



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.

Regular Meeting - Tuesday, January 23, 2018 Veterans Memorial Hall - 6:00 P.M. 209 Surf St., Morro Bay, CA

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

PUBLIC COMMENT PERIOD

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

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

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

A. CONSENT AGENDA

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

- A-1 APPROVAL OF MINUTES FOR THE JANUARY 9, 2018 CITY COUNCIL CLOSED SESSION MEETING; (ADMINISTRATION)
- RECOMMENDATION: Approve as submitted.**
- A-2 APPROVAL OF MINUTES FOR THE JANUARY 9, 2018 CITY COUNCIL SPECIAL MEETING; (ADMINISTRATION)
- RECOMMENDATION: Approve as submitted.**
- A-3 ADOPTION OF DOWNTOWN WATERFRONT STRATEGIC PLAN; (COMMUNITY DEVELOPMENT)
- RECOMMENDATION: Council adopt the Downtown portion of the Downtown Waterfront Strategic Plan (DWSP), completing the overall adoption process for the document.**
- A-4 APPROVAL OF PROCLAMATION RECOGNIZING JANUARY 21-27, 2018 AS SCHOOL CHOICE WEEK; (CITY CLERK)
- RECOMMENDATION: Approve as submitted.**
- A-5 RECEIVE AND FILE CITY RESPONSE TO MORRO BAY ACTION TEAM REGARDING ALLEGED BROWN ACT VIOLATION, AND PROVIDE COMMENT AS DEEMED APPROPRIATE; (CITY ATTORNEY)
- RECOMMENDATION: Receive and file.**
- A-6 RECEIVE THE FIRST QUARTER INVESTMENT REPORT (JULY THROUGH SEPTEMBER 2017) FOR FISCAL YEAR 2017/18 AND APPROVE CHANGES TO THE INVESTMENT POLICY; (FINANCE)
- RECOMMENDATION: Council:**
1. Receive the attached First Quarter Investment Report (July through September 2017) for Fiscal Year 2017/18; and,
 2. Approve the recommended changes to the Investment Policy.
- A-7 ADOPTION OF RESOLUTION NO. 04-18 ESTABLISHING A CITY MANAGER EVALUATION PROCESS; (CITY MANAGER)
- RECOMMENDATION: City Manager Evaluation sub-committee recommends the City Council review and adopt Resolution No. 04-18, establishing a City Manager evaluation process and rescinding Resolution No. 73-15.**
- B. PUBLIC HEARINGS
- B-1 ADOPTION OF RESOLUTION NO. 03-18 APPROVING CONDITIONAL USE PERMIT NO. UP0-448 FOR GRAYS INN, 561 EMBARCADERO. PROJECT INCLUDES PUBLIC HARBORWALK AND VERTICAL ACCESS IMPROVEMENTS, SIDEWALK, ADA, PARKING AND BUILDING FAÇADE IMPROVEMENTS; (COMMUNITY DEVELOPMENT)
- RECOMMENDATION: Council adopt Resolution No. 03-18, making the necessary findings for approval of Conditional Use Permit (CUP) No. UP0-448 as Concept/Precise Plan approval and approval of Parking Exception No. AD0-109.**

C. BUSINESS ITEMS

- C-1 RECEIVE THE CITIZENS FINANCE ADVISORY COMMITTEE REPORT ON FY 2016/17 MEASURE Q TRANSACTIONS AND OTHER ACTIVITIES DURING THE YEAR;(FINANCE)

RECOMMENDATION: Council:

1. Receive the Citizen's Advisory Finance Committee Report on FY 2016/17 Measure Q transactions and other activities during the past year; and,
2. Receive the Citizen's Advisory Finance Committee Comprehensive Audited Financial Review Recommendations.

- C-2 AUTHORIZE RELEASE OF A REQUEST FOR PROPOSAL (RFP) FOR DESIGN/BUILD OF THE CITY OF MORRO BAY WATER RECLAMATION FACILITY ONSITE IMPROVEMENTS TO THREE PRE-QUALIFIED DESIGN BUILD ENTITIES THAT SUBMITTED STATEMENTS OF QUALIFICATIONS (SOQ) IN ACCORDANCE WITH THE REQUEST FOR QUALIFICATIONS (RFQ) ISSUED ON OCTOBER 27, 2017; (PUBLIC WORKS)

RECOMMENDATION: City Council:

1. Review the final draft of the RFP for the Morro Bay Water Reclamation Facility Onsite Improvements that incorporated changes directed at the January 17, 2018, Special Council Meeting; and,
2. Direct staff to release the RFP to;
 - a. AECOM/WM Lyles Company Joint Venture
 - b. Filanc/Black & Veatch Joint Venture
 - c. Kiewit Infrastructure West Company and Tetra Tech, Inc.; orProvide other direction as deemed appropriate.

- C-3 ACCEPT THE VOLUNTARY RESIGNATIONS OF WATER RECLAMATION FACILITY CITIZEN'S ADVISORY COMMITTEE (WRFCAC) MEMBERS, CONSIDER A REQUEST FOR LEAVE OF ABSENCE, AND PROVIDE DIRECTION REGARDING THE NUMBER OF COMMITTEE MEMBERS AND PURPOSE FOR THAT COMMITTEE; (CITY CLERK/PUBLIC WORKS)

RECOMMENDATION: City Council:

1. Accept the resignations of WRFCAC Committee Members Ginny Garelick, Ann Fullerton, and Dale Guerra; and,
2. Direct staff to begin a recruitment to fill those vacancies; and,
3. Provide direction in response to John Diodati's request for a leave of absence from the Committee; and,
4. Consider establishing a mission statement clarifying the expectations for the WRFCAC technical review committee, or
5. Provide other direction as deemed appropriate.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

E. ADJOURNMENT

The next Regular Meeting will be held on **Tuesday, February 13, 2018 at 6:00 p.m.** at the Veteran's Memorial Hall located at 209 Surf Street, Morro Bay, California.

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

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

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

MINUTES - MORRO BAY CITY COUNCIL
SPECIAL CLOSED SESSION MEETING –
JANUARY 9, 2018 – 4:15 P.M.
CITY HALL CONFERENCE ROOM

AGENDA NO: A-1
MEETING DATE: January 23, 2018

PRESENT:	Jamie Irons	Mayor
	Robert Davis	Council Member
	John Headding	Council Member
	Matt Makowetski	Council Member
	Marlys McPherson	Council Member
STAFF:	Scott Collins	City Manager
	Chris Neumeyer	Assistant City Attorney

ESTABLISH QUORUM AND CALL TO ORDER

The meeting was called to order at 4:17 P.M., with all but Council Member Makowetski present.

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

CLOSED SESSION PUBLIC COMMENT – Mayor Irons opened the meeting for public comment for items on the agenda.

Ken Green, Morro Bay, requested the Council be transparent.

The public comment period was closed.

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

CS-1 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: 1 matter involving Morro Bay Action Team’s claim of a CEQA and Brown Act violation at the November 14, 2017, meeting.

Council Member Makowetski joined the meeting at 4:29 P.M.

RECONVENE IN OPEN SESSION – The City Council reconvened in Open Session. Assistant City Attorney Neumeyer reported the Council met in Closed Session and discussed one item and, after discussion in Closed Session, voted unanimously to respond with a correspondence to the Morro Bay Action Team. That correspondence will be included on the Consent Agenda for the next City Council meeting for public consumption.

ADJOURNMENT - The meeting adjourned at 4:33 P.M.

Recorded by:

Dana Swanson
City Clerk

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PRESENT:	Jamie Irons	Mayor
	Robert Davis	Council Member
	John Headding	Council Member
	Matt Makowetski	Council Member
	Marlys McPherson	Council Member
STAFF:	Scott Collins	City Manager
	Chris Neumeyer	Assistant City Attorney
	Dana Swanson	City Clerk
	Jennifer Callaway	Finance Director
	Rob Livick	Public Works Director
	Scot Graham	Community Development Director
	Greg Allen	Police Chief
	Steve Knuckles	Fire Chief

ESTABLISH A QUORUM AND CALL TO ORDER

The meeting was called to order at 5:04 p.m. with all members present.

PUBLIC COMMENT

The public comment period was opened for items on the agenda. Seeing none, the public comment period was closed.

SPECIAL MEETING AGENDA ITEM:

I. Consideration and Approval of the 2018 Strategic Goals Meeting and Budget Schedule

<https://youtu.be/wfwX4sX077E?t=1m8s>

City Manager Collins presented the staff report and responded to Council inquiries.

The Council discussed the proposed schedule and potential dates for the Goals Retreat. It was agreed that special meeting would be held on Friday, February 2, 2018, from Noon to 6:00 p.m. at a location to be determined. Staff committed to a strong public outreach campaign to encourage community involvement in the process.

The Council requested the Goals Retreat date and Quarterly Budget Report dates be added to the calendar exhibit for Resolution No. 02-18.

MOTION: Council Member Headding moved for the adoption of Resolution No. 02-18, a Resolution of the City Council of the City of Morro Bay, California, adopting the 2018 City Council Meeting Calendar and Work Plan Development Structure and strategic planning date of February 2nd from 12-6 p.m., with Quarterly Financial Report Dates added to the calendar. The motion was seconded by Council Member McPherson and carried unanimously, 5-0.

ADJOURNMENT

The meeting adjourned at 5:36 p.m.

Recorded by:

Dana Swanson,
City Clerk

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AGENDA NO: A-3

MEETING DATE: January 23, 2018

Staff Report

TO: Honorable Mayor and City Council

DATE: January 10, 2018

FROM: Scot Graham, Community Development Director

SUBJECT: Adoption of Downtown Waterfront Strategic Plan

RECOMMENDATION

Staff recommends Council adopt the Downtown portion of the Downtown Waterfront Strategic Plan (DWSP), completing the overall adoption process for the document.

BACKGROUND

The City Council reviewed the Downtown Waterfront Strategic Plan (DWSP) on September 12, 2017, and adopted both the waterfront and general policy portions of the DWSP. A link to the September 12, 2017, meeting minutes is provided at the end of the staff report.

Mayor Irons and Council Member Headding each own property within the downtown portion of the City and recused themselves from participating in consideration of the downtown portion of the DWSP.

Following recusal by Mayor Irons and Council Member Headding, Council Member Makowetski moved to adopt the downtown portion of the DWSP and Council Member Davis seconded the motion. The motion failed on a 2 to 1 vote with Council Member McPherson dissenting. For there to be an affirmative vote of the Council, at least three members must vote in favor of the motion.

Council Member McPherson was not in favor of adopting the downtown portion of the DWSP, as she was interested in making some changes to the document. Council Member McPherson provided recommendations to staff for revisions to the DWSP resulting in non-substantive typographical, and grammatical changes to the document. Staff also took the opportunity to make similar non-substantive changes to clean up the document.

CONCLUSION/RECOMMENDATION

The Council has adopted both the waterfront and general provision portions of the Downtown Waterfront Strategic Plan. Some minor revisions were made to the downtown portion of the DWSP based on input provided by Council Member McPherson. Staff recommends adoption of the Downtown portion of the Downtown Waterfront Strategic Plan. If this matter remains part of the Consent Agenda without any Council and public comment, then Mayor Irons and Council Member Headding need not leave the dais during the consideration and decision on this item and the record will reflect they recused themselves from making, participating in or trying to influence that decision.

ATTACHMENT(S)

1. Final Downtown Waterfront Strategic Plan (DWSP)

ONLINE LINKS:

- September 12, 2017 City Council minutes (item C-3)
<https://www.morro-bay.ca.us/ArchiveCenter/ViewFile/Item/4421>
- September 12, 2017 Council Staff Report (item C-3)
<https://www.morro-bay.ca.us/ArchiveCenter/ViewFile/Item/4361>

Prepared By: CJ

Dept Review: SG

City Manager Review: SC

City Attorney Review: JWP

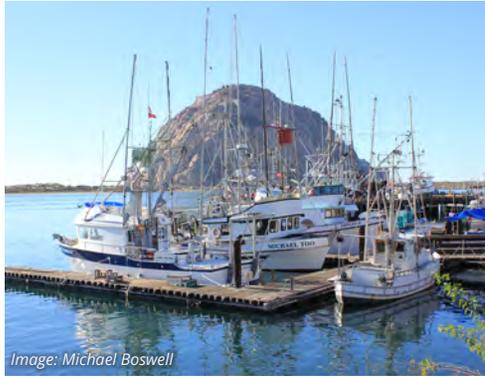
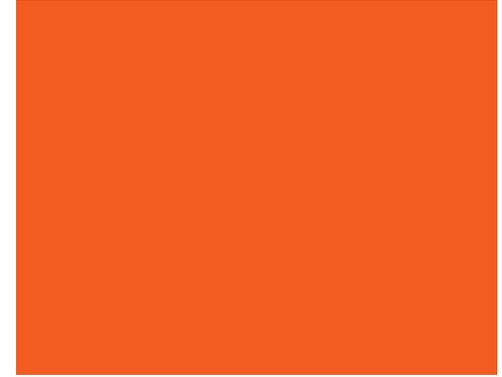


Image: Michael Boswell



DOWNTOWN WATERFRONT STRATEGIC PLAN

City of Morro Bay

January 2018

ACKNOWLEDGMENTS

PROJECT TEAM

City of Morro Bay

Scot Graham, Community Development Director
Cindy Jacinth, Senior Planner
Joan Gargiulo, Assistant Planner
Whitney McIlvaine, Contract Planner
Ryan Russell, Planning Intern

Michael Baker International

Loreli Cappel, Project Manager
Amy Sinsheimer, Assistant Project Manager
Jeff Henderson, Project Advisor
Jeanine Cavalli, Senior Planner/Urban Designer
Alessandra Lundin, Associate Planner/Urban Designer
Cristelle Blackford, Community Engagement Specialist
Lindsey Klein, Assistant Planner

PlaceWorks

Tammy L. Seale, Associate Principal

General Plan Advisory Committee

Robert Tefft, Chairperson
Rich Buquet
Jan Goldman
Susan Schneider
Glenn Silloway
Melani Smith
Susan Stewart
Jeffrey Heller
Robert "Red" Davis (former member)

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1 INTRODUCTION

- 1.1 Project Area and Purpose
- 1.2 Community Conversations
- 1.3 Document Organization



CHAPTER 1



1.1 Project Area and Purpose

Project Area

The downtown and waterfront areas comprise the social, economic, and cultural heart of Morro Bay. These areas are the center of commerce, arts, and entertainment for the city and home to a number of community amenities and destinations, including City Park, Bay Theater, the public library, City Hall, and the in-progress Maritime Museum.

The waterfront has a maritime feel, combining a working waterfront for commercial and recreational purposes with tourist-serving retail. It is adjacent to the bay and extends east to a bluff that serves as the dividing line between the waterfront and downtown. Downtown is located uphill from the waterfront and includes a variety of uses such as residential, retail, office, service commercial, and tourist-serving uses. The greatest number of hotels



and motels in Morro Bay are located in this area above the bluff. Restaurants and retail uses are concentrated along Morro Bay Boulevard, particularly near its intersection with Main Street.

The Downtown Waterfront Strategic Plan (Strategic Plan) area is generally defined by the waterfront to the west, Kern Avenue to the east, Beach Street to the north, and Pacific Street to the south. The plan area is illustrated in **Figure 1.1**.

Purpose

The purpose of this Strategic Plan is to connect and enhance Morro Bay's downtown and waterfront areas and provide a more uniform feel to each district. The Strategic Plan summarizes the outcomes of a community-based visioning process and will serve as a guide for private development and public investment and decision-making over the next 5 to 10 years. This plan, in conjunction with the Morro Bay General Plan, Local Coastal

CHAPTER 1



Program, and Zoning Code, provides a framework for property owners, the development community, and City staff to implement projects and develop properties consistent with the vision, goals, and strategies outlined in the document. In addition, portions of this plan that apply to the waterfront area will serve as a guide for the next update of the Waterfront Master Plan.

The Strategic Plan serves as a catalyst for change in downtown and along the waterfront, identifying priorities for public spending and projects needed to improve the community. Community revitalization often begins with public investment in the planning and design process. Changes to both the public realm (e.g., streets and parks) and the private realm (e.g., buildings) are brought about by a commitment to public, private, and public/private partnership projects that lead to area-wide improvements.

Figure 1.1 Project Area



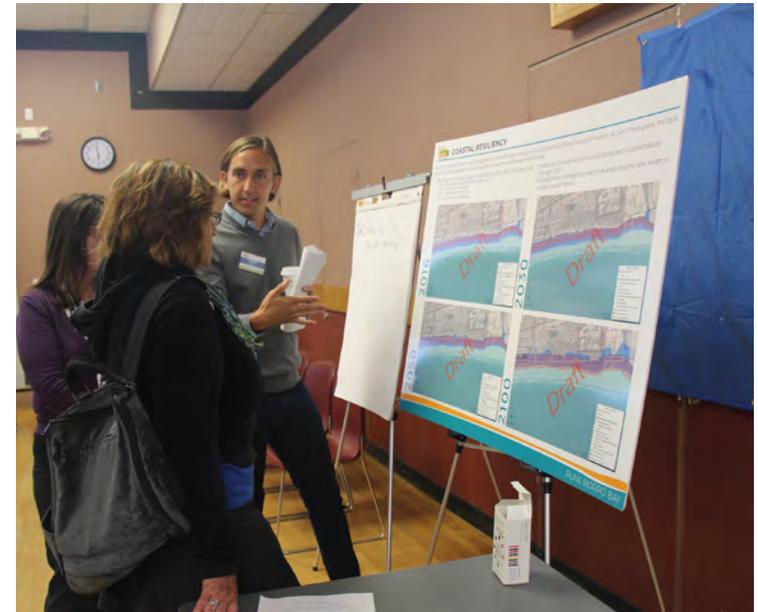
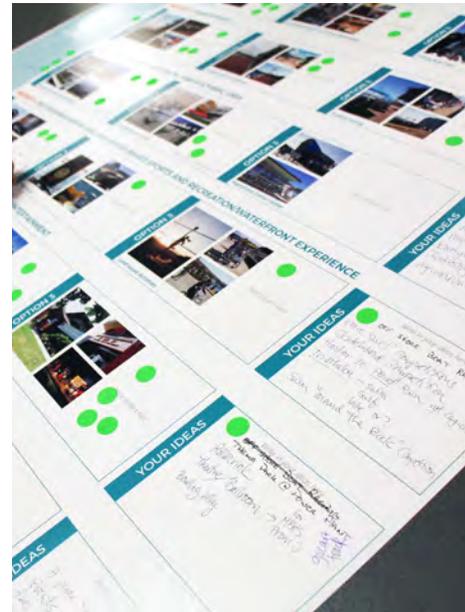
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Plan Goals

To guide the development of the Strategic Plan, a set of plan goals were developed at the outset of the project to establish the planning framework and project understanding. These goals created a starting point for development of more detailed strategies found in this Strategic Plan. The plan goals are:

- Provide a vision for the downtown and waterfront areas
- Connect the two areas
- Develop design guidelines to enhance the character and signage of the districts
- Identify policies and projects to achieve the vision
- Create a tool for a clear path to implementation



1.2 Community Conversations

The Downtown Waterfront Strategic Plan project began in April 2016. The project team met with the Morro Bay Community Development Department to create a shared understanding of the project purpose and establish a clear set of objectives. A comprehensive community engagement strategy was carried out to ensure that the Strategic Plan reflects the values and desires of the community, which included:

- Stakeholder interviews
- General Plan Advisory Committee (GPAC) meetings
- Media outreach
- Community workshops

The following summarizes the outreach and engagement efforts, tools, and key themes resulting from outreach activities.

Stakeholder Interviews

In July 2016, the project team met with a number of community members, including residents, business owners, developers, and representatives from community organizations. The purpose of these interviews was to listen to the community members express their views, concerns, and aspirations for downtown and the waterfront. The questions were intended to solicit an understanding of issues and opportunities in each district, and what types of improvements community members would like to see in the area. The primary themes that emerged from the stakeholder interviews included:

- Improve connections, wayfinding, and signage between downtown and the waterfront.
- Improve maintenance in both the public and private realms to show a sense of pride.
- Improve circulation along the waterfront, including wider sidewalks, contiguous lateral access, and multimodal balance.
- Develop vacant parcels between the waterfront and downtown, or convert them into community spaces.
- Add activities and events for a broader range of age groups.
- Support/promote the working waterfront/fishing industry.
- Create a key destination(s) to attract people to Morro Bay. Ideas include the Maritime Museum (currently in progress), an aquarium/research center, and/or an event/meeting facility.
- Install gateway features/signage to draw people in and announce arrival into Morro Bay.
- Introduce mixed-use development in downtown.
- Create additional public spaces, plazas, and outdoor performance venues.
- Add/improve parking and public transit to the waterfront.
- Attract a more varied demographic of visitors with higher-end facilities and retail.

- Install streetscape improvements, including a cohesive look/theme and additional lighting, signage, bulbouts, trash cans, and outdoor seating.

General Plan Advisory Committee Meeting

On July 21, 2016, the project team solicited more detailed direction on priority projects and design guideline topics from the GPAC. The key themes that emerged included the following:

Top private improvements:

- Empty lot across from the Blue Sail Inn
- Empty lots along Morro Bay Boulevard between Morro and Market Avenues
- Empty lot at Beach and Main Streets

Top public improvements:

- Centennial Staircase (including an outdoor performance area)
- Walkability along the water
- Morro Bay Boulevard from Main Street to Centennial Staircase
- Wayfinding signage to and between downtown and the waterfront
- Circulation improvements for all modes along the Embarcadero

Waterfront and Downtown Design Preferences:

	Waterfront	Downtown
Like	<ul style="list-style-type: none"> • Transparency of windows and doors • Increased use of 2nd floor areas as short-term rentals (motel, B&B) • Appropriate and inviting signage • Eclectic architectural styles (including modern elements) • Human scale elements • Bay-oriented landscaping • Nautical/seaside theme 	<ul style="list-style-type: none"> • Human scale elements • Transparency of windows and doors • Mix of uses (including residential) • Absence of chain stores • Outdoor amenities (dining, seating) • Small town “feel” • Older, eclectic buildings • Benches, trees, planters • Generally 2 stories or less
Dislike	<ul style="list-style-type: none"> • Awful signage • Discontinuity of lateral access • Overly modern buildings • Unattractive/poorly maintained parking areas • Narrow walkways 	<ul style="list-style-type: none"> • Two-story limit on buildings • Uneven walkways • Unkempt/poorly maintained look • New buildings out of character with old ones • Lack of landscaping and trees • Too many thrift stores on Morro Bay Boulevard

Workshop 1

The first community-wide visioning workshop for the Downtown Waterfront Strategic Plan was held on June 16, 2016. Approximately 40 participants attended the workshop. The team started the meeting by introducing the community to the project and presenting



key findings from the preliminary analysis. The workshop was highly interactive and included presentations, a visioning activity, a mapping exercise, and facilitated small group discussions.

As a welcome activity, participants were invited to imagine their ideal future, and write a postcard to a friend that described what downtown Morro Bay and the waterfront would look and feel like from this future perspective. There was general agreement among participants that the downtown and waterfront areas should remain affordable, welcoming, and eclectic into the future. In addition, many participants imagined a future that includes improved connectivity between downtown and the waterfront, especially for bicycles and pedestrians, along with additional green space, clean energy, and a vibrant economy.

Next, participants were asked to take part in a small group mapping activity to identify up to three assets and three opportunity sites in the waterfront and downtown areas.

CHAPTER 1

Many common themes emerged regarding aspects of downtown and the waterfront that participants perceived as community assets. Among the most cited assets were existing community character (including the look and feel of the buildings, streets, and businesses), natural beauty (including views of the water and the rock, parks, animals, and recreational activities), and ease of mobility and circulation for pedestrians and transit-users. For opportunity areas, many participants discussed ways that the buildings, streetscapes, and circulation within and between downtown and the waterfront could be improved. Ideas and suggestions included:

- Façade improvements
- Development of vacant lots
- Construction of mixed-use and multistory buildings downtown
- Transforming the power plant into an aquarium or other cultural use
- Pedestrian and bicycle connectivity and safety improvements
- More frequent trolley service
- Improved handicap accessibility
- Reduced traffic/congestion along the Embarcadero
- Better maintenance of public spaces and facilities
- Installation of gateway signage in downtown and at Centennial Staircase
- Construction of a visitors center
- Increased facilities for boating

Workshop 2

A second community-wide workshop for the Downtown Waterfront Strategic Plan was held on October 12, 2016. Approximately 38 participants were present, along with City staff, the project team, GPAC members, and an elected official. The main purpose of this workshop was to gather community input on design preferences for streets and buildings and confirm the list of potential projects to catalyze future improvements and investment in the downtown and waterfront areas.



After a brief presentation summarizing the project and outreach to date, participants were organized into small groups for a design character activity. The lead facilitator presented a series of slides illustrating the design features of buildings, streetscapes, public spaces, and signage. The slideshow then called out potential design themes for design elements such as building characteristics, streetscape furnishings, gateway features, and signage. Participants were provided with a matching large-format activity sheet that asked them to identify which design themes they preferred for various design elements for downtown and the waterfront. The preferred design themes were as follows:

Design Element	Preferred Design Theme	
	<i>Downtown</i>	<i>Waterfront</i>
Character-Defining Building Elements	Eclectic/Quirky	Nautical/Seaside
Streetscape Furnishings	Eclectic/Artsy	Nautical/Seaside
Gateway Features	Archways	Sculptural/Art
Signage	Figurative/Whimsical	Nautical/Rustic

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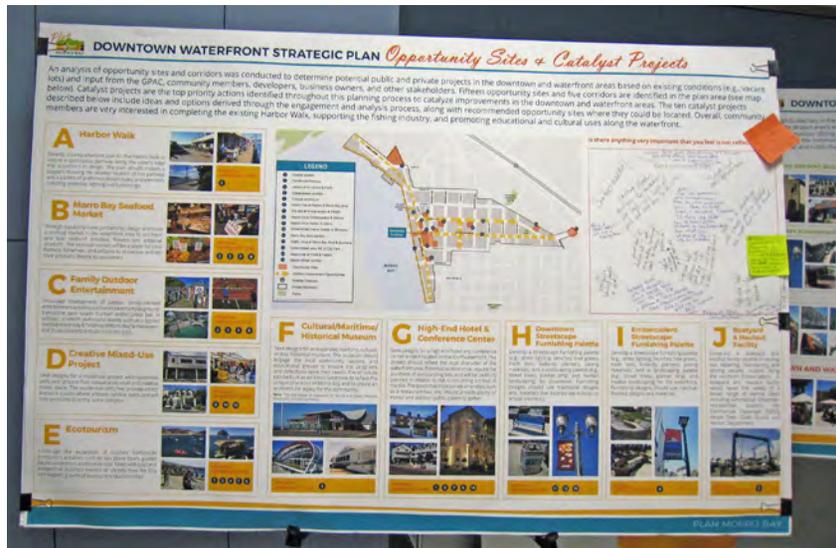
Next, each small group facilitator led an activity to confirm the preliminary list of opportunity sites for potential new development, and participants were asked to provide input on seven potential catalyst projects for the downtown and waterfront areas. Similar to the previous activity, participants were asked to select and discuss preferred option(s) for each project. The preferred options for each catalyst project were as follows:

Catalyst Project	Preferred Option
Project 1: Fishing industry supportive uses and activities	Fresh seafood and local farmers market
Project 2: Harbor Walk	Boardwalk
Project 3: Educational, historical, and cultural uses	Maritime/cultural/historical museum
Project 4: Ecotourism/harbor-side and water-based sports and recreation/waterfront experience	Water-based sports and land-based activities (tie)
Project 5: Family-oriented activities and entertainment	Outdoor activities
Project 6: Full service hotel and meeting facilities	Water/bluff location
Project 7: Mixed use	Residential over retail

In addition, participants were asked to identify priority catalyst projects. Overall, participants were very interested in completing the existing Harbor Walk, supporting the fishing industry, promoting educational and cultural uses along the waterfront, and adding mixed-use residential over retail or community spaces in downtown.

Workshop 3

The third community-wide workshop for the Downtown Waterfront Strategic Plan was held on February 2, 2017. Along with City staff and the project team, approximately 30 participants were present, including GPAC members and two elected officials. The main purpose of this workshop was to gather community input on key components of the draft plan.



The workshop was set up in an open house format in which participants were invited to circulate among four exhibits that presented the key sections of the plan: vision, opportunity sites and catalyst projects, design guidelines, and implementation. Participants were asked to identify any important items or issues that they felt were not reflected in the plan. In general, comments were minimal and suggested support for the catalyst projects and implementation actions identified in the plan. Additional suggestions included:

- Expand the bike path all the way to Tidelands Park.
- Close the Embarcadero to vehicle traffic.
- Focus on maintenance of public spaces/restrooms and the provision of basic infrastructure such as trash cans and bike racks.
- Build a parking structure downtown.
- Ensure that there is consistent wayfinding signage to direct users to coastal access points, public restrooms, and other amenities.
- Place the full service hotel/meeting facilities next to the Maritime Museum.

1.3 Document Organization

This Strategic Plan is an action-oriented document that provides a framework to support the community's vision for downtown and the waterfront. It includes the following chapters:

1. Introduction. This chapter explains the purpose of the Strategic Plan, describes the project outreach process, and includes the project goals.
2. Vision Plan. This chapter establishes the overall vision for design and character within downtown and the waterfront. Included in this chapter are the key vision themes, opportunity sites, and catalyst projects that were identified through the public outreach and engagement process. The vision outlines the community's desired future for these districts; the opportunity sites identify underutilized sites where new development that would further the vision could occur; and the catalyst projects identify activities that would spur positive change and enhance the physical environment.
3. Design Guidelines. This chapter provides guidance for the design of buildings, streets, and public spaces in the plan area.
4. Implementation. The Strategic Plan has many components, and its vision cannot be achieved overnight. This chapter establishes implementation actions, phasing, financing, and other information related to how the Strategic Plan can implement the vision established in Chapter 2. The implementation actions represent the physical improvements, programs, and projects that need to be carried out for the Strategic Plan to be realized.

2 VISION PLAN



- 2.1 Vision Key Themes
- 2.2 Opportunity Sites
- 2.3 Catalyst Projects

CHAPTER 2



2.1 Vision Key Themes

The seven key themes listed below set the foundation and clear direction for the Strategic Plan's vision for the future of Morro Bay's downtown and waterfront.

The future downtown and waterfront of Morro Bay will...

1. Preserve and enhance the town's rich fishing industry history and working waterfront

- Enhance the small beach town character of Morro Bay
- Preserve Morro Bay as a quaint fishing village
- Promote Morro Bay's unique history and cultural heritage
- Support the city's working waterfront and commercial fishing industry



2. Be unique, eclectic, charming, and artistic places that stand apart from other seaside communities

- Support local, independent businesses that preserve the area's identity as an important and unique shopping destination
- Create a welcoming atmosphere for both residents and visitors
- Promote Morro Bay as a family-friendly destination
- Integrate public art into the physical fabric of the community (e.g., Centennial Staircase)

CHAPTER 2



3. Be vibrant and economically diverse places to live, visit, and work

- Preserve and enhance affordable housing options
- Create a vibrant environment, with activities and uses that will attract residents and visitors during the day and evening hours
- Offer visitor-serving uses that enhance public access to the coastline
- Promote a diverse mix of commercial uses, providing a broad range of goods and services
- Offer numerous creative and unique small-shop choices and dining options at every price point
- Provide a range of employment opportunities



4. Preserve and enhance memorable views and connections from downtown to the beach, waterfront, and Morro Rock

- Provide safe and convenient public access to the beach and waterfront
- Extend the Morro Bay Harbor Walk
- Preserve view corridors to the bay
- Install gateways with signature elements, materials, and plantings to announce arrival and welcome visitors into the downtown and waterfront areas

CHAPTER 2



5. Provide convenient opportunities to walk, trolley, and bike safely

- Create safe, clean, and convenient streets and pathways for both pedestrians and bicyclists
- Encourage pedestrian-only or shared streets
- Promote accessibility for all transportation modes and users, especially pedestrians and bicyclists
- Provide a high-quality, aesthetically pleasing pedestrian environment that encourages walking, featuring trees, benches, lighting, and other amenities, outdoor dining areas, and other open spaces



6. Showcase opportunities to discover and highlight Morro Bay's natural beauty

- Create a network of outdoor spaces to socialize, enjoy quiet and natural serenity, and appreciate views of the bay
- Promote water sport and waterfront activities such as paddle boarding, fishing and kayaking
- Protect natural wildlife, such as sea otters, seals, and birds
- Provide activities for people of all ages, from youth to seniors
- Promote exciting cultural venues and family-oriented activities
- Offer community outdoor events that reinforce a shared sense of community and place

CHAPTER 2



7. Support a thriving and robust local economy and tourist industry

- Promote renewable energy sources
- Support a robust fishing industry
- Provide a variety of good paying jobs in clean energy
- Promote ecotourism
- Expand office and technology business opportunities
- Create a business-friendly environment
- Encourage installation of water bottle filling stations
- Install urban greenery and stormwater mitigation in the public realm

2.2 Opportunity Sites

An analysis of opportunity sites was conducted to determine potential public and private projects in the downtown and waterfront areas. These sites synthesize feedback received from the public during community workshops, stakeholder interviews, direct input from the GPAC on private and public opportunity sites, parcels identified by Chabin Concepts in the *Morro Bay Economic Development Roadmap Working Paper*, and information received from City staff. City-owned, underutilized, and vacant parcels were also analyzed to determine sites where new development or public improvements could occur. Vacant parcels may also be appropriate for interim uses such as parking, passive recreation, outdoor family recreation, and community events. Other opportunity sites, including the street ends on the bayside of the Embarcadero, are discussed in the Economic Development Strategic Plan prepared by Chabin Concepts for the City.

Fifteen opportunity sites and five opportunity corridors are identified in the plan area (see **Figure 2-1**). Parcel-specific sites with the potential for public or private development are shown in red. Yellow dashed lines identify corridors where the community indicated a desire for streetscape improvements, such as lighting, bike lanes, or enhanced sidewalks. Most of the opportunity areas are clustered around Centennial Parkway and surrounding City-owned and vacant parcels in order to enhance connections between downtown and the waterfront.

CHAPTER 2

Figure 2-1 Map of Opportunity Sites





1 Coastal access



2 Centennial Parkway



3 Vacant lot at Harbor & Front



4 Embarcadero corridor

CHAPTER 2



5 Triangle parking lot



6 Vacant lots at Market & Morro Bay Blvd



7 City lots at Embarcadero & Pacific



8 Vacant lot at Embarcadero & Marina



9 Vacant lot at Harbor & Morro



10 Underutilized lots at Harbor & Monterey



11 Morro Bay Blvd corridor



12 Traffic circle at Morro Bay Blvd & Quintana

CHAPTER 2



13 Underutilized area NE of City Park



14 Vacant lots at Front & Harbor



15 Harbor Street corridor



2.3 Catalyst Projects

The catalyst projects are the top priority actions identified throughout this planning process to catalyze improvements in the downtown and waterfront areas. These projects are described below in greater detail, including suggested timing of implementation. Many of these projects should be initiated in the near term (within 1 to 3 years) after the adoption of this plan to promote revitalization in downtown and along the waterfront. Opportunity sites are identified for each catalyst project, to indicate potential locations where the project could be successfully implemented. Some sites may not be large enough to accommodate an entire catalyst project and will thus require assembly of surrounding parcels, while other sites may be able to accommodate more than one project. Many of these projects will require public and private collaboration to successfully execute. They are not listed in any particular order, and do not reflect priority of implementation.

PROJECT

POTENTIAL OPPORTUNITY SITES FOR THIS PROJECT

1

Lead Responsibility: Morro Bay Community Development

Support Role: Morro Bay Harbor Department; Morro Bay Public Works Department

Timing: Initiate the planning process by summer 2017.

Catalyst Project A: Harbor Walk

Description:

Develop a comprehensive plan for the Harbor Walk to ensure a continuous pathway along the water's edge that is uniform in design. The plan should include a diagram showing the desired location of the pathway and a palette of preferred design styles and elements including materials, lighting and furnishings. The process to develop the plan should involve the community and reflect community preferences for materials and styles.

Why Is This a Priority?

Morro Bay's waterfront currently lacks a clear and continuous designated pathway along the harbor's edge. There are a few sections of pathway and a number of viewing points and public plazas for visitors and residents to meet, socialize and enjoy the views. Gaps in the pathway should be completed to form a seamless pathway that improves access to the waterfront. The proposed Harbor Walk should be designed to attract visitors and residents to the waterfront to support local businesses. The Harbor Walk should be a signature amenity for the community.

Potential Funding Source: Grant funded



PROJECT

POTENTIAL OPPORTUNITY SITES FOR THIS PROJECT

3

5

7

8

Lead Responsibility: Morro Bay Community Development

Support Role: Developer

Timing: Initiate an RFP process seeking designs and a developer to partner with on this project by 2019.

Catalyst Project B: Morro Bay Seafood and Local Goods Market

Description:

Through a public/private partnership, design and build a seafood and local goods market in the waterfront area to sell fresh and local seafood, produce, flowers, and artisanal products. The seafood and local goods market will be a place for local farmers, fishermen, and artisans to showcase and sell their products directly to consumers. The seafood and local goods market can feature indoor and outdoor vendor stalls, ready-to-eat items, and outdoor dining. It will be a bustling and vibrant venue that attracts both locals and visitors to the area.

Why Is This a Priority?

Currently, there are a couple of places on the waterfront to purchase both fresh and ready-to-eat items directly from local fishermen. However, these places are tucked away and not directly visible from the street. This concept could be expanded to create a larger and more visible operation that features a greater variety of regional products to support local businesses and provides an exciting place to shop and eat.

Potential Funding Source: Public/private partnership



PROJECT

POTENTIAL
OPPORTUNITY SITES
FOR THIS PROJECT

2

3

4

8

Lead Responsibility: Morro Bay Chamber of Commerce and Developers

Support Role: Morro Bay Community Development, Morro Bay Recreation Services

Timing: Seek and secure funding for a family-oriented activity or event by the middle of 2018.

Catalyst Project C: Family Outdoor Entertainment

Description:

Encourage development of outdoor family-oriented entertainment activities, such as an adventure playground, trampoline park, splash fountain and/or pickle ball. In addition, promote year-round events such as a lighted boat parade on July 4, “Witches of Morro Bay” at Halloween, and music concerts and picnics in the park.

Why Is This a Priority?

The downtown and waterfront area currently lacks sufficient entertainment for people of all ages. Additional outdoor events and activities for families will provide more entertainment opportunities and bring more life to these areas. In addition, these activities will promote healthy living by encouraging play and physical activity.

Potential Funding Sources: Grants; User Fees; Developer Impact Fees; Benefit Assessment Districts; Mello-Roos Community Facilities District; General Fund



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ScottHessPhoto.com

PROJECT

POTENTIAL OPPORTUNITY SITES FOR THIS PROJECT

9

10

13

Lead Responsibility: Morro Bay Community Development

Support Role: Developer

Timing: Initiate an RFP process seeking designs and a developer to partner with on this project by 2024.

Catalyst Project D: Creative Mixed-Use Project

Description:

Utilize an RFP process to seek designs for a mixed-use project with residential units over ground floor cooperative retail and creative maker space. The residential units may provide artists-in-residence live/work spaces where artisans can live, work and sell their products all in the same complex. The makerspace can also offer specialized classes to children and adults to grow appreciation for arts and crafts in Morro Bay.

Why Is This a Priority?

The creative mixed-use project will support art and culture in Morro Bay. Smaller unit, multi-family residential units provide more affordable options for artists to live in the area. Makerspace provides opportunities for new and established artists to collaborate and learn from one another, and provides access to specialized tools and resources that are otherwise unattainable.

Potential Funding Source: Public/private partnership, Community Development Block Grants, Low Income Housing Tax Credit, General Fund



PROJECT

POTENTIAL OPPORTUNITY SITES FOR THIS PROJECT

1 3 4 7 8

Lead Responsibility: Morro Bay Community Development, Chamber of Commerce, and local businesses

Support Role: Morro Bay Harbor District, Public Works Department, and Recreation Services

Timing: Meet with existing and potential business owners interested in ecotourism by the middle of 2018.

Catalyst Project E: Ecotourism

Description:

Ecotourism involves visiting pristine, fragile, relatively undisturbed areas. It is a low-impact and small-scale alternative to conventional tourism. Some proceeds may go towards conservation/environmental protection. The City encourages the expansion of outdoor harborside ecotourism activities, such as surfing, camping, hiking, birdwatching, kayaking, dragon boat races, stand-up paddle boarding, wooden boat shows, tall sailing ships, tours of fishing boats, guided kayak/canoe tours, and bike rentals. Meet with local and prospective business owners to identify how the City can further support growth of ecotourism opportunities. Providing infrastructure to facilitate various types of ecotourism is the goal of this catalyst project.

Why Is This a Priority?

The waterfront is and will continue to be a draw for locals and visitors to enjoy the natural beauty around the bay. The harborside walk identified in Project A will create a new opportunity for a continuous path along the waterfront and improved access to the waterfront. These activities will provide more entertainment opportunities for people of all ages, and promote a healthy lifestyle.

Potential Funding Sources: Staff time



PROJECT

POTENTIAL OPPORTUNITY SITES FOR THIS PROJECT



Lead Responsibility: Morro Bay Community Development, Central Coast Maritime Museum

Support Role: Developer/Builder

Timing: The first phase of expansion of the Central Coast Maritime Museum is currently under way. Seek designs for a larger museum facility by the end of 2027.

Catalyst Project F: Cultural/Maritime/Historical Museum

Description:

Work with the Central Coast Maritime Museum to expand upon and build a permanent cultural, maritime and/or historical museum. The museum should engage the local community, visitors, and educational groups to ensure the programs and collections serve their needs. The structure can be built as an iconic landmark to reflect the unique character of Morro Bay and to create an architectural legacy for the community. The development should provide inviting outdoor public spaces where the community can come together.

Why Is This a Priority?

The project will provide opportunities to appreciate, understand, and promote the natural and cultural heritage of Morro Bay. Cultural facilities can be a focal point and center of activity for visitors and residents. They provide opportunities for entertainment, learning, and support new jobs.

Potential Funding Source: Public/private partnership, staff time, General Fund



PROJECT

POTENTIAL OPPORTUNITY SITES FOR THIS PROJECT

1 3 7 8 14

Lead Responsibility: Morro Bay Community Development

Support Role: Developer

Timing: Initiate a marketing campaign seeking designs or a developer and engage a real estate broker to partner with on this project by the end of 2018. Implementation ongoing.

Catalyst Project G: Full Service Hotel & Meeting Facilities

Description:

Utilize an RFQ process to seek designs for a full service hotel and meeting facilities project located on the bluff/waterfront. The project should reflect the local character of the waterfront area, as identified in Chapter 3 Design Guidelines. Potential locations, which may require the purchase of surrounding lots, will be assessed and carefully planned in relation to the surrounding context of the site. The complex should respect local topography and provide expansive views of the bay. The space may incorporate other desirable community amenities, such as a restaurant/bar, and should provide plenty of indoor and outdoor public places to gather.

Why Is This a Priority?

Morro Bay provides a number of affordable hotel options, but there is a gap in the market for a full service hotel. The hotel and meeting facilities will provide much needed meeting space within the community, and an increase in hotel visitors will support local businesses.

Potential Funding Source: Public/private partnership, General Fund



PROJECT

POTENTIAL OPPORTUNITY SITES FOR THIS PROJECT

11 12 15

Lead Responsibility: Morro Bay Community Development

Support Role: Morro Bay Public Works, community members, and local artists

Timing: Complete draft of the Streetscape Furnishing Palette by the end of 2019.

Catalyst Project H: Downtown Streetscape Furnishing Palette

Description:

Develop a streetscape furnishing palette (e.g., street lighting, benches, tree grates, trash bins, bollards, planters, paving materials) and a landscaping palette (e.g., street trees, planter strip, and median landscaping) for downtown. Consider removing some of the unneeded stop signs on Morro Bay Boulevard as they currently act as a deterrent to cars on that street. Integrate landscaping standards appropriate for the local climate, to include consideration of hardy and drought-tolerant species, as well as community design preferences for custom-style furnishings and material. Review the City's street tree list and amend as needed, ensuring that selected trees are complementary. Furnishing designs should reflect the existing character of the downtown by using traditional designs and materials that incorporate eclectic or artistic elements. Traditional streetscape furnishings include wood or metal-slatted benches, gas-lamp or luminaire-shaped streetlamps, streetlight poles with banners and hanging baskets, metal trash receptacles, colorful planters, and simple pole or u-shaped bike racks. However, such furnishings can be custom-made to fit the eclectic identity of Morro Bay, by incorporating bright colors and integrating public art such as tiles/mosaics, sculptural forms, and/or figurative elements that will add a distinctive twist. The following images provide a selection of materials, styles, and other design ideas that can be used to create a custom streetscape furnishing and materials palette for downtown.

Why Is This a Priority?

The downtown area currently lacks amenities needed to create a comfortable and safe environment for pedestrians and cyclists. Attractive and coordinated streetscape furnishings create a uniform street design and contribute to a clear identity. Before streetscape amenities can be installed, the City should work with the community and local artists to identify preferred furnishings and develop a uniform palette for downtown.

Potential Funding Source: Benefit Assessment District, Capital Improvement Funds, General Fund



PROJECT

POTENTIAL OPPORTUNITY SITES FOR THIS PROJECT

4

Lead Responsibility: Morro Bay Community Development

Support Role: Morro Bay Public Works, community members, and local artists

Timing: Complete draft of the Streetscape Furnishing Palette by the end of 2019.

Catalyst Project I: Embarcadero Streetscape Furnishing Palette

Description:

Develop a streetscape furnishing palette (e.g., street lighting, benches, tree grates, trash bins, bollards, planters, paving materials) and a landscaping palette (e.g., street trees, planter strip, and median landscaping) for the Embarcadero. Integrate landscaping standards appropriate for the local climate, to include consideration for protection from wind, as well as community design preferences for custom-style furnishings and materials. Furnishing designs should reflect the existing character of the waterfront area by using nautical-themed designs and materials. Nautical elements include boat shapes, portholes, references to marine wildlife, ropes, anchors, lighthouses, and muted seaside colors. Materials that fit with the bayside character and location of the Embarcadero include rustic and natural wood, glass, and metal. The following images provide a selection of materials, styles, and other design ideas that can be used to create a standard streetscape furnishing and materials palette for the Embarcadero.

Why Is This a Priority?

The waterfront area currently has a number of amenities that create a comfortable and safe environment for pedestrians and cyclists; however, these amenities lack a cohesive design style. Unified streetscape furnishings will beautify the project area and establish a clear and unique sense of place. Before streetscape amenities are installed, the City should work with the community and local artists to identify preferred furnishings and develop a uniform palette for the Embarcadero.

Potential Funding Source: Benefit Assessment District, Capital Improvement Funds, General Fund



PROJECT J

POTENTIAL OPPORTUNITY SITES FOR THIS PROJECT

5

Lead Responsibility: Morro Bay Community Development

Support Role: Morro Bay Harbor Department, Public Works, developers, business owners, Boatyard/Haulout Ad Hoc Committee

Timing: Initiate the planning and RFP/RFQ process by summer 2017.

Catalyst Project J: Boatyard & Haulout Facility

Description:

Assess acquisition and management strategies, identify a site, and utilize an RFP/RFQ process for construction of a boatyard and haulout facility capable of hauling out, repairing, maintaining, and storing vessels, located along the northern Embarcadero. A boatyard and haulout facility would serve the needs of a broad range of marine users including commercial fishermen, recreational boaters, the Commercial Passenger Fishing Vessel (CPFV) fleet, Coast Guard, and Harbor Department.

Why Is This a Priority?

The working waterfront and a working commercial fishing port are valuable and unique resources and are an important part of the City and County's tourism industry. The existing boatyard in Morro Bay at 261 Main Street (Morro Bay Boatyard) is limited by its capacity to accommodate approximately one 30-foot boat at a time. A larger boatyard and haulout facility is needed to allow users to haul their vessels out of the water for regular maintenance and major repairs. Such a facility could also attract visiting vessels, adding a diversity of potential patrons and setting the stage for growth and success of the commercial and recreational fishing industries. In addition, an enhanced boatyard and haulout facility is needed so that City can react appropriately to protect the sensitive estuary in the event of an oil (or other hazardous liquid) leak from a compromised or derelict vessel.

Potential Funding Source: Public/private partnership, General Fund, grant funding



Photo Credit: Flickr user Venture Minimalists

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DESIGN GUIDELINES

3



3.1 Introduction

3.2 General Design Guidelines

3.3 Downtown Specific Design Guidelines

3.4 Waterfront Specific Design Guidelines



Image: Michael Boswell

3.1 Introduction

The following design guidelines will help achieve the overarching vision for Morro Bay's downtown and waterfront by perpetuating quality development that will complement and enhance the project area's eclectic style and small, seaside character. The guidelines apply to public improvements as well as all private development that occurs in the project area, addressing the design of both new buildings and renovations to existing structures. Development along the waterfront is required to comply with the Waterfront Master Plan (WMP).

The intent of the design guidelines is to:

- Preserve the eclectic charm and small-town seaside character of Morro Bay.
- Improve connectivity between downtown and the waterfront.
- Encourage high-quality materials and architectural elements that enhance the character and identity of the downtown and waterfront areas.
- Create a coordinated and consistent design theme for public facilities including sidewalks, public restrooms, planters, street furniture, benches, signs, and light poles along the Embarcadero and Morro Bay Boulevard.
- Facilitate continuous lateral access along the waterfront.
- Preserve public view corridors to the harbor, bay sandspit, and Morro Rock.
- Foster a strong sense of community, through functional, safe, and well-designed private and public spaces.

The design guidelines will be a component for development approvals of all public improvement and private development projects in the downtown and waterfront. Plans will be reviewed against these design guidelines to ensure that they meet the intent of the guidelines. Conformance with the guidelines below is encouraged, but not necessarily required. Alternative design solutions are permitted provided that they meet the overall objectives of this document.

CHAPTER 3

These guidelines are organized into: 1) guidelines applicable to both the downtown and waterfront, 2) supplemental guidelines applicable specifically to the downtown, and 3) supplemental guidelines applicable specifically to the waterfront. Projects will be subject to both the general design guidelines and their area-specific guidelines. The boundary between the downtown and waterfront follows the bluff line, as illustrated in **Figure 3-1 Downtown and Waterfront Area Boundaries**. If a parcel is split by the boundary, City staff will exercise discretion to apply either the downtown guidelines or the waterfront guidelines. While the design themes for the downtown and waterfront should complement each other, each area has a distinctive identity and character. The design character of downtown is predominantly traditional, with eclectic and artistic enhancements, whereas the waterfront is celebrated for its nautical and rustic character.

Figure 3-1 Downtown and Waterfront Area Boundaries



3.2 General Design Guidelines

I. Site Design

1. A consistent street frontage should be maintained along the waterfront. Buildings and site design shall provide a continuity of interest and facilitate pedestrian movement along the street frontage.
2. Building frontages facing a street or public space should be located at the corresponding property line and/or sidewalk edge (zero setback), unless space between the building and sidewalk is to be used for outdoor pedestrian spaces such as plazas and forecourts.
3. Buildings should be oriented so that the primary façades and key pedestrian entries face major streets and plazas.
4. Commercial and mixed-use development should occur at the front edge of the property line unless outdoor dining or a recessed entry is proposed.
5. Service facilities such as trash enclosures and mechanical equipment should be located away from public pathways and gathering spaces, and screened from view.
- 6.

II. Buildings

A. Height, massing, and scale

1. Height
 - a. Downtown: Up to 37 feet. Architectural projections such as towers and turrets may extend an additional 7 feet above the maximum building height.
 - b. Waterfront: Allowed heights in the waterfront are detailed in the Waterfront Master Plan and in the Morro Bay Municipal Code, Title 17 - Zoning.
2. The scale of new infill developments should complement existing structures while providing a sense of human scale and proportion.
3. Transitions in scale and character at the interface between residential and nonresidential land uses that maintain consistency and compatibility in terms of the physical characteristics of the site and structures are encouraged to break up the mass of large-scale (frontage width greater than 50 feet) buildings. This can be accomplished by integrating one or more of the following approaches into a building's design:



I.2



I.3



II.A.2

CHAPTER 3

- a. Use articulation that replicates the area’s urban design and traditional narrow storefronts. Articulation includes changes in wall planes, upper-story building stepbacks, and/or projecting or recessed elements.
 - b. Incorporate architectural elements and details such as adding notches, grouping windows, adding loggias, dormers, and balconies, and varying cornices and rooflines.
 - c. Vary materials and colors to break up large wall planes and enhance key components of a building’s façade (e.g., window trims, entries, projecting elements).
 - d. Design large buildings to appear as an aggregation of smaller “building blocks” rather than a single large block or box.
 - e. Vary sizes of elements to transition to smaller-scale buildings.
4. The use of upper-story stepbacks is strongly encouraged to reduce the appearance of taller buildings, and increase amount of sunlight access. Consider opportunities to provide balconies and terraces on upper-story stepbacks.
 5. Long horizontal rooflines on buildings with flat or low-pitched roofs should be broken up at intervals of no more than 50 feet. This can be accomplished through the use of architectural elements such as parapets, varying cornices, and roof height and/or form.
 6. Building heights should relate to adjacent sites to allow maximum sun and ventilation as well as provide protection from prevailing winds.
 7. Corners should be accentuated with height, articulation, and unique roof silhouettes to emphasize their presence.

B. Façades

1. Along key commercial corridors (Embarcadero, Morro Bay Boulevard, Main Street), the majority of the street-oriented frontage should be occupied by active uses that are visually and physically accessible from the street.
2. Building walls facing public streets and walkways should provide visual interest to pedestrians. Variations such as display windows, changes in building form, and changes in material, texture, and/or color are encouraged. Blank façades are to be avoided.
3. Façades should be broken down into a series of appropriately proportioned structural bays or components.
4. Where the façade is divided into distinct structural bays (sections defined by vertical architectural elements such as masonry piers), awnings should be placed within the vertical elements rather than overlapping them. The awning design should respond to the scale, proportion, and rhythm created by these structural bay elements, and nestle into the space created by the structural bay.
5. Designs should use architectural elements to enhance the character of building façades. It is important to note that the architectural elements described should be appropriate to and integrated into the overall design of the building and should not appear to have been merely added on to the outside. These can include cornices, lintels, sills, balconies, awnings, porches, and stoops.



II.A.7



II.A.4



II.B.4



II.B.3



II.B.7

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6. Enliven facades using architectural details such as ornamentation, inset doorways and windows (e.g., transom windows), and projecting elements such as entrance porches, stoops, balconies, porticoes, canopies, awnings, and trellises.
7. Upper stories should include expressive design features such as balconies and bay windows.
8. For infill structures, storefront windows, doors, entries, transoms, awnings, cornice treatments, and other architectural features should complement surrounding existing structures.
9. Commercial entrances should be recessed from the façade, creating a small alcove area.
10. Entries should be clearly visible from the street, accentuated from the overall building façade, and provide visual interest. This can be accomplished through the use of a differentiated roof, awning or portico, trim details, recessed entries, doors and doorways with design details, decorative lighting, or other techniques.
11. Vary materials and colors to enhance key components of a building's façade (e.g., window trims, entries, projecting elements). Material changes should occur preferably at the inside corners of changing wall planes.
12. Glossy finish vinyl or similar awning material is discouraged.
13. Overhead cover should be provided along the sidewalk for pedestrian comfort, especially where there are few mature street trees. Canopies and awnings are encouraged.
14. When the side or rear façades of a building will be visible from any street, walkway, or other public use area, the design, materials, articulation, and detailing of such façades should be equivalent to and consistent with the front façade.

C. Windows/transparency

1. For ground-floor building façades, especially those associated with a storefront, glass should be clear or lightly tinted. Opaque, reflective, and dark-tinted glass is discouraged. Window signs and window displays of merchandise should not be so large or dense as to significantly obstruct views into the interior of the business.
2. For upper-floor uses, balconies should include transparent or semitransparent railings to enhance natural lighting and maximize "eyes on the street."
3. Designs should maximize transparent windows on all sides of buildings, particularly for ground-floor retail uses and at building corners. Views into these spaces should not be obstructed.
4. If protection from glare is necessary at certain times of day, this should be accomplished by means of movable shades, blinds, or shutters, which should remain open at such times that glare is not an issue.



II.B.10, II.B.11



II.B.12



II.B.14



II.C.1, II.C.3



II.D.1

CHAPTER 3

D. Character-defining elements and architectural quality

1. Wall surfaces should be articulated using treatments such as board and batt, engage pilasters, multilevel trim, cornices, and built-up fascia.
2. Building architectural character shall show consideration and recognition of neighboring buildings in the selection of roof forms, wall colors and materials, doors and windows, and basic design character scale and proportion.
3. Adaptive reuse of potentially historic structures is encouraged, in accordance with the Secretary of the Interior's Standards for Rehabilitation.
4. All building materials should be selected with the objectives of quality and durability as well as to produce a positive effect on the pedestrian environment through scale, color, and texture.
5. Buildings should be designed to be visually attractive and add architectural richness and variety to the downtown and waterfront environments, including creative contemporary architectural solutions.
6. New construction should not mimic previous architectural styles in such a way that creates a false historical appearance.

III. Outdoor Dining

1. Appropriate outdoor dining configurations include ground-floor outdoor spaces along and/or within sidewalks and pedestrian spaces, upper floor balcony areas, and ground-floor indoor spaces located along a building frontage that features a retractable façade.
2. Outdoor dining areas located in side or rear yards may be fenced for security and screened for privacy.
3. Outdoor dining furniture, fencing, and appliances may not be stored within the public right-of-way.
4. Outdoor dining areas should leave at least 4 feet of unobstructed pedestrian circulation space along the sidewalk, walk streets, or pedestrian space. The circulation space must be clear of obstructions caused by trees, tree wells, posts, hydrants, or any other infrastructure.
5. Furniture and fixtures should not be secured to trees, lampposts, street signs, hydrants, or any other street infrastructure by means of ropes, chains, or any other such devices.
6. Umbrellas and sun shades are encouraged to provide shade. Wherever utilized, these devices should incorporate durable, high-quality materials such as cloth, aluminum, wrought iron, fabricated steel, or wood. Vinyl or plastic materials should be avoided. Umbrella stands should be cast aluminum, wrought iron, fabricated steel, wood, or similar materials. Shade devices are to maintain a minimum height clearance of 8 feet.
7. Sheltering for wind protection is encouraged on the waterfront.



III.1, III.6



III.2



III.1, III.3



III.9

CHAPTER 3

8. Outdoor dining areas should incorporate sufficient lighting for safety while maintaining ambiance.
9. Outdoor dining areas should include at least one enclosed trash receptacle.
10. Fencing may be used to demarcate outdoor dining areas. Fencing should comply with the following guidelines:
 - a. Fencing should be decorative.
 - b. Fencing should be constructed from durable, high-quality materials, such as wrought iron and other metals, masonry, or wood. Plastic and resin fencing is discouraged.
 - c. With the exception of masonry construction, solid and/or opaque walls are discouraged.
 - d. Fencing may incorporate planting boxes and pots.

IV. Commercial Signage

1. Small-scale signs and projecting signs oriented toward pedestrians and bicyclists are encouraged.
2. Sign shape, type styles, and color combinations should complement the architectural style of the buildings which they designate.
3. Signs should reflect a crafted, high-quality, detailed design approach and be maintained in good condition.
4. Where permitted, neon/electric signs should be designed to reflect a “retro” or historic style and should be limited to one per building.
5. Signs should be scaled to fit and complement the area’s pedestrian-oriented environment.
6. Large-scale corporate signage should be modified to fit the scale and character of the downtown and waterfront areas.
7. Signs should not obstruct or obscure building architecture, lighting, or view corridors.
8. Signs should reflect the uses that they represent in creative and fun, as well as functional, ways.
9. Pole-mounted signs and can signs are prohibited.

V. Lighting

1. Lighting should be designed to satisfy both functional and decorative needs.
2. All project exterior lighting, with the exception of lighting for public streets, should be consistent with the architectural style of the building. On each site, all lighting fixtures should be from the same family of fixtures with respect to design, materials, color, fixture, and color of light.
3. Incorporate human-scaled fixtures that emit a warm light along pedestrian sidewalks and paths to increase safety and comfort.
4. Lighting fixtures should be dark sky-compliant.



IV.1, IV.3, IV.4



IV.7



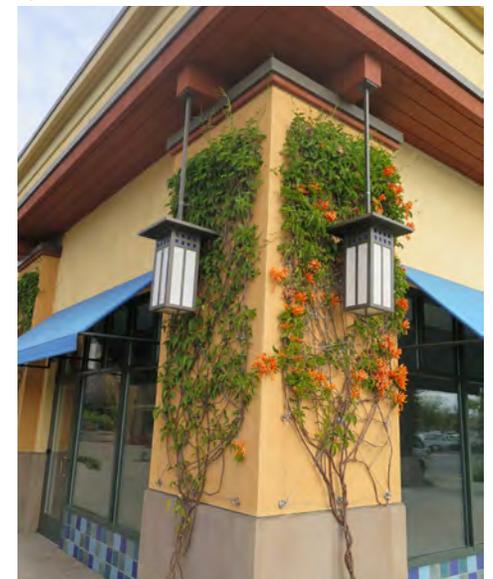
IV.1, IV.2, IV.4, V.2, V.8



IV.1, IV.3, IV.4



V.1, V.2, V.6, V.7



V.1, V.2

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5. The use of energy-efficient light fixtures is strongly encouraged.
6. Lighting sources should be downcast, shielded, diffused, or indirect to avoid glare to pedestrians and motorists.
7. To minimize the total number of freestanding pedestrian-scale lighting fixtures, decorative wall-mounted lights are encouraged.
8. Building entrances should be well lit with appropriately scaled light fixtures that complement the building's architectural style.

VI. Plazas and Outdoor Spaces

1. Larger mixed-use developments should incorporate defined open spaces that are accessible to the public. Appropriate spaces include forecourts, paseos, and plazas.
2. The design of small seating areas, plazas, and outdoor dining is encouraged as an integral component of all new development to enhance the downtown and waterfront environments.
3. Plazas should be provided along streetscapes, on the waterfront, between buildings, and adjacent to active retail and restaurant uses.
4. Solar access should be considered in the design and orientation of plazas and outdoor spaces, so as to avoid creating spaces that are in shadow most of the day.
5. Greening should be considered in plazas and outdoor spaces, including the public right of way and public parking areas. This would include permeable paving as well as capture and infiltration and/or cleaning of stormwater and runoff, thus reducing the heat island effect.
6. Plazas and outdoor spaces should be designed and oriented such that adjacent active ground-floor uses look onto them to activate the space and provide "eyes on the street."
7. Outdoor gathering spaces should offer a number of amenities including seating, landscaping, and features that draw people into the space, such as water features, public art, gathering areas, shade, and drinking fountains.
8. Outdoor gathering spaces should provide a range of seating area options, allowing for both large group socializing and more quiet contemplation.
9. Plaza designs that incorporate special paving materials such as pavers, scored concrete, stone, or other accent materials are encouraged.
10. To ensure safety, all new and existing public spaces should be designed and maintained to be highly visible from the surrounding streets and private properties.
11. Plazas and outdoor spaces should be designed to be safe, well-lit, and easily accessible by all modes of transportation.
12. Outdoor spaces should be designed to incorporate Crime Prevention Through Environmental Design (CPTED) principles: natural



VI.1



VI.10



VI.2, VI.3, VI.5, VI.6, VI.9



VI.2, VI.3, VI.5, VI.6, VI.8



Image: Michael Boswell

VI.2, VI.3, VI.6, VI.7

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surveillance, natural access control, territorial reinforcement, and maintenance and management. This includes making outdoor spaces visible from the street, providing pedestrian-scale lighting to enhance nighttime security, and encouraging sightlines, ease of wayfinding, and protection from entrapment.

VII. Connectivity

A. Private realm connections

1. Pedestrian passages that enable through-block pedestrian circulation, such as paseos, are encouraged.
2. Paseos should be designed such that:
 - a. They have visibility from one end to the other and are wide enough to be feel comfortable for pedestrian users.
 - b. Buildings facing the paseo have windows and/or side entrances to provide a higher level of visibility on to the paseo.
 - c. Commercial activities, such as outdoor dining and seating, are incorporated but do not disrupt visibility.
 - d. They include site furnishings, landscaping, and lighting as well as banners, fountains, flags, sculptures, or other elements that provide visual interest.
3. The use of plazas, walkways, and sidewalks is encouraged to create a network of spaces that connects downtown to the waterfront and integrates the two districts.
4. Infill development of vacant or underdeveloped land, especially projects that will fill gaps between downtown and the waterfront, should be supported.

B. Visual connectivity

1. View corridors (open linear spaces located between or adjacent to buildings affording views from the street of the harbor, bay sandspit, or Morro Rock) should not have visual obstructions except for low shrubs, seating, benches and other street furniture of 30 inches in height or less. Taller lighting poles or similar fixtures may be allowed.
2. Overhead structures such as canopies, balconies, and pedestrian bridges (other than normal eaves) are discouraged within view corridors unless said structure is offset by additional width of the view corridor equal to the vertical dimension of the overhead structure.
3. The location and orientation of buildings, especially those in clusters, should be carefully designed to preserve and/or create view corridors to the bay.



VII.A.1, VII.A.2



VII.A.1, VII.A.2



VII.B.1, VII.B.3



VII.B.1, VII.B.2, VII.B.3

CHAPTER 3

VIII. Parking and Loading

1. Create direct, well-lit walkways and visual connections to parking lots and structures.
2. Parking should be as unobtrusive as possible and not detract from the pedestrian experience.
3. Reduce the bulk of large parking structures by breaking up façades with articulated fronts, architectural details, and upper-story stepbacks.
4. Parking garages should be accessed from side streets or alleys, where possible, rather than from pedestrian-oriented streets.
5. Surface parking lots should be constructed and/or upgraded to meet the design, screening, and landscaping standards specified in the Morro Bay Zoning Ordinance.
6. Adequate loading zones should be provided to ensure that commercial vehicles can be loaded and unloaded without obstructing the flow of vehicular or pedestrian traffic or parking illegally.
7. Enforcement of parking time limits and/or institution of paid parking should be employed to ensure efficient turnover of public parking spaces in high-demand areas.

IX. Public Street Furnishings

1. The type, design, and materials of street furnishings should reflect the local character and context of the area, and contribute to a sense of community identity.
2. Street furnishings (e.g., furniture, light fixtures and poles, tree grates) should fit into a desired theme or unified style for a given thoroughfare or district.
3. Ample shading elements and outdoor furniture such as benches and trash receptacles should occur at regular intervals to improve pedestrian access and comfort.
4. Adequate bicycle parking facilities should be provided along planned bicycle lanes and within major activity centers; new developments should be encouraged to incorporate bicycle amenities such as bicycle racks.
5. Bicycle racks should be placed near activity centers, transit, adjacent to public buildings, adjacent to parks, and in other visible locations as appropriate.
6. Pedestrian comfort should be enhanced with amenities such as drinking fountains, public restrooms, public telephones, newsstands, planters, and kiosks, especially along wide sidewalks with heavy foot traffic.
7. Long-term maintenance and appearance costs should be factored in when choosing design patterns, streetscape furnishings, and fixtures.



VIII.1



IX.10



IX.2, IX.3



IX.9



IX.4, IX.5

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8. On-street parking, raised planters, bulbouts, and landscaped sidewalk planting strips should be used to provide buffers between pedestrians and moving vehicles.
9. Consider installing specially designed light standard banners to highlight and differentiate the downtown and waterfront areas.
10. Incorporate public art into the design of street furnishings, paving, public spaces, and gateways to reflect the local character of Morro Bay.
11. Install electric vehicle charging stations along the waterfront.

X. Landscaping

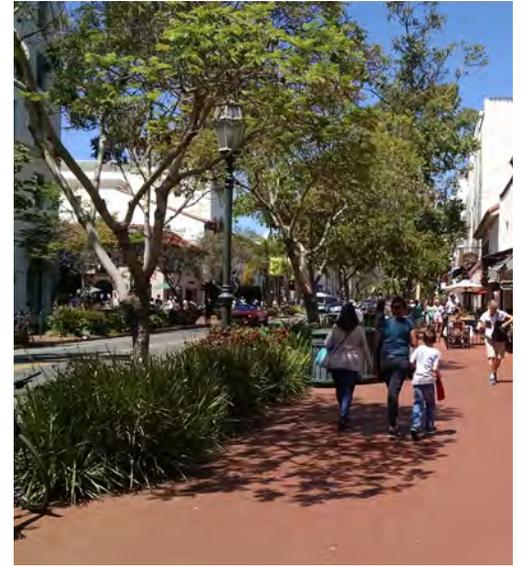
1. Landscape treatment should reflect a village character with the strategic use of planting areas, street trees, planter boxes and pots, hanging baskets, and appropriate foundation plantings where practicable. Hardscaped areas should be softened with the use of plants, shrubs, and trees.
2. Utilize a landscape palette that reflects the history, culture, and climate of the area.
3. The planting of street trees is encouraged to provide overhead cover. Species choices should consider access to both shade and sun along sidewalks. Where appropriate, tree grates should be used in order to facilitate pedestrian movement.
4. Select street trees that hold up to urban and coastal conditions, such as drought-tolerant, hardy, and deep-rooted tree species.
5. For each block on a street, no more than three species are recommended. Mixed species result in better long-term management because they are less prone to diseases and insects than use of a single species. Alternatively, too many species create a lack of visual unity along the street.
6. Where needed and feasible, plant trees or shrubs as windbreaks.
7. Landscaping should be designed to effectively enhance existing views or provide new view corridor opportunities.
8. Landscaping should be used to provide effective screening of parking areas, retaining walls, utility enclosures, utility cabinets, service areas, or service corridors to reduce negative visual impacts.
9. Landscaping should be provided along fences and walls to soften their appearance.
10. The use of landscaping is encouraged to create a buffer between adjacent land uses, provide shade and interest near seating areas, and define outdoor dining zones.
11. Provide opportunities for installation of public art in the landscape; landscape designer/artist collaborations are encouraged.
12. Landscaping should incorporate native and drought-tolerant species to the greatest extent possible.
13. The use of recycled water for landscaping is encouraged.



X.2, X.11



X.1, X.2, X.8



X.1, X.3, X.5



X.14, X.15



X.10

CHAPTER 3

14. Turf areas should be minimized except where recreation areas are required.
15. Stormwater runoff should be detained and retained by maximizing the use of pervious surfaces, vegetated bioswales, and vegetative groundcover to the greatest extent practicable.
16. Landscaping and pervious surfaces should be incorporated into the design of surface parking lots whenever possible to interrupt the pavement expanse, reduce stormwater runoff, reduce the heat island effect, improve the visual appearance, and shade parked cars and pedestrians.
17. The landscaping character of the site should be extended to adjacent parking lots to ensure cohesion between the landscape design of buildings and associated parking areas.
18. Both public and private landscape areas should be maintained by appropriate trimming of plant materials, prompt removal of dead plants, provision (during drought periods and the non-rainy season) of sufficient water to maintain the health of plants, removal of weeds, and such other measures as are needed to ensure the attractiveness and usefulness of the landscaped sites.\

XI. Public Sidewalks and Pedestrian Pathways

1. Public walkways should be of sufficient width to accommodate street trees and pedestrian/bike amenities, as well as a zone devoted to clear pedestrian passage.
2. Consider the use of special paving materials, colors, and/or patterns to accentuate walkways, intersections, and crossings.
3. Corner curb extensions, midblock crossings, and/or sidewalk bulbouts should be used where feasible and needed to reduce crossing distances and to calm traffic.
4. Bulbouts that function as small plazas with amenities such as landscaping, seating, trash receptacles, and bicycle racks are encouraged.

XII. Public Signage and Wayfinding

1. Public art should be used to identify areas with a unique identity or celebrate the entrance to a public place; for example, mark gateways and other important public places and buildings with public art.
2. Utilize directional and wayfinding signs to aid pedestrian and vehicular orientation and wayfinding as well as to identify special districts, historical and cultural landmarks, and local attractions.
3. Pedestrian-oriented signs and maps should be located at key pedestrian activity nodes, such as transit stops, plazas, and shopping areas.
4. A coordinated system of signs and maps should be provided to direct visitors to important public services and facilities.



XI.2



XI.2, XII.1



XII.2, XII.4, XII.5



XII.1



XII.8



XII.1

CHAPTER 3

5. Directional and wayfinding signage should be coordinated with other street amenities to unify areas with a distinct identity.
6. Graphic communication on signage should be unambiguous and lettering should be legible.
7. Provide visually attractive, easy-to-read, and well-located signage to direct vehicles to available parking areas.
8. Explore opportunities for educational and interpretive signage to highlight important historic or natural features of the area (e.g., the bay and sandspit).

3.3 Downtown Specific Design Guidelines

I. Buildings

1. In general, the height of new buildings in the downtown area should be consistent with the pattern that currently predominates of one and two-story retail structures. Increased height sufficient to accommodate additional stories should, however, be allowed to facilitate designated types of development which will contribute positively to the vitality and street life of the area, such as residential-above-retail and visitor serving-above-retail uses.
2. Corner towers, turrets, and roof forms above fascia may project up to 7 feet above maximum height.

II. Character-Defining Elements and Architectural Quality

1. The design of buildings in the downtown area should maintain and enhance the eclectic character and architectural diversity of existing structures. Features of the eclectic style in downtown Morro Bay that should be perpetuated include:
 - a. A mix of traditional, retro, and modern building styles and treatments such as art deco, Spanish, Victorian, craftsman, folk, mid-century modern, and contemporary.
 - b. Varied roof forms.
 - c. Bright colors.
 - d. Unusual materials and forms.
 - e. Whimsical and figurative elements (e.g., buildings are shaped to mimic their function or to suggest objects associated with their function).
 - f. Detailing such as columns, ironwork, arches, transom windows, varied roof parapet shapes, projections, rafter tails, shingles, and wood scrollwork. Such elements should be authentic to and incorporated into the architectural style of the building. A 'stuck-on' appearance is to be avoided.
 - g. Insets and projections such as balconies, porches, porticoes, arcades, overhangs, railings, and awnings.



I.1, II.1.a, II.1.b, II.1.d



II.1.c



II.1.e



II.1.a, II.1.b, II.1.d



II.1.a, II.1.b, II.1.f



III.1

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III. Parking and Loading

1. Where feasible, to support active pedestrian streetscapes, private parking lots, driveways, and loading areas should be located behind buildings and only be accessed from side or rear streets.
2. Wherever possible, loading facilities should not be located at the front of buildings where it is difficult to adequately screen them from view. Such facilities are generally more appropriately located at the rear of the site.
3. Where commercial buildings back up to residential properties, loading and delivery should be planned so that they will occur at the side of the building away from residences.
4. On-site parking should, to the extent feasible, be discouraged in the central core of the downtown area. Parking needs in this area should be addressed throughout downtown through the establishment of parking districts and shared parking. Special attention should be given to finding creative solutions to the need for proximate and accessible overnight parking for guests staying at lodging facilities.
5. Enforcement of parking time limits and/or institution of paid parking should be employed to ensure efficient turnover of public parking spaces in high-demand areas.

IV. Commercial Signage

1. A figurative or whimsical design theme is encouraged for commercial signage in the downtown area. Figurative signs generally use shapes, graphics (e.g., shoes, keys, books), type styles, colors, and materials that reflect the business they identify. Signature elements may include:
 - a. Three-dimensional or projecting shapes.
 - b. An eclectic mix of materials.
 - c. Distinctive font/type styles or hand-lettering.
 - d. Signs painted onto walls.
 - e. Raised lettering.
2. New and replacement signage should be consistent with the specific requirements and overall vision established by the City's Sign Ordinance.

V. Public Signage and Wayfinding

1. Create a sense of entry into the city (e.g., the roundabout at Morro Bay Boulevard and Quintana Road) by using structural elements, public art, signage, and/or special landscaping.



IV.1.a, IV.1.c



IV.1.a, IV.1.b



IV.1.a, IV.1.e



IV.1.d



V.1, V.2

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2. Arched gateway elements are encouraged at key entries to downtown. Sculptural archways offer an opportunity to incorporate public art into wayfinding and highlight Morro Bay's unique character. The design of such elements should be original and reflect and highlight Morro Bay's unique character.

VI. Maintenance

1. Maintain properties in an inviting manner for visitors and local customers and pedestrians including upkeep of buildings, landscape, and setbacks.

3.4 Waterfront Specific Design Guidelines

I. Buildings

1. Building massing and design should be guided by the objective of avoiding walling-off public visual access to the water from the Embarcadero and hillside backdrop to the city.
2. Rooftops should be varied to avoid monotonous views from the bluff-top areas.
3. Flat roofs and roof-top decks should be avoided.

II. Character-Defining Elements and Architectural Quality

1. The design of buildings in the waterfront area should maintain and enhance the nautical/fishing village character of existing structures. Features of the nautical/fishing village style of the Morro Bay waterfront that should be perpetuated include:
 - a. Horizontal and boat-shaped forms and elements.
 - b. Preferred siding types include ship lap, board and batten, shingles, and corrugated metal. Architectural elements should be constructed of natural materials, such as steel, wood, stone, tile, or brick.
 - c. Circular/porthole windows, or long horizontal bands of windows.
 - d. Walkways and other pedestrian areas should be surfaced with pressure-treated wood, brick, pavers, or stamped concrete. Significant areas of asphalt or plain-surfaced concrete are discouraged.
 - e. Simple or rustic detailing.
 - f. Low-pitched and slanted roof forms.
 - g. Muted, seaside colors.
2. The design of buildings should maintain an architectural style in keeping with a working fishing community with the form and scale



II.1.a, II.1.f



II.1.c



II.1.b, II.1.d, II.1.e



II.1.b, II.1.d, II.1.e



III.1, III.7

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typical of the pedestrian-oriented community which has evolved over time.

3. Piers that provide public lateral access should be designed to withstand placement in the ocean and to interact with other users, including boats.

III. Design Materials

1. The materials used in development of waterfront access paths should be uniform in design and relate to the surrounding areas to create lateral continuity along the coast.
2. Railings on bayside lateral access decks and platforms should utilize uniform materials. Recommended railing should be made mostly of metal and provide a high level of transparency to see views beyond the railing.
3. The preferred type of paving for non-floating bayside lateral access is a stained paved pathway. In addition, when lateral access is provided on a deck, the preferred paving material should be slatted metal. Floating lateral access ways, while more flexible in design, should maintain the uniform waterfront design and compliant signage.

IV. Bluff Development

1. Structures located on steep slopes should incorporate a tiered design approach in order to minimize grading and reduce building massing and visual bulk. Design methods include steps in the building foundations and varied roof heights and planes.
2. Roof ridges should be oriented perpendicular to the direction of the slope.
3. New development should not contribute to bluff erosion.
4. Significant natural features such as drainage courses, rock outcroppings, sensitive biological resources, natural vegetation, and mature trees should be preserved and incorporated into the development design.
5. Retaining walls should be incorporated into the design of the structure so that they become part of the structure.
6. Structures should be nestled in the bluff buffer area, below ridgelines and within the folds of the bluff to help blend the structure into the site.
7. Structures built at the top of the bluff should be low in profile and sufficiently stepped back from the bluff face.
8. Underground, tuck-under, rooftop, and/or integrated structured parking should be used in the design of the structures.
9. The use of overhanging decks, large staircases, balustrades and solid wall railings, and patios formed by retaining walls that make buildings appear more massive should be avoided.
10. Development of properties that are bisected by the bluff should incorporate public pedestrian access from the waterfront elevation to the top of the bluff. Development should be designed and sited in such a manner as to preserve view corridors to



III.10, III.11, III.12



IV.1, IV.2, IV.3



IV.2, IV.3



VI.1



V.1



V.1

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the bay/harbor.

11. Public access easements should be incorporated into bluff development to provide direct connections across the bluff and shorten walking distances. Vertical access can be accomplished through the creation of public access stairways between developments, scenic overlooks, and trails. Semi-transparent fencing/walls and landscaping are encouraged along public access stairways.
12. Public connector pathways and stairs traversing the bluff should be well-lit.
13. Comprehensive wayfinding signage should be installed to identify public access points along the bluff.
14. No structures or other obstructions that will impede access should be installed within the boundaries of any required easement.
15. Buildings constructed at or near the base of the bluff should be restricted in height and designed to preserve public views from the bluff top to the waterfront, Morro Rock, and pedestrian areas of the Embarcadero.

V. Connectivity

1. Open view corridors should be incorporated into the design of new or remodeled structures on the west side of the Embarcadero to enhance overall visual access to the water. View corridors can be along property or lease lines, side yard setbacks, or incorporated within the building as open areas or walkways.
2. Encourage every building and/or shop to provide direct pedestrian access to the bay/harbor.
3. Each development located on the west side of the Embarcadero should provide lateral bayside access extending the full width of the site. Such lateral access should connect seamlessly and directly to lateral waterfront access and/or public viewing platforms on adjacent sites.
4. Continued development of the Harbor Walk should provide safe, contiguous access to the waterfront for pedestrians.

VI. Commercial Signage

1. A nautical design theme is encouraged for commercial signage in the waterfront area. Nautical design features may include:
 - a. Shapes reminiscent of nautical elements such as boats, lighthouses, marine wildlife, ropes, anchors, waves, etc.
 - b. Rustic and wood materials.
 - c. Nautical font/type styles or hand-lettering. Examples of nautical font include Tognazzini's Dockside 3 sign. Boat name lettering on the back of vessels is often nautical in character.

VII. Public Signage and Wayfinding

1. Sculptural and artistic gateway elements are encouraged at key entries into the waterfront area.

2. Coastal Commission-approved signage should be used throughout the lateral access focus area to provide compliant and consistent wayfinding tools. Noncompliant signage should be removed.
3. Additional wayfinding tools along the Embarcadero should be implemented in the form of signs, flags, or even icons, markings, or pavement colors with a uniform theme, and should be large enough to not just be noticeable but to stand out to passersby.

VIII. Public Street Furnishings

1. Street furnishings in the Embarcadero should be consistent with themes identified in the Embarcadero & Centennial Parkway project and the Lateral Access Memorandum.
2. The type, design, and materials of street furnishings in the Embarcadero should reference Morro Bay's heritage as a fishing community through the use of natural materials typical of maritime construction and through the artistic incorporation of shapes, images, and themes derived from the waterfront and the commercial fishing industry. Such marine materials, shapes, and images should be employed with creativity and originality so that the Embarcadero streetscape projects the unique identity of Morro Bay. An excessive or overly literal use of maritime elements which creates a streetscape undistinguished from other seaside communities should be avoided.
3. The strategic placement of furnishings —appropriate signage, benches, and overlook platforms along and near the lateral access ways—should create a network of outdoor spaces to socialize, enjoy natural serenity, and appreciate views of the bay.
4. Ample shading elements and outdoor furniture such as benches and trash receptacles should occur at regular intervals to improve pedestrian access and comfort.
5. Pedestrian comfort should be enhanced with amenities such as drinking fountains, public restrooms, public telephones, newsstands, planters, bicycle racks, and kiosks, especially along wide sidewalks with heavy foot traffic.

IX. Lighting

1. The waterfront should be well lit to encourage safety and comfort; but must be dark sky-compliant with downcast, shielded, diffused, or indirect features to avoid glare.
2. Appropriate lighting along the coast should be both functional and decorative. Decorative wall-mounted lights are encouraged to minimize the number of freestanding pedestrian-scale lighting fixtures.
3. Light fixtures should be installed at calf-height.

CHAPTER 3

IMPLEMENTATION 4

4.1 Implementation Plan



CHAPTER 4



4.1 Implementation Plan

This chapter provides clear guidance for policymakers to address the programmatic and physical improvements critical to achieve the vision for Morro Bay's downtown and waterfront areas. The implementation plan provides a list of the major actions needed for implementation, as well as the catalyst projects outlined in Chapter 2. Actions are additional implementation steps, programs, or projects identified through the community engagement and visioning process. Actions are not tied to a particular opportunity site, unlike the catalyst projects, which are associated with one or more potential opportunity sites. Actions and catalyst projects should be implemented at the discretion of the City over the 10-year time frame of this plan, as feasible. Table 4-1, Implementation Plan, identifies the responsible party and suggested timing for each action and catalyst project. Priority, or timing, is categorized using the following time frames: short term (0–3 years), mid term (4–6 years), and long term (7–10 years).

The actions and catalyst projects in Table 4-1 are organized into the following categories:

- Funding – actions to identify revenue sources and secure funding for implementation
- Land Use and Design – actions and projects related to private development of land and the physical appearance of downtown and the waterfront
- Circulation – actions and projects to improve vehicle, transit, pedestrian, and bicycle circulation
- Public Realm Improvements and Civic Programs – actions and projects to improve public spaces and provide cultural resources
- Community Events and Activities – actions and projects to increase and promote community events and activities in downtown and the waterfront
- Business Retention and Recruitment – actions to support existing businesses and attract new ones

Key to Table 4-1

Priority Key:

Short Term = 1–3 years
Mid Term = 4–6 years
Long Term = 7–10 years

Responsible Party Key:

Community Development Department – CD
Local Coastal Commission – LCC
Public Works Department – PW
Recreation Services Department – RS
Harbor Department – H
Chamber of Commerce – Chamber
Morro Bay Historical Society – MBHS
Public Arts Committee – PAC

CHAPTER 4

Table 4-1 Implementation Plan

ID	Chapter 2 Cross Reference	Action or Catalyst Project	Priority:	Responsibility	
			Short Term Mid Term Long Term Ongoing	Lead	Support
Funding					
F-1	NA	Use the City's existing Capital Improvement Plan process to prioritize, identify costs, and secure funding for the public facilities, programs, and infrastructure improvements identified in this chapter.	Short Term, Ongoing	CD	PW, RS
F-2	NA	Seek funding to offer matching grants or revolving loans to commercial buildings for façade improvements. Funding could be used for projects such as painting façades, replacing windows, doors, awnings, and signs, and exterior lighting.	Short Term	CD	beautification committee
F-3	NA	Research and apply for grants to fund streetscape improvements identified in this Strategic Plan.	Short Term, Ongoing	CD	beautification committee
F-4	NA	Seek funding for undergrounding utility lines.	Short Term	PW	CD
Land Use and Design					
Catalyst Project B	pg page 2.18	Through a public/private partnership, design and build a seafood and local goods market in the waterfront area to sell fresh and local seafood, produce, flowers, and artisanal products.	Short Term	CD	Developers
Catalyst Project D	pg page 2.22	Utilize an RFP process to seek designs for a mixed-use project with residential units over ground floor cooperative retail and creative maker space.	Long Term	CD	Developers

ID	Chapter 2 Cross Reference	Action or Catalyst Project	Priority:	Responsibility	
			Short Term Mid Term Long Term Ongoing	Lead	Support
Catalyst Project G	pg page 2.28	Utilize a marketing campaign to seek designs for a full service hotel and meeting facilities project located on the bluff/waterfront. This should include engagement with a real estate broker to partner with on the project.	Short Term	CD	Developers
Land Use and Design - continued					
Catalyst Project J	pg page 2.34	Assess acquisition and management strategies, identify a site, and utilize an RFP process for construction of a boatyard and haulout facility along the waterfront.	Short Term	H	CD, PW, developers, BHC
LU-1	NA	Establish a local historic preservation program to support preservation of historic structures in the project area. Consider installation of information plaques at historically designated sites.	Short Term, Ongoing	MBHS, CD	Community members, community organizations
LU-2	NA	Establish a beautification committee of volunteers to organize and promote activities to improve the appearance of downtown businesses as public spaces, such as: <ul style="list-style-type: none"> • Park enhancements • Adopt a “___” Program (e.g., bench, planter, gateway) • Regular maintenance of public spaces • Monthly/yearly cleanup events • Paint buildings • Building restoration 	Short Term, Ongoing	CD, PW, RS	Community members, interested business and property owners, community organizations, youth leaders

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ID	Chapter 2 Cross Reference	Action or Catalyst Project	Priority:	Responsibility	
			Short Term Mid Term Long Term Ongoing	Lead	Support
LU-3	NA	Promote the use of vacant buildings in downtown for temporary commercial or public uses, such as pop-up retail shops or art exhibits. The City should consider issuing building occupancy permits at a reduced fee or waiving code requirements that are not public safety issues to allow temporary use of the buildings. Temporary signs, such as a banner sign, would be allowed for a temporary period.	Short Term	CD	Chamber
LU-4	NA	Develop citywide comprehensive commercial design guidelines.	Mid Term	CD	Community members
LU-5	pgs. 2.11-2.14	Identify and maintain and up to date owner list for all opportunity site properties.	Short Term, Ongoing	CD	NA
LU-6	pgs. 2.11-2.14	Reach out to opportunity sites property owners to let them know about the Strategic Plan and to inquire about their future plans for the properties.	Short Term, Ongoing	CD	NA
Circulation					
Catalyst Project A	pg page 2.16	Develop a comprehensive plan for the Harbor Walk to ensure a continuous pathway along the water's edge that is uniform in design.	Short Term	CD	H, PW
C-1	NA	Complete construction of the Harbor Walk according to the Harbor Walk comprehensive plan (see Catalyst Project A).	Long Term	PW, CD, H	NA

ID	Chapter 2 Cross Reference	Action or Catalyst Project	Priority:	Responsibility	
			Short Term Mid Term Long Term Ongoing	Lead	Support
C-2	NA	Install improvements identified in the Centennial Parkway Redesign. The plan includes a redesign of the staircase and the plazas at either end of the stairway to enhance the public spaces and improve connectivity between downtown and the waterfront (see Opportunity Site 2 and Catalyst Project C).	Mid Term	CD, PW	H, RS
C-3	NA	Install the circulation improvements identified by the Embarcadero Widening Plan, which includes a redesign of the roadway, sidewalk, streetscape furnishings, and parking areas to enhance the aesthetics and the experience for pedestrians, cyclists, and motorists (see Opportunity Site 4 and Catalyst Project I).	Mid Term	CD, PW	H
C-4	NA	Extend the “Molly” trolley route to include a frequent loop through the waterfront and downtown areas during peak times.	Short Term	PW	CD
Circulation - continued					
C-5	NA	Conduct a parking assessment for downtown and the waterfront and develop a long-term parking strategy. This strategy should address: <ul style="list-style-type: none"> • On-street parking spaces (availability, time limits, etc.) • Opportunities for shared parking and access • Potential for construction of additional public parking lots or structures 	Long Term	CD, PW	H

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ID	Chapter 2 Cross Reference	Action or Catalyst Project	Priority:	Responsibility	
			Short Term Mid Term Long Term Ongoing	Lead	Support
Public Realm Improvements and Civic Programs					
Catalyst Project F	pg page 2.26	Work with the Central Coast Maritime Museum to expand upon and build a permanent cultural, maritime, and/or historical museum.	In progress/ Long Term	CD, Central Coast Maritime Museum	Developer/ Builder
Catalyst Project H	pg page 2.30	Develop a streetscape furnishing palette (e.g., street lighting, benches, tree grates, trash bins, bollards, planters, paving materials) and a landscaping palette (e.g., street trees, planter strip, and median landscaping) for downtown.	Short Term	CD	PW, community members, PAC/ local artists
PR-1	NA	Install new/improved streetscape furnishings (e.g., street lighting, banners, benches, tree grates, trash bins, bollards, water filling stations, bike racks, planters, and paving materials) in downtown, according to the Downtown Streetscape Furnishing Palette (see Opportunity Sites 11 and 15 and Catalyst Project H).	Mid Term, Ongoing	CD, PW	Community members, PAC/local artists
Public Realm Improvements and Civic Programs - continued					
Catalyst Project I	pg page 2.32	Develop a streetscape furnishing palette (e.g., street lighting, benches, tree grates, trash bins, bollards, planters, paving materials) and a landscaping palette (e.g., street trees, planter strip, and median landscaping) for the Embarcadero.	Short Term	CD, PW	Community members, PAC/ local artists

ID	Chapter 2 Cross Reference	Action or Catalyst Project	Priority:	Responsibility	
			Short Term Mid Term Long Term Ongoing	Lead	Support
PR-2	NA	Install new/improved streetscape furnishings (e.g., street lighting, banners, benches, tree grates, trash bins, bollards, water filling stations, bike racks, planters, and paving materials) in the waterfront area, according to the Downtown Streetscape Furnishing Palette (see Opportunity Site 4 and Catalyst Project I).	Mid Term, Ongoing	CD, PW	Community members, PAC/local artists
PR-3	NA	Establish a public arts committee of local volunteers and create an “Art in Public Places” program. The committee could be tasked with: <ul style="list-style-type: none"> Organizing public art events and outreach Drafting guidelines for the Art in Public Places program Exploring establishment of a percent for the arts ordinance to fund public art Working with the City to incorporate public art into gateway features, public spaces, and streetscape furnishings 	Mid Term	CD	Local artists, community members, community organizations
PR-4	NA	Increase regular maintenance of public facilities such as restrooms, trash receptacles, parks, plazas, and streets.	Short Term, Ongoing	PW, RS	CD
PR-5	NA	Plant additional street trees and landscaping along key corridors in downtown and along the waterfront.	Ongoing	PW, RS	beautification committee

CHAPTER 4

ID	Chapter 2 Cross Reference	Action or Catalyst Project	Priority:	Responsibility	
			Short Term Mid Term Long Term Ongoing	Lead	Support
Public Realm Improvements and Civic Programs - continued					
PR-6	NA	Develop and implement a wayfinding program that includes both auto-oriented directional signage and pedestrian-oriented maps and signs. Wayfinding signs should be coordinated with other streetscape furnishings and reflect the design theme of the district (downtown or waterfront).	Short Term	CD, PW	Community members, PAC, beautification committee
PR-7	NA	Seek designs for welcome gateway features (e.g., welcome sign, public art monument, pillars, landscaping) through any of the following approaches: <ul style="list-style-type: none"> • RFP process • Local design competition • Student course project • Internship Designs should reflect community design preferences for gateway features identified in Chapter 3.	Mid Term	CD, PW	PAC/local artists, local students
PR-8	NA	Install special gateway features (e.g., welcome sign, public art monument, pillars, landscaping, special paving) at the two major entrances into the project area: <ul style="list-style-type: none"> • Roundabout at the intersection of Morro Bay Boulevard and Quintana Road • Intersection of Beach Street and Main Street Consider special painted crosswalk and intersection markings at key intersections in the waterfront and the downtown including Main and Morro and Embarcadero and Front.	Mid Term	CD, PW	PAC

ID	Chapter 2 Cross Reference	Action or Catalyst Project	Priority:	Responsibility	
			Short Term Mid Term Long Term Ongoing	Lead	Support
PR-9	NA	Develop a historic/heritage self-guided walking tour of the downtown/waterfront area.	Short Term, Ongoing	MBHS	CD
PR-10	NA	Install play structures and/or other kids' activity zones/facilities along the waterfront (see Catalyst Project C).	Long Term	CD, PW, RS	NA
PR-11	NA	Install fiber optic infrastructure in the project area.	In progress/ Mid Term	PW	CD
Community Events and Activities					
Catalyst Project C	pg page 2.20	Seek and secure funding for outdoor family-oriented entertainment activities, such as an adventure play-ground, trampoline park, splash fountain, and/or pickle ball.	Short Term	CD, Chamber, developers	RS
Catalyst Project E	pg page 2.24	Encourage and promote events, and recruit additional outdoor harborside ecotourism activities and businesses such as: <ul style="list-style-type: none"> • Sea plane tours • Bike tours • Boat/kayak racing offshore • Guided kayak/canoe tours • Surf competitions • Skateboard competitions • Harbor to Point run and/or triathlon • Eco tours 	Short Term, Ongoing	CD, Chamber, local businesses	PW, H, RS

CHAPTER 4

ID	Chapter 2 Cross Reference	Action or Catalyst Project	Priority:	Responsibility	
			Short Term Mid Term Long Term Ongoing	Lead	Support
CE-1	NA	<p>Organize and encourage additional events on the water, such as:</p> <ul style="list-style-type: none"> • Boat lighting parade for July 4th • Blessing of the fleet “parade” • “Witches of Morro Bay” on the water at Halloween • Outdoor concerts 	Ongoing	CD, Chamber, local businesses, community organizations	PW, H
Community Events and Activities - continued					
CE-2	NA	<p>Organize and encourage additional promotions and events downtown that cater to locals and create a sense of community, such as:</p> <ul style="list-style-type: none"> • “First Fridays”/art walk • “Wine and Cheese Night” at local businesses • Tree lighting ceremony during the holidays • Food trucks and pop-up restaurants • Pop-up stages and music in the park • Craft fairs • Flea markets 	Ongoing	CD, Chamber, local businesses, community organizations	PW
Business Retention and Recruitment					
BR-1	NA	<p>Work with businesses to improve their overall physical presentations.</p> <ul style="list-style-type: none"> • Hold a window display contest • Offer visual merchandising assistance • Provide advertising training workshops 	Short Term	Chamber	Local businesses, community organizations

ID	Chapter 2 Cross Reference	Action or Catalyst Project	Priority:	Responsibility	
			Short Term Mid Term Long Term Ongoing	Lead	Support
BR-3	NA	<p>Promote the commercial fishing industry by:</p> <ul style="list-style-type: none"> • Advertising/announcing the arrival of commercial fishing vessels • Offering tours of fishing facilities • Providing informational plaques to educate visitors about the industry 	Ongoing	Chamber, local businesses, CD	NA



Michael Baker
INTERNATIONAL

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**A PROCLAMATION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY
DECLARING JANUARY 21-27, 2018,
AS SCHOOL CHOICE WEEK**

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

WHEREAS, all children in City of Morro Bay should have access to the highest-quality education possible; and

WHEREAS, the City of Morro Bay recognizes the important role that an effective education plays in preparing all students in the City of Morro Bay to be successful adults; and

WHEREAS, quality education is critically important to the economic vitality of the City of Morro Bay; and

WHEREAS, the City of Morro Bay is home to high quality public and nonpublic schools from which parents can choose for their children, in addition to families who educate their children in the home; and

WHEREAS, educational variety not only helps to diversify our economy, but also enhances the vibrancy of our community; and

WHEREAS, the City of Morro Bay has many high-quality teaching professionals in all types of school settings who are committed to educating our children; and,

WHEREAS, School Choice Week is celebrated across the country by millions of students, parents, educators, schools and organizations to raise awareness of the need for effective educational options.

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Morro Bay does hereby recognize January 21-27, 2018, as City of Morro Bay School Choice Week, and calls this observance to the attention of all of our citizens.

IN WITNESS WHEREOF I have hereunto set my hand and caused the seal of the City of Morro Bay to be affixed this 23rd day of January 2018.

JAMIE L. IRONS, Mayor
City of Morro Bay, California

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AGENDA NO: A-5
MEETING DATE: January 23, 2018

Staff Report

TO: Honorable Mayor and City Council **DATE:** January 17, 2018
FROM: Dana Swanson, City Clerk/Risk Manager
SUBJECT: Receive and File City Response to Morro Bay Action Team regarding Alleged Brown Act Violation, and Provide Comment as Deemed Appropriate

RECOMMENDATION

Receive and file.

FISCAL IMPACT

There is no fiscal impact to this decision.

BACKGROUND/DISCUSSION

The City received a letter dated December 12, 2017, from Morro Bay Action Team alleging a violation of the Ralph M. Brown Act occurred at the November 14, 2017 City Council Meeting (Attachment 2). The Council concluded, as reported out of a duly noticed closed session held on January 9, 2018, no such violation occurred at the November 14 meeting; and, therefore, there is no need to “cure or correct” the challenged action. In the interest of transparency, the City’s January 10 response letter is provided as Attachment 1.

ATTACHMENTS

1. City of Morro Bay January 10, 2018 letter to Morro Bay Action Team
2. December 12, 2017 letter from Morro Bay Action Team

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



CITY OF MORRO BAY

CITY HALL
595 Harbor Street
Morro Bay, CA 93442

January 10, 2018

Morro Bay Action Team
c/o: Cynthia Hawley, Esq.
PO Box 697
Morro Bay, CA 93443

Re: Alleged CEQA and Brown Act Violations

Dear Ms. Hawley:

The City of Morro Bay (City) is in receipt of your letter, dated December 12, 2017. That letter, sent on behalf of the Morro Bay Action Team, alleges violations of the California Environmental Quality Act (CEQA) (Public Resources Code section 21000 *et seq.*, the State CEQA Guidelines (14 California Code of Regulations (CCR) 15000 *et seq.*) (Guidelines) and the Ralph M. Brown Act (Government Code § 54950 *et seq.*) (Brown Act) occurred at the Morro Bay City Council regular meeting held on November 14, 2017 (Meeting).

As we stated in our response to a previous letter you sent, on behalf of the Citizens for Affordable Living, alleging the City Council violated the Brown Act on a different occasion, we reiterate the City Council understands and supports the importance of transparent and open government. To that end, it also appreciates and acknowledges the Brown Act and follows its spirit and intent. That same respect is held for and compliance had with CEQA and the Guidelines. With that continually kept in mind, the following is the City's legal response to your letter, as provided by our City Attorney. That response will follow the sequence of complaints set forth in your above-referenced letter.

Alleged CEQA and CEQA Guidelines Violations

In summary, your letter states the City Council did not comply with CEQA and the Guidelines because, on November 14, 2017, it approved an agreement for engineering design services of a lift station and pipelines without first conducting required environmental analysis. That contention seems to be based on the premise the engineering design services agreement obligates the City to construct the lift station and pipelines. The timing for approval of construction of those facilities, if at all, is anticipated not to occur until November, 2019. That information was part of a public staff report updating the City Council on the proposed Water Reclamation Facility (WRF) Project, at its October 10, 2017, public meeting. We surmise that contention has been made because the engineering design services may include construction-related services for the lift station and pipelines being designed, which is quite common for those types of design services. Such related services would assist with the bid and construction phases of the project, if the project bidding and construction were commenced. Those construction-related services will not be needed if construction does not proceed, nor does the subject contract commit the City to move forward with the bidding or construction phases of the lift station and pipelines nor require

the City to pay any penalty or consideration to the design engineer if the bidding or construction phases does not occur.

We also think you are aware the City is currently having a complete environmental impact report (EIR) prepared to analyze the significant environmental impacts that may result from the WRF Project, including, as needed, from the lift station and pipelines. One of the essential elements that must occur before the EIR can be completed is for the lift station and pipeline to be adequately described so useful environmental analysis of those proposed facilities can be included. That is one of the reasons that engineering design work contract has been awarded now. If an EIR were to be completed before such data were available, then the EIR may not be complete and result in the need for additional environmental analysis, which would likely take more time and limited resources. Rest assured, the City would, if at all, be issuing a contract for construction of the lift station and pipelines, only after the EIR has been certified. Based on that, the City has not irrevocably committed to commencement of any physical work prior to that certification, which is currently anticipated to occur in June, 2018.

Alleged Brown Act Violations

Your letter states at the Meeting the City Council violated paragraph (3) of subdivision (a) of Section 54954.2 of the Brown Act, which mandates (with certain exceptions): "No action or discussion shall be undertaken on any item not appearing on the posted agenda..." Specifically, your letter alleges: "...at the November 14, 2017 meeting, the City Council approved a major public works project ... under Business Agenda Item C-2 and this approval did not appear on the posted agenda which provided public notice of the following:

C-2 CONSIDERATION OF PROPOSAL BY AND APPROVAL OF CONTRACT WITH WATER WORKS ENGINEERS FOR ENGINEERING DESIGN SERVICES FOR THE WATER RECLAMATION FACILITY (WRF) LIFT STATION AND OFFSITE PIPELINES; (PUBLIC WORKS) RECOMMENDATION: Council:

Review the report and staff presentation.

Review the recommendation from staff and WRFCAC to award a contract to Water Works Engineers for Engineering Design Services for the WRF lift Station and Offsite Pipelines.

Recommend the City Council authorize the City Manager to execute an agreement for the amount of \$1,353,574. with a ten-percent contingency for a total authorization of \$1,488,931.

It would be germane to note that matter did not require, under the law, a public hearing, which is generally required for land use matters. If that item did require a public hearing, then there would generally need to have been a "ten-day" meeting notice. However, as a general business item, a "three-day" meeting notice was properly provided.

With a reference to Section 54960.1 of the Brown Act, your letter demands, within 30 days from December 12, 2017, the City cure or correct the challenged action and either inform you, in writing, of the City Council's action to cure and correct the challenged action or of the City's decision not to do so. The Council has reviewed your allegations and responds to you, pursuant to paragraph (2) of subdivision (c) of Section 54960.1 of the Brown Act.

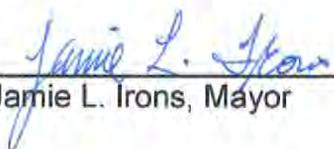
The Council has concluded, as reported out of a duly noticed closed session held on January 9, 2018, no such violation of the Brown Act occurred at the Meeting. Therefore, there is no need to "cure or correct" the challenged action. Below are explanations for that conclusion.

Notwithstanding your characterization of the Council's action, there was no major public works project approved. What was approved was exactly what was described on the agenda, a contract for engineering design services. As stated previously, it is quite common for such services to include assistance during the bidding and construction phases for the project being designed pursuant to that engineering design contract. The agreement that was approved, which was included as part of the staff report for that action and available on-line through links from the agenda and staff report, included Task 8. That task would be for bid period assistance and construction phase assistance, but only if construction of the lift station and related pipelines were to proceed.

As we similarly stated in our previous response to your previous Brown Act complaint, we remain hopeful the foregoing provides sufficient information for your organization to decide not to pursue legal action regarding your subject allegations. It would indeed be unfortunate if the community is forced to incur legal expenses to defend such an action. In that regard, if such action is taken, then the City will do what it can to protect and defend its limited public finances by seeking recovery of its attorney's fees if an unsuccessful lawsuit is filed regarding any of your allegations.

Sincerely,

Morro Bay Mayor, Mayor Pro Tem and City Council

By: 
Jamie L. Irons, Mayor

c: Honorable Morro Bay Mayor Pro Tem and Council Members
Scott Collins, City Manager
Rob Livick, Public Works Director
Joseph W. Pannone, City Attorney

MORRO BAY ACTION TEAM

Mayor Jamie Irons
City Council Members
City of Morro Bay

RECEIVED
City of Morro Bay
DEC 12 2017

December 12, 2017

City Clerk

Dear Mayor Irons and Council Members McPherson, Headding, Davis, and Makowetski:

As you know, approvals of land use projects in California require noticed public hearings. What amounts to an “approval” is the subject of statute and case law.

Under the California Environmental Quality Act (CEQA) “approval” of a land use project is defined as the “decision by a public agency which commits the agency to a definite course of action in regard to a project” CEQA Guidelines § 15352(a).

According to court cases, the commitment must be irrevocable which depends on whether “the agency has committed itself to the project . . . so as to effectively preclude any alternatives” If a project approval is contingent on CEQA review or a land use permit, the commitment would not be irrevocable.

Project approval was exactly what happened at the November 14, 2017 council meeting. When you approved the contract for nearly \$1.5 with Water Works Engineers related to the WRF Lift Station and Offsite Pipelines Project you committed the City to a definite course of action is spelled out in a detailed project description and in specific tasks from design to completion of construction including construction engineering, review and tracking of construction documents, support with easement acquisition, weekly jobsite meetings, observation of operational test of the lift station, and final inspection of the constructed facilities.

Under case law, this definite course of action is an irrevocable commitment because there is no discussion of the project being contingent on any future event – not on CEQA compliance or consistency with the Morro Bay Local Coastal Program.

However, no one knew this project approval was going to take place because, in violation of the Brown Act, it was agendized as a business item limited to design and engineering services, the project description was buried in the contract and scope of work, and the decision to approve the project was presented as a decision to approve a contract. Under the law, it is the content, not the title or name, that determines what a document is.

Pursuant to Government Code section 54960.1 of the Ralph M. Brown Act Open and Public Meeting Law, this letter is also to call your attention to the substantial violations of the Brown Act’s fundamental meeting requirements that occurred at this November 14, 2017 Council meeting. These violations may jeopardize the finality of the actions.

Government Code Section 54954.2(a)(3) mandates that “No action or discussion shall be undertaken on any item not appearing on the posted agenda”

Specifically, at the November 14, 2017 meeting, the City Council approved a major public works project as discussed above under Business Agenda Item C-2 and this approval did not appear on the posted agenda which provided public notice of the following:

C-2 CONSIDERATION OF PROPOSAL BY AND APPROVAL OF CONTRACT WITH WATER WORKS ENGINEERS FOR ENGINEERING DESIGN SERVICES FOR THE WATER RECLAMATION FACILITY (WRF) LIFT STATION AND OFFSITE PIPELINES; (PUBLIC WORKS) RECOMMENDATION: Council:

Review the report and staff presentation.

Review the recommendation from staff and WRFCA to award a contract to Water Works Engineers for Engineering Design Services for the WRF Lift Station and Offsite Pipelines.

Recommend the City Council authorize the City Manager to execute an agreement for the amount of \$1,353,574, with a ten-percent contingency for a total authorization of \$1,488,931.

This agenda also mischaracterizes the contract as committing the City to a scope of work limited to “engineering design services” when in fact it commits the City to services for construction engineering, support for easement acquisitions, jobsite meetings, operational testing of the completed lift station, or final inspection of the constructed project as noted above.

Pursuant to Government Code Section 54960.1, the Morro Bay Action Team demands that the Morro Bay City Council cure or correct the illegally taken action by rescinding the action as void, by agendizing the matter on which improper action was taken for discussion and possible action at a properly noticed public hearing, by providing members of the public with the opportunities to fully participate in informed public decision making processes, and by providing the public with all documents in the City of Morro Bay’s possession related to the improper action and/or on which Council Members relied to take the action, with copies available to the public on line or at the City’s offices.

As provided by Section 54960.1, the City has 30 days from the receipt of this demand to cure or correct the challenged action and to inform us in writing of your actions to cure or correct the challenged action or inform us of your decision not to do so. If you fail to respond as required by Section 54960.1 within the 30-day period your inaction will be deemed a decision not to cure or correct the challenged actions.

Thank you for your attention to these matters.

Respectfully yours,



Cynthia Hawley
Attorney



AGENDA NO: A-6

MEETING DATE: January 23, 2018

Staff Report

TO: Honorable Mayor and City Council **DATE:** January 15, 2018

FROM: Jennifer Callaway, Finance Director

SUBJECT: Receive the First Quarter Investment Report (July through September 2017) for Fiscal Year 2017/18 and Approve Changes to the Investment Policy

RECOMMENDATION

Council:

1. Receive the attached First Quarter Investment Report (July through September 2017) for Fiscal Year 2017/18; and,
2. Approve the recommended changes to the Investment Policy.

FISCAL IMPACT

There is no fiscal impact associated with this recommendation.

DISCUSSION

Attached for your consideration is the First Quarter Investment Report for FY 2017/18 (Attachment 1).

As of September 30, 2017, the City's weighted portfolio yield of 0.9% was slightly below the Local Agency Investment Fund (LAIF) yield of 1.07%. With interest rates increasing staff will monitor rates closely and as investments mature replace those investments with an appropriate maturity and credit-rating equivalent investment.

During the quarter, yields have generally been increasing anticipating continued economic growth. According to the Wall Street Journal, some investors expect the tax overhaul will stimulate growth in the economy and inflation, while also increasing the budget deficit and supply of Treasury debt.

At the conclusion of the Federal Reserve's September Open Market Committee, twelve of the sixteen officials predicted another rate increase. As such, staff's strategy will be to focus on the purchase of short-term (two years or less in maturity) investments, because the rewards for longer-term investments in the three- to five-year maturity do not have adequate spreads to justify the risk of holding longer-term maturities.

Staff also recommends the City Council approve the changes to the City's investment policy, updating the delegation of authority with the new staff. The investment policy is included as Attachment 2 with the recommended changes redlined. The recommended changes are under the Delegation of Authority section (page 3 of Attachment 2) and highlighted below for reference:

Prepared By: JC

Dept Review:

City Manager Review:

City Attorney Review: JWP

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

City Manager:	Scott Collins
Finance Dir/Treasurer:	Jennifer Callaway
Accounting and Budget Manager:	Sandra Martin
Senior Accounting Technician:	Valerie Webb

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

The primary authority for investments rests with the City's Finance Director and City Manager. The Accounting and Budget Manager and Senior Accounting Technician are provided with authority as a back-up only should the City Manager and Finance Director be unavailable.

CONCLUSION

Staff recommends Council receive the First Quarter Investment Report (July through September 2017) for Fiscal Year 2017/18 and approve staff's recommended changes to the investment policy.

ATTACHMENTS

1. First Quarter Investment Report for FY 2017/18 (July through September 2017)
2. City of Morro Bay Investment Policy

CITY OF MORRO BAY
QUARTERLY PORTFOLIO PERFORMANCE
9/30/2017

INVESTMENT OR CUSIP NUMBER	INSTITUTION	PURCHASE PRICE	MARKET VALUE	COUPON INTEREST RATE	PURCHASE DATE	MATURITY DATE	DAYS TO MATURITY
LAIF	LOCAL AGENCY INVESTMENT FUND	\$ 7,201,599	\$ 7,201,599	1.070%	DAILY	DAILY	1
MONEY MARKET ACCOUNT:							
MM	RABOBANK - MONEY MARKET	2,528,999	2,528,999	0.200%	DAILY	DAILY	1
SWEEP	RABOBANK - SWEEP	3,510,795	3,510,795	0.005%	DAILY	DAILY	1
MM	OPUS BANK	2,019,554	2,019,554	1.140%	DAILY	DAILY	1
Government Agency							
3134G8PD5	FHLM Corp	500,003	497,548	1.350%	3/30/2016	9/30/2019	
3136G1KDO	FNMA	498,933	499,015	1.000%	6/13/2013	4/30/2018	
CERTIFICATES OF DEPOSIT:							
1404202A7	ZION BANK - CAPITAL ONE BANK	250,005	252,772	2.400%	4/12/2017	4/12/2022	1,655
902856	TBK BANK	250,000	250,000	2.050%	1/24/2017	1/11/2019	468
4100093030	LEADER BANK	250,000	250,000	1.551%	1/6/2014	1/6/2019	463
34387ABU2	ZIONS BANK - FLUSHING BANK	250,004	250,066	1.250%	12/17/2015	12/18/2017	79
20451PPL4	ZIONS BANK - COMPASS BANK	250,001	250,088	1.250%	12/16/2015	12/18/2017	79
02006LYZ0	ZIONS BANK - ALLY BANK	250,001	249,881	1.000%	3/17/2016	3/19/2018	170
9497484B0	ZION BANK - WELLS FARGO	250,001	249,884	1.100%	3/23/2016	3/23/2018	174
254671VW7	ZION BANK - DISCOVER BANK	250,001	251,224	2.000%	9/11/2013	9/11/2018	346
05568P5Y9	ZION BANK - BMW BANK	250,001	251,262	2.100%	10/25/2013	10/25/2018	390
36160NYZ6	ZION BANK - Synchrony Bank CD	250,001	251,661	2.150%	10/25/2013	10/25/2018	390
38148PGK7	ZION BANK - GOLDMAN SACHS BANK	250,003	245,243	1.550%	8/3/2016	8/3/2021	1,403
3090683803	STATE FARM BANK	250,000	250,000	1.980%	10/21/2013	10/21/2018	386
4923509568	PENTAGON FEDERAL CREDIT UNION	250,000	250,000	3.000%	2/5/2014	2/5/2019	493
		<u>\$ 19,509,900</u>	<u>\$ 19,509,588</u>				
					% OF LIQUID PORTFOLIO HOLDINGS	WEIGHTED AVERAGE RATE OF EARNINGS	WEIGHTED AVERAGE MATURITY
					<u>78.222%</u>	<u>0.900%</u>	<u>84</u>

Portfolio holdings as of the first quarter ended September 30, 2017, are in compliance with the current Investment Policy. With 78.222% of the portfolio held in liquid instruments, the cash needs of the City will be met.

CITY OF MORRO BAY INVESTMENT POLICY ~~JANUARY~~ ~~JULY~~ 20186

PURPOSE

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

SCOPE OF THE POLICY

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

LEGAL AUTHORITY

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

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

OBJECTIVES

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

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

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

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

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

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

GENERAL STRATEGY

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

The City follows the passive investment strategy of holding investments to maturity.

STANDARD OF CARE

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

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

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

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

City Manager: _____ ~~David Buckingham~~ Scott Collins
~~Admin Services~~ Finance Dir/Treasurer: _____ ~~Susan Slayton~~ Jennifer Callaway
~~Human Resources Analyst~~ Accounting and Budget Manager: _____ Laurie
~~Goforth~~ Sandra Martin
Senior Accounting Technician: _____ ~~Cristie Brazzi~~ Valerie Webb

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

SAFEKEEPING AND CUSTODY

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

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

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

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

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

AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

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

SUITABLE AND AUTHORIZED INVESTMENTS

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

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

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

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

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

INVESTMENT PARAMETERS

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

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

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

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

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

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

PORTFOLIO MANAGEMENT ACTIVITY

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

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

Reviewing and Monitoring of the Portfolio: The portfolio requires monthly staff review to ensure the investments are being properly tracked and reported, and quarterly reporting to the Citizens Finance Advisory Committee.

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

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

REPORTING

Reporting Methods: On a quarterly basis, the investment portfolio will be presented first to the Citizens Finance Advisory Committee for review, then at a City Council meeting, along with the quarterly financial reports, and will list the following components:

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

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

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

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

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

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

APPENDIX A – INVESTMENT POLICY TERMINOLOGY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Portfolio: The collection of investment instruments held.

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

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

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

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

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

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

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

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



AGENDA NO: A-7

MEETING DATE: January 23, 2018

Staff Report

TO: Honorable Mayor and Council Members **January 14, 2018**
FROM: Mayor Pro Tem McPherson and Council Member Makowetski
SUBJECT: Adoption of Resolution No. 04-18 Establishing a City Manager Evaluation Process

RECOMMENDATION

The City Manager Evaluation sub-committee recommends the City Council review and adopt Resolution No. 04-18, establishing a City Manager evaluation process and rescinding Resolution No. 73-15.

BACKGROUND

City Council formed a sub-committee consisting of now Mayor Pro Tem McPherson and Council Member Makowetski in September 2017 to review and provide recommendations to the full Council regarding the City Manager evaluation process. At that time, Interim City Manager Martin Lomeli scheduled a December 13, 2017, City Council special closed session meeting for the purposes of reviewing the sub-committee recommendations and establishing an evaluation process for the new City Manager, Scott Collins. Mr. Collins began his tenure with the City on November 6, 2017.

The sub-committee reviewed the existing Morro Bay City Manager process and evaluation criteria and those of the cities of La Verne and Santa Cruz, California. The sub-committee then met with Mr. Collins in late November. They discussed the current evaluation process in terms of what could be improved and lessons to apply from La Verne and Santa Cruz processes. Ultimately, the group agreed it was important the evaluation process deliver, regardless of the form and process adopted, the following outcomes:

- evaluate the performance of the City Manager for the previous period,
- establish City Manager goals for the upcoming period that align with the City Council's strategic goals,
- develop a clear plan for how to improve performance (if necessary), and
- develop a clear plan for how to improve the working relationship between City Council and the City Manager and staff (again, if necessary).

The City Council then met in Closed Session on Wednesday, December 13, 2017, to review the material and provide direction to the City Attorney and City Council sub-committee to bring forward recommended changes to the January 23, 2018, Regular City Council meeting for Council consideration and adoption.

DISCUSSION

Based upon the review conducted by the sub-committee and direction provided by City Council, the City Manager Evaluation process and form is proposed to be modified in several ways: evaluation frequency, scoring, and process.

Evaluation Frequency – More Reviews in Year One

It is recommended the Council evaluate Mr. Collins at the 3-month, 6-month, 9-month, and 12-month period intervals in his first year (from his effective starting date of November 6, 2017). Quarterly reviews in the first year will provide for a smoother transition, and allow for more frequent feedback from the full City Council. That schedule will assist Mr. Collins in starting strong in his leadership role and help Council and Mr. Collins strengthen their relationship. They further recommend the City Council review the effectiveness of the evaluation process and frequency of formal reviews after Mr. Collins has served for 12 months, in conjunction with his initial 12-month review.

Evaluation Criteria – Add Narrative Sections to Bolster Feedback

With regard to the content of the evaluation form, the sub-committee finds much of the existing criteria should remain. The ten performance categories and their accompanying statements, as outlined in evaluation form (Exhibit A of Resolution No. 73-15), are comprehensive and provide sufficient criteria for evaluating Mr. Collins' effectiveness as a City Manager.

The sub-committee does, however, recommend a few changes to the evaluation form. It is proposed to move from a 1,2,3,4,5 scoring scale that is used to measure performance in each statement within each performance category and overall (with 1 being "poor" all the way up to 5 being "excellent") to a simplified scoring scale of 1, 3, 5 (1 being "does not meet standard," 3 equating to "meets standard", and 5 being "exceeds standard"). In addition, it is recommended each performance category include a comment section for written discussion of areas of strengths and weaknesses. This simplified scoring system removes some of the guess work involved in differentiating between scores, with the added benefit of placing emphasis on strengths and weaknesses. The scoring system allows the Council to provide the City Manager with an average score within each performance category and associated statement, indicating at a high level how the City Manager is performing, and Council Members can also articulate in detail what is working and what can be improved, where a score alone cannot convey that information.

The sub-committee further recommends changing the narrative evaluation section (the last page of the evaluation form). Currently, Council Members are asked to write about the City Manager's strengths, weaknesses, opportunities and threats, a traditional SWOT analysis. The sub-committee feels a discussion of "strengths" and "weaknesses" is appropriate and would add to that "progress towards achieving City Council goals" and "plan for improvement," while striking "opportunities" and "threats".

Lastly, the sub-committee recommends modifying the performance objectives section (the final section of the evaluation form, located on the last page) to include questions about how the City Council is supporting the City Manager and staff and what can be done differently to improve the relationship between the Council and the City Manager.

Evaluation Process – 360 Degree Review at 12 Months and other Modifications

The evaluation process adopted by Council via Council Resolution No. 73-15 conforms with best practices by providing an opportunity for individual Council input, City Manager input and review, and deliberation between Council and the City Manager. It is recommended to add a 360-degree review of the City Manager, whereby Department Heads are asked to fill out the same evaluation form. However, in recognizing the significant amount of work involved with evaluations, the sub-committee recommends using a truncated evaluation form for the 3-month and 9-month evaluations and using the full evaluation form for the 6-month and 12-month review. The truncated evaluation would only include the revised last page – narrative evaluation section and performance objectives (and no 360-

degree review). The 6-month and 12-month review would use the entire evaluation form, and all that input could be used for considerations and decisions regarding merit pay increases, if any (as outlined in the City Manager Employment agreement). The 360-degree review would only be used for the 12-month evaluation, given the amount of work involved.

CONCLUSION

The rationale for all the recommended modifications is to support a robust discussion about areas of strength and weakness, how the City Manager is doing in terms of accomplishing City Council goals and establishing a clear plan for improvement should that be necessary. Ultimately, it is believed, by updating the evaluation criteria and review in the ways noted above, the stage would be set for a very productive discussion during the closed session meetings with the City Manager. In addition to providing a score and basis for consideration of modifications of compensation, the City Manager and Council will be able to engage their discussion on areas of City Manager strengths and weaknesses, and develop a plan of action for course correction where necessary.

In closing, the sub-committee recognizes no process is perfect and the City Manager will likely need fewer reviews in his second year, it is recommended City Council review the effectiveness of the revised evaluation process at the 12-month mark. Further revisions can be made at that time, where deemed needed, to improve the process and increase the value of the evaluation.

ATTACHMENTS

1. Resolution No. 73-15, which includes an Exhibit A
2. Draft Resolution 04-18 with Proposed modifications to Exhibit A

RESOLUTION NO. 73-15

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
ESTABLISHING AN ANNUAL CITY MANAGER EVALUATION POLICY**

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

WHEREAS, the Morro Bay City Council is responsible for hiring a City Manager and adopting goals and objectives to direct the affairs of City government; and

WHEREAS, the City Manager is empowered to perform a number of broadly defined duties in order to implement City policies, goals and objectives established and adopted by the City Council; and

WHEREAS, it is appropriate the City Manager's performance in accomplishing his/her assigned duties be evaluated by the City Council at minimum on an annual basis.

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

Section 1. The attached City Manager Performance Evaluation form (Exhibit A hereinafter referred to as "form") shall be used for the annual evaluation of the City Manager. The form will be distributed to each Council Member and City Manager by the City Attorney or Council designee during the first week of December. The City Manager will complete a self-evaluation using the same form. Each Council Councilmember and the City Manager will individually complete the form and return it to the City Attorney or Council designee by January first. The City Attorney or Council designee will prepare a Summary of the City Manager Performance Evaluations (hereinafter referred to as "Evaluation Summary") submitted by the individual Council Members and provide the Evaluation Summary to the City Council for its review and approval.

Section 2. After the City Council has approved the Evaluation Summary, the City Attorney or Council designee shall give a copy of the Evaluation Summary and the City Manager self-evaluation to each Council Member and the City Manager. As soon thereafter as possible, the Council shall meet with the City Manager in closed session and review in detail the Evaluation Summary, including stated goals, and the City Manager self-evaluation. Following the closed session meeting, the City Manager will prepare a written response, which shall be given to each Council Member. At its discretion, the City Council may meet in one or more closed sessions to consider the response and whether to modify any part of the Evaluation Summary and the nature and extent of any modifications. If amended, then the amended Evaluation Summary will be presented to the City Manager. A final copy of the Evaluation Summary, reflecting the vote and signed by each Council Member, and the City Manager's self-evaluation shall be given to

the City Manager and a copy shall be placed in the City Manager's personnel file. Council Member's individual evaluation forms will be placed in a sealed envelope and retained by the Personnel Department accessible only to seated Council Members for the tenure of the City Manager's employment.

Section 3. In February of each year, the City Manager shall submit a written report to the City Council outlining initiatives and priorities to be accomplished during the next fiscal year in accordance with the City's adopted Strategic Planning Framework Policy (current policy is attached as Exhibit B). He/she may include both long and short range goals. The City Manager, in preparing his/her recommendations, shall give consideration to goals outlined or directed by the City Council during the recent evaluation process.

Section 4. The provisions of this resolution shall be incorporated into the City's Administrative Policy Manual.

Section 5. The Mayor shall sign and the City Clerk shall attest to the passage and adoption of this resolution, and the same shall thereupon take effect

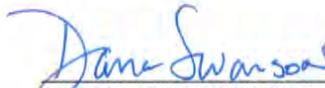
PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 8th day of December, 2015 on the following vote:

AYES: Irons, Headding, Johnson, Makowetski, Smukler
NOES: None
ABSENT: None



JAMIE L. IRONS, Mayor

ATTEST:



DANA SWANSON, City Clerk

CITY OF MORRO BAY
CITY MANAGER PERFORMANCE EVALUATION

EVALUATION PERIOD: _____ TO _____

City Council Member's Name

Each Member of the City Council should complete this evaluation form, sign it in the space below, and return it to _____. The deadline for submitting this performance evaluation is _____. Evaluations will be summarized and included on the agenda for discussion at the work session on _____.

City Council Member's Signature

Date Submitted

CITY OF MORRO BAY

CITY MANAGER PERFORMANCE EVALUATION SUMMARY

EVALUATION PERIOD: _____ TO _____

Based on the City Manager Performance Evaluations submitted by each City Council Member, this City Manager Performance Evaluation Summary ("Evaluation Summary") was prepared by:

Name and Title

Date

The Morro Bay City Council approved the Summary Evaluation and presented it to the City Manager at a Closed Session Meeting held on the _____ day of _____ on the following vote:

AYES:

NOES:

ABSENT:

Mayor's signature

INSTRUCTIONS

This evaluation form contains ten categories of evaluation criteria. Each category contains a statement to describe a behavior standard in that category. For each statement, use the following scale to indicate your rating of the City Manager's performance.

- 5 = Excellent** (almost always exceeds the performance standard)
- 4 = Above average** (generally exceeds the performance standard)
- 3 = Average** (generally meets the performance standard)
- 2 = Below average** (usually does not meet the performance standard)
- 1 = Poor** (rarely meets the performance standard)

Any item left blank will be interpreted as a score of "3 = Average"

This evaluation form also contains a provision for entering narrative comments, including an opportunity to list any comments you believe appropriate and pertinent to the rating period. Please write legibly.

Leave all pages of this evaluation form attached. Initial each page. Sign and date the cover page. On the date space of the cover page, enter the date the evaluation form was submitted. All evaluations presented prior to the deadline identified on the cover page will be summarized into a summary report to be presented by the governing body to the City Manager as part of the agenda for the meeting indicated on the cover page.

PERFORMANCE CATEGORY SCORING

1. INDIVIDUAL CHARACTERISTICS

_____ Diligent and thorough in the discharge of duties, "self-starter"

_____ Exercises good judgment

_____ Displays enthusiasm, cooperation, and will to adapt

_____ Mental and physical stamina appropriate for the position

_____ Exhibits composure, appearance and attitude appropriate for executive position

Add the values from above and enter the subtotal of _____ ÷ 5 = _____ score for this category

2. PROFESSIONAL SKILLS AND STATUS

- _____ Maintains knowledge of current developments affecting the practice of local government management
- _____ Demonstrates a capacity for innovation and creativity
- _____ Anticipates and analyzes problems to develop effective approaches for solving them
- _____ Willing to try new ideas proposed by the Council and/or staff
- _____ Sets a professional example by handling affairs of the public office in a fair and impartial manner

Add the values from above and enter the subtotal of _____ ÷ 5 = _____ score for this category

3. RELATIONS WITH ELECTED MEMBERS OF THE CITY COUNCIL

- _____ Carries out Council directives as a whole as opposed to those of any one Member or minority group
- _____ Sets meeting agendas that reflect the guidance of the Council and avoids unnecessary involvement in administrative actions
- _____ Disseminates complete and accurate information equally to all Members in a timely manner
- _____ Assists by facilitating decision making without usurping authority
- _____ Responds well to requests, advice, and constructive criticism

Add the values from above and enter the subtotal of _____ ÷ 5 = _____ score for this category

4. POLICY EXECUTION

- _____ Implements Council actions in accordance with the intent of Council
- _____ Supports the actions of the Council after a decision has been reached, both inside and outside the organization
- _____ Understands, supports, and enforces local government's laws, policies, and ordinances

____ Reviews ordinance and policy procedures periodically to suggest improvements to their effectiveness

____ Offers workable alternatives to the governing body for changes in law or policy when an existing policy or ordinance is no longer practical

Add the values from above and enter the subtotal of _____ ÷ 5 = _____ score for this category

5. REPORTING

____ Provides regular information and reports to the Council concerning matters of importance to the local government, using the Morro Bay Municipal Code and adopted policies as a guide

____ Responds in a timely manner to requests from the Council for special reports

____ Takes the initiative to provide information, advice, and recommendations to the Council on matters that are non-routine and not administrative in nature

____ Reports produced by the City Manager are accurate, comprehensive, concise and written to their intended audience

____ Produces and handles reports in a way to convey the message that affairs of the organization are open to public scrutiny

Add the values from above and enter the subtotal of _____ ÷ 5 = _____ score for this category

6. CITIZEN RELATIONS

____ Responsive to requests from residents

____ Demonstrates a dedication to service to the community and its residents

____ Maintains a nonpartisan approach in dealing with the news media

____ Meets with and listens to members of the community to discuss their concerns and strives to understand their interests

____ Gives an appropriate effort to maintain resident satisfaction with City services

Add the values from above and enter the subtotal of _____ ÷ 5 = _____ score for this category

7. STAFFING

- ___ Recruits and retains competent personnel for staff positions
- ___ Applies an appropriate level of supervision to improve any areas of substandard performance
- ___ Stays accurately informed and appropriately concerned about employee relations
- ___ Professionally manages the compensation and benefits
- ___ Promotes training and development opportunities for employees at all levels of the organization

Add the values from above and enter the subtotal of ___ ÷ 5 = ___ score for this category

8. SUPERVISION

- ___ Encourages head of departments to make decisions within their jurisdictions with minimal City Manager involvement, yet maintains general control of operations by providing the right amount of communication to the staff
- ___ Instills confidence and promotes initiative in subordinates through supportive rather than restrictive controls for their programs while still monitoring operations at the department level
- ___ Develops and maintains a friendly and informal relationship with the staff and work force in general, yet maintains the professional dignity of the City Manager's office.
- ___ Sustains or improves staff performance by evaluating the performance of staff members at least annually, setting goals and objectives for them, periodically assessing their progress, and providing appropriate feedback
- ___ Encourages teamwork, innovation, and effective problem-solving among the staff members

Add the values from above and enter the subtotal of ___ ÷ 5 = ___ score for this category

9. FISCAL MANAGEMENT

- ___ Prepares a balanced budget to provide services at a level directed by Council
- ___ Makes the best possible use of available funds, conscious of the need to operate the City efficiently and effectively
- ___ Prepares a budget and budgetary recommendations in an intelligent and accessible format
- ___ Ensures actions and decisions reflect an appropriate level of responsibility for financial planning and accountability
- ___ Appropriately monitors and manages fiscal activities of the organization

Add the values from above and enter the subtotal of ___ ÷ 5 = ___ score for this category

10. COMMUNITY

- ___ Shares responsibility for addressing the difficult issues facing the City of Morro Bay
- ___ Avoids unnecessary controversy
- ___ Cooperates with neighboring communities and the County
- ___ Helps the Council address future needs and develop adequate plans to address long term trends
- ___ Cooperates with other regional, State and Federal government agencies

Add the values from above and enter the subtotal of ___ ÷ 5 = ___ score for this category

TOTAL PERFORMANCE CATEGORY SCORE:

Add the score for categories 1 – 10 and enter the subtotal of _____ ÷ 10 = _____

NARRATIVE EVALUATION

1. Strengths

2. Weaknesses

3. Opportunities

4. Threats

PERFORMANCE OBJECTIVES FOR COMING YEAR

What does the Manager do that you would like him/her to continue, or is there anything you would like him/her to do differently? In what areas should the Manager focus his/her attention in the coming year?

RESOLUTION NO. 04-18

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
ESTABLISHING A CITY MANAGER EVALUATION POLICY;
AND RESCINDING RESOLUTION NO. 73-15.**

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

WHEREAS, the Morro Bay City Council is responsible for hiring a City Manager and adopting goals and objectives to direct the affairs of City government; and

WHEREAS, the City Manager is empowered to perform a number of broadly defined duties in order to implement City policies, goals and objectives established and adopted by the City Council; and

WHEREAS, it is appropriate the City Manager's performance in accomplishing his/her assigned duties be evaluated by the City Council at minimum on regular basis.

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

Section 1. Resolution No. 73-15 is hereby rescinded.

Section 2. The Narrative Evaluation (the last page of the attached City Manager Performance Evaluation form, Exhibit A hereinafter referred to as "the form") shall be completed by each Council Member and the City Manager and used for an evaluation of the City Manager by the Council to be scheduled for February and August. The entirety of the form shall be completed by each Council Member and the City Manager for an evaluation of the City Manager by the Council to be scheduled for May. The entirety of the form shall be completed by each Council Member, the City Manager and each City Department Director for an evaluation of the City Manager by the Council to be scheduled for November. Subsequent to the November 2018, evaluation, the City Council may rescind this Resolution and adopt a replacement to provide for less evaluations in recognition of the experience the City Council will have had with the City Manager.

Section 3. The form will be distributed, by the City Attorney or City Council designee, to the appropriate individuals noted above by at least the 15th day of the month preceding the month each evaluation has been scheduled, except for the first review period of 2018 the last page of the form will be distributed by January 30th. Each individually completed last page of the form or entirety of the form, as applicable, and returned to the City Attorney or Council designee within 15 days after receipt. The City Attorney or Council designee will prepare a Summary of the City Manager Performance Evaluations (hereinafter referred to as "Evaluation Summary") submitted.

Section 4. At least 5 days before each scheduled evaluation date, the City Attorney or Council designee shall give a copy of the Evaluation Summary and the City Manager self-evaluation to each Council Member and the City Manager. As soon thereafter as possible, the Council shall meet with the City Manager in closed session and review in

detail the Evaluation Summary, including stated goals, and the City Manager self-evaluation. At its discretion, the City Council may meet in one or more closed sessions to consider the Evaluation Summary and City Manager's self-evaluation. After the last closed session at which the Evaluation Summary has been reviewed, a final copy of the Evaluation Summary, reflecting the vote and signed by each Council Member, and the City Manager's self-evaluation shall be given to the City Manager and a copy shall be placed in the City Manager's personnel file. All individual evaluation forms will be placed in a sealed envelope and retained by the Personnel Department accessible only to seated (not newly-elected) Council Members for the tenure of the City Manager's employment.

Section 5. The Mayor shall sign and the City Clerk shall attest to the passage and adoption of this resolution, and the same shall thereupon take effect

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 23rd day of January 2018 on the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

JAMIE L. IRONS, Mayor

ATTEST:

DANA SWANSON, City Clerk

CITY OF MORRO BAY
CITY MANAGER PERFORMANCE EVALUATION

EVALUATION PERIOD: _____ TO _____

City Council Member's Name

Each Member of the City Council should complete this evaluation form, sign it in the space below, and return it to _____. The deadline for submitting this performance evaluation is _____. Evaluations will be summarized and included on the agenda for discussion at the work session on _____.

City Council Member's Signature

Date Submitted

CITY OF MORRO BAY

CITY MANAGER PERFORMANCE EVALUATION SUMMARY

EVALUATION PERIOD: _____ TO _____

Based on the City Manager Performance Evaluations submitted by each City Council Member, this City Manager Performance Evaluation Summary (“Evaluation Summary”) was prepared by:

Name and Title

Date

The Morro Bay City Council approved the Summary Evaluation and presented it to the City Manager at a Closed Session Meeting held on the _____ day of _____ on the following vote:

AYES:

NOES:

ABSENT:

Mayor’s signature

INSTRUCTIONS

This evaluation form contains ten categories of evaluation criteria. Each category contains a statement to describe a behavior standard in that category. For each statement, use the following scale to indicate your rating of the City Manager's performance.

- ~~5 = Excellent (almost always exceeds the performance standard)~~
- ~~4 = Above average (generally exceeds the performance standard)~~
- ~~3 = Average (generally meets the performance standard)~~
- ~~2 = Below average (usually does not meet the performance standard)~~
- ~~1 = Poor (rarely meets the performance standard)~~

- 5 – Exceeds Standard
- 3 – Meets Standard
- 1 – Needs Improvement

Any item left blank will be interpreted as a score of “3 = Meets Standard”

This evaluation form also contains a provision for entering narrative comments at the end of each category, including an opportunity to list any comments you believe appropriate and pertinent to the rating period, in particular, specifics about what is working well and what areas need improvement. Please write legibly.

Leave all pages of this evaluation form attached. Initial each page. Sign and date the cover page. On the date space of the cover page, enter the date the evaluation form was submitted. All evaluations presented prior to the deadline identified on the cover page will be summarized into a summary report to be presented by the governing body to the City Manager as part of the agenda for the meeting indicated on the cover page.

PERFORMANCE CATEGORY SCORING

1. INDIVIDUAL CHARACTERISTICS

- Diligent and thorough in the discharge of duties, “self-starter”
- Exercises good judgment
- Displays enthusiasm, cooperation, and will to adapt
- Mental and physical stamina appropriate for the position
- Exhibits composure, appearance and attitude appropriate for executive position

Add the values from above and enter the subtotal of _____ ÷5 = _____ score for this category

Comments for this Performance Category:

2. PROFESSIONAL SKILLS AND STATUS

_____ Maintains knowledge of current developments affecting the practice of local government management

_____ Demonstrates a capacity for innovation and creativity

_____ Anticipates and analyzes problems to develop effective approaches for solving them

_____ Willing to try new ideas proposed by the Council and/or staff

_____ Sets a professional example by handling affairs of the public office in a fair and impartial manner

Add the values from above and enter the subtotal of _____ ÷5 = _____ score for this category

Comments for this Performance Category:

3. RELATIONS WITH ELECTED MEMBERS OF THE CITY COUNCIL

_____ Carries out Council directives as a whole as opposed to those of any one —Member or minority group

_____ Sets meeting agendas that reflect the guidance of the Council and avoids —unnecessary involvement in administrative actions

___ Disseminates complete and accurate information equally to all Members in a timely manner

___ Assists by facilitating decision making without usurping authority

___ Responds well to requests, advice, and constructive criticism

Add the values from above and enter the subtotal of ___ ÷ 5 = ___ score for this category

Comments for this Performance Category:

4. POLICY EXECUTION

___ Implements Council actions in accordance with the intent of Council

___ Supports the actions of the Council after a decision has been reached, both inside and outside the organization

___ Understands, supports, and enforces local government's laws, policies, and ordinances

___ Reviews ordinance and policy procedures periodically to suggest improvements to their effectiveness

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Comments for this Performance Category:

5. REPORTING

____ Provides regular information and reports to the Council concerning matters of importance to the local government, using the Morro Bay Municipal Code and adopted policies as a guide

____ Responds in a timely manner to requests from the Council for special reports

____ Takes the initiative to provide information, advice, and recommendations to the Council on matters that are non-routine and not administrative in nature

____ Reports produced by the City Manager are accurate, comprehensive, concise and written to their intended audience

____ Produces and handles reports in a way to convey the message that affairs of the organization are open to public scrutiny

Add the values from above and enter the subtotal of ____ ÷5 = ____ score for this category

Comments for this Performance Category:

6. CITIZEN RELATIONS

____ Responsive to requests from residents

____ Demonstrates a dedication to service to the community and its residents

____ Maintains a nonpartisan approach in dealing with the news media

____ Meets with and listens to members of the community to discuss their concerns and strives to understand their interests

____ Gives an appropriate effort to maintain resident satisfaction with City services

Add the values from above and enter the subtotal of ____ ÷5 = ____ score for this category

Comments for this Performance Category:

7. STAFFING

- ___ Recruits and retains competent personnel for staff positions
- ___ Applies an appropriate level of supervision to improve any areas of substandard performance
- ___ Stays accurately informed and appropriately concerned about employee relations
- ___ Professionally manages the compensation and benefits
- ___ Promotes training and development opportunities for employees at all levels of the organization

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Comments for this Performance Category:

8. SUPERVISION

- ___ Encourages head of departments to make decisions within their jurisdictions with minimal City Manager involvement, yet maintains general control of operations by providing the right amount of communication to the staff
- ___ Instills confidence and promotes initiative in subordinates through supportive rather than restrictive controls for their programs while still monitoring operations at the department level
- ___ Develops and maintains a friendly and informal relationship with the staff and work force in general, yet maintains the professional dignity of the City Manager's office.

____ Sustains or improves staff performance by evaluating the performance of staff members at least annually, setting goals and objectives for them, periodically assessing their progress, and providing appropriate feedback

____ Encourages teamwork, innovation, and effective problem-solving among the staff members

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Comments for this Performance Category:

9. FISCAL MANAGEMENT

____ Prepares a balanced budget to provide services at a level directed by Council

____ Makes the best possible use of available funds, conscious of the need to operate the City efficiently and effectively

____ Prepares a budget and budgetary recommendations in an intelligent and accessible format

____ Ensures actions and decisions reflect an appropriate level of responsibility for financial planning and accountability

____ Appropriately monitors and manages fiscal activities of the organization

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Comments for this Performance Category:

10. COMMUNITY

___ Shares responsibility for addressing the difficult issues facing the City of Morro Bay

___ Avoids unnecessary controversy

___ Cooperates with neighboring communities and the County

___ Helps the Council address future needs and develop adequate plans to address long term trends

___ Cooperates with other regional, State and Federal government agencies

Add the values from above and enter the subtotal of ___ ÷ 5 = ___ score for this category

Comments for this Performance Category:

TOTAL PERFORMANCE CATEGORY SCORE:

Add the score for categories 1 – 10 and enter the subtotal of _____ ÷ 10 = _____

NARRATIVE EVALUATION

1. Strengths

2. Weaknesses

3. Progress toward achieving City Council's Strategic Goals~~Opportunities~~

4. Plan for improvement (if necessary)Threats

PERFORMANCE OBJECTIVES FOR COMING YEAR

What does the Manager do that you would like him/her to continue, or is there anything you would like him/her to do differently? In what areas should the Manager focus his/her attention in the coming year? What is City Council doing that helps support the City Manager and staff.
What can City Council do differently to support and build a stronger relationship with the City Manager.



AGENDA NO: B-1

MEETING DATE: January 23, 2018

Staff Report

TO: Honorable Mayor and City Council

DATE: January 8, 2018

FROM: Cindy Jacinth, Senior Planner

SUBJECT: Adoption of Resolution No. 03-18 approving Conditional Use Permit No. UP0-448 for Grays Inn, 561 Embarcadero. Project includes public harborwalk & vertical access improvements, sidewalk, ADA, parking, and building façade improvements.

RECOMMENDATION

Council adopt Resolution No. 03-18, making the necessary findings for approval of Conditional Use Permit (CUP) No. UP0-448 as Concept/Precise Plan approval and approval of Parking Exception No. AD0-109.

ALTERNATIVES

Alternative 1. The City Council could move to approve the project as Concept Plan approval only and direct staff to return to the next Council meeting with a revised Resolution memorializing that for approval.

Alternative 2. The City Council could move to modify or delete conditions of approval from the Planning Commission's favorable recommendation.

Alternative 3. The City Council could move to deny the CUP request and/or Parking Exception requests and staff will return to Council with a resolution memorializing that denial.

FISCAL IMPACT- Minimal fiscal impact: The proposed work is the result of the master lease negotiations between the Applicant and the City which manages all City lease sites. The commercial use is existing and the project consists of mostly public access improvements. The applicant has proposed leasing two public parking spaces within the street end at Driftwood & Embarcadero in response to a loss of two onsite parking spaces due to the provision of an ADA parking space onsite. The City would receive a yet to be determined fee for the use of two dedicated public parking spaces, if approved. The parking space issue is discussed in greater detail within the Discussion section of the staff report (also see planning condition 19).

BACKGROUND

The City Council previously reviewed this project at a duly noticed public hearing on February 14, 2017.

At that time, the project review consisted of a conditional use permit and parking exception request to allow the project's land and waterside improvements to include maintaining the existing Grays Inn pole sign which encroached on one of the three existing on-site parking spaces. As a result, the project was requesting a parking exception to allow a substandard width of the parking spaces. The Parking

Prepared By: CJ

Dept Review: SG

City Manager Review: SC

City Attorney Review: JWP

Exception request would have been to have three equally measured (substandard) parking spaces versus two standard and 1 compact.

The direction of the Council was to continue the hearing to a date uncertain to allow the applicant to resubmit revised plans addressing both signage and parking issues with the project. (Attachment B, After Action letter dated February 15, 2017).

Project Description:

The project description has changed slightly from the Council's February 14, 2017 review. The project now encompasses: construction of both land and waterside improvements; including (i) installation of new 10-foot harborwalk (partial harborwalk exists, but dead ends at existing gangway), (ii) installation of one new pile, (iii) sleeving of four existing piles, (iv) providing a 4-foot-wide vertical access on south side of building to allow public access to harborwalk, along with building façade improvements, Americans with Disabilities Act (ADA) improvements to parking, building ingress, sidewalk improvements, (v) repairing of existing decking, and (vi) providing two dedicated parking spaces for Gray's Inn guests at corner of Driftwood and Embarcadero to be reserved from 3pm to 11am daily.

DISCUSSION

The changes to the project description since the last public hearing are related to signage, parking lot changes, and ADA improvements.

Signage

At the previous Council meeting, the direction of the Council was to remove the pole sign and either wall mount the sign face or use as a projecting sign on the building's east elevation.

The Applicant's revised plans (Plan sheet A-2 of Attachment D) show the pole sign removed with it converted to a projecting sign, which does not encroach into the public right-of-way (ROW). The monument sign currently located at the northeast corner will also be shifted westward to eliminate encroachment into ROW.

Parking / ADA improvements

Included in the City's after-action letter was direction to revise plans to reflect compliance with parking standards and clarification regarding compliance with ADA requirements. The revised plans submitted on November 22, 2017, now show two on-site parking stalls, one of which is a van-accessible ADA space as well as an ADA accessible means of building ingress/egress necessary to meet maximum slope requirements.

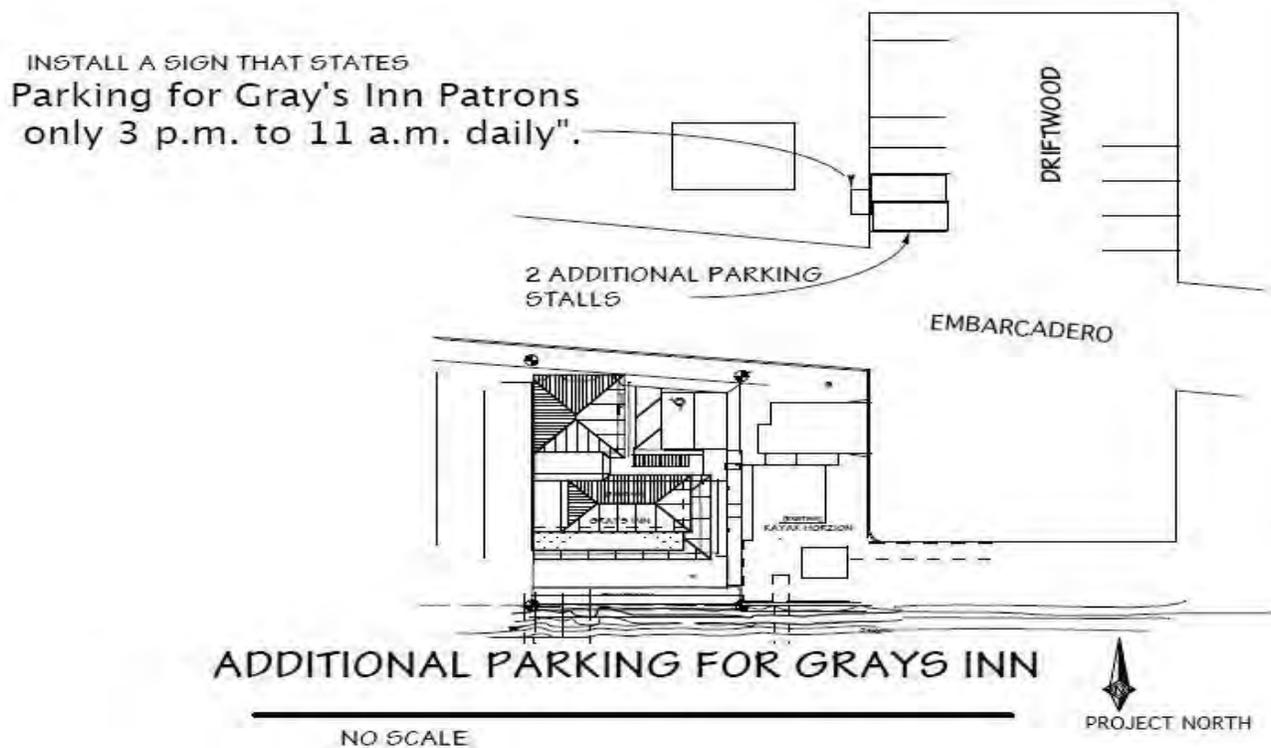
As a result of the ADA changes, two of the standard parking spaces have been removed. In order to replace those two guest spaces, the Applicant has included a request for two dedicated parking spaces to be reserved daily from 3 p.m. to 11 a.m. for Gray's Inn guests on Driftwood Street directly across the street from the Inn. The reserved timeframe of 3 p.m. to 11 a.m. daily is consistent with the Council's 2016 approval of the Rose's Landing project at 725 Embarcadero where 9 dedicated spaces were approved.

The fee for that off-site parking arrangement is unknown and ideally should be incorporated into an Embarcadero areawide parking strategy as more hotel projects come forward and need parking strategies for their overnight hotel guests. The Applicant has requested the fee be identified with the

CUP in order to facilitate the master lease negotiations with the City. The Applicant has proposed a fee schedule by comparing daily parking meter rates for the cities of Pismo Beach, Cayucos, and San Luis Obispo as shown below. The total rates shown reflect the price of two cars parked four hours per day annually during meter enforcement times and not counting hours when parking is not metered.

Metered Parking Comparison Provided by Applicant		
	Amount	Total
Pismo Beach	\$1/hour	\$2,920
Cayucos	free	free
San Luis Obispo	.75 hr on street or parking garage rate	\$2,190

The Applicant suggests averaging the total parking cost between the three cities and proposes a total annual fee of \$1,705 for both parking spaces. Staff does not agree and instead recommends parking fees be based closest to City of Pismo Beach as a comparable coastal city (Planning condition 19). The location of the two dedicated spaces is depicted in the image below and shown on plan sheet A-3 (Exhibit D).



Planning Commission recommendation

At its January 17, 2017, meeting, the Planning Commission (PC) reviewed the project and adopted PC Resolution 02-17, which recommended four additional conditions. Staff is recommending changes to the PC conditions 17 and 19 (Attachment C, PC resolution). Modify condition 17 to incorporate City Council changes to the pole sign now as a projecting sign and delete PC condition 19 entirely, since the

project now proposes two on-site parking spaces in order to comply with ADA.

CONCLUSION

This project as revised now includes the direction given by City Council at its February 14, 2017, public hearing. Prior to City Council review, the project was reviewed by the PC on December 20, 2016, and January 17, 2017. The project components consist of mainly public access improvements and provides an important link in extending bayside lateral access as required by the City's Local Coastal Plan and consistent with Waterfront Master Plan.

The Applicant is seeking a combined Concept/Precise Plan approval due to the small scale nature of the project. As Concept/Precise Plan approval, this would be the City's final discretionary land use approval. The Applicant's next step with the project would be to seek a Coastal Development Permit from the Coastal Commission, which has permit issuance authority for this location.

The PC has reviewed the Concept/Precise Plans and has forwarded a favorable recommendation with added conditions for final approval by City Council, as recommended by staff for modification. Staff recommends adoption of the attached Council Resolution No. 03-18 as conditioned.

ATTACHMENTS:

- A. City Council Resolution No. 03-18
- B. City Council After Action Letter dated February 15, 2017
- C. Planning Commission Resolution No. 02-17 (adopted January 17, 2017)
- D. Plans/ Plan Reductions dated November 22, 2017

ONLINE DOCUMENTS

- 2/14/17 City Council staff report available at the following link: <http://www.morrobay.ca.us/DocumentCenter/View/11428>
- 1/17/17 Planning Commission meeting available at the following link: <http://www.morrobay.ca.us/DocumentCenter/View/10442>
- 12/20/16 Planning Commission staff report available at the following link: <http://www.morrobay.ca.us/DocumentCenter/View/10381>

RESOLUTION NO. 03-18

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
APPROVING CONDITIONAL USE PERMIT #UP0-448 AS CONCEPT/PRECISE PLAN FOR
CONSTRUCTION OF NEW HARBORWALK LATERAL ACCESS,
INSTALLATION/SLEEVING OF PILES, VERTICAL ACCESS PATHWAY, SIDEWALK &
PARKING LOT IMPROVEMENTS AND MISCELLANEOUS BUILDING FAÇADE
IMPROVEMENTS AT GRAY'S INN LOCATED AT 561 EMBARCADERO ROAD, ALSO
KNOWN AS CITY LEASE SITE 63-64 AND 63W-64W.**

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

WHEREAS, the Planning Commission of the City of Morro Bay conducted public hearings at the Morro Bay Veteran's Hall, 209 Surf Street, Morro Bay, California, on December 20, 2016, and January 17, 2017, for the purpose of considering Conditional Use Permit (UP0-448) ("the Project"); and

WHEREAS, the City Council conducted a public hearing at the Morro Bay Veteran's Hall, 209 Surf Street, Morro Bay, California, on February 14, 2017, pursuant to the Planned Development regulations (Morro Bay Municipal Code (MBMC) section 17.40.030), for the purpose of considering the Project for 561 Embarcadero, also known as the Gray's Inn, in an area within the original jurisdiction of the California Coastal Commission and ; and

WHEREAS, the City Council conducted a public hearing at the Morro Bay Veteran's Hall, 209 Surf Street, Morro Bay, California, on January 23, 2018, pursuant to the Planned Development regulations (MBMC section 17.40.030), for the purpose of reconsidering the Project for 561 Embarcadero, also known as the Gray's Inn, in an area within the original jurisdiction of the California Coastal Commission; and

WHEREAS, notice of both public hearings was provided at the time and in the manner required by law; and

WHEREAS, the City Council has duly considered all evidence, including the recommendation made by the Planning Commission, testimony of the applicant, interested parties, and the evaluation and recommendations by staff, presented at said hearing.

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

Section 1: Findings. Based upon all the written and oral testimony and evidence presented to the Council at and for the above public hearing, the City Council makes the following findings:

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) FINDINGS

For purposes of the California Environmental Quality Act, the Project is exempt under Class 3c, Section 15303 for New Construction or Conversion of Small Structures which allows for

a motel or similar structure not involving the use of significant amounts of hazardous substances, and not exceeding 10,000 square feet in floor area and where the surrounding area is not environmentally sensitive based on the eelgrass planning survey prepared by Tenera Environmental dated May 2, 2016, and will have no potentially significant environmental impacts. Furthermore, none of the exceptions to that Categorical Exemption, set forth in CEQA Guidelines Section 15300.2, apply to the Project.

CONDITIONAL USE PERMIT FINDINGS

- A. The Project will not be detrimental to the health, safety, morals, comfort and general welfare of the persons residing or working in the neighborhood in that the construction of new new harborwalk lateral and vertical access along with sidewalk, parking lot, and building façade improvements and repairs at 561 Embarcadero are permitted uses within the zoning district and said structures comply with all applicable project conditions and City regulations and is consistent with the City's General Plan and Local Coastal Program.
- B. The Project will not be injurious or detrimental to property and improvements in the neighborhood and the general welfare of the City in that the proposed lateral and vertical access will provide greater public coastal access to a visitor-serving commercial use and is consistent with the character of the existing development.

WATERFRONT MASTER PLAN FINDINGS

The Project makes a positive contribution to the visual and public accessibility to the bay while increasing and maintaining commercial fishing industry:

- 1. The Project provides the amenities identified in the Water Front Master Plan, facilitates pedestrian visual and physical access to the waterfront, in that the bayside lateral access is improved to allow for easier pedestrian access, enjoyment and better bay views by opening up vertical access to improve view corridor from the street..
- 2. The Project makes a positive contribution to the working fishing village character and quality of the Embarcadero area in that the new improvements will add to coastal access through provision of vertical access and new lateral access along the bay and also as an existing commercial use with existing dock system does not worsen or block any existing views or intrude into pedestrian access areas and takes advantage of outward views and characteristics of the topography.
- 3. The design recognizes the pedestrian orientation of the Embarcadero and provides an interesting and enhanced pedestrian experience in that the Project will provide improved lateral public access to the water and docks while assisting in the Harborwalk plan to continue public access along the waterfront as well as create improved view corridor through the vertical access leading to the bayside lateral access. The sidewalk improvements will improve pedestrian accessibility along the Embarcadero and is consistent with the character of the existing development.

4. The Project gives its occupants and the public some variety in materials and application in that the harborwalk lateral access will be of wood or aluminum material and the vertical access will be a stained concrete in order to promote public awareness of coastal bayside access.
5. The Project contains the elements of harmony, continuity, proportion, simplicity, and balance, and its appearance matches its function and the uses proposed in that the new harborwalk public lateral access will be accessible to the public and that is consistent with the character of the existing development.
6. The Project does not diminish, either directly or by cumulative impact of several similar projects, the use, enjoyment, or attractiveness of adjacent buildings and provides a visual and pedestrian transition connection point to its immediate neighbor to the north and will be enhanced by opening up the vertical access along the southerly entrance of the building.

ARCHITECTURAL CONSIDERATION

As required by MBMC Section 17.48.200 the City Council finds the architectural treatment and general appearance of all proposed structures and open areas are in keeping with the character of the surrounding areas, are compatible with any design themes adopted by the city, and are not detrimental to the orderly and harmonious development; of the city or to the desirability of investment of occupation in the area.

PRECISE PLAN FINDING

As required by MBMC Section 17.40.030.G, the City Council finds the Project is developed sufficiently to approve the Project as combined Concept/Precise Plans approval of the Conditional Use Permit.

Section 2. Action. The City Council does hereby approve Conditional Use Permit (#UP0-448) for the proposed public access improvements, and commercial remodel at 561 Embarcadero (City lease site 63-64 and 63W-64W), known as the Grays Inn, subject to the following conditions:

STANDARD CONDITIONS

1. This permit is granted for the land described in the Planning Commission staff report dated December 14, 2016, and second staff report dated January 11, 2017, for the project at 561 Embarcadero depicted on plans dated January 3, 2017, on file with the Community Development Department, as modified by these conditions of approval, and more specifically described as follows: Site development, including all buildings and other features, shall be located and designed substantially as shown on Planning Commission approved plans submitted for UP0-448 & AD0-109, unless otherwise specified herein.
2. Inaugurate Within Two Years: Unless the construction or operation of the structure, facility, or use is commenced not later than two years after the effective date of this Resolution and is diligently pursued, thereafter, this approval will automatically become

null and void; provided, however, that upon the written request of the Applicant, prior to the expiration of this approval, the Applicant may request up to two extensions for not more than one additional year each. Any extension may be granted by the City's Community Development Director (the "Director"), upon finding the Project complies with all applicable provisions of the MBMC and the City's General Plan and certified Local Coastal Program Land Use Plan (LCP) in effect at the time of the extension request.

3. Changes: Minor changes to the Project description and conditions of approval shall be subject to review and approval by the Community Development Director. Any changes to this approved permit determined, by the Director, not to be minor shall require the filing of an application for a permit amendment subject to Planning Commission review.
4. Compliance with the Law: (a) All requirements of any law, ordinance or regulation of the State of California, the City, and any other governmental entity shall be complied with in the exercise of this approval. (b) This project shall meet all applicable requirements under the MBMC, and shall be consistent with all programs and policies contained in the LCP and General Plan for the City.
5. Hold Harmless: The Applicant, as a condition of approval, hereby agrees to defend, indemnify, and hold harmless the City, its agents, officers, and employees, from any claim, action, or proceeding against the City as a result of the action or inaction by the City, or from any claim to attack, set aside, void, or annul this approval by the City of the Project; or applicant's failure to comply with conditions of approval. Applicant understands and acknowledges the City is under no obligation to defend any legal actions challenging the City's actions with respect to the Project. This condition and agreement shall be binding on all successors and assigns.
6. Compliance with Conditions: The Applicant's establishment of the use or development of the subject lease site constitutes acknowledgement and acceptance of all Conditions of Approval. Compliance with and execution of all conditions listed hereon shall be required prior to obtaining final building inspection clearance. Deviation from this requirement shall be permitted only by written consent of the Director or as authorized by the Planning Commission. Failure to comply with any of these conditions shall render this entitlement, at the discretion of the Director, null and void. Continuation of the use without a valid entitlement will constitute a violation of the MBMC and is a misdemeanor.

Building Conditions:

1. Prior to construction, the Applicant shall submit a complete building permit application and obtain the required building permit.

Fire Conditions:

1. Fire Safety During Construction and Demolition. Chapter 33 of the California Fire Code (CFC) prescribes minimum safeguards for construction, alteration and demolition operations to provide reasonable safety to life and property from fire during such operations and is applicable to the Project and the Applicant shall comply with that chapter. Compliance with National Fire Protection Association (NFPA) 241 is required for items not specifically addressed herein.
2. New construction of Harborwalk extension. An approved automatic fire sprinkler system

shall be installed throughout all new buildings and structures on the west side of Embarcadero Road. (MBMC (Section 14.08.090(L)(2)). Applicant shall provide automatic fire sprinkler protection beneath the 619 sf. Public Harborwalk structure.

3. Existing floating docks, Standpipes. Marinas and boatyards shall be equipped throughout with standpipe systems in accordance with NFPA 303. Systems shall be provided with hose connections located such that no point on the marina pier or float system exceeds 150 feet from a standpipe hose connection. (CFC 3604.2). The distance from the most distal location on the floating dock is 167 feet to Embarcadero fire department access. Applicant shall provide a Class 1 Standpipe system on the floating dock system.

Public Works Conditions:

1. The Applicant shall provide a standard erosion and sediment control plan with the required building permit submittal. That plan shall show control measures to provide protection against erosion of adjacent property and prevent sediment or debris from entering all public rights-of-way, adjacent properties and any harbor, waterway, or ecologically sensitive area.
2. The following Public Works notes shall be added to the plans at building permit submittal:
 - a) Any damage, as a result of construction operations for the Project, to City facilities, i.e. curb/berm, street, sewer line, water line, or any public improvements shall be repaired by the Applicant, at no cost to the City of Morro Bay.
 - b) No work shall occur within (or use of) the City's Rights-of-Way without an encroachment permit. Encroachment permits are available at the City of Morro Bay Public Works Office located at 955 Shasta Ave. The Encroachment permit shall be issued, if at all, concurrently with the building permit.

Harbor Department:

1. The Applicant shall provide evidence of consent of neighboring lease site owner at 571 Embarcadero for purposes of construction of the two-foot gap portion of harborwalk lateral access prior to issuance of a building permit.

Planning Conditions:

2. A Coastal Development Permit shall be submitted to the Community Development Department prior to issuance of a building permit.
3. Prior to issuance of a building permit, the Applicant shall either acquire all required regulatory permits and authorizations (i.e. U.S. Army Corps of Engineers, Regional Water Quality Control Board, California Department of Fish and Game), or submit documentation that such permits are not required.

4. Conditions of Approval on Building Plans: Prior to the issuance of a Building Permit, the final Conditions of Approval for both the Conditional Use Permit and the Coastal Development Permit shall be attached to the set of approved plans. The sheet containing Conditions of Approval shall be the same size as other plan sheets and shall be the last sheet in the set of Building Plans.
5. Inspection: The Applicant shall comply with all City conditions of approval and conditions imposed by the California Coastal Commission and obtain final inspection clearance from the Planning Division at the necessary time in order to ensure all conditions have been met.
6. Floating dock. The floating dock shall be publicly available for general public pedestrian access and either short-term or long-term use by recreational or commercial boats. Signs discouraging the public from walking on the docks during daylight hours are prohibited. The docks shall be open to the general public during at least daylight hours (i.e. one hour before sunrise to one hour after sunset).
7. A Marine Wildlife Contingency Plan (Plan) shall be developed and approved by the Community Development Director prior to the initiation of pile driving activities. That plan shall describe specific methods that will be used to reduce pile-driving noise and comply with Paragraph 9., below. Power to the pile driver shall be ramped up to allow marine wildlife to detect a lower sound level and depart the area before full-power noise levels are produced. The Plan shall identify a US Fish & Wildlife Service (USFWS)-approved biologist to monitor all construction within the water-lease area who shall be retained by the applicant. The Plan shall describe on-site marine wildlife monitoring and reporting requirements, as well as identify specific conditions when the biological monitor shall be allowed to stop work, such as observance of a marine mammal within 100 feet of the project area. The biologist shall be responsible to monitor for compliance with all environmental mitigation measures, and regulatory permit conditions (as applicable). The approved biological monitor shall be present onsite during construction and shall have the authority to stop construction if any individuals of southern sea otter are seen within 100 feet of the project area. Construction will be allowed to resume after sighted otters have left the 100-foot radius of the project area. The species shall not be disturbed or forced from the project site by equipment, noise, or other disruptive activity. The monitor will have discretionary authority to temporarily halt the Project if it is determined any otter, or other marine mammal, could be affected by the Project, even if the animal is beyond the 100-foot boundary. All construction crew employees shall be informed on the requirements of this condition.
8. A project-specific Oil Spill Response and Recovery Plan that includes specifics on reporting and response procedures, available on-site equipment and contracted services, and responsibilities shall be completed and approved prior to the initiation of construction activities. Specifically, the Project shall include the following Best Management Practices (BMPs) and shall be included on building plans submitted for approval:
 - a. No refueling of equipment without adequate containment and spill response equipment. The barge shall have only double contained fuel storage below decks, with the spill containment and clean up kits on-site and easily accessible. Spill containment and clean up kits shall include the following:

- i. 150 feet Absorbent Boom 200 square feet Absorbent Tarp (for use during pile driving operations)
 - ii. Barrel Absorbent Pads
 - iii. Container Absorbent Granules
 - b. Rainwater runoff pollution from equipment stored on deck shall be prevented through ongoing equipment maintenance and appropriate double containment.
 - c. The work area shall be contained within a boom to prevent debris from falling into the water.
 - d. All equipment fueling shall take place on the barge, with containment in-place. No refueling between vessels shall occur.
 - e. An Absorption Tarp shall be placed underneath any portable equipment while in use.
 - f. No equipment shall be permitted to enter the water with any petroleum products.
 - g. All equipment used during pile driving operations shall be in good condition without fuel or oil leakage.
 - h. Should any equipment begin to leak, that equipment shall be removed immediately from the barge and repaired or replaced.
 - i. All vessels shall have portable, regularly serviced sanitation equipment. No overboard discharge is permitted.
9. Pre- and Post-construction surveys. A survey identifying areas of eelgrass within the lease areas shall be completed within 60 days before start of construction and prior to issuance of a building permit. The survey shall be submitted to the Community Development Director for review as part of the final plans. If additional eelgrass is identified that would be directly shaded by the proposed project, then the report shall identify remedial measures to offset such reduction within the eelgrass beds at a ratio of 1.2:1 in line with the specifications for mitigation of eelgrass habitat as provided for in the California Eelgrass Mitigation Policy. A post construction survey identifying areas of eelgrass shall be completed within 30 days and the report due within 90 days after completion of construction. Any change in eelgrass extent shall be documented and reported to the Community Development Director. If the report identifies a reduction in eelgrass coverage then a plan shall be prepared to identify the appropriate mitigations necessary and in line with the specifications for mitigation of eelgrass habitat as provided for in the California Eelgrass Mitigation Policy, dated October 2014.
10. Prior to issuance of a building permit, a pile driving plan and hydro-acoustical noise mitigation plan shall be submitted to the Community Development Director to ensure that underwater noise generated by pile driving activities is minimized to the maximum extent feasible and does not exceed: (i) an accumulated 187 dB SEL as measured 5 meters from the source; and (ii) peak dB above 208 dB as measured 10 meters from the source as determined by the Fisheries Hydroacoustic Working Group. In the instance anything other than a vibratory hammer is to be used for pile driving activities, the plan shall provide for a hydro-acoustical monitor to ensure that underwater noise generated by pile driving activities does not exceed such limits. The plan shall identify the type of method used to install pilings. Vibratory hammers shall be used where feasible; if another method is used, a bubble curtain shall be employed to contain both noise and sediment. The plan shall also provide for additional acoustical BMPs to be applied if monitoring shows underwater noise above such limits (including, but not limited to, alternative pile driving methods (press-in pile placement, drilling, dewatered isolation casings, etc.) and additional noise dampening measures (sound shielding and other noise attenuation devices).

11. Netting or fencing around and underneath the project site shall be installed to catch and remove debris released during and after construction.
12. To reduce potential turbidity-associated impacts, silt screens should be used when and where they will be effective. The relatively high tidal currents within Morro Bay could reduce the effectiveness of silt screens and should be considered prior to placing of these screens.
13. The Applicant shall include sign specifications for all signs on site that demonstrate compliance with the sign ordinance requirements found in Chapter 17.68 of the MBMC.
14. The Applicant shall maintain vertical access free of any obstructions, including but not limited to parked vehicles.
15. The Applicant shall trim and maintain the jade landscaping hedge located along the length of the coastal access walkway on the south side of the building to a height no higher than 30 inches at all times.
16. The Applicant shall maintain the view corridor on the south side of the Grays Inn building with no view corridor obstructions other than the fencing and existing utilities per approved plans for #UP0-448.
17. An interpretive sign with content relating to the historical nature of Morro Bay shall be submitted for review and approval by the Community Development Director and shall be installed along the Harborwalk lateral access prior to final occupancy of the building permit.
18. No change shall be made to the sign copy or design of the existing Gray's Inn pole sign which was previously permitted through Conditional Use Permit #07-92, unless otherwise approved by the Planning Commission or City Council.
19. The vertical access path, in the area adjacent to the parking spaces shall be delineated by a bollard or other suitable feature in order to prevent parked vehicles from encroaching on the vertical access pathway. The type, location, and method of delineations shall be submitted to the Community Development Department for review and approval.
20. Two parking spaces on Driftwood and Embarcadero as depicted and described on the 1-23-18 City Council staff report shall be signed for dedicated Gray's Inn guest from 3 p.m. to 11 a.m. daily. Applicant shall enter into a license agreement with the City for an amount commensurate with metered parking rates in City of Pismo Beach to the satisfaction of the Community Development Director. That parking license agreement shall be finalized prior to issuance of a building permit and shall be incorporated into the Applicant's Master Lease Agreement for the City lease site.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on this 23rd day of January, 2018 on the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

JAMIE L. IRONS, Mayor

ATTEST

DANA SWANSON, City Clerk



CITY OF MORRO BAY
 COMMUNITY DEVELOPMENT DEPARTMENT
 955 Shasta Avenue
 Morro Bay, CA 93442

February 15, 2017

Cathy Novak
 Cathy Novak Consulting
 PO Box 293
 Morro Bay, CA 93443

RE: Grays Inn, 561 Embarcadero, Conditional Use Permit, UP0-448 & AD0-109
 After Action Letter

Dear Ms. Novak,

On February 14, 2017 the City Council reviewed and considered the above referenced project and continued the hearing to a date uncertain. The direction by the City Council was to remove the pole sign, but allow the pole sign “sign” to remain either by wall mounting or using it as a projecting sign on the east elevation. Because the City’s sign ordinance does not allow projecting signs to extend more than 18 inches into the public right of way, a sign exception approval will be required as part of the conditional use permit approval process.

In order to return this matter to a future City Council hearing for consideration, the following information will be necessary (These comments are also included on the attached plan received by the Architect late yesterday):

Signage

1. Submit a complete Sign program to include all signs on premises, dimensioned, with a sign table in a format that identifies total sign square footage versus sign allowances. Include on the site plan the monument sign in the right of way to be removed.
2. The pole sign to be moved to the east elevation shall show the precise amount of encroachment into the right of way. Alternatively, consider the following:
Alternative Sign Design: From City records, it appears the pole sign is over 5 feet wide. Due to the extent of the right of way encroachment that would be necessary, staff recommends that consideration be made to relocating the pole sign to the south elevation in the center of the blank gray wall above the parking lot, and commissioning a duplicate but smaller version of the pole sign and using that as a projection sign, which would allow for a lesser ROW encroachment, and also provide the benefit of a visible 2nd sign on the building façade.
3. Provide elevation drawings which show sign and method of attachment to building.



CITY OF MORRO BAY
 COMMUNITY DEVELOPMENT DEPARTMENT
 955 Shasta Avenue
 Morro Bay, CA 93442

4. Revise plan notes to state that “existing sign” to be “existing pole sign to be removed”
5. The face of the pole sign appears faded and in need of touch up. A conditioned will be added to the Resolution requiring the face of the sign to be repainted (same colors are encouraged) consistent with the City’s sign maintenance requirements found in section 17.68.130 of the MBMC.

Parking / ADA Sidewalk

6. Revise plans to provide three parking spaces of 9’ x 20’ (MBMC 17.44.020).
7. The changes to the parking area would appear to trigger the provision of one van accessible parking space. Please explain why the plans do not reflect the provision of an ADA parking space. ?
8. Clearly denote on the plans that the project includes raising both the sidewalk and curb to eight inches.
9. Reposition arrow of “New 8’0” sidewalk” to not point only to northeastern lease site, but rather clearly identify that new sidewalk will be 8 feet for entire length of the lease site.
10. Show the sidewalk and how it interacts with the entrance to the building. Provide sufficient detail to demonstrate ADA compliance.
11. Identify any changes to the dimensions of the drive approach. Include location of curb cuts.
12. Add note to the plans that parking area to be lowered and dimension parking spaces. Plan should identify by how much the parking pad area is being lowered.
13. Clearly delineate driveway approach and ADA sidewalk behind approach whether through hatch marks (as shown on attached plans) or some other similar method.
14. Relabel “H.C. Walkway” to state sidewalk not walkway.
15. Show reduction in landscape area west of the parking spaces and identify square footage change. The plans do not show a change to the parking landscaping but the comment was made on-site yesterday that the parking space will be shifted to the west to accommodate the 8 foot sidewalk and still have 20 foot deep parking spaces.
16. Provide a street-side photo simulation that illustrates all improvements to include new signage, new parking area, new driveway approach, changed landscaping, new sidewalk, and coastal access sign.

Note that as a commercial project on the City’s waterfront in a Planned Development overlay, it is expected that plans shall be developed to a level of detail sufficient to find for approval as a combined concept/precise plan. All of the above information will be necessary before determining placement on a future Council agenda. At the time your plans are resubmitted, they will be routed again to Building and Public Works Department for review as well. Additional information may be requested by staff in order to determine consistency with Council’s direction and code compliance.



CITY OF MORRO BAY
COMMUNITY DEVELOPMENT DEPARTMENT
955 Shasta Avenue
Morro Bay, CA 93442

Please contact me if you have any questions at 805-772-6577.

Sincerely,

A handwritten signature in blue ink that reads "Cindy Jacinth". The signature is written in a cursive, flowing style.

Cindy Jacinth
Associate Planner

Enc.

Copy: Todd & Tamara Baston

RESOLUTION NO. PC 02-17

Conditions added by Planning Commission on 1-17-17 are noted in bold italics

A RESOLUTION OF THE MORRO BAY PLANNING COMMISSION FORWARDING A FAVORABLE RECOMMENDATION TO THE MORRO BAY CITY COUNCIL FOR CONCEPT AND PRECISE PLAN APPROVAL OF CONDITIONAL USE PERMIT (UP0-448) FOR CONSTRUCTION OF NEW HARBORWALK LATERAL ACCESS, INSTALLATION OF 1 NEW PILES, SLEEVE 4 EXISTING PILES, IMPROVEMENTS TO VERTICAL ACCESS, SIDEWALK IMPROVEMENTS AND BUILDING FAÇADE IMPROVEMENTS AT 561 EMBARCADERO, GRAY'S INN

WHEREAS, the Planning Commission of the City of Morro Bay conducted a public hearing at the Morro Bay Veteran's Hall, 209 Surf Street, Morro Bay, California, on December 20, 2016 and January 17, 2017, for the purpose of considering approval of Conditional Use Permit #UP0-448; and

WHEREAS, notices of said public hearing were made at the time and in the manner required by law; and

WHEREAS, the Planning Commission has duly considered all evidence, including the testimony of the applicant, interested parties, and the evaluation and recommendations by staff, presented at said hearing.

NOW, THEREFORE, BE IT RESOLVED by the Planning Commission of the City of Morro Bay as follows:

Section 1: Findings. Based upon all the evidence, the Commission makes the following findings:

California Environmental Quality Act (CEQA)

- A. That for purposes of the California Environmental Quality Act, Case No. UP0-448 is exempt under Class 3c, Section 15303 for New Construction or Conversion of Small Structures which allows for a motel or similar structure not involving the use of significant amounts of hazardous substances, and not exceeding 10,000 square feet in floor area and where the surrounding area is not environmentally sensitive based on the eelgrass planning survey prepared by Tenera Environmental dated May 2, 2016.

Conditional Use Permit Findings

- A. The project will not be detrimental to the health, safety, morals, comfort and general welfare of the persons residing or working in the neighborhood in that the construction of new new harborwalk lateral and vertical access along with sidewalk improvements and building façade

improvements and repairs at 561 Embarcadero are permitted uses within the zoning district and said structures comply with all applicable project conditions and City regulations and is consistent with the City's Local Coastal Program.

- B. The project will not be injurious or detrimental to property and improvements in the neighborhood and the general welfare of the City in that the proposed lateral and vertical access will provide greater public coastal access to a visitor-serving commercial use and is consistent with the character of the existing development.

Waterfront Master Plan Findings

- A. The proposed project makes a positive contribution to the visual and public accessibility to the bay while increasing and maintaining commercial fishing industry:
- a. The proposed project provides the amenities identified in the WF Plan, facilitates pedestrian visual and physical access to the waterfront, in that the bayside lateral access is improved to allow for easier pedestrian access, enjoyment and better bay views by opening up vertical access to improve view corridor from the street..
 - b. The proposed project makes a positive contribution to the working fishing village character and quality of the Embarcadero area in that the new project will add to the availability of boat slips in the bay for recreational or commercial boat rental and also with the creation of an observation deck and deck expansion will maintain and enhance views of the bay.
 - c. The design recognizes the pedestrian orientation of the Embarcadero and provides an interesting and enhanced pedestrian experience in that the project will provide improved lateral public access to the water and docks while assisting in the Harborwalk plan to continue public access along the waterfront as well as create improved view corridor through the vertical access leading to the bayside lateral access. The sidewalk improvements will improve pedestrian accessibility along the Embarcadero and is consistent with the character of the existing development.
 - d. The project gives its occupants and the public some variety in materials and/or application in that the harborwalk lateral access will be of wood or aluminum material and the vertical access will be a stained concrete in order to promote public awareness of coastal bayside access.
 - e. The project contains the elements of harmony, continuity, proportion, simplicity, and balance, and its appearance matches its function and the uses proposed in that the new harborwalk public lateral access will be accessible to the public and that is consistent with the character of the existing development.
 - f. The proposed project does not diminish, either directly or by cumulative impact of several similar projects, the use, enjoyment, or attractiveness of adjacent buildings

and provides a visual and pedestrian transition connection point to its immediate neighbor to the north and will be enhanced by opening up the vertical access along the southerly entrance of the building.

Architectural Consideration

- A. As required by Ordinance Section 17.48.200 the Planning Commission finds that the architectural treatment and general appearance of all proposed structures and open areas are in keeping with the character of the surrounding areas, are compatible with any design themes adopted by the city, and are not detrimental to the orderly and harmonious development; of the city or to the desirability of investment of occupation in the area.

Precise Plan Finding

- A. As required by Ordinance Section 17.40.030.G, the Planning Commission finds that the project is developed sufficiently to approve the project as a combined concept/precise plan approval of the conditional use permit.

Section 2. Action. The Planning Commission does hereby forward a favorable recommendation to the City Council to approve Conditional Use Permit #UP0-448 as a combined Concept/Precise Plan approval subject to the following conditions:

STANDARD CONDITIONS

1. This permit is granted for the land described in the staff report dated December 14, 2016 and second staff report dated January 11, 2017, for the project at 561 Embarcadero depicted on plans dated January 3, 2017, on file with the Community Development Department, as modified by these conditions of approval, and more specifically described as follows: Site development, including all buildings and other features, shall be located and designed substantially as shown on Planning Commission approved plans submitted for UP0-448, unless otherwise specified herein.
2. Inaugurate Within Two Years: Unless the construction or operation of the structure, facility, or use is commenced not later than two (2) years after the effective date of this Resolution and is diligently pursued, thereafter, this approval will automatically become null and void; provided, however, that upon the written request of the applicant, prior to the expiration of this approval, the applicant may request up to two extensions for not more than one (1) additional year each. Any extension may be granted by the City's Community Development Director (the "Director"), upon finding the project complies with all applicable provisions of the Morro Bay Municipal Code (the "MBMC"), General

Plan and certified Local Coastal Program Land Use Plan (LCP) in effect at the time of the extension request.

3. Changes: Minor changes to the project description and/or conditions of approval shall be subject to review and approval by the Community Development Director. Any changes to this approved permit determined, by the Director, not to be minor shall require the filing of an application for a permit amendment subject to Planning Commission review.
4. Compliance with the Law: (a) All requirements of any law, ordinance or regulation of the State of California, the City, and any other governmental entity shall be complied with in the exercise of this approval, (b) This project shall meet all applicable requirements under the MBMC, and shall be consistent with all programs and policies contained in the LCP and General Plan for the City.
5. Hold Harmless: The applicant, as a condition of approval, hereby agrees to defend, indemnify, and hold harmless the City, its agents, officers, and employees, from any claim, action, or proceeding against the City as a result of the action or inaction by the City, or from any claim to attack, set aside, void, or annul this approval by the City of the applicant's project; or applicants failure to comply with conditions of approval. Applicant understands and acknowledges the City is under no obligation to defend any legal actions challenging the City's actions with respect to the project. This condition and agreement shall be binding on all successors and assigns.
6. Compliance with Conditions: The applicant's establishment of the use or development of the subject property constitutes acknowledgement and acceptance of all Conditions of Approval. Compliance with and execution of all conditions listed hereon shall be required prior to obtaining final building inspection clearance. Deviation from this requirement shall be permitted only by written consent of the Director or as authorized by the Planning Commission. Failure to comply with any of these conditions shall render this entitlement, at the discretion of the Director, null and void. Continuation of the use without a valid entitlement will constitute a violation of the MBMC and is a misdemeanor.
7. Compliance with Morro Bay Standards: This project shall meet all applicable requirements under the MBMC, and shall be consistent with all programs and policies contained in the LCP and General Plan of the City.

Building Conditions:

1. Prior to construction, the applicant shall submit a complete building permit application and obtain the required building permit.

Fire Conditions:

1. Fire Safety During Construction and Demolition. This chapter prescribes minimum safeguards for construction, alteration and demolition operations to provide reasonable safety to life and property from fire during such operations (CFC Chapter 33). Compliance with NFPA 241 is required for items not specifically addressed herein. Applicant shall comply with CFC Chapter 33.
2. New construction of Harborwalk extension. An approved automatic fire sprinkler system shall be installed throughout all new buildings and structures on the west side of Embarcadero Road. (Morro Bay Municipal Code (Section 14.08.090(L)(2)). Applicant shall provide automatic fire sprinkler protection beneath the 619 sf. Public Harborwalk structure.
3. Existing floating docks, Standpipes. Marinas and boatyards shall be equipped throughout with standpipe systems in accordance with NFPA 303. Systems shall be provided with hose connections located such that no point on the marina pier or float system exceeds 150 feet from a standpipe hose connection. (CFC 3604.2). The distance from the most distal location on the floating dock is 167 feet to Embarcadero fire department access. Applicant shall provide a Class 1 Standpipe system on the floating dock system.

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2. The following Public Works notes shall be added to the plans at building permit submittal:
 - a) Any damage, as a result of construction operations for this project, to City facilities, i.e. curb/berm, street, sewer line, water line, or any public improvements shall be repaired at no cost to the City of Morro Bay.
 - b) No work shall occur within (or use of) the City's Right of Way without an encroachment permit. Encroachment permits are available at the City of Morro Bay Public Works Office located at 955 Shasta Ave. The Encroachment permit shall be issued concurrently with the building permit.
 - c) Due to mandatory water conservation requirements and stormwater requirements no pressure washing is allowed unless it is directly due to professional preparation of exterior painting of property. No discharge of non-stormwater is allowed into the municipal storm drain system and contractor must provide measures to prevent any discharge for entering the stormwater system.

Harbor Department:

1. Applicant shall provide evidence of consent of neighboring lease site owner at 571 Embarcadero for purposes of construction of the two foot gap portion of harborwalk lateral access prior to issuance of a building permit.

Planning Conditions:

1. A Coastal Development Permit shall be submitted to the Community Development Department prior to issuance of a building permit.
2. Prior to issuance of a building permit, the Applicant shall either acquire all required regulatory permits and authorizations (i.e. U.S. Army Corps of Engineers, Regional Water Quality Control Board, California Department of Fish and Game), or submit documentation that such permits are not required.
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authority to stop construction if any individuals of southern sea otter are seen within 100 feet of the project area. Construction will be allowed to resume after sighted otters have left the 100-foot radius of the project area. The species shall not be disturbed or forced from the project site by equipment, noise, or other disruptive activity. The monitor will have discretionary authority to temporarily halt the project if it is determined that the otter, or other marine mammal, could be affected by the project, even if the animal is beyond the 100-foot boundary. All construction crew employees shall be informed on the requirements of this condition.

7. A project-specific Oil Spill Response and Recovery Plan that includes specifics on reporting and response procedures, available on-site equipment and contracted services, and responsibilities shall be completed and approved prior to the initiation of construction activities. Specifically, the project shall include the following Best Management Practices (BMPs) and shall be included on building plans submitted for approval:
 - a. No refueling of equipment without adequate containment and spill response equipment. The barge shall have only double contained fuel storage below decks, with the spill containment and clean up kits on-site and easily accessible. Spill containment and clean up kits shall include the following:
 - b. 150 feet Absorbent Boom 200 square feet Absorbent Tarp (for use during pile driving operations)
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 - e. Rainwater runoff pollution from equipment stored on deck shall be prevented through ongoing equipment maintenance and appropriate double containment.
 - f. The work area shall be contained within a boom to prevent debris from falling into the water.
 - g. All equipment fueling shall take place on the barge, with containment in-place. No refueling between vessels shall occur.
 - h. An Absorption Tarp shall be placed underneath any portable equipment while in use.
 - i. No equipment shall be permitted to enter the water with any petroleum products.
 - j. All equipment used during pile driving operations shall be in good condition without fuel or oil leakage.
 - k. Should any equipment begin to leak, that equipment shall be removed immediately from the barge and repaired or replaced.
 - l. All vessels shall have portable, regularly serviced sanitation equipment. No overboard discharge is permitted.
8. Pre- and Post-construction surveys. A survey identifying areas of eelgrass within the lease areas shall be completed within 60 days before start of construction and prior to issuance of a building permit. The survey shall be submitted to the Community Development Director for review as part of the final plans. If additional eelgrass is identified that would be directly shaded by the proposed project, then the report shall identify remedial measures to offset such reduction within the eelgrass beds at a ratio of 1.2:1 in line with the specifications for mitigation of eelgrass habitat as provided for in

the California Eelgrass Mitigation Policy. A post construction survey identifying areas of eelgrass shall be completed within 30 days and the report due within 90 days of completion of construction. Any change in eelgrass extent shall be documented and reported to the Community Development Director. If the report identifies a reduction in eelgrass coverage then a plan shall be prepared to identify the appropriate mitigations necessary and in line with the specifications for mitigation of eelgrass habitat as provided for in the California Eelgrass Mitigation Policy, dated October 2014.

9. Prior to issuance of a building permit, a pile driving plan and hydroacoustical noise mitigation plan shall be submitted to the Community Development Director to ensure that underwater noise generated by pile driving activities is minimized to the maximum extent feasible and does not exceed: (1) an accumulated 187 dB SEL as measured 5 meters from the source; and (2) peak dB above 208 dB as measured 10 meters from the source as determined by the Fisheries Hydroacoustic Working Group. In the instance anything other than a vibratory hammer is to be used for pile driving activities, the plan shall provide for a hydro-acoustical monitor to ensure that underwater noise generated by pile driving activities does not exceed such limits. The plan shall identify the type of method used to install pilings. Vibratory hammers shall be used where feasible; if another method is used, a bubble curtain shall be employed to contain both noise and sediment. The plan shall also provide for additional acoustical BMPs to be applied if monitoring shows underwater noise above such limits (including, but not limited to, alternative pile driving methods (press-in pile placement, drilling, dewatered isolation casings, etc.) and additional noise dampening measures (sound shielding and other noise attenuation devices).
10. Netting or fencing around and underneath the project site shall be installed to catch and remove debris released during and after construction.
11. To reduce potential turbidity-associated impacts, silt screens should be used when and where they will be effective. The relatively high tidal currents within Morro Bay could reduce the effectiveness of silt screens and should be considered prior to placing of these screens.
12. Applicant shall include sign specifications for all signs on site that demonstrate compliance with the sign ordinance requirements found in Title 17.68 of the Morro Bay Municipal Code.
13. Applicant shall maintain vertical access free of any obstructions, including but not limited to parked vehicles.
14. Applicant shall trim and maintain the jade landscaping hedge located along the length of the coastal access walkway on the south side of the building to a height no higher than 30 inches at all times.
15. Applicant shall maintain the view corridor on the south side of the Grays Inn building

with no view corridor obstructions other than the fencing *and existing utilities* per approved plans for #UP0-448.

Conditions added by the Planning Commission on January 17, 2017

- 16. An interpretive sign with content relating to the historical nature of Morro Bay shall be submitted for review and approval by the Community Development Director and shall be intalled along the Harborwalk lateral access prior to final occupancy of the building permit.*
- 17. No change shall be made to the sign copy or design of the existing Gray's Inn pole sign which was previously permitted through conditional use permit #07-92, unless otherwise approved by the Planning Commission.*
- 18. The vertical access path, in the area adjacent to the parking spaces shall be delineated by a bollard or other suitable feature in order to prevent parked vehicles from encroaching on the vertical access pathway. The type, location, and method of delineations shall be submitted to the Community Development Department for review and approval.*
- 19. The three existing parking spaces shall be maintained with the parking spaces widths evenly divided (approx. 8 feet 7 inches).*

PASSED AND ADOPTED by the Morro Bay Planning Commission at a regular meeting thereof held on this 17th day of January, 2017 on a motion by Commissioner Lucas, seconded by Commissioner Sadowski, on the following vote (4-1):

AYES: Lucas, Sadowski, Tefft, and Ingraffia

NOES: Luhr

ABSENT: None

ABSTAIN:None

Robert Tefft, Chairperson

ATTEST

Scot Graham, Planning Secretary

The foregoing resolution was passed and adopted this 17th day of January, 2017.

GENERAL NOTES

THE CONSTRUCTION COORDINATOR'S INFORMATION SHALL BE POSTED ON SITE. CONSTRUCTION COORDINATOR SHALL BE GENE DOUGHTY, LAND/SEA INTERFACE 805-772-8436

CONTRACTOR SHALL HAVE ON SITE 2015 COPY OF C.B.C., ALL WORK SHALL COMPLY W/ 2011 C.B.C., 2015 UMC, 2015 NEC, 2015 UPC 2015 CALIF TITLE 24, CITY OF MORRO BAY, CODES AND REQUIREMENTS, CONDITIONS OF APPROVAL CALIFORNIA COASTAL COMMISSIONS STANDARD AND SPECIAL CONDITIONS CALIFORNIA BOATING AND WATERWAYS GUIDELINES.

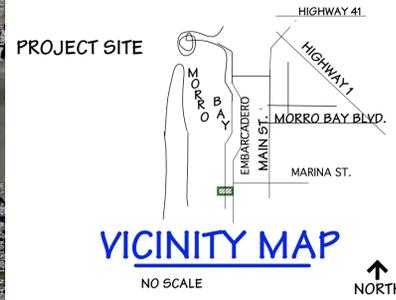
CONTRACTOR SHALL NOTIFY ARCHITECT AND OWNER PRIOR TO CHANGES OF CONSTRUCTION FOR APPROVAL. CARPENTRY ALL STRUCTURAL LUMBER SHALL BE GRADED IN ACCORDANCE W/ W.C.L.A.

NOTE! ARCHITECT SHALL SUBMIT REPORT TO CITY OF THE PLACEMENT OF PILING FOLLOWING PLACEMENT OF THE PILING

NOTE!

CONSTRUCTION PRACTICES SHALL BE AS REQUIRED BY CITY OF MORRO BAY CODES AND REQUIREMENTS, CALIFORNIA COASTAL COMMISSION CONDITIONS OF APPROVAL.

SILT SCREENS SHALL BE PLACED WITHIN THE AREA OF ALL IN-WATER CONSTRUCTION OR DISTURBANCE TO REDUCE POTENTIAL TURBIDITY ASSOCIATED IMPACTS. ALL CONSTRUCTION SHALL OCCUR WITHIN THE PROJECT FOOTPRINT.



VICINITY PHOTO

LEGAL DESCRIPTION

OWNERS----- TODD & TAMARA BASTON
409 PIONEER DR.
GLENDALE, CALIF. 91203

SITE ADDRESS----- 561 Embarcadero
MORRO BAY, CALIF
LEASE SITES----- 63,63W-64, 64W
Morro Bay, California
COUNTY OF SAN LUIS OBISPO, CALIFORNIA

APN. ----- PARCEL 9 OF PARCEL MAP MORRO BAY 68-30
ZONE----- H. WF. (PD/S.4)

SITE INFORMATION

LEASE INFORMATION		FLOATING DOCK INFORMATION	
LAND LEASE	4801 S.F.	FLOATING SLIP AREA	458 S.F.
WATER LEASE	2900 S.F.	TOTAL SLIP LENGTH	103 LF.
TOTAL LEASE AREA	7701 S.F.	SLEEVE 4 EXISTING TREATED PILING TO REMAIN SAME LOCATION	4
BUILDING COVERAGE	1750 S.F.	ADDITIONAL NEW STEEL/EPOXY PILING INSTALLED	1
(E)PAVEMENT/DECKING	2615 S.F.		
PROPOSED ADDITIONAL DECKING	110 S.F.		
LANDSCAPE COVERAGE	218 S.F.		
BUILDING USE	MIX USE GROUP B-2/R1		
TYPE	V		

PROPOSED IMPROVEMENTS

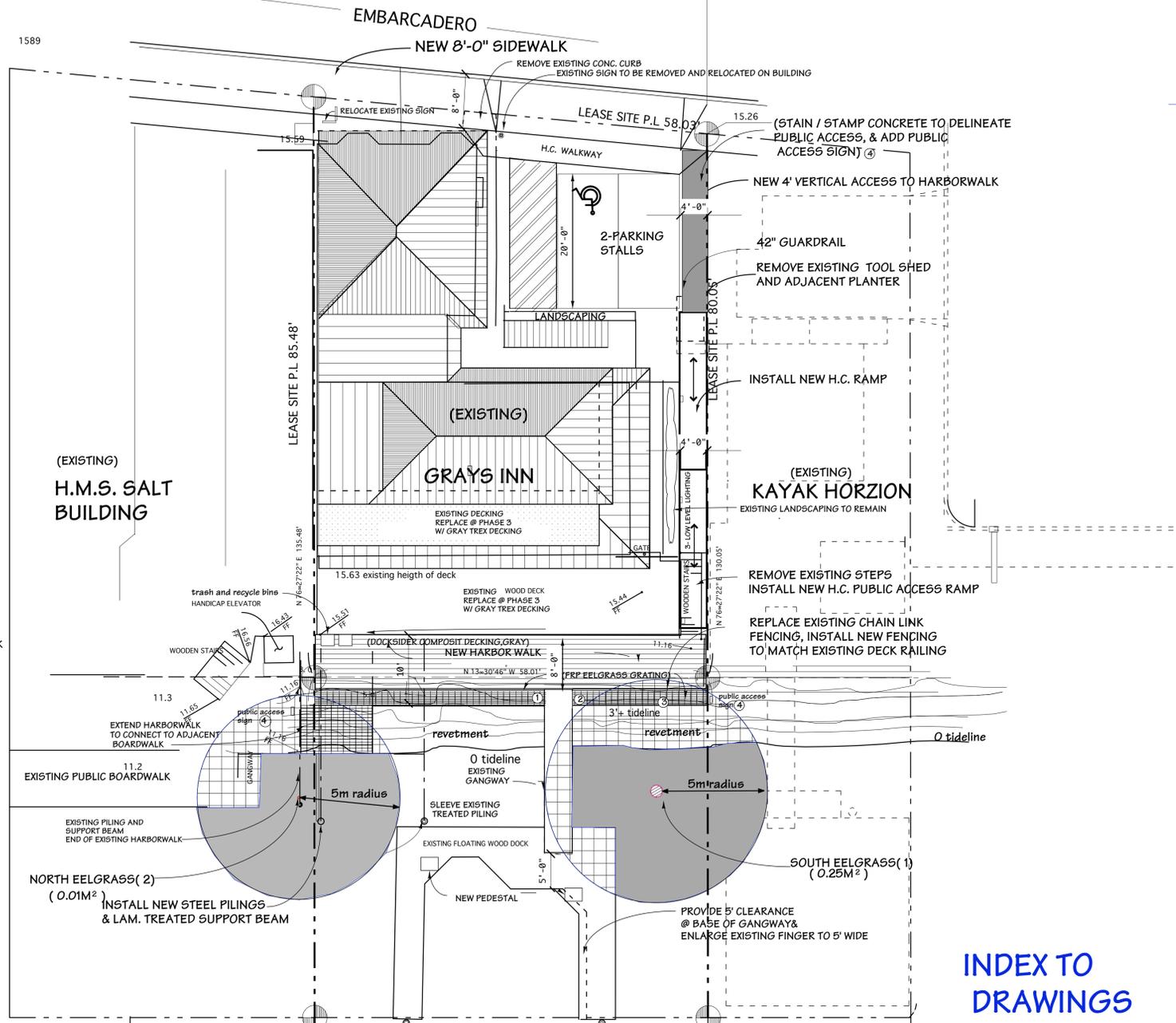
SCHEDULE OF WORK
 SUBMIT PRECISE/CONCEPT PLAN FOR REVIEW AND APPROVAL FALL 2017
 SUBMIT APPROVED PRECISE/CONCEPT TO COSTAL COMMISSION FOR REVIEW WITHIN 6 MONTHS OF CITY APPROVAL.
 COMMENCE CONSTRUCTION OF PHASE 1 NO LATER THAN JANUARY 1 2019
 COMMENCE CONSTRUCTION OF PHASE 2 NO LATER THAN NOVEMBER 1 2020
 COMMENCE CONSTRUCTION OF PHASE 3 NO LATER THAN NOVEMBER 1 2020

PHASE 1:
 INSTALL 1 NEW EPOXY COATED PILING, SLEEVE 4 EXISTING PILING, INSTALL NEW TREATED BEAMS, INSTALL NEW 10' HARBORWALK TO MATCH EXISTING ELEVATION (EXISTING GANGWAY LOCATION WIDTH TO REMAIN), EXTEND HARBOR WALK 2' TO NORTH BEYOND P.L. TO MEET ADJACENT BOARDWALK. INSTALL NEW H.C. RAMP AND 4' WIDE PUBLIC ACCESS TO HARBORWALK.

PHASE 2:
 REMOVE EXISTING 5' WIDE EMBARCADERO SIDEWALK AND REPLACE WITH NEW MIN. 8' WIDE SIDEWALK, RESTRIPE PARKING W/ 3- 9'X20' PARKING STALLS, H.C. AISLE
 REMOVE POLE SIGN AND RELOCATE SIGN TO BUILDING
 ESTABLISH PARKING STALLS ON DRIFWOOD ST., RELOCATE MONUMENT SIGN OUT OF 8' SIDEWALK

PHASE 3:
 REPAIR EXISTING DECKS AS NEEDED, INSTALL NEW HARDPLANK SIDING TO EXISTING BUILDING (GRAY)
 MAINTAIN STRUCTURES IN A GOOD WORKMANSHIP MANNER, ROOF REPAIR AS NEEDED

NOTE!
 1. ANY DAMAGE AS A RESULT OF CONSTRUCTION OPERATIONS FOR THIS PROJECT, TO CITY FACILITIES, I.E. CURB/BERM, STREET, SEWER LINE, WATER LINE, OR ANY PUBLIC IMPROVEMENTS SHALL BE REPAIRED AT NO COST TO THE CITY OF MORRO BAY.
 2. NO WORK SHALL OCCUR WITHIN (OR USE OF) THE CITY'S RIGHT OF WAY WITHOUT AN ENCROACHMENT PERMIT. ENCROACHMENT PERMITS ARE AVAILABLE AT THE CITY OF MORRO BAY PUBLIC WORKS OFFICE LOCATED A 955 SHATA AVE. THE ENCROACHMENT PERMIT SHALL BE ISSUED CONCURRENTLY WITH THE BUILDING PERMIT.

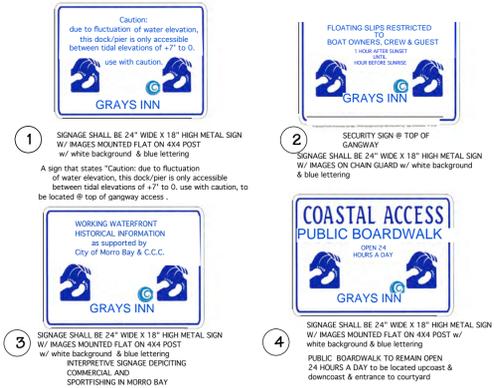


LAND/SEA INTERFACE
1-805-772-8436
GENE DOUGHTY-ARCHITECT
C 18794

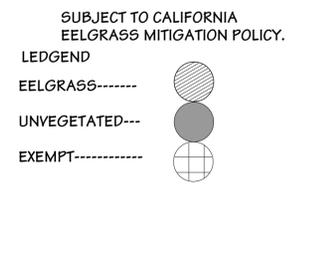
Gray's Inn improvements
561 EMBARCADERO, MORRO BAY, CALIF

GENERAL NOTES
LEGAL DESCRIPTION
SITE INFORMATION
LEASE SITE IMPROVEMENTS
EELGRASS INFO

Parking for Gray's Inn Patrons only 3 p.m. to 11 a.m. daily.



EELGRASS PLANNING, SURVEY BY TENERA ENVIRONMENTAL 5-2-16



REFERENCE NOTES

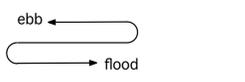
REFERENCE # 1 SOUTH AREA

EELGRASS AREAS	0.25 M
SOUTH EELGRASS	0.25 M
UNVEGETATED AREAS	49.02 SQ. M
SOUTH AREA	49.02 SQ. M
AMOUNT OF INTRUSION	0.00 M
SOUTH AREA	0.00 M
EXEMPT AREA	29.3 SQ.M

REFERENCE #2 NORTH AREA

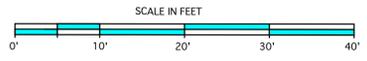
NORTH EELGRASS	0.01 M
UNVEGETATED AREAS	43.63 SQ.M
NORTH AREA	43.63 SQ.M
AMOUNT OF INTRUSION	0.40 M
NORTH AREA	0.40 M
EXEMPT AREA	29.9 SQ.M

MORRO BAY



EXISTING & PROPOSED LEASE SITE IMPROVEMENTS

SCALE 1"= 10'-0"



INDEX TO DRAWINGS

- A-1 COVER SHEET, GENERAL NOTES SITE PLAN
- A-2 ARCHITECTURAL FLOOR PLAN ELEVATIONS, SIGNAGE PHOTOS
- A-3 IMPROVEMENT TO EMBARCADERO SIDE



PROJECT NORTH

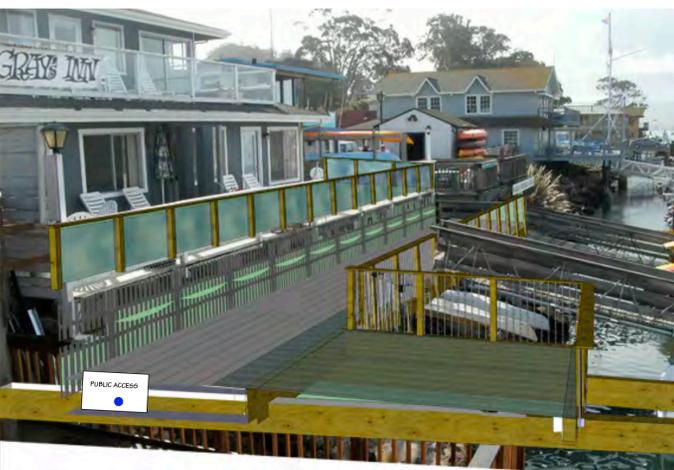
SHEET A-1 OF 3 SHEET



EXISTING VIEW LOOKING SOUTH



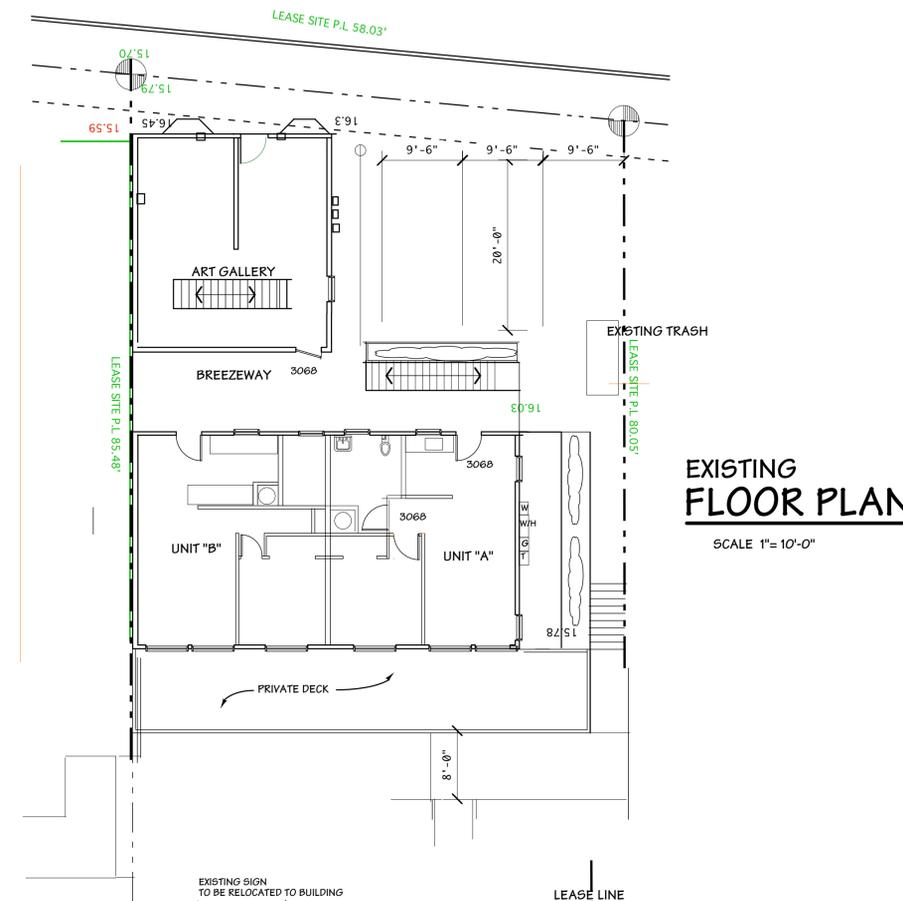
EXISTING VIEW FROM EMBARCADERO



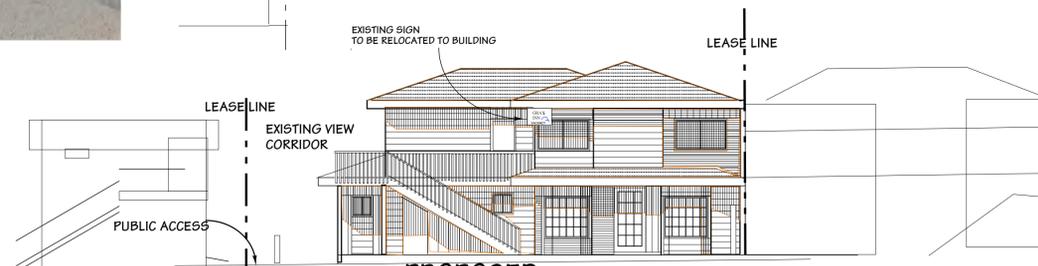
PROPOSED VIEW LOOKING SOUTH
W/ NEW BOARDWALK W/ GRATING OVER
WATER



PROPOSED VIEW FROM EMBARCADERO
W/ EXPANDED VIEWSHED

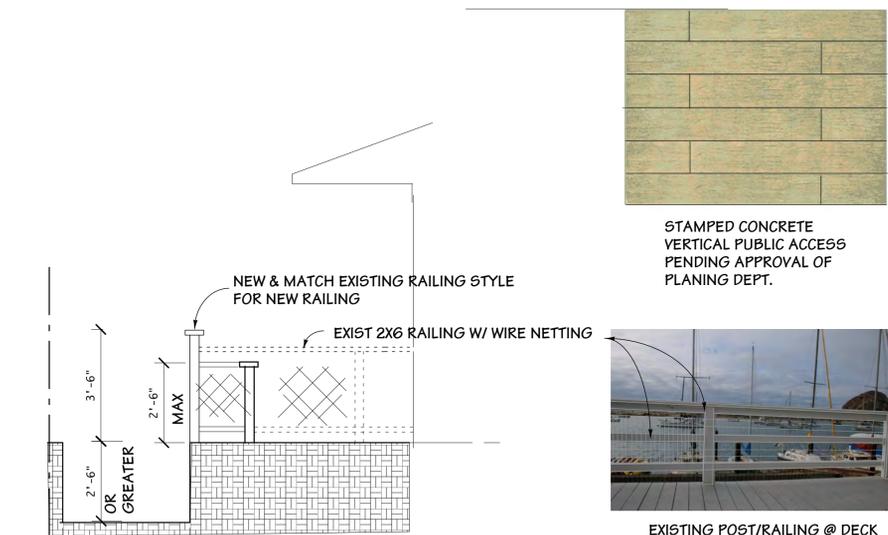


EXISTING
FLOOR PLAN
SCALE 1"=10'-0"



PROPOSED
EAST ELEVATION

SCALE 1"=10'



SECTION @ VERTICAL ACCESS

3/8" = 1'-0"



STAMPED CONCRETE
VERTICAL PUBLIC ACCESS
PENDING APPROVAL OF
PLANNING DEPT.



EXISTING POST/RAILING @ DECK

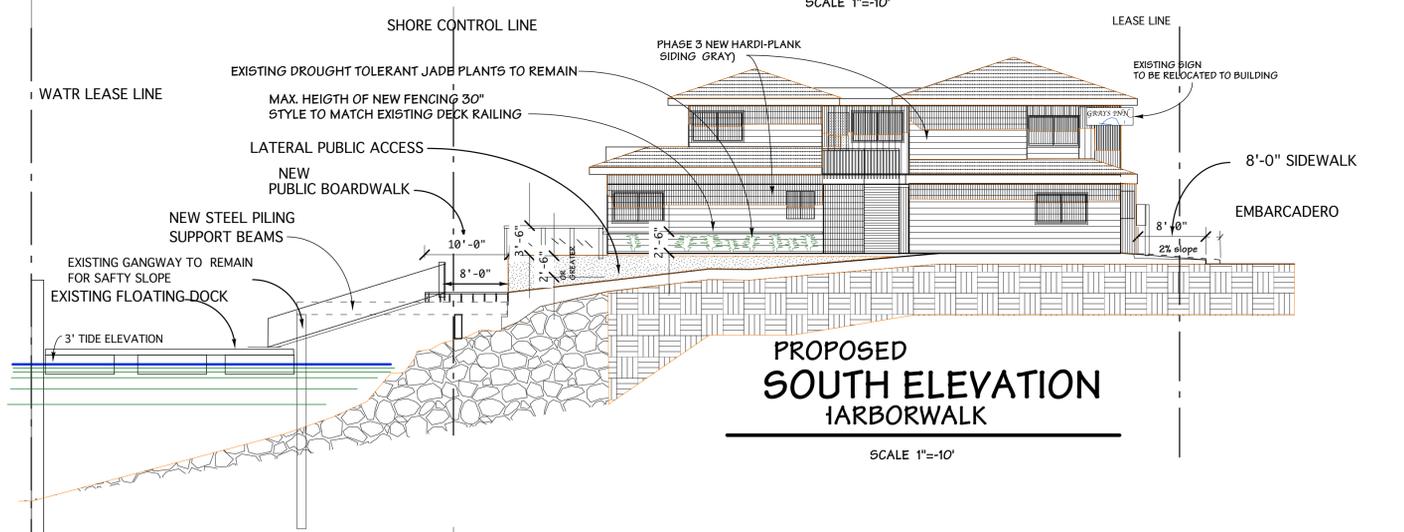
Raw Copper Louver Recessed Step Light PRLC-HS-DV
Raw Copper Louver Recessed Step Light PRLC-HS-DV



LOW LEVEL WALKWAY LIGHTING



EATON "HATTERAS"
POWER PEDESTAL



PROPOSED
SOUTH ELEVATION
HARBORWALK

SCALE 1"=10'

The plans, specifications, drawings and other information herein are the property of Gene Doughty-Architect and shall not be used in whole or in part for any other project without the written consent of Gene Doughty-Architect.

A-1

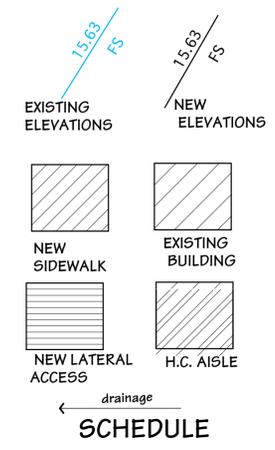
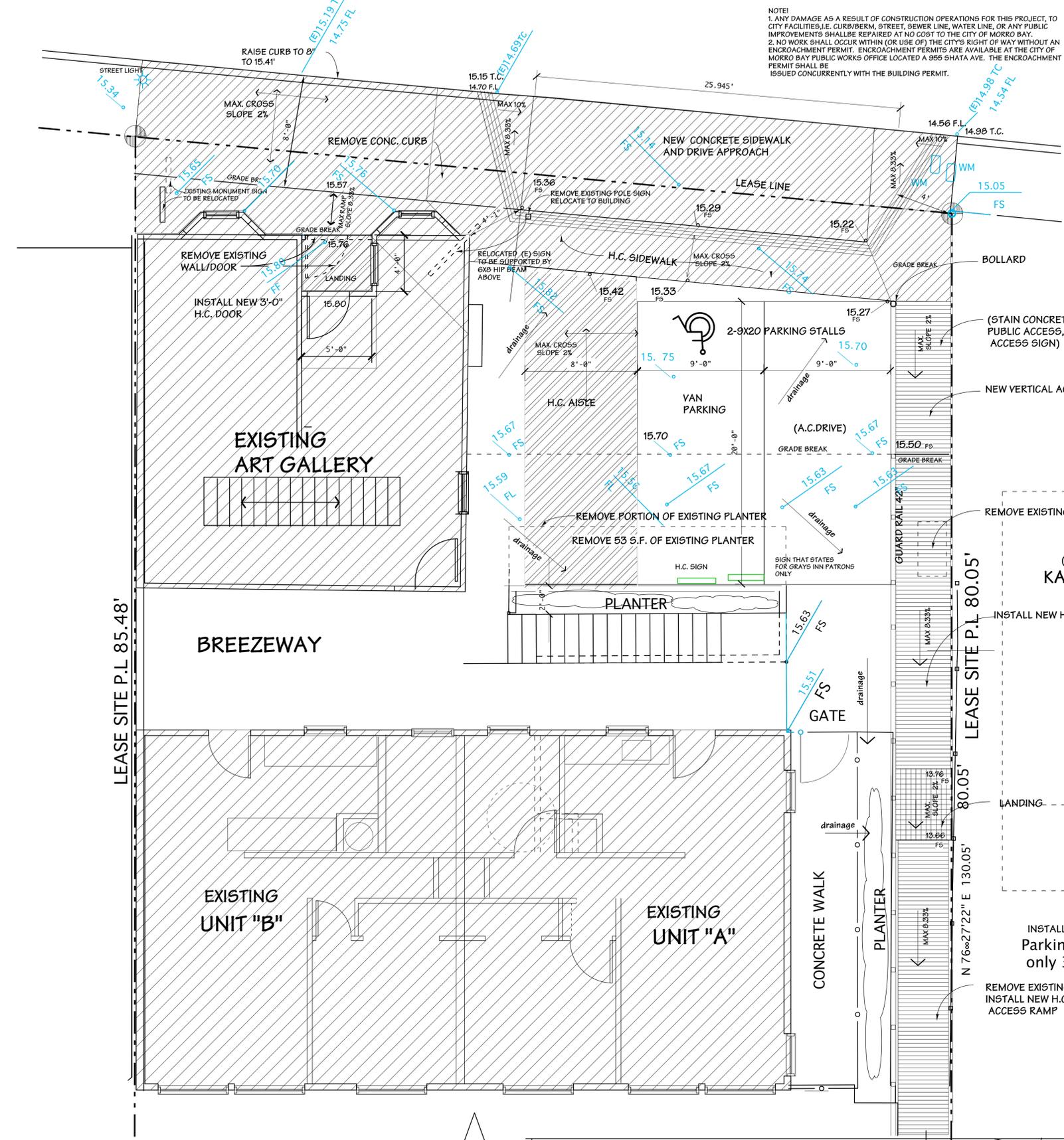
LAND/SEA INTERFACE
1-805-772-8436
GENE DOUGHTY-ARCHITECT
C 18794

Gray's Inn improvements
561 EMBARCADERO, MORRO BAY, CALIF

11-21-17 5-2-16 8-2-16 8-18-17
6-4-16 8-26-16 5-24-17
6-16-16 10-25-16
3-22-14 8-25-16 11-24-16 10-17-17
3-22-14 8-25-16 11-24-16 11-28-17
3-22-14 7-11-16 5-14-17
12-22-14
SCALE: AS NOTED
DRAWN: GD

SHEET
A-2
OF 3 SHEET

NOTE!
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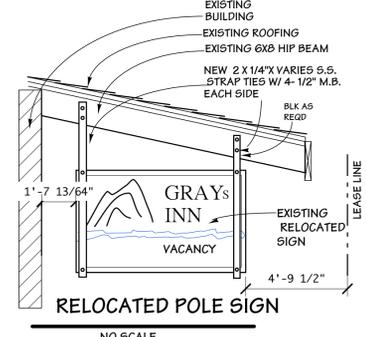
EXISTING PHOTO OF ENTRANCE/SIGN



PROPOSED ENTRANCE/ SIGN PHOTO

SIGN INFORMATION

EXISTING SIGN SQUARE FOOTAGE
 RELOCATED ONE POLE SIGN TO ONE PROJECTING SIGN = 5.0' X 3.3' = 16.5 S.F.
 RELOCATED ONE MONUMENT SIGN = 3.3' X 2.2' = 7.3 S.F.
 TOTAL SIGN SQUARE FOOTAGE = 23.8 S.F.
 CH. 17.6B ALLOWABLE AREA 1 S.F./ 1 LIN FT.
 OF BUILDING, EXIST BUILDING 24' LIN FT. 23.8 S.F. O.K.



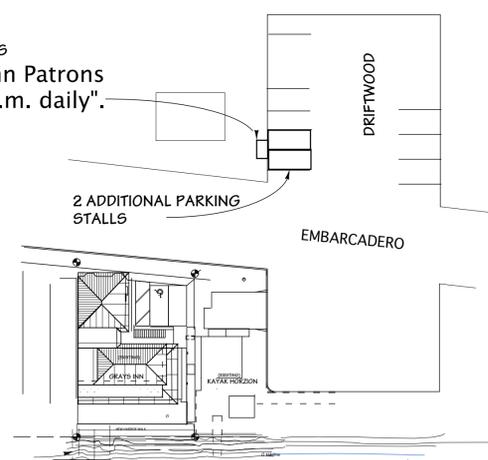
RELOCATED POLE SIGN

PROPOSE PLANS AS DRAWN. RAISE EXISTING SIDEWALK 2\"/>

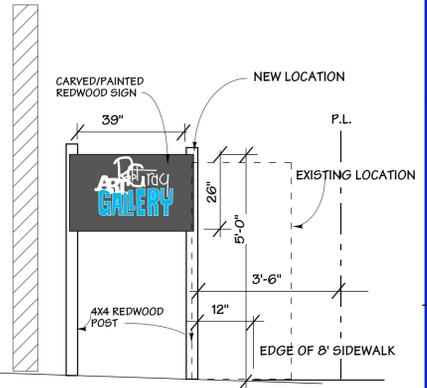
WORK PLAN

INSTALL A SIGN THAT STATES
**Parking for Gray's Inn Patrons
 only 3 p.m. to 11 a.m. daily.**

REMOVE EXISTING STEPS
 INSTALL NEW H.C. PUBLIC ACCESS RAMP



ADDITIONAL PARKING FOR GRAYS INN



RELOCATED MONUMENT SIGN

EMBARCADERO SIDE IMPROVEMENTS

SCALE 1/4" = 1'-0"

BOTTOM OF NEW RAMP
 ELEV. 11.16 FS (SEE A-1)

PROJECT NORTH

NO SCALE

PROJECT NORTH

A-1

LAND/SEA INTERFACE
 GENE DOUGHTY-ARCHITECT
 1-805-772-6436
 C 18794

Gray's Inn improvements
 561 EMBARCADERO, MORRO BAY, CALIF

EMBARCADERO IMPROVEMENTS SIGN PHOTOS

SCALE: AS NOTED
 DRAWN: GD

SHEET **A-3** OF 3 SHEET



AGENDA NO: C-1

MEETING DATE: January 23, 2018

Staff Report

TO: Honorable Mayor and City Council

DATE: January 17, 2018

FROM: Jennifer Callaway, Finance Director

SUBJECT: Receive the Citizen's Finance Advisory Committee Report on FY 2016/17 Measure Q transactions and other activities during the year.

RECOMMENDATION

Council:

1. Receive the Citizen's Advisory Finance Committee Report on FY 2016/17 Measure Q transactions and other activities during the past year; and,
2. Receive the Citizen's Advisory Finance Committee Comprehensive Audited Financial Review Recommendations.

FISCAL IMPACT

There is no fiscal impact associated with this recommendation.

BACKGROUND

The Citizen's Finance Advisory Committee (CFAC) meets monthly to provide citizen input to the City Council and staff, regarding financial policy or process issues, including audits, financial budgets, contract expenditures and financial reports. In addition, the Committee's role is to help promote citizen participation with, and understanding of, governmental financial information and processes, such as the financial documents, audits, and budgets, as well as the financial condition of the City.

In accordance with those duties, as outlined in the City of Morro Bay Advisory Boards Handbook and By-Laws, CFAC met in November to discuss the FY 2016/17 Measure Q transactions and activities for FY 2016/17. Committee Chair Barbara Spagnola has prepared an update for the City Council included as Attachment 1 and will be presenting that report to the City Council.

During the October 17, 2017 CFAC meeting, the Comprehensive Annual Financial Report (CAFR) Subcommittee presented a report on its review of the FY 15/16 CAFR report with recommendations to management. The Committee's CAFR report is included as Attachment 2. Staff has reviewed the report, appreciates the Committee's feedback and is in agreement on the recommendations presented.

Prepared By: JC

Dept Review:

City Manager Review: SC

City Attorney Review: JWP

CONCLUSION

The CFAC Committee has provided valuable input to staff and we look forward to continuing to partner with the committee to accomplish the committee's duties as outlined in the Advisory Board Bylaws.

ATTACHMENTS

1. CFAC Presentation
2. CFAC Review of June 30, 2016 CAFR memo and recommendations.



Citizens Oversight Committee

(Acting as the Citizens Finance Advisory Committee)

Agenda

- Summarize Citizen Finance Advisory Committee (CFAC) review of all Measure Q previous fiscal year transactions (2016-2017)
- Report CFAC other activities during past year and recommendations



Citizens Oversight Committee

Measure Q Overview

- Committee met Oct and Nov 2017 to review and discuss all Measure Q fiscal year unaudited transactions (2016-2017)
 - Chairperson: Barbara Spagnola
 - Members: Dawn Addis, Bart Beckman, David Betonte, John Erwin, Walter Heath and John Martin
- Measure Q Financial Summary
 - Tax revenue from Measure Q and Cal grant for the fiscal year was \$ 1,118,270
 - Total expenditures for the fiscal year were \$ 1,544,678
 - Prior year carryover balance used for increased expenditures



Citizens Oversight Committee

Measure Q Total Spending 2016-2017

- Fire Department - \$ 339,737
 - Vacation relief person and OT to maintain 4 personnel per shift
 - Fire Station debt service
- Police Department - \$ 72,225
 - School Resource Officer (SRO)
- Storm Drains/Creek Maintenance - \$ 489
- Street Maintenance - \$ 1,132,118



Citizens Oversight Committee

Measure Q Recommendations

- CFAC approved unaudited Measure Q transactions during the fiscal year 2016-2017
- Carryover and unallocated cash
 - CFAC recommends \$ 72,553 remaining Measure Q funds from 2016-2017 be incorporated into 2017-18 midyear budget
- Continue progress on the funding categories identified in the 2006 Measure Q ballot initiative



Citizens Oversight Committee (Acting as CFAC)

- Summary of recent CFAC activities
 - Detailed review and recommendations of the City's 2015-2016 CAFR
 - Continuing progress on public friendly budget documents
 - Initiated subcommittee work on preparation of budget calendar
 - Continue involvement in City budget process
- Any questions for CFAC members ?
- Thank You

Date September 27, 2017
From: CFAC Subcommittee for CAFR Review
To: City of Morro Bay Citizen's Finance Advisory Committee (CFAC)
Subject: **Review of June 30, 2016 Comprehensive Annual Financial Report**

The CAFR Subcommittee, consisting of Barbara Spagnola, John Erwin and John Martin met and discussed the CAFR. They provide this draft report to the CFAC for its review and approval. After approval, it will be transmitted to the City Council and copied to management.

Senior management responsible for preparation of the June 30, 2016 CAFR no longer work for the City and current interim management will oversee the preparation of the June 30, 2017 CAFR, pending the hiring of a city manager and a finance director. It is hoped that this report will be helpful to the City Council, interim management and the full-time management when they come aboard.

The June 30, 2016 CAFR was already received and filed by the City Council; therefore, it can't be changed, nor do we desire to change it. Our review is intended to assist management to create a more user-friendly CAFR in the future. As an advisory committee to the Council, CFAC has no authority to direct management to do anything, so our recommendations should not be construed as requirements of any kind. Only the City Council can direct management to make the improvements we suggest.

Signed:



Barbara Spagnola



John Erwin



John Martin

Date

1

From: Citizen's Finance Advisory Committee (CFAC)

To: Morro Bay City Council

Subject: **Review of June 30, 2016 Comprehensive Annual Financial Report (CAFR)**

The first duty of the Citizen's Finance Advisory Committee as listed in the CFAC by-laws is "1. Annual review of independent financial audit, with recommendations, as appropriate." To fulfill this duty, CFAC appointed an ad-hoc subcommittee to perform a detailed review of the 2016 CAFR and produce a memo to Council. This memo was reviewed and approved by the full Committee at its meeting on _____.

The City is to be congratulated for preparing its first Comprehensive Annual Financial Report. A complete CAFR helps the Council and the public understand complex governmental accounting. The transmittal memo and management's discussion and analysis provide context for the figures presented in the financial statements. Information in the statistical section provides credit rating agencies with the additional information needed to determine the City's creditworthiness.

The subcommittee's primary goal in reviewing the CAFR is to provide the Council and management with input to help develop a more readable CAFR that can be more easily understood and useful for decision making. It is not our intent to review the auditor's work. The auditor has issued a clean audit opinion that the financial statements fairly present the City's financial position in all material respects. Nor is it our intent to supplant management's judgment with our own. Management is primarily responsible for the CAFR and the Council is ultimately responsible. Our intent here is to carefully read the CAFR and provide suggestions for preparing a better document in the 2017 CAFR.

We have provided some level of detail here as a help for management to create a better document, not to pick apart their work. Hopefully, management will receive these suggestions in the spirit they are offered.

We present five suggestions for improving the CAFR which are discussed in more detail below:

1. Management should provide references to tables, page numbers and notes in the transmittal memo and Management's Discussion and Analysis (MD&A).
2. Management should ensure that data discussed in the transmittal memo or the MD&A are clearly available in the financial statements, notes or statistical section.
3. Management should provide a narrative in the transmittal memo or the MD&A regarding any materially significant items.
4. Management should ensure that the CAFR is internally consistent without conflicting data, errors or unintentionally misleading statements.
5. Management should address the auditor's comments.

Discussion

Management should provide references to tables, page numbers and notes in the transmittal memo and Management's Discussion and Analysis (MD&A). This can be accomplished with footnotes or

parenthetical references. If the data are not available within the CAFR, then the source of the data should be noted. Some examples:

2

- a) Page vii of the transmittal memo makes claims regarding the three largest general fund revenue sources which is difficult to verify because the data for each revenue source are not shown anywhere in the financial statements (page 31 is the location that the data would be found, but that level of detail is not available there). Page 147 (statistical section) could be referenced, as it is the only place that shows each revenue source individually (except the figures in the statistical section are unaudited).
- b) Discussion of the CalPERS side fund liability on page ix could reference note 5 on page 67.
- c) The transmittal memo presents the Council's general fund reserve policy (Res. No. 33-15 on page x) but no effort is made to compare the Council's reserve goal with the actual amount on 6/30/16. The page showing the actual reserve (is it page 29?) could be cited and the amount compared with the Council's goal. (As an aside, we can't determine from the CAFR what measure the Council has set for the general fund reserve. Is it cash, fund balance, working capital, net position or something else?) Page 13 contains the statement, "As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 34% of total general fund expenditures." While this may be useful information, it is not the measure that the City Council has determined in Resolution 33-15.

Management should ensure that any data discussed in the transmittal memo, auditor's report or the MD&A are clearly available in the financial statements, notes or statistical section. If an issue is important enough to discuss, it is important enough to show actual dollar figures somewhere in the financial statements. A reader should be able to go to the actual figures to make their own calculation for any claims made in the transmittal memo or MD&A. If the dollar amounts are not available in the financial statements, then a table could be included in the transmittal memo. Some examples:

- a) The calculation for the State Water Project payments coverage ratio (see page 2 and note 10 on page 84) is omitted from the CAFR. Since the calculation is determined by the state contract and is not easily derived from the financial statements themselves, it should be shown separately in the Supplementary Information section.
- b) Note 10 on page 84 states that the City paid \$2,166,523 for its SWP water costs, but this figure is not found anywhere in the financial statements. We assume that these costs are included in the "Administration" operating expense of \$3,228,175 shown on page 38. Could the SWP cost be split out on a separate line, considering its materiality?

Management should provide a narrative in the transmittal memo or the MD&A regarding any materially significant items. Not every item is significant, but items with a very large dollar amount should be considered significant and should be explained. Some examples:

- a) Governmental funds' receivables decreased \$1.8 million. Management should provide an explanation.
- b) Business-type prepaid items and inventories decreased \$878K. An explanation would be helpful.
- c) Aggregate net pension liabilities (governmental and business-type combined) increased \$2.7 million. Reasons are not mentioned. Although this is a relatively new line item in the financial statements, its importance should be addressed by management in the CAFR. The current liability, given CalPERS current discount rate, is \$17,806,057, a considerable hangover. Note 7

provides considerable background information, but it is incumbent upon management to explain the significance of this growing liability.

3

- d) "Other taxes" in governmental activities decreased from \$6.5 million to \$5.3 million (Table 2, page 12). An explanation would be helpful.
- e) Increase (decrease) in net position before transfers for governmental activities (Table 2, page 12) changed from a gain of \$1,545,000 in fiscal 2015 to a loss of (\$237,000) in fiscal 2016. No explanation is offered.
- f) Committed fund balance in the general fund decreased from \$1,277,000 to \$80,000 (page 29). Note 9 (page 83) shows the exact figure of \$79,515 for "Facility Maintenance Fund," but there is no explanation anywhere as to the nature of the commitment or the reason for the decrease.
- g) Very little information is provided regarding transfers (Note 3, page 64). Note 1 on page 57 describes the accounting treatment of transfers in general, but there is no explanation regarding the actual transfers made. Since the dollar amounts are significant (\$1.7 million into the general fund and \$0.8 million out of the general fund) more information is warranted.
- h) Although fiduciary funds are not material to the government, as they are not assets of the government, there should at least be a sentence or two describing their purpose. Since the City has only two fiduciary funds, this should not take much space.

Management should ensure that the CAFR is internally consistent without conflicting data, errors or unintentionally misleading statements. Some examples:

- a) Conflicting data:
 - i. The transmittal memo (page viii) states that the City's population increased from 10,640 to 10,722; however, the table on page 163 shows the prior year's population as 10,254. These data come from the California Department of Finance and they issue corrected data in subsequent publications. Tables in the statistical section should be corrected if necessary.
 - ii. Pages 165-166 show full-time city government employees by function for the most recent ten years. Typically this table would show full-time equivalents (FTEs), which is a better measure of City employment. Consequently, the 96.50 employees shown for fiscal 2016 (page 166) conflicts with the 148 employees shown on page 164. Some effort should be made to reconcile these data.
- b) Errors:
 - i. The link provided on page vi of the transmittal memo is the incorrect link. It is for the Schedule of Findings and Questioned Costs for the prior fiscal year of 2015.
 - ii. Page viii of the transmittal memo states that permit revenues and impact fees increased \$366,000, but they actually increased \$401,000 as shown in the table on page 172 (increased from \$734,000 to \$1,135,000). The amount is misstated in the transmittal memo because of inconsistent number rounding. The correct figure of \$401,000 is needed to compute the stated percentage of +54.6%.
 - iii. Ensure that all tables are properly labeled. Example: the heading for the table on pages 139-140 should state "in thousands of dollars."
 - iv. The term "net assets" should be relabeled "net position" wherever it occurs. Example on page 12.
- c) Unintentionally misleading statements:
 - i. The transmittal memo provides a discussion of increasing revenues in the general fund (pages vii – viii); however, Table 2 on page 12 shows that total

revenues for governmental activities decreased from \$17,022,000 to \$15,426,000, with no explanation. It is understood that governmental activities encompass more than just the general fund, and that there is a difference in the basis of accounting and measurement focus, which accounts for some of the apparent discrepancy. Still, the decrease in revenues should be explained by management.

4

- ii. Pages 7 and 10 state that land held for resale increased \$1.4 million without any explanation as to how this happened. If it was the result of the Council simply reclassifying land that was previously held for City use, then the effect would be to simply increase the fund balance in the general fund by the same amount. An explanation would be helpful.

Management should address the auditor's comments. Some examples:

- a) Page 2 of the auditor's report states, "As of June 30, 2016, the City's Governmental Activities and Harbor Enterprise Fund had unrestricted net position deficits of \$5,767,414 and \$608,390 respectively. Management's plans regarding those matters are also described in the Management's Discussion and Analysis." No such plan is found in the MD&A.
- b) In regards to the SWP payment coverage ratio deficiency, the auditor states on page 2, "Management's plan regarding this matter is also described in the Note 10 to the basic financial statements." No such plan can be found in Note 10.

In addition to the above-mentioned items, it may also be helpful to have someone on staff who was not involved in the CAFR's preparation to proofread it prior to its publication. Some items to be mindful of would be:

- a) The use of acronyms that have not been defined or explained prior to their first use.
- b) Terms that may mean nothing to the average reader even though they are very familiar to management. For example, "triple-flip." Some short definition should be included.
- c) Unintentional carryovers from the prior year's CAFR template (year designations, old data, old or broken web links, etc.).
- d) Ambiguous statements that don't clearly convey management's intent.

Conclusion

The City has taken a great step forward to conform its annual financial reporting to industry standards. The CAFR should be submitted to the Government Finance Officers Association for their review and critique. In the meantime, the Citizen Finance Advisory Committee has endeavored to review the document with an eye to making it more user-friendly for the Council and citizens of Morro Bay. One of the Council's goals (Goal 10(e) on page xiv of the CAFR) is "Improve public information and public outreach, ensuring less technically-oriented residents have access." It is hoped that CFAC's efforts in producing this memo furthers that goal.



AGENDA NO: C-2

MEETING DATE: January 23, 2018

Staff Report

TO: Honorable Mayor and City Council **DATE:** January 18, 2018

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

SUBJECT: Authorize release of a Request for Proposal (RFP) for design/build of the City of Morro Bay Water Reclamation Facility Onsite Improvements to three pre-qualified design build entities that submitted Statements of Qualifications (SOQ) in accordance with the Request for Qualifications (RFQ) issued on October 27, 2017

RECOMMENDATION

City Council:

1. Review the final draft of the RFP for the Morro Bay Water Reclamation Facility Onsite Improvements that incorporated changes directed at the January 17, 2018, Special Council Meeting; and,
2. Direct staff to release the RFP to;
 - a. AECOM/WM Lyles Company Joint Venture
 - b. Filanc/Black & Veatch Joint Venture
 - c. Kiewit Infrastructure West Company and Tetra Tech, Inc.; or
3. Provide other direction as deemed appropriate.

FISCAL IMPACT

No additional fiscal impact is anticipated with this proposed action. All work is proceeding within the City's fiscal year budget for the Water Reclamation Facility (WRF).

BACKGROUND/DISCUSSION

As directed by City Council on October 10, 2017, staff is proceeding with an accelerated schedule to release the RFP for WRF Onsite Improvements on January 24 and receive proposals by April 24, to inform the rate study update process.

On October 27, the City issued a Request for Qualifications inviting Design-Build entities to submit Statements of Qualifications to the City for the WRF Onsite Improvement project. This was the first step in the two-step process as stipulated in the California Public Contracts Code for Cities to use the design build procurement process.

At the December 5 WRFCAC meeting, Paul Donnelly, Valerie Levulett, and Steve Shively were selected to participate in the review of SOQs and proposals. On December 7, the City received SOQs from the following teams:

1. AECOM/WM Lyles Company Joint Venture
2. Filanc/Black & Veatch Joint Venture
3. Kiewit Infrastructure West Company and Tetra Tech, Inc.
4. Sundt/Parsons Joint Venture

Prepared By: __RL__

City Attorney Review: __ __

City Manager Review: __SC__

The evaluation committee, consisting of the selected WRFCAC members and City staff, was convened prior to the WRFCAC meeting to discuss the SOQs.

At the January 4 WRFCAC meeting, City staff and the technical consultant team presented an overview of the draft RFP, provided copies for review by WRFCAC members, and requested input on the recommended shortlist for issuance of the RFP.

The schedule for review of the draft RFP included the WRFCAC meeting on January 4, intended to provide an overview of the draft RFP; a special WRFCAC meeting on January 11, which provided the opportunity for additional review and more detailed discussion; a City Council study session on January 17, and this meeting for the City Council to review the directed changes and approve release of the amended RFP.

The City has received communications that the Sundt/Parsons team will be withdrawing from consideration in the RFP process. Staff recommends issuance of an amended RFP to the remaining three teams:

1. AECOM/WM Lyles Company Joint Venture
2. Filanc/Black & Veatch Joint Venture
3. Kiewit Infrastructure West Company and Tetra Tech, Inc.

At the January 17 Special Council Meeting, City Council members had consensus on the following nine items and directed the RFP to be modified to reflect the following:

1. *Increase weighting for price proposal and life cycle costs to 60% of total or more and combine the other components of the evaluation criteria into one, i.e. "Technical Proposal"*
2. *Develop a scoring system for proposal evaluation to provide a scale for how points will be assigned for each criterion*
3. *Expand the communications protocol to include direction for the Design-Build teams in the case that a community member or group contacts them about the project*
4. *Add Project Goals, and discussion of the history of the project to the Introduction*
5. *Make demolition of the existing WWTP an additive bid item/bid alternate*
6. *Increase landscaping buffer for property to the south; contact the neighboring property owner and address concerns to the maximum extent possible*
7. *Remove specifics, i.e. floorplan, on the Admin/Ops Building, just include the requirements*
8. *Provide information on project risk and allocation between City and DB Team. Are there acceptable ways for the City to take on more risk to reduce cost of the project?*
9. *Minimize prescriptive nature and maximize potential for creative/cost effective alternatives*

In response to Council's desire for a provision that provides some incentive for further cost savings if opportunities arise during the design phase, staff affirmed a value engineering cost savings provision would be included in the agreement.

ATTACHMENTS

1. Draft RFP (Previously Transmitted) – [Link to RFP on Project website](#)
2. Summary of Changes made to the RFP (to be included in an addenda)



AGENDA NO: C-3

MEETING DATE: January 23, 2018

Staff Report

TO: Honorable Mayor and City Council

DATE: January 16, 2018

FROM: Dana Swanson, City Clerk
Rob Livick, Public Works Director/City Engineer

SUBJECT: Accept the Voluntary Resignations of Water Reclamation Facility Citizen's Advisory Committee (WRFCAC) Members, Consider Request for a Leave of Absence and Provide Direction regarding the Number of Committee Members and Purpose for that Committee

RECOMMENDATION

Staff recommends the City Council:

1. Accept the resignations of WRFCAC Committee Members Ginny Garelick, Ann Fullerton, and Dale Guerra; and,
2. Direct staff to begin a recruitment to fill those vacancies; and,
3. Provide direction in response to John Diodati's request for a leave of absence from the Committee; and,
4. Consider establishing a mission statement clarifying the expectations for the WRFCAC technical review committee, or
5. Provide other direction as deemed appropriate.

ALTERNATIVES

- A. The Council may choose to reduce the number of committee members from nine to seven.
- B. The Council may choose to establish policies, consistent with the permanent advisory bodies, regarding the allowed number of absences from regular scheduled meetings.
- C. Dissolve the WRFCAC and use the Public Works Advisory Board and Citizens Finance Advisory Committee to provide input to Council in their respective areas of expertise. Should the Council choose this alternative, staff recommends the remaining WRFCAC members, Valerie Levulett, Paul Donnelly and Steve Shively continue to serve on the RFP review committee.

FISCAL IMPACT

There is no fiscal impact associated with this action.

BACKGROUND/DISCUSSION

In May 2014, the Council directed staff to begin the recruitment process of a single-purpose, limited-term technical review committee for the Water Reclamation Facility (WRF) project, that would include one representative from the Public Works Advisory Board (PWAB) and one from the Planning Commission as appointed by those bodies, plus five members appointed by the City Council, with the potential for two alternates. Members were chosen based on the following criteria: must be 18 years or older and reside and/or own a business or property in the greater Morro Bay area and should have an interest in or knowledge of engineering, water quality, planning,

Prepared By: __DS__ City Attorney Review: __JWP__
City Manager Review: __SC__

environmental permitting or municipal finance matters. It was the desire of the City Council to appoint members with backgrounds in the above mentioned subject areas, so they may advise the community and Council on WRF issues such as location, treatment technology and reclamation opportunities, and serve until the Council determines the committee is no longer needed.

The Council conducted interviews on July 7 and 8, 2014, and chose to eliminate potential alternates and appoint seven full members, resulting in a nine-member Committee. The initial Committee included the following individuals:

- Planning Commissioner: Richard Sadowski
- Public Works Advisory Board Member: Steven Shively
- At large member: Barbara Spagnola
- At large member: Bill Woodson
- At large member: Dale Guerra
- At large member: John Diodati
- At large member: Mary (Ginny) Garelick
- At large member: Paul Donnelly
- At large member: Valerie Levulett

Mr. Woodson resigned in early 2017 and Ann Fullerton was appointed to fill that vacancy on April 11, 2017.

Ginny Garelick, Ann Fullerton and Dale Guerra have recently voluntarily resigned from the Committee for personal reasons. Staff requests direction on whether to begin a recruitment to fill those vacancies and whether to reduce the number of committee members from nine to seven.

On January 17, staff also received a formal request from John Diodati for an approved leave of absence for 4 to 6 months while he takes on additional work duties in a temporary capacity. The three resignations and request for absence leave five remaining members, which is the required number to form a quorum and conduct a meeting. Should the Council reduce the number of members to seven, then four members are required to form a quorum.

As a limited term committee, there are no formal by-laws or policies regarding absences from regular meetings, so the Council may wish to consider establishing guidelines going forward as they consider Mr. Diodati's request.

As the Council revisits the desired make-up of the Committee, staff recommends the Council consider establishing a mission or purpose statement to help direct the work for the Committee from this point forward in the project. Currently, the two resolutions that guide the Committee (Attachments 2 and 3) do not address that and it might be helpful to its members, staff and the community to understand the intended focus. The desired language or components of that mission statement and any other policy guidelines can be brought back for formal adoption by resolution at a future meeting.

ATTACHMENTS

1. Letters of Resignation
2. Resolution No. 34-14 directing the formation of the WRFCAC
3. Resolution No. 53-14 modifying the makeup of the WRFCAC

Dana Swanson

From: Robert Davis
Sent: Friday, January 05, 2018 10:24 AM
To: Dana Swanson
Subject: Fwd: Resignation

Robert Fuller Davis
Morro Bay California

I hope to arrive to my death late, in love, and a little drunk.
- Atticus

Begin forwarded message:

From: Ginny Garelick <ggarelick@morrobayca.gov>
Date: January 5, 2018 at 9:22:07 AM PST
To: Jamie Irons <jirons@morrobayca.gov>, Marlys McPherson <mmcpherson@morrobayca.gov>, Matt Makowetski <mmakowetski@morrobayca.gov>, John Headding <jheadding@morrobayca.gov>, Robert Davis <rdavis@morrobayca.gov>
Cc: Scott Collins <scollins@morrobayca.gov>, Rob Livick <rlivick@morrobayca.gov>, Janeen Burlingame <jburlingame@morrobayca.gov>, John Diodati <jdiodati@morrobayca.gov>, Paul Donnelly <pdonnelly@morrobayca.gov>, Ann Fullerton <afullerton@morrobayca.gov>, Dale Guerra <dguerra@morrobayca.gov>, Valerie Levulett <vlevulett@morrobayca.gov>, Richard Sadowski <rsadowski@morrobayca.gov>, Steve Shively <sshively@morrobayca.gov>, Barbara Spagnola <bspagnola@morrobayca.gov>
Subject: Resignation

Dear Mayor Irons and City Council members,

After much soul searching, I am writing to inform you that I am resigning my position on the WRFAC, effective immediately. In light of the fact that the City of Morro Bay is currently recruiting volunteers for positions on various advisory boards, I believe this is an excellent time for me to step aside and provide someone (who has a fresh perspective) the opportunity to help guide the design and construction of the new WRF.

It has been an honor to serve on the WRFAC for the past three years and I greatly appreciate your confidence in me. I will continue to look for funding sources for the WRF and will happily provide you the results of this research. In the meantime, if you have questions, please feel free to contact me.

Thank you for your understanding.

Best regards,

Mary ("Ginny") Garelick

Dana Swanson

From: Scott Collins
Sent: Wednesday, January 17, 2018 2:43 PM
To: Dana Swanson; Lori Kudzma
Cc: Rob Livick
Subject: FW: Resignation

Importance: High

FYI, another resignation on WRFCAC. Please contact Ann directly if we need her to send us the formal resignation.

Thanks,
Scott

From: john diodati [REDACTED]
Sent: Sunday, January 14, 2018 12:59 PM
To: Ann Fullerton <afullerton@morrobayca.gov>
Cc: John Diodati <jdiodati@morrobayca.gov>; Rob Livick <rlivick@morrobayca.gov>; Scott Collins <scollins@morrobayca.gov>
Subject: Re: Resignation

Congratulations Ann! Thank you for the notice. I'm including the city on this email. John.

Sent from my iPhone

On Jan 12, 2018, at 3:40 PM, Ann Fullerton <afullerton@morrobayca.gov> wrote:

Hi John,

I am writing to inform you that I am tendering my resignation from WRFCAC effective immediately. I have been accepted to a Masters program in the Bay Area and can not devote the appropriate time required to effectively serve on the committee.

Regards,
Ann Fullerton

Dana Swanson

From: Rob Livick
Sent: Thursday, January 18, 2018 7:15 AM
To: Dale Guerra
Cc: Scott Collins; Dana Swanson; Gina Gregory
Subject: Re: WRFCAC

Dale,

Thank you for your service and helping us get this far with the WRF projects. We are sorry to lose your perspective from the committee, but I understand that it is family first..

Thank you and take care.

Rob Livick, PE/PLS
Public Works Director/City Engineer
City of Morro Bay

From: Dale Guerra
Sent: Thursday, January 18, 2018 7:04:00 AM
To: Rob Livick
Subject: WRFCAC

Rob,

Due to family medical issues I am resigning from the WRFCAC effective immediately.

Dale Guerra

Sent via the Samsung Galaxy S7 active, an AT&T 4G LTE smartphone

Jamie Irons, Mayor

City of Morro Bay

**SUBJECT: CONSIDERATION OF APPOINTMENT ON THE WATER RECLAMATION FACILITY CITIZEN
ADVISORY COMMITTEE**

Honorable Mayor and City Council,

I am writing to request that your council approve a leave of absence for me on the Water Reclamation Facility Citizen Advisory Committee (WRFCAC). I have been temporarily assigned additional duties at my work that will prevent me from participating in the monthly meetings. This assignment is expected to last 4 – 6 months. If you cannot accommodate this request, please accept this letter as my resignation from the WRFCAC.

Thank you,

John Diodati

RESOLUTION NO. 34-14

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
REGARDING THE SITING OF A NEW WATER RECLAMATION FACILITY
AND FORMATION OF A TECHNICAL REVIEW COMMITTEE**

THE CITY COUNCIL
City of Morro Bay, California

WHEREAS, the City of Morro Bay has an existing Wastewater Treatment Plant that requires replacement; and

WHEREAS, it has been determined to be in the best interest of Morro Bay to construct a new Water Reclamation Facility that complies with the California Coastal Commissions actions of January 8, 2013; and

WHEREAS, it is in the best financial interest of the community to minimize the major maintenance and repair costs at the existing wastewater treatment plant; and

WHEREAS, on February 25, 2014, City Council adopted Resolution 17-14 committing to have a new Water Reclamation Facility operational prior to the expiration of the discharge permit for the existing wastewater treatment plant, being five years more or less, and

WHEREAS, on May 13, 2014, the City Council received and reviewed the report from John F. Rickenbach Consulting regarding recommended Water Reclamation Facility (WRF) sites and reclamation.

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

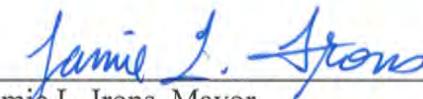
SECTION 1: The City Council provides the following direction to City staff:

- A. Begin preliminary discussions with the “Rancho Colina” property owner and regulatory agencies regarding site of a WRF on that property; and bring back to City Council a draft Memorandum of Understanding with the property owner that addresses the goals of each party, a negotiation timeline and general non-financial terms of the property acquisition.
- B. Continue parallel path discussions with County and regulatory staff regarding a WRF at the California Men’s Colony site.
- C. Form a WRF Technical Review Committee (TRC) that will be composed of one member from the Public Works Advisory Board and one member from the Planning Commission as appointed by each body and five members and two alternates to be selected from the community at-large. Council will appoint the at-large and alternate members using the same procedures as it uses to appoint to its standing advisory boards.

D. The City Council has reviewed the report entitled *New Water Reclamation Facility Project Report on Reclamation and Council Recommended WRF Sites* dated May 8, 2014, and will rely on its conclusions and recommendations as this process moves forward, with the understanding changes to those, and that reliance, may need to happen along the way due to more definitive or different information that may become available.

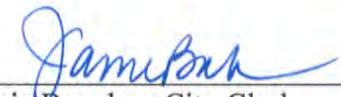
PASSED, APPROVED, AND ADOPTED, by the City of Morro Bay City Council, at a regular meeting held on this 27th day of May, 2014 by the following vote:

AYES: Irons, C. Johnson, N. Johnson, Leage, Smukler
NOES: None
ABSENT: None



Jamie L. Irons, Mayor

ATTEST:



Jamie Boucher, City Clerk

RESOLUTION NO. 53-14

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
MODIFYING THE MAKE UP OF THE WATER RECLAMATION FACILITY
CITIZEN'S ADVISORY COMMITTEE (WRFCAC)**

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

WHEREAS, it has been determined to be in the interest of the public to form a citizens advisory committee for the new Water Reclamation Facility; and

WHEREAS, on May 27, 2014, the City Council adopted Resolution 34-14 forming that advisory committee (now referred to as "WRFCAC") to be composed of one member from the Public Works Advisory Board and one member from the Planning Commission as appointed by those bodies and five members and two alternates to be selected from the community at-large; and

WHEREAS on July 7 and 8, 2014, the City Council conducted interviews of 16 applicants to fill vacancies on the newly formed WRFCAC and appointed five members and two alternates to that committee; and

WHEREAS, at the meeting of July 8, 2014, the City Council expressed its desire to eliminate WRFCAC alternates and appoint seven full members.

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

1. WRFCAC is to be composed of one sitting member from the Public Works Advisory Board and one sitting member from the Planning Commission, as appointed by those bodies, and seven members selected from the community at-large to be appointed by City Council.

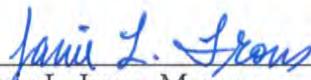
2. The initial City Council appointments to WRFCAC are:

- Planning Commissioner: Richard Sadowski
- Public Works Advisory Board Member: Steven Shively
- At large member: Barbara Spagnola
- At large member: Bill Woodson
- At large member: Dale Guerra
- At large member: John Diodati
- At large member: Mary (Ginny) Garelick
- At large member: Paul Donnelly
- At large member: Valerie Levulett

3. Changes in the above appointments to WRFCAC can be ratified or approved by motion of the City Council without the need for adoption of a new resolution.

PASSED AND ADOPTED by the Morro Bay City Council at a regular meeting thereof held on the 12th day of August, 2014 by the following vote:

AYES: Irons, C. Johnson, N. Johnson, Leage, Smukler
NOES: None
ABSTAIN: None



Jamie L. Irons, Mayor

ATTEST:



Jamie Boucher, City Clerk