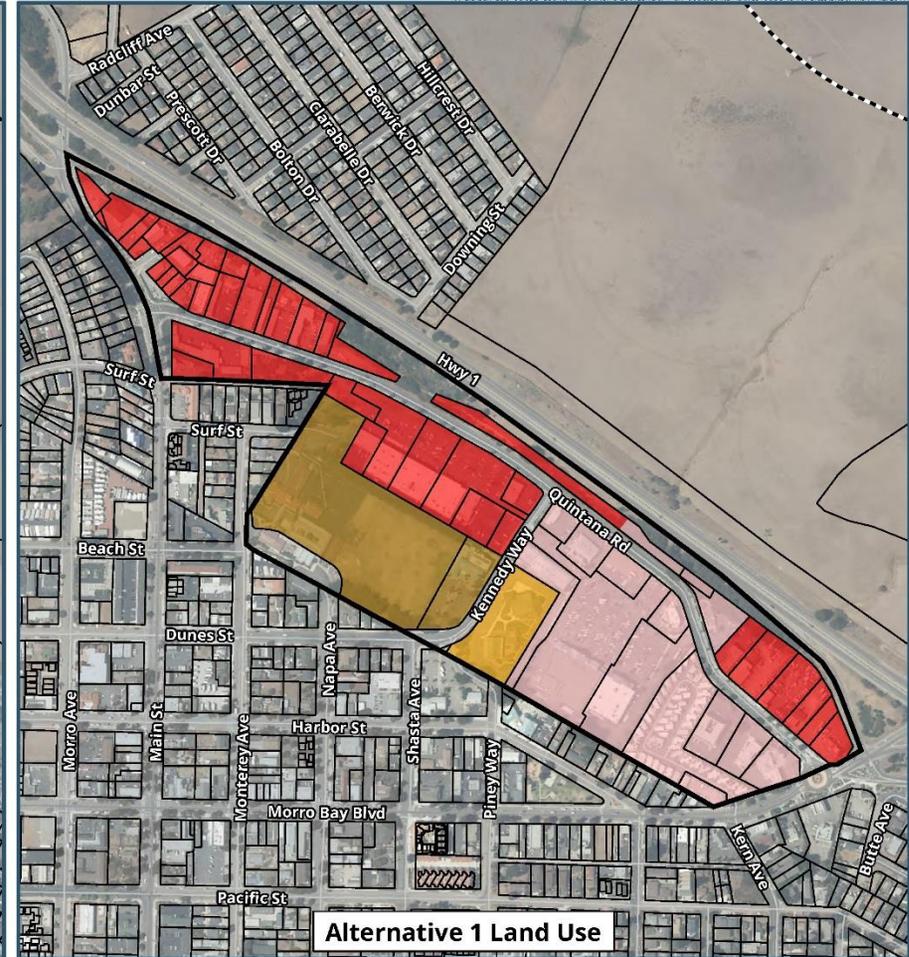
- Community members wanted to see improved pedestrian infrastructure in the area.
- The Cookie Crock site would be suitable for visitor-serving commercial or other commercial activities.
- Some participants were not in favor of the old school to develop as residential. However, the field part of the school could be developed as residential.
- A greater number of participants supported building high-density housing in the area. Participants felt that the existing school building and/or playing field would be the best location for new housing (as currently designated in the General Plan).
- Some participants supported preserving the existing school building as a community space and for its historic value.

**SITE J: HIGHWAY SERVING COMMERCIAL ALONG QUINTANA ROAD**

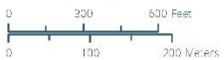
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**Existing General Plan Land Use**



**Alternative 1 Land Use**



**LEGEND**

- |                      |                              |                     |
|----------------------|------------------------------|---------------------|
| Opportunity Site     | <b>General Plan Land Use</b> | District Commercial |
| Parcels              | Medium Density Residential   | Service Commercial  |
| Morro Bay City Limit | High Density Residential     | Mixed Use           |

Source: City of Morro Bay (2016)  
San Luis Obispo County (2016)  
Michael Baker Corp. (2016)

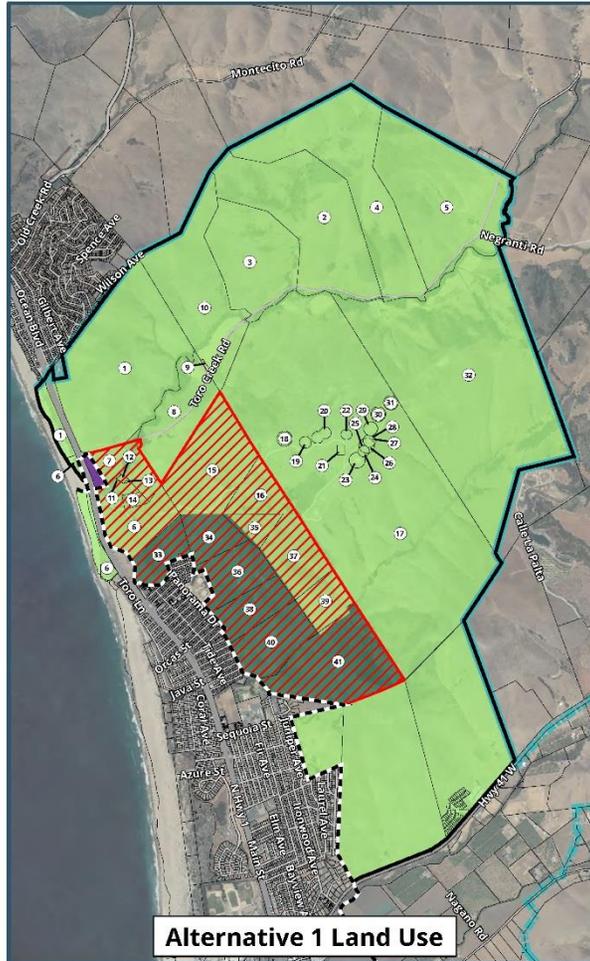
## Planning Area and Sphere of Influence

The areas discussed in this section are currently located outside of the Morro Bay city limits. As part of *Plan Morro Bay*, the City is considering establishing a planning area that extends beyond the city limits. In the future, the City may consider adding certain parts of the planning area into its sphere of influence (SOI) or annexing parcels. (Annexation was discussed earlier in the memo for Site C.) These areas are different from the opportunity sites discussed above because they do not currently have City land use classifications applied to them and they are not currently within the City's land use jurisdiction. If these areas were placed in the planning area, the City would have greater influence in these areas and would request to be notified by the County when any land use applications or other planning processes occur in these areas. If any of these areas were to be included in the City's SOI, they would need to proceed through LAFCO's process to be included in the SOI. If any portions of these areas were to be annexed, they would proceed through LAFCO's process and a City annexation process.

### Study Area 1

Study Area 1 is located east of the city limits from north of Toro Creek Road south to SR 41 (see Study Area 1 figure). It consists primarily of annual grasslands. Much of Study Area 1 includes the former site of the Estero Marine Terminal, which is owned by Chevron. The Estero Marine Terminal site includes marine terminal offices and a former tank farm. The area also contains a 200-acre parcel that includes a mobile home park in a portion of the area. About half of Area 1 is located in the coastal zone. Chevron is currently exploring options to divest from its property ownership in this area. Chevron has presented twice to the GPAC about its properties and potential options for future use of those properties. The figures and parcel numbers referenced in this section are based on maps Chevron presented. The City proposes to include part of this study area in its General Plan Planning Area and part in its SOI.

STUDY AREA 1



LEGEND

- |                              |  |  |
|------------------------------|--|--|
| Study Area                   | <b>Morro Bay General Plan Land Use</b> | <b>San Luis Obispo County General Plan</b> |
| Proposed Sphere of Influence | Visitor Serving Commercial             | Agriculture                                |
| Proposed Plan Area Boundary  | Coastal Development Industrial         | Recreation                                 |
| Parcels                      | Agriculture                            |  |
| Morro Bay City Limit         | Open Space/Recreation                  |  |



San Luis Obispo County of Morro Bay (2016); San Luis Obispo County (2016); Morro Bay (2016)



## Proposed Sphere of Influence

About 25 percent of Study Area 1 is proposed for inclusion in the City's SOI. This area is all currently owned by Chevron and includes areas with potential for residential and commercial development.

### Existing Conditions

This area includes the former marine terminal and all of the Chevron parcels on the west side of Highway 1. It also surrounds an area (east of Highway 1) that is already in the city limits.

### Existing General Plan

The property already located within the city limits is designated Coastal Development Industrial and is adjacent to another area (west of Highway 1) that is in the City's current SOI. The existing County General Plan land use designations in this area are Agriculture and Recreation.

### Alternative 1

If this area were annexed to the City under Alternative 1, Chevron parcels 33, 34, 36, 38, 40, and 41 would be designated Agriculture with the restriction of one residential unit per parcel. The balance of the potential SOI area would be designated Open Space/Recreation. Under this alternative, only six residential units would be allowed on parcels adjacent to the existing city limits and the balance of this site would be protected and preserved. This alternative corresponds to "Opportunity Area #1" presented by Chevron to the GPAC in November 2016.

### Alternative 2

If this area were annexed to the City under Alternative 2, Chevron parcels 15, 16, 33, 34, 35, 36, 37, 38, 39, 40, and 41 would be designated Agriculture. Parcels 6, 7, 11, 12, 13, and 14 would be designated Visitor Serving Commercial. The parcel surrounded by this area that is currently inside the city limits would also be redesignated from Coastal Development Industrial to Visitor Serving Commercial. Under this alternative, a larger area of low density residential development or agricultural uses would be allowed on

parcels adjacent to the existing city limits (these parcels would be designated Agriculture, allowing one residence per parcel) and visitor-serving uses would be allowed close to the water. Also under this alternative, a smaller but still quite extensive area would be placed under conservation with the Open Space/Recreation designation and this would be consistent with aspects of Chevron's concept plan presented to the GPAC in November 2016.

### Proposed Planning Area

The remainder of Study Area 1 north, east, and south of the proposed SOI area would be proposed for inclusion in the City's planning area.

### Existing Conditions

Much of this area is more pristine than the proposed SOI area and includes some high-quality natural habitat. However, this area includes the former Chevron tank farm as well as some existing residential development adjacent to SR 41.

### Existing General Plan

The existing County General Plan land use designation in this area is Agriculture.

### Alternative 1

The City's long-term future vision for this area would be to retain the area as Open Space/Recreation use, which would allow for continued agricultural use.

### Input Received

- The majority of those who provided input were not in favor of development in this area. A slight majority were in favor of the City extending their planning area or SOI into this area.
- Opinion was split about whether the area included in the City's planning area should be designated Agriculture or Open Space/Recreation.
- There were mixed feelings on including this area in the City's sphere of influence (SOI):



- Many community members saw merit in maintaining the area as County land and keeping it in agriculture, rather than evaluating it for inclusion in the City's SOI or annexing the land. Many participants were supportive of preserving the land as is, and felt that keeping County control would be the best way to accomplish this.
  - Some community members noted that if annexed the City would have to provide infrastructure for any development in the area, and were concerned about potentially high costs for infrastructure construction.
  - Some community members were hesitant to designate the study area as open space, feeling that the cost would be too high and that such a designation might eliminate the fire protection benefits afforded by the grazing activities that currently occur in the area.
  - Study Area 1, especially along Toro Creek Road, could be used as a county park.
  
- Others felt that there were clear benefits to including it in the City's SOI, such as to:
  - Ensure that no development would occur in landslide-prone areas within Parcels 38 and 40.
  - Limit density to one house and one barn per parcel.
  - Encourage development of recreational uses, such as trails for biking, hiking, and horseback riding.
  - Some participants were open to considering intensification of allowed residential density in some areas in exchange for preserving other areas
  - Maintain hillside views east of Highway 1 by keeping any development low.
  
- Participants felt that more time than was provided at the workshop would be needed to effectively offer feedback on this site. Could the City hold more meetings just on this area/issue?
- Participants wanted to preserve the dog beach in the area.



## Study Area 2

Study Area 2 is located east of the Morro Bay city limits and south of SR 41 (see Study Area 2 figure). Most of the land in this area is located north of Little Morro Creek Road, although a few parcels extend south of the road. The area is entirely within the Coastal Zone.

### Existing Conditions

Most of this area is under agricultural cultivation and is relatively flat. Avocado orchards are situated on many parcels, while other properties are used to grow field crops.

The vast majority of the land in Study Area 2 is designated as “prime soils.” With the exception of some of the northeast portion of Study Area 2, large sections of the area are also considered prime agricultural land, and some parcels are under Williamson Act contracts.

### Existing General Plan

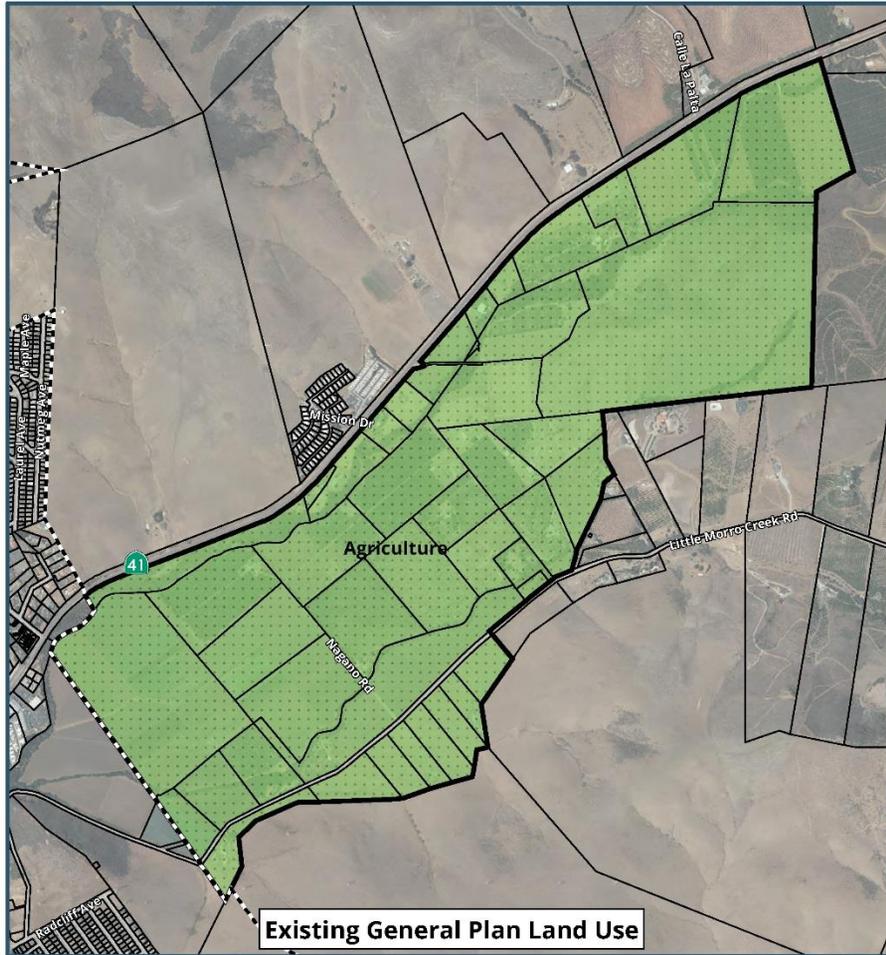
The existing County General Plan land use designation in this area is Agriculture.

### Alternative 1

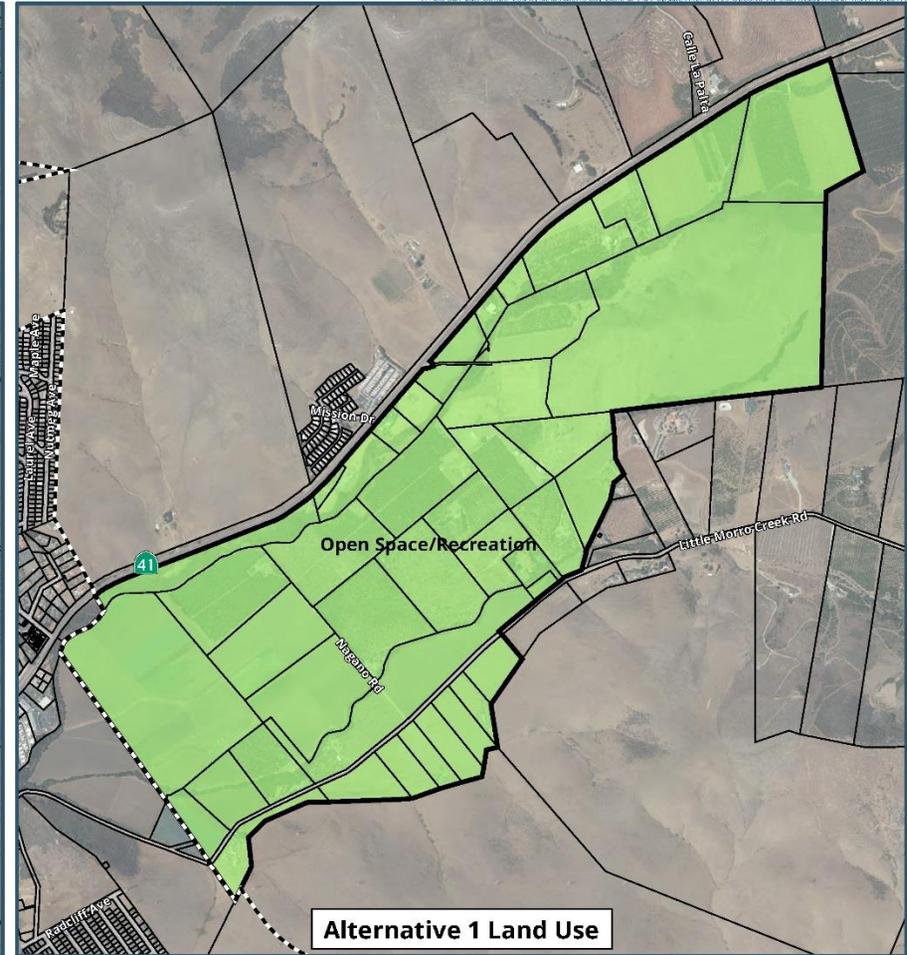
The City’s long-term future vision for this area would be to retain the area as Open Space/Recreation, which would allow for continued agricultural use.

STUDY AREA 2

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Existing General Plan Land Use



Alternative 1 Land Use



LEGEND

- |                      |  |  |
|----------------------|--|--|
| Study Area           | <b>Morro Bay General Plan Land Use</b> | <b>San Luis Obispo County General Plan</b> |
| Parcels              | Open Space/Recreation                  | Agriculture                                |
| Morro Bay City Limit |  |  |

Sources: City of Morro Bay (2016);  
San Luis Obispo County (2016);  
Michael Baker Inc. (2016).

## Study Area 3

Study Area 3 is located north of Highway 1 adjacent to the Tri-W parcel that is located inside the city limits. It is east of Little Morro Creek Road and west of South Bay Boulevard (see Study Area 3 figure).

### Existing Conditions

Most of this area is used for grazing and is quite hilly. It is currently undeveloped. The City is currently evaluating an area at the southeast corner of this study area for the future location of the City's WRF. If that facility is approved, that portion of the study would be annexed and designated Public Facility as detailed under Site C above.

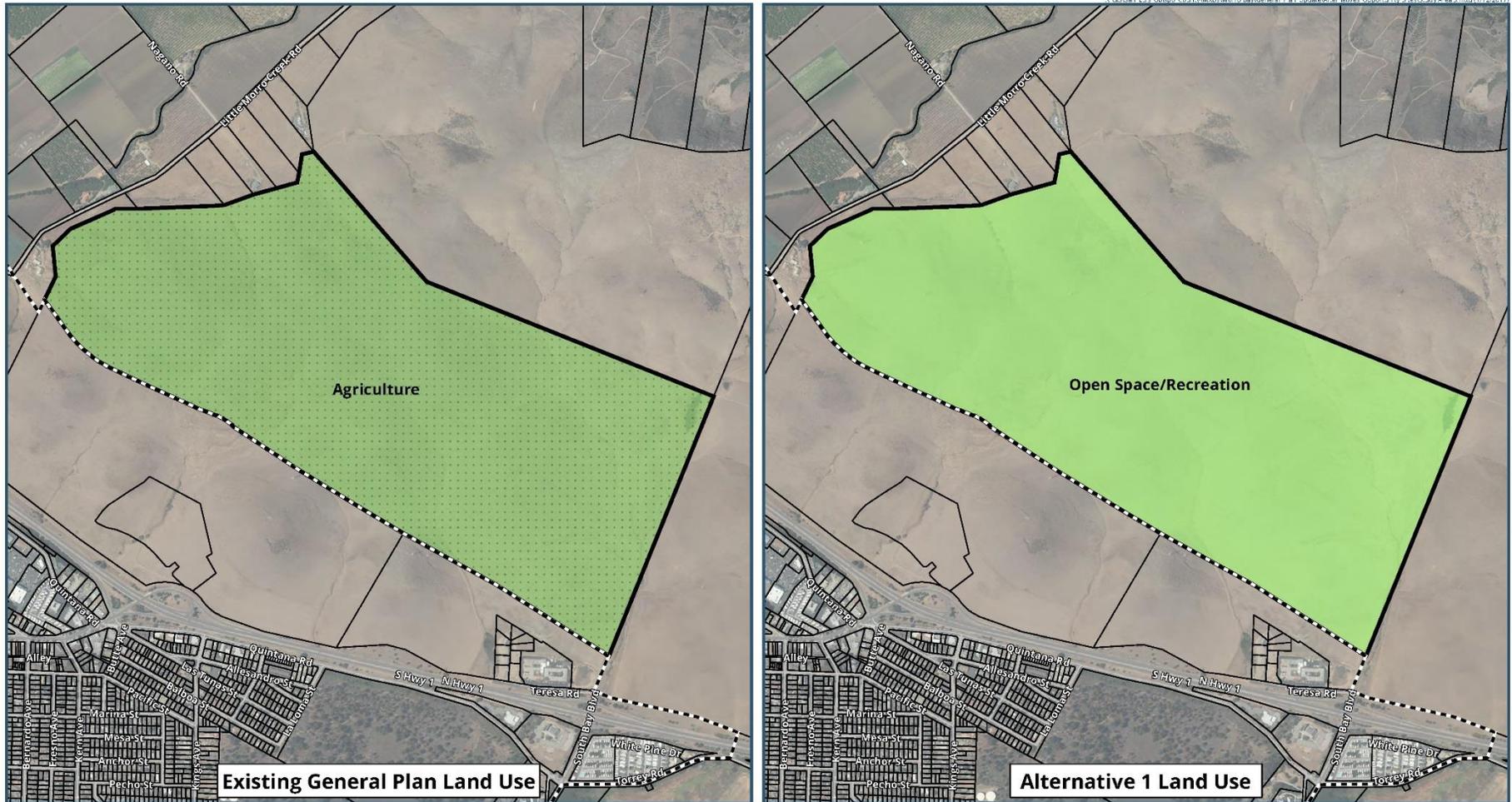
### Existing General Plan

The existing County General Plan land use designation in this area is Agriculture.

### Alternative 1

For the remainder of this area (aside from the WRF), or for the whole study area if the WRF location is not approved here, the City's long-term future vision for this area would be to retain the area as Open Space/Recreation, which would allow for continued agricultural use.

STUDY AREA 3



LEGEND

- Study Area
- Parcels
- Morro Bay City Limit
- Morro Bay General Plan Land Use
- Open Space/Recreation
- Agriculture
- San Luis Obispo County General Plan

San Luis Obispo County of Morro Bay (2013)  
San Luis Obispo County (2016)  
McChae Baker Inc (2013)

## Study Area 4

Study Area 4 is located east of the Morro Bay city limits and south of Highway 1, extending east almost to Hollister Peak (see Study Area 4 figure). The terrain of Study Area 4 is fairly flat, lying just north of Cerro Cabrillo and Hollister Peak. Morro Creek runs the length of this study area. The area is located entirely within the Coastal Zone.

### Existing Conditions

Much of Study Area 4 is in agricultural cultivation, primarily as row crops. Almost all of the area is considered prime soil, and some parcels qualify as prime agricultural land. One large parcel is under a Williamson Act contract. The area known as Chorro Flats is owned by the Coastal San Luis Resource Conservation District, which maintains approximately 45 acres in active agricultural production and has restored the rest of the land to wetlands and other wildlife habitat.

### Existing General Plan

The existing County General Plan land use designation in this area is Agriculture.

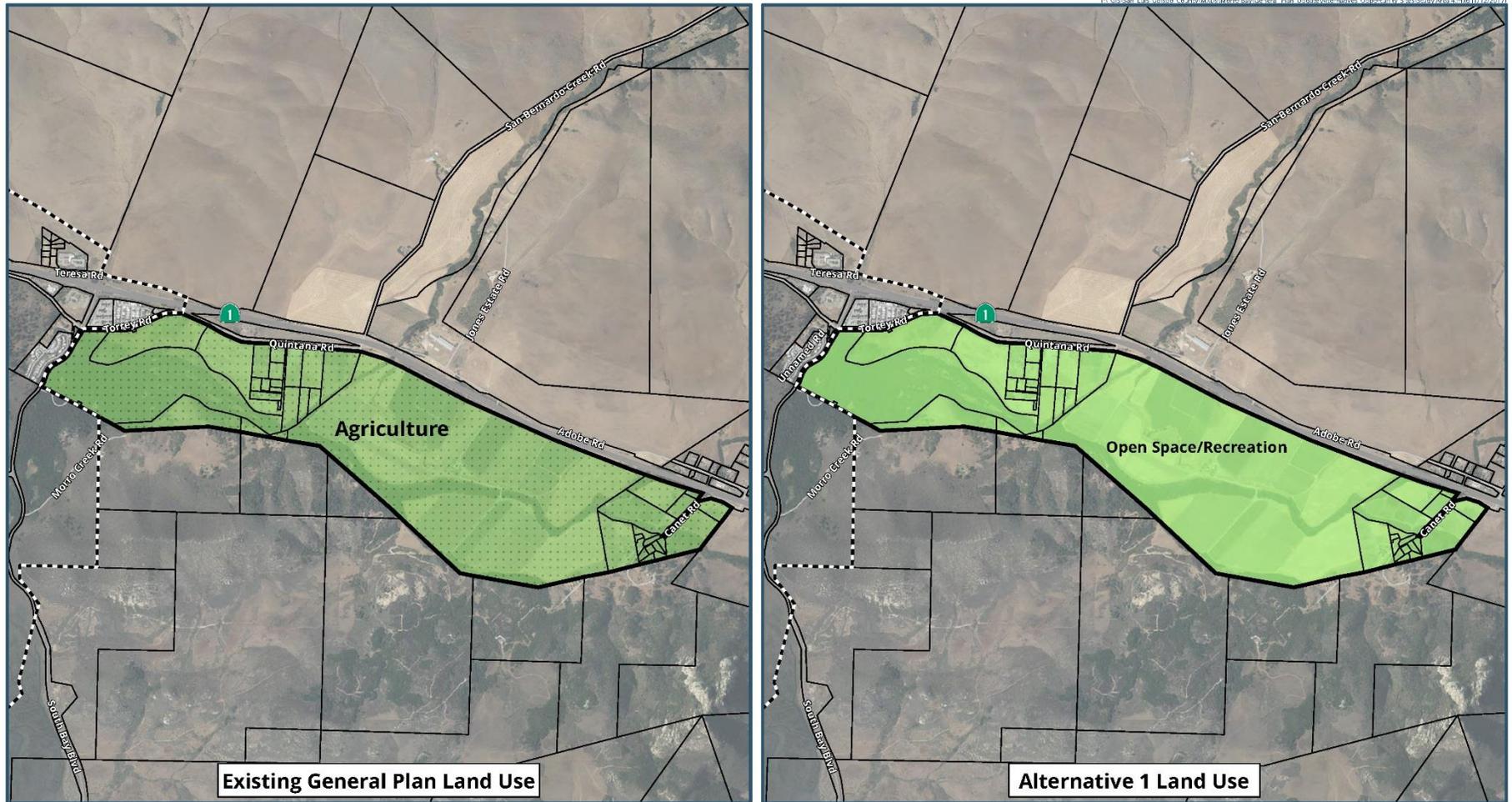
### Alternative 1

The City's long-term future vision for this area would be to retain the area as Open Space/Recreation, which would allow for continued agricultural use.

### Input Received for Study Areas 2, 3 and 4

- Many of those who provided input wanted the land kept under County jurisdiction, while some wanted the City or another organization to acquire the land and protect it as open space. Another segment of the participants wanted the land to be annexed by the City but retained as agriculture.
- Participants were opposed to any new development on hillsides, and would like to see these areas preserved as agriculture.
- Study Area 3 and Study Area 4 could be used for business park or light industrial uses.
- There was support for passive recreation within the study areas, as feasible.

STUDY AREA 4



LEGEND

- |                      |                                 |                                     |
|----------------------|---------------------------------|-------------------------------------|
| Study Area           | Morro Bay General Plan Land Use | San Luis Obispo County General Plan |
| Parcels              | Open Space/Recreation           | Agriculture                         |
| Morro Bay City Limit |                                 |                                     |

Source: City of Morro Bay (2016), San Luis Obispo County (2016), Michael Baker Corp. (2016).

## General Input from the Survey

- A number of respondents emphasized the need for affordable housing, especially for senior citizens. While many supported higher-density affordable/senior housing, a few respondents were concerned about increased traffic that may result from these developments.
- Survey respondents favored local retailers and other businesses over large chains, particularly in visitor-friendly locations such as downtown and the Embarcadero.
- Many respondents spoke strongly in favor of preserving hillside areas from development and protecting these sites as open space uses, with limited recreational opportunities such as hiking trails.
- A large number of people spoke in favor of maintaining the small-town, fishing village atmosphere that makes Morro Bay unique. Specific cities and areas were given (Southern California, Pismo Beach, etc.) to illustrate what they did not want to see Morro Bay turn into.
- While unrelated to the study area questions, a substantial number of respondents talked about fixing existing City streets and infrastructure that they feel are currently inadequate.

## Next Steps

Following the GPAC's review and input, the following next steps will occur in the land use alternatives process:

- Public workshop on land use alternatives
- Planning Commission/City Council study session on land use alternatives
- Draft *Plan Morro Bay*

**Attachment 3**  
**Planning Commission April 4, 2017**  
**Comments on Preferred Land Use Alternatives for the**  
**GP/LCP**

**Site F (Tri-W):**

- Keep as is

Will this support mixed-use? Measure H area that limits 13 acre commercial development is vague. Need to determine actual on-the-ground boundaries and determine optimal configuration. No context to this location because commercially isolated from other areas.

**Site G (Hwy 41 Corridor):**

- Does not support industrial land uses at gateway to City. The gateway to City should be improved and enhanced through better design standards to improve aesthetics.
- Consolidate land uses & re-think industrial use.
- Support higher density, but preserve transitions from County ag land to City ag/low density

Lucas: Okay with higher residential, does not support neighborhood commercial red area on map. Agree w/ Richard comments on industrial need but not in this area. Improve circulation.

Sadowski: Agree w/ Lucas on red neighborhood commercial area, should be something else. Need more jobs which can be accomplished through industrial land uses.

Luhr: Need design standards for City gateway. ESHA limitations to industrial land uses. Better off as Visitor Serving Commercial. Orange area (RV park) should be higher density housing land use. Support tiny homes. Need more industrial, but not here. Need good compatible design. The use not as important as the standards. Transition from County ag lands to City ag lands. South side of 41 could be R-A like north side. Major opportunity exists to reclaim this habitat & flood area and transform it into passive recreational use and habitat improvement.

Tefft: Agree with high density residential with varying heights depending on low or high ground. Improve circulation access to 41.

Ingraffia: Support higher density and preserve outer lands.

**Site H (Measure D/ CF area):**

- Need flexible land use, so as needed cannot expand description depending on future proposals

- Area north of Coleman Drive should not be Commercial/Recreational Fishing, should be Open Space/Rec if allowed by Measure D.
- Need secondary access route (ingress/egress) to reach Embarcadero to Hwy 1.

Tefft: Re-evaluate language of measure D. Why is Rock parking lot not included? Circulation through Power Plant and to Hwy 1 will be included as part of future redevelopment or Master Plan requirements.

Lucas: Need to accommodate traffic circulation changes when Power Plant redeveloped.

Luhr: Need secondary access route either via bridge over Morro Creek or across Power Plant site.

Sadowski: Look at integration of whole area – i.e. circulation through the Power Plant site.

**Site I: (Downtown at Highway 1):**

- Strip of parcels northeast of City park on Harbor Street are a unique area. Could be a more intense commercial area (family, entertainment area) since it backs up to shopping center.
- Eastern 3 “pink” lots (east of Kern) should be included as part of Site J.
- Support high density residential in northwestern corner of Site I.

Tefft: Blue area northeast of park (Harbor St) should be defined to include mixed uses like retail, entertainment uses, but not exclusive residential. Ideal area for outdoor family entertainment site. Why City buildings not identified as Public Facility use (Civic Area)? Important to deal with parking on mixed use projects that include a residential component. This area of downtown is a distinct area, needs to be treated differently than the Main St/Morro Bay Blvd area of downtown.

Ingraffia: Okay with residential above commercial to allow more density. Mixed use commercial first floor with residential above.

Luhr: Need design standards for this. Especially mixed uses. This is another gateway to the City.

Lucas: Not tall buildings/higher height on the east end by the roundabout, so that there is a lower silhouette when first arriving in town. Higher height buildings away from roundabout area. Difference between Mixed Use and District Commercial. Entertainment area focused on park? Park as focal point.

Sadowski: Agrees with Lucas. Does not support ground floor residential in mixed use areas.

**Site J (Highway Serving Commercial Along Quintana Road):**

- Combine District Commercial and Light Industrial uses and call it Commercial / Industrial
- Discussed whether to keep elementary school site as exclusive residential?
- The community center site should be designated as Public Facility

Lucas: Shopping center parking. Scenic value from Highway 1. Whether commercial or industrial land uses, the use needs to be real, and not create dead zones. Okay with consolidating land uses. Need more elderly housing. Okay with high density residential at elementary school site. Large parcel; keep it intact. Questioned whether school site needs to be exclusive residential if we have commensurate residential uses elsewhere (i.e RHNA goals of Housing Element).

Luhr: Create mechanism to add landscaping to parking. Lower section at Main & Quintana is more industrial. Could elementary school site be “site-planned”? This is a unique site that could be almost anything. We don’t have many large contiguous sites.

Tefft: Service Commercial versus Light Industrial difference? Should combine land uses and just call it Commercial / Industrial use to clarify. Housing not a bad thing, but we don’t have enough commercial. School site needs to be historically preserved.

Sadowski: Need to encourage local businesses. Prefers light industrial use.

**Study Area 1:**

- Expand City SOI to include lots to extend to 2<sup>nd</sup> ridgeline and low density residential along Panorama and visitor-serving commercial at north end in order to facilitate preservation and public access (As shown in proposal 3-B), not the presented preferred alternative.
- Keep Lot 6 (Dog Beach) as open space use

Lucas: Preserve views of our hill top background. Expand SOI to the ridgeline. This is key gateway, don’t want to miss this chance to have City influence on preservation.

Tefft: Changed his mind from GPAC meeting after having had a tour of the Chevron property site. He supports VSC land use , for a low-rise Asilomar-style conference center and horse-riding, beach access, public parking, recreation amenities ; because it’s not visible from Hwy 1 or the City , and nor does it extend up the hill. On a mostly flat area. Allowing some visitor serving commercial could significantly mitigate the overall purchase price of \$30 million and accomplish City goals of preserving ridgeline views. This site and the Power Plant are viable areas for redevelopment. Might be possible to negotiate conservation easement. Should be part of bargain.

Sadowski: How much residential would be built up against Panorama if res. density transferred there? Concerned about landslide and safety factors/ impact to existing res. Panorama neighborhood. (GPAC discussed very low residential density e.g. ½ acre lots).

Ingraffia: Agrees to protect views. Supports option 3-B.

Luhr: Supports option 3-B. What about ag. Easements? Grazing would better than rows of trellis (wine). Lot 6 needs to stay as open space (Dog Beach).

Study Area 2:

- Include north side of Hwy 41 properties. (2 properties east of McElvaine property).

Study Area 3:

- Okay as proposed.

Study Area 4:

- Okay as proposed.