



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, May 14, 2019 Veterans Memorial Hall - 5:30 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

- Hunger Awareness Day Proclamation Presented to the Food Bank Coalition of San Luis Obispo County

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.

Public comment is an opportunity for members of the public to provide input to the governing body. To increase the effectiveness of the Public Comment Period, the City respectfully requests the following guidelines and expectations be followed:

- Those desiring to speak are asked to complete a speaker slip, which are located at the entrance, and submit it to the City Clerk. However, speaker slips are not required to provide public comment.
- When recognized by the Mayor, please come forward to the podium to speak. Though not required, it is helpful if you state your name, city of residence and whether you represent a business or group. Unless otherwise established by the Mayor, comments are to be limited to three minutes.
- All remarks should 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.
- The Council in turn agrees to abide by its best practices of civility and civil discourse according to Resolution No. 07-19.

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 APRIL 9, 2019, CITY COUNCIL MEETING;
(ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-2 APPROVAL OF MINUTES FOR THE APRIL 23, 2019, CITY COUNCIL SPECIAL
CLOSED SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-3 APPROVAL OF MINUTES FOR THE APRIL 23, 2019, CITY COUNCIL MEETING;
(ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

- A-4 ADOPTION OF RESOLUTION NO. 29-19 APPROVING THE FISCAL YEAR 2019/20
BUSINESS TAX SCHEDULE; (FINANCE)

RECOMMENDATION: Council review the Business Tax Schedule and adopt Resolution No. 29-19, setting the Fiscal Year 2019/20 Business Tax Schedule.

- A-5 SET RATES (COLLECTION, PENALTY AND INTEREST) FOR MORRO BAY
COMMERCIAL CANNABIS TAX IN VOTER-APPROVED CHAPTER 3.70 (CANNABIS
TAX) OF TITLE 3 OF THE MORRO BAY MUNICIPAL CODE THROUGH APPROVAL
OF RESOLUTION NO. 30-19; (CITY ATTORNEY)

RECOMMENDATION: Council approve Resolution No. 30-19 to set rates (collection, penalty and interest) for the Morro Bay commercial cannabis tax.

- A-6 ADOPTION OF RESOLUTION NO. 31-19, WHICH RESCINDS RESOLUTION 37-18
AND EXTENDS THE ADOPTED FY 2018/19 MASTER FEE SCHEDULE INTO FY
2019/20 UNTIL THE FEE STUDY IS COMPLETE AND PRESENTED TO COUNCIL;
(FINANCE)

RECOMMENDATION: Staff recommends the City Council adopt Resolution No. 31-19, which extends the adopted Fiscal Year (FY) 2018/19 Master Fee Schedule until the pending Fee Study is complete and presented to Council. That Resolution will also rescind Resolution No. 37-18 that adopted the current FY 2018/19 Master Fee Schedule and replaces it in its entirety.

- A-7 ADOPTION OF RESOLUTION NO. 32-19 APPROVING AMENDMENT #1 TO THE
NEW MASTER LEASE AGREEMENT BETWEEN THE CITY OF MORRO BAY AND
FLYING DUTCHMAN ENTERPRISES (STAN VAN BEURDEN) FOR LEASE SITE
96/96W, LOCATED AT 945 EMBARCADERO; (HARBOR)

RECOMMENDATION: City Council adopt Resolution No. 32-19, approving Amendment #1 to the new Master Lease Agreement (“MLA”) for Lease Site 96/96W, as proposed.

A-8 PROCLAMATION DECLARING JUNE 7, 2019 AS "HUNGER AWARENESS DAY"; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

B. PUBLIC HEARINGS

B-1 ADOPTION OF RESOLUTION NO. 28-19 APPROVING CONCEPT/PRECISE PLAN CONDITIONAL USE PERMIT NO. CUP18-10 FOR US COAST GUARD STATION BUILDING, 1279 EMBARCADERO. (PROJECT INCLUDES 806SF ADDITION TO EXISTING US COAST GUARD BUILDING ON CITY LEASE SITE 141); (COMMUNITY DEVELOPMENT)

RECOMMENDATION: Council adopt Resolution No. 28-19, making the necessary findings for approval of Conditional Use Permit (CUP) No. 18-10 as Concept/Precise Plan approval, for Lease Site 141, located at 1279 Embarcadero.

C. BUSINESS ITEMS

C-1 REVIEW AND APPROVAL OF BASIS OF DESIGN REPORT (BODR), POTENTIAL CHANGE ORDERS (PCO), AND INCREASE OF THE GUARANTEED MAXIMUM PRICE (GMP) FOR THE WATER RECLAMATION FACILITY; (PUBLIC WORKS)

RECOMMENDATION: City Council take the following actions:

1. Review and Approve the Draft Basis of Design Report (BODR), and
2. Review and Approve the potential change orders (PCOs) for the Water Reclamation Facility (WRF) that increases the Guaranteed Maximum Price for the construction of the WRF from \$67,234,512 to \$69,102,419, and
3. Authorize the City Manager to approve future changes to the GMP up to approximately 0.2 percent of the increased GMP (maximum of \$125,000) that will be reported to Council in the regular updates, and
4. Authorize the City Attorney to prepare and the City Manager to sign an amendment to the design build agreement for the WRF (DB Agreement) to memorialize items 2 and 3 above.

C-2 CITY COUNCIL GOALS AND WORK PLAN FOR 2019 AND 2020; (CITY MANAGER)

RECOMMENDATION: Council review and adopt the 2019 and 2020 City Goals and Work Plan and provide further direction to staff as appropriate.

C-3 ADOPTION OF RESOLUTION NO. 33-19 APPROVING THE ENGINEER'S REPORT AND DECLARING THE INTENT TO LEVY THE ANNUAL ASSESSMENT FOR THE CLOISTERS LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (PUBLIC WORKS)

RECOMMENDATION: City Council adopt Resolution No. 33-19 declaring the intent to levy the annual assessment for the maintenance of the Cloisters Park and Open Space for fiscal year 2019/20 and approving the Engineer's Report.

C-4 ADOPTION OF RESOLUTION NO. 34-19 APPROVING THE ENGINEER'S REPORT AND DECLARING THE INTENT TO LEVY THE ANNUAL ASSESSMENT FOR THE NORTH POINT NATURAL AREA LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (PUBLIC WORKS)

RECOMMENDATION: City Council adopt Resolution No. 34-19 approving the Engineer's Report and declaring the intent to levy the annual assessment for maintenance of the North Point Natural Area.

- C-5 ADOPTION OF ORDINANCE NO. 622 AUTHORIZING AN AMENDMENT TO THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM CONTRACT TO IMPLEMENT COST SHARING AND ADOPTION OF RESOLUTION NO. 35-19 APPROVING A 1% SALARY INCREASE FOR LOCAL POLICE MEMBERS IN THE MORRO BAY PEACE OFFICERS ASSOCIATION; (ADMINISTRATION)

RECOMMENDATION: Council

1. **Adopt by title only, with further reading waived, Ordinance No. 622 Authorizing an Amendment to the Contract between the City of Morro Bay and the Board of Administration of the California Public Employees' Retirement System (CalPERS) Implementing Section 20516 (Employees Sharing Additional Cost) to provide employee cost sharing of 1% for local police members in the Morro Bay Peace Officers Association (MB POA) for Fiscal Year 2018/19 (FY2018/19) and authorize the Mayor to execute the contract amendment; and,**
2. **Adopt Resolution No. 35-19 approving a 1% salary increase for those affected employees as agreed in the Successor Memorandum of Understanding (MOU) with the MB POA for the period July 1, 2018 – June 30, 2020, effective June 15, 2019.**

- C-6 OPTIONS TO ENHANCE COMMUNICATION AND ENGAGEMENT WITH THE COMMUNITY; (CITY MANAGER)

RECOMMENDATION: City Council review options to enhance communication and engagement with the community and provide direction as appropriate.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

E. ADJOURNMENT

The next Regular Meeting will be held on **Tuesday, May 28, 2019 at 5:30 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.

PRESENT:	John Headding Dawn Addis Robert Davis Jeff Heller	Mayor Council Member Council Member Council Member
ABSENT:	Marlys McPherson	Council Member
STAFF:	Scott Collins Chris Neumeyer Dana Swanson Jennifer Callaway Rob Livick Scot Graham Jody Cox Steve Knuckles Eric Endersby	City Manager City Attorney City Clerk Finance Director Public Works Director Community Development Director Police Chief Fire Chief Harbor Director

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Headding called the meeting to order at 5:30 p.m., with all but Council Member McPherson present.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

RECOGNITION – None

CLOSED SESSION REPORT – City Attorney Neumeyer stated no reportable action was taken by the City Council during Closed Session.

MAYOR & COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/6l1Q3nl4mrM?t=184>

CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS - None

PRESENTATIONS

- Bike to Work Day by Peter Williamson from San Luis Obispo Council of Governments
<https://youtu.be/6l1Q3nl4mrM?t=656>
- Month of the Child Proclamation – Shaina Paulson, CAPSLO
<https://youtu.be/6l1Q3nl4mrM?t=803>

PUBLIC COMMENT PERIOD

<https://youtu.be/6l1Q3nl4mrM?t=1199>

“Dead Air” Dave Sozinho from Estero Bay Community Radio, a listener supported community radio station on 97.3 FM, provided the business spot. For more information, visit yourvoice@esterobayradio.org or yourvoice@centralcoastradio.org.

Barry Branin, Morro Bay, requested an update on scheduled capital improvement repairs on the City's sewer main lines.

Rigmor, Morro Bay, suggested a sales tax initiative could help fund the rebuilding of the Surf Street stairs but encouraged the City to use any additional funds wisely.

Bill Martony, Morro Bay, suggested using volunteers to install a trail where the Surf Street stairs had been. He also opposed up-zoning in the draft Local Coastal Plan for the area south of the boat launch.

Demi, 2nd grade student from Del Mar Elementary, announced after school activities.

Jocelyn, 5th grade student at Del Mar Elementary, announced 5th grade camp had been postponed due to weather and the “Pennies for Patients” fundraising event for the Leukemia & Lymphoma Society ends April 18.

Peter Williamson, SLOCOG, presented an update on Bike Month activities in May 2019.

Erica Crawford, Morro Bay Chamber of Commerce, provided updates on upcoming events and training opportunities.

Ken Vesterfelt, Morro Bay, announced the 23rd annual Cruisin’ Morro Bay Car Show will be held May 2 – 5, 2019. For more information, visit www.morrobaycarshow.org.

Susan Stewart, Morro Bay, commented on Item C-2 suggesting any extra monies made available be directed toward diverse economic development.

Linda Winters, Morro Bay, encouraged residents to call your representatives in support of the Mobile Home Park Closure Protection Bill, AB 705, authored by Mark Stone.

Mayor Heading closed public comment.

The Council asked staff to respond to issues raised during public comment.

A. CONSENT AGENDA
<https://youtu.be/6l1Q3nl4mrM?t=3459>

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 FEBRUARY 26, 2019, CITY COUNCIL MEETING;
(ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE MARCH 1, 2019, CITY COUNCIL SPECIAL
MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF MINUTES FOR THE MARCH 26, 2019, CITY COUNCIL SPECIAL
CLOSED SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-4 PROCLAMATION RECOGNIZING APRIL 2019 AS “MONTH OF THE CHILD” AND
“CHILD ABUSE PREVENTION MONTH”

RECOMMENDATION: Approve as submitted.

- A-5 SECOND READING AND ADOPTION OF ORDINANCE NO. 621 TO ALLOW AND REGULATE WIRELESS TELECOMMUNICATION FACILITIES IN THE PUBLIC RIGHT-OF-WAY; (COMMUNITY DEVELOPMENT)

RECOMMENDATION: Adopt by title only Ordinance No. 621, "An Ordinance of the City Council of the City of Morro Bay, California, Adding Chapter 12.12 to Title 12 of the Morro Bay Municipal Code, entitled 'Wireless Telecommunications Facilities in the Public Right-of-Way'," and waive further reading of Ordinance No. 621.

- A-6 APPROVAL OF ISSUANCE OF REQUEST FOR PROPOSALS FOR REDEVELOPMENT ON LEASE SITES 34W AND 35W-36W, ADJACENT TO 225 & 235-245 MAIN STREET, RESPECTIVELY; (HARBOR)

RECOMMENDATION: Approve issuance of the revised Request for Proposals document to put Lease Sites 34W and 35W-36W out to bid for redevelopment.

- A-7 ADOPTION OF RESOLUTION NO. 23-19 INITIATING PROCEEDINGS TO LEVY THE ANNUAL ASSESSMENT FOR THE CLOISTERS PARK AND OPEN SPACE - LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (PUBLIC WORKS)

RECOMMENDATION: Adopt Resolution No. 23-19 ordering the preparation of an Engineer's Report detailing the expenses projected for Fiscal Year 2019/20 for the maintenance of the Cloisters Park and Open Space under the provisions of the "Landscaping and Lighting Act of 1972."

- A-8 ADOPTION OF RESOLUTION NO. 24-19 INITIATING PROCEEDINGS TO LEVY THE ANNUAL ASSESSMENT FOR THE NORTH POINT NATURAL AREA - LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (PUBLIC WORKS)

RECOMMENDATION: Adopt Resolution No. 24-19 ordering the preparation of an Engineer's Report detailing the expenses projected for Fiscal Year 2019/20 for the maintenance of the North Point Natural Area under the provisions of the "Landscaping and Lighting Act of 1972."

The public comment period for the Consent Agenda was opened

Jane Heath spoke representing Bill Martony and Bernadette Pekarek regarding Item A-6. She thanked staff for the substantive changes that had been made but expressed concerns about the current condition of Lease Site 34W. She suggested the Council expedite the RFP schedule and award a new lease as quickly as possible.

Bill Martony, Morro Bay, spoke regarding the current condition of Lease Site 34W.

The public comment period for the Consent Agenda was closed.

Mayor Headding pulled Item A-6.

MOTION: Council Member Davis moved approval of Items A-1 through A-5, A-7 and A-8. The motion was seconded by Council Member Addis and carried 4-0-1 by roll call vote with Council Member McPherson absent.

- A-6 APPROVAL OF ISSUANCE OF REQUEST FOR PROPOSALS FOR REDEVELOPMENT ON LEASE SITES 34W AND 35W-36W, ADJACENT TO 225 & 235-245 MAIN STREET, RESPECTIVELY; (HARBOR)
<https://youtu.be/611Q3nl4mrM?t=3811>

At Council's request, Harbor Director Endersby responded to concerns raised during public comment.

MOTION: Mayor Headding moved the Council not approve the RFP at this time and asked that it come back with shortened timeline for RFP process because of the issues that have been raised. The motion was seconded by Council Member Davis and carried 4-0-1 by roll call vote with Council Member McPherson absent.

B. PUBLIC HEARINGS - None

C. BUSINESS ITEMS

- C-1 ADOPTION OF RESOLUTION NO. 22-19, APPROVING A SUPPLEMENTAL LEASE AGREEMENT TO THE UNITED STATES COAST GUARD STATION MORRO BAY BUILDING LEASE FOR BUILDING EXPANSION PURPOSES, LOCATED ON LEASE SITE 141 AT 1279 EMBARCADERO; (HARBOR)
<https://youtu.be/611Q3nl4mrM?t=4509>

Harbor Director Endersby presented the report, noting the following change to the Supplemental Lease Agreement provided in the agenda packet. Copies of the revised document were provided for Council and public review.

At the City's request, the USCG committed to maximizing gender parity at Coast Guard Station Morro Bay by adding the following language to the Supplemental Lease Agreement:

"Government and City agree Government will in good faith seek to provide opportunities for gender parity at Coast Guard Station Morro Bay to the maximum extent possible, given the physical and space limitations of the station building."

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

Bob Keller, Morro Bay, recommended the City Council adopt Resolution No. 22-19, included with staff report as Attachment 1, to enable the Coast Guard to extend their billeting.

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

Council Member Addis suggested the following changes to the 3rd, 4th and final Whereas sentences in Resolution No. 22-19 (page 103 of the agenda packet):

- WHEREAS, the United States Coast Guard has stationed 100% male personnel, equipment and vessels in Morro Bay for the purposes of boating safety and enforcement, smuggling and drug interdiction, search and rescue and standing by the Morro Bay harbor entrance during hazardous conditions to assist vessels in transit and distress; and
- WHEREAS, the United States Coast Guard Station Morro Bay building does not adequately accommodate the station's personnel and equipment/storage needs, and, due to the fact the USCG station in Morro Bay does not allow for women, and the Coast Guard is desirous of expanding their existing building; and
- WHEREAS, the City of Morro Bay is supportive of the United States Coast Guard and desirous of assisting the Coast Guard better accommodate those in the Coast Guard

as well as hire women for the USCG station in Morro Bay that serve their community and country.

Council Member Heller appreciated the comments but felt it was not appropriate to modify the resolution. Mayor Headding clarified the proposed added language would hopefully prompt, but not bind, the Coast Guard to take action and noted copies of the modified lease agreement were provided to the Council and made available for public review,

MOTION: Council Member Addis moved the Council adopt amended Resolution No. 22-19 and supplemental lease agreement with new changes. The motion was seconded by Council Member Davis and carried 3-1-1 with Council Member Heller opposed and Council Member McPherson absent.

C-2 DISCUSSION OF REVISING THE GENERAL FUND ALLOCATION AMOUNT PROVIDED TO THE TOURISM BUSINESS IMPROVEMENT DISTRICT; (CITY MANAGER/FINANCE)
<https://youtu.be/6l1Q3nl4mrM?t=6504>

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

The public comment period for Item C-2 was opened; seeing none, the public comment period was closed.

The Council provided individual comments and there was consensus to have the Tourism Business Improvement District ("TBID") Advisory Board review and make a recommendation to Council regarding adding vacation rentals and RV Parks to the TBID and, if so, what that contribution might be; for the TBID to consider a reduction in the General Fund allocation with the intent to move those funds to economic development and help offset structural deficit; and to stay focused on revenues by investing in other areas of economic development, in addition to tourism.

Council Member Heller was concerned the Council was focused only on the TBID contribution and stressed the importance of reviewing the entire City position and services. He agreed it was important to receive TBID Advisory Board input.

Mayor Headding suggested the TBID Advisory Board should consider Resolution No. 03-16 in full to make sure all parties are meeting its intent.

C-3 ADOPTION OF RESOLUTION OF INTENTION TO APPROVE THE AMENDMENT TO THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM CONTRACT TO IMPLEMENT COST SHARING FOR LOCAL POLICE MEMBERS IN THE MORRO BAY PEACE OFFICERS ASSOCIATION; (FINANCE/HUMAN RESOURCES)
<https://youtu.be/6l1Q3nl4mrM?t=9643>

City Clerk Swanson presented a brief report.

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

MOTION: Council Member Davis moved the Council adopt Resolution No. 25-19 giving notice of the City's intention to approve an amendment to the contract between the City and the Board of Administration of the California Public Employees' Retirement System (CalPERS) to provide employee cost sharing of 1% for local police members in the Morro Bay Peace Officers Association (MBPOA) for Fiscal Year 2018/19. The motion was seconded by Council Member Addis and carried 4-0-1 by roll call vote with Council Member McPherson absent.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

None

E. ADJOURNMENT

The meeting adjourned at 8:15 p.m.

Recorded by:

Dana Swanson
City Clerk

MINUTES - MORRO BAY CITY COUNCIL
SPECIAL CLOSED SESSION MEETING –
APRIL 23, 2019 – 3:00 P.M.
FIRE STATION TRAINING ROOM – 715 HARBOR ST.

AGENDA NO: A-2
MEETING DATE: May 14, 2019

PRESENT: John Headding Mayor
 Dawn Addis Council Member
 Robert Davis Council Member
 Marlys McPherson Council Member

 Jeff Heller Council Member

STAFF: Scott Collins City Manager
 Chris Neumeyer City Attorney
 Scot Graham Community Development Director

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Headding called the meeting to order at 3:00 p.m. with all but Council Member Heller present.

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

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

Representatives speaking on behalf of King Ventures and Ram Krupa Real Estate, LLC presented concept design proposals for the Market Plaza project.

The public comment period was closed.

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

CS-1 GOVERNMENT CODE SECTION 54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATOR:

Property: 714 Embarcadero, 781 Market Street and parking lot; APNs 066-321-028, 066-321-027, 066-321-026, 066-321-025, 066-112-007, 006-321-008

Property Negotiator: King Ventures

Property Negotiator: Ram Krupa Real Estate, LLC

Agency Negotiators: Scott Collins, City Manager; Scot Graham, Community Development Director; and Chris Neumeyer, City Attorney

Negotiation: Price and Terms of Payment

Item CS-2 was continued to a future meeting.

CS-2 PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: City Attorney

RECONVENE IN OPEN SESSION – The City Council reconvened in Open Session. The Council did not take any reportable action in accordance with the Brown Act.

ADJOURNMENT - The meeting adjourned at 5:07 p.m.

Recorded by:

Dana Swanson
City Clerk

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PRESENT:	John Headding Dawn Addis Robert Davis Marlys McPherson	Mayor Council Member Council Member Council Member
ABSENT:	Jeff Heller	Council Member
STAFF:	Scott Collins Chris Neumeyer Dana Swanson Jennifer Callaway Rob Livick Scot Graham Jody Cox Matt Vierra Eric Endersby	City Manager City Attorney City Clerk Finance Director Public Works Director Community Development Director Police Chief Fire Marshal Harbor Director

ESTABLISH QUORUM AND CALL TO ORDER

The meeting was called to order at 5:30 p.m., with all but Council Member Heller present.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

RECOGNITION – None

CLOSED SESSION REPORT – City Attorney Neumeyer stated no reportable action was taken by the City Council in accordance with the Brown Act.

MAYOR AND COUNCIL MEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/CsK97OXwtJw?t=100>

CITY MANAGER REPORTS, ANNOUNCEMENTS & PRESENTATIONS - None

PRESENTATIONS –

- Sexual Assault Awareness Month Proclamation presented to RISE Board Members Garret Olson and Danielle Wheeler.
<https://youtu.be/CsK97OXwtJw?t=289>
- National Foster Care Month Proclamation presented to San Luis Obispo County Program Review Specialist/Lead Recruiter, Felipe Gonzalez and Resource Parent, Cynthia Fletcher.
<https://youtu.be/CsK97OXwtJw?t=723>

PUBLIC COMMENT

<https://youtu.be/CsK97OXwtJw?t=1292>

Rob Kitzman, Kitzman's Culligan Water, recipient of the Chamber of Commerce 2018 Business of the Year award, provided the business spot. Kitzman's Culligan Water is a 3rd generation local company with 13 full time employees, serving customers from Los Osos to Ragged Point.

Erica Crawford, Morro Bay Chamber of Commerce, announced upcoming 4MB business outreach events and the Amgen Tour of California bike race on Wednesday, May 15.

Jan Goldman, Morro Bay, asked when cannabis businesses, an obvious revenue source, would be up and running.

Bob Keller, Morro Bay, stated Kitzman's Culligan Water is an outstanding company.

The Public Comment period was closed.

A. CONSENT AGENDA
<https://youtu.be/CsK97OXwtJw?t=1752>

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

A-1 APPROVAL OF MINUTES FOR THE MARCH 12, 2019, CITY COUNCIL MEETING;
(ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE MARCH 26, 2019, CITY COUNCIL MEETING;
(ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 PROCLAMATION DECLARING APRIL 2019 AS "SEXUAL ASSAULT AWARENESS
MONTH"

RECOMMENDATION: Approve as submitted.

A-4 PROCLAMATION RECOGNIZING MAY AS "NATIONAL FOSTER CARE MONTH"

RECOMMENDATION: Approve as submitted.

A-5 PROCLAMATION DECLARING THE MONTH OF APRIL AS "FAIR HOUSING MONTH"

RECOMMENDATION: Approve as submitted.

A-6 APPROVAL OF PRELIMINARY STREETS TO BE MAINTAINED USING FUNDING
FROM SB1; (PUBLIC WORKS)

RECOMMENDATION: Adopt Resolution No. 26-19 approving the Fiscal Year 2019/20 project list for Senate Bill 1 (Road Repair and Accountability Act of 2017) Road Maintenance and Rehabilitation Account (RMRA) funding.

A-7 APPROVAL OF ISSUANCE OF REQUEST FOR PROPOSALS FOR
REDEVELOPMENT ON LEASE SITES 34W AND 35W-36W, ADJACENT TO 225 &
235-245 MAIN STREET, RESPECTIVELY; (HARBOR)

RECOMMENDATION: City Council approve issuance of the re-revised Request for Proposals document to put Lease Sites 34W and 35W-36W out to bid for redevelopment.

A-8 PROCLAMATION DECLARING MAY 5 – 11, 2019 AS NATIONAL TRAVEL AND TOURISM WEEK

RECOMMENDATION: Approve as submitted.

A-9 ADOPTION OF RESOLUTION NO. 27-19 AUTHORIZING THE CHIEF OF POLICE TO SUBMIT AN APPLICATION FOR LIVE SCAN SERVICES FOR COMMERCIAL MEDICAL CANNABIS BUSINESS APPLICANTS; (POLICE)

RECOMMENDATION: Council adopt Resolution No. 27-19 allowing the Chief of Police to complete an application for Live Scan services from the State of California’s Department of Justice Live Scan system for local, state and federal level criminal history information on prospective employees and owners of commercial medical cannabis businesses.

Mayor Headding opened public comment for the Consent Agenda.

Jane Heath speaking on behalf of her clients Bill Martony and Bernadette Pekarek, furnished written comments to the Council and provided a copy for the record regarding Item A-7. She noted the upland property owners do not object to issuance of the RFP but asked the City keep in mind conditions of the existing Lease Site 34W when considering proposals.

Sean Donahoe requested an update on the cannabis permitting process.

Maria, English Learning Advisory Committee (“ELAC”), announced a scholarship fundraising event to be held on May 3rd from 4:00 – 7:00 p.m. in the Morro Bay High School parking lot next to the pool.

The public comment period was closed.

Mayor Headding and Council Member McPherson pulled Item A-9.

MOTION: Council Member Davis moved the Council approve Items A-1 through A-8 on the Consent Agenda. The motion was seconded by Council Member McPherson and carried 4-0-1 by roll call vote with Council Member Heller absent.

A-9 ADOPTION OF RESOLUTION NO. 27-19 AUTHORIZING THE CHIEF OF POLICE TO SUBMIT AN APPLICATION FOR LIVE SCAN SERVICES FOR COMMERCIAL MEDICAL CANNABIS BUSINESS APPLICANTS; (POLICE)
<https://youtu.be/CsK97OXwtJw?t=2118>

At Council’s request, staff commented on the importance of thorough background investigations and provided an update on the selection process.

MOTION: Council Member McPherson moved for approval of Item A-9. The motion was seconded by Mayor Headding and carried 4-0-1 by roll call vote with Council Member Heller absent.

At the Mayor’s request, City Attorney Neumeyer advised the Council concerns regarding condition of the existing lease site could be agendized for a closed session discussion.

B. PUBLIC HEARINGS - None

C. BUSINESS ITEMS

C-1 WATER RECLAMATION FACILITY QUARTER 3 FISCAL YEAR 2018/19 QUARTERLY UPDATE; (PUBLIC WORKS)
<https://youtu.be/CsK97OXwtJw?t=2613>

Eric Casares, WRF Program Manager, provided the report and responded to Council inquiries.

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

Bill Martony, Morro Bay, asked for clarification on the budget adjustments reflected in the report.

Bob Keller, Morro Bay, urged staff to negotiate with due diligence and continue pursuing funding opportunities to keep project costs down.

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

The Council appreciated the report as presented for a quarterly report and provided direction on items to be included in a brief monthly report presented on the Consent Agenda:

- Is the project on budget?
- Is the project on schedule?
- Include information for the public regarding any potential disruptions (street closures, etc.) with a website link for the public to easily view that information.
- If discrepancies or other problems exist, make a notation and/or explain what is being done to overcome those challenges.

No formal action was taken by the City Council.

C-2 OPTIONS TO ENHANCE COMMUNICATION AND ENGAGEMENT WITH THE COMMUNITY; (CITY MANAGER)
<https://youtu.be/CsK97OXwtJw?t=5465>

Mayor Headding requested the Council consider continuing this item to the next meeting as Council Member Heller, who requested the item, was sick and unable to attend tonight's meeting. There was full support to continue this item to the next Council Meeting.

C-3 APPROVAL OF CAPITAL BUDGET FUND REALLOCATION OF \$21,000 TO REPAVE THE ALLEYWAY BETWEEN TOGNAZZINI'S RESTAURANT AND THE SANTA MONICA SEAFOOD COMMERCIAL FISHING DOCK; (HARBOR)
<https://youtu.be/CsK97OXwtJw?t=5513>

Harbor Director Endersby presented the report and responded to Council inquiries.

The public comment period for Item C-3 was opened.

Mark Tognazzini, Tognazzini's Dockside Restaurant, requested the Council approve staff's recommendation.

Bob Keller, Morro Bay, spoke in support of Mr. Tognazzini.

The public comment period for Item C-3 was closed.

MOTION: Council Member Davis moved the Council approve reallocation of \$21,000 from the Harbor Ice Machine Maintenance capital project fund to the Harbor Operating fund as outlined in this report to enable repaving of a critical section of alleyway between Tognazzini's restaurant and the Santa Monica Seafood commercial fish

unloading dock. The motion was seconded by Council Member McPherson carried 4-0-1 by roll call vote with Council Member Heller absent.

- C-4 INTRODUCTION AND FIRST READING OF ORDINANCE NO. 622 AUTHORIZING AN AMENDMENT TO THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM CONTRACT TO IMPLEMENT COST SHARING FOR LOCAL POLICE MEMBERS IN THE MORRO BAY PEACE OFFICERS ASSOCIATION; (ADMINISTRATION)
<https://youtu.be/CsK97OXwtJw?t=6023>

MOTION: Council member Addis moved for introduction and first reading by title only, and waive further reading, Ordinance No. 622 Authorizing an Amendment to the Contract between the City of Morro Bay and the Board of Administration of the California Public Employees' Retirement System (CalPERS) Implementing Section 20516 (Employees Sharing Additional Cost) to provide employee cost sharing of 1% for local police members in the Morro Bay Peace Officers Association (MB POA) for Fiscal Year FY 2018/19. The motion was seconded by Council Member Davis.

Mayor Headding opened public comment; seeing none, the public comment period was closed.

The motion carried 4-0-1 by roll call vote with Council Member Heller absent.

- D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS
<https://youtu.be/CsK97OXwtJw?t=6244>

Mayor Headding requested consideration of a closed session discussion of the condition of Lease Site 34W. There was full support for the item.

- E. ADJOURNMENT
The meeting adjourned at 7:16 p.m.

Recorded by:

Dana Swanson
City Clerk

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AGENDA NO: A-4
MEETING DATE: May 14, 2019

Staff Report

TO: Honorable Mayor and City Council **DATE:** May 7, 2019
FROM: Jennifer Callaway, Finance Director/City Treasurer
SUBJECT: Adoption of Resolution No. 29-19 Approving the Fiscal Year 2019/20 Business Tax Schedule

RECOMMENDATION

Staff recommends the Council review the Business Tax schedule and adopt Resolution No. 29-19, setting the Fiscal Year (FY) 2019/20 Business Tax Schedule.

FISCAL IMPACT

There is a natural increase in revenue from Business Taxes that is assumed as the result of annual Consumer Price Index (CPI) increase, as provided by the municipal code as approved by the voters. That increase has been included in the proposed FY 2019/20 budget submittal for Council consideration. That increase includes a projected CPI increase.

BACKGROUND

Title 5 (Business Tax Certificates and Regulations) of the Morro Bay Municipal Code governs the local business tax. Section 5.04.050 (Business tax payment required) of that Title 5 provides in part:

A. There are hereby imposed, upon the businesses, trades, professions, callings, and occupations specified in this title, business taxes, as established annually in the business tax rate schedule.

B. Each year by June 30th, the business tax rate schedule will be adjusted by the change in the Consumer Price Index (CPI), from March of the previous year to March of the current year. The percentage adjustment for any given year shall be based upon the average monthly index for twelve months ending March 31st. The Consumer Price Index referred to in this paragraph is the Consumer Price Index (all items indexes, all urban consumers) for Los Angeles-Riverside-Orange County, compiled and published by the United States Department of Labor, Bureau of Labor Statistics, 1968 Base Year = 100 (hereafter called Index). If the United States Department of Labor, Bureau of Labor Statistics, ceases to compile and make public the index as now constituted and issued, but substitutes another index in its place, then the substituted index shall be used in place of the Consumer Price Index referenced in this paragraph.

Historically, staff has updated the Business Tax Schedule with the appropriate March CPI, without presenting the schedule to Council, until FY 2011/12, when Business Tax information was included in the Master Fee Schedule. In 2014, the City Attorney recommended the presentation of the Business Tax Rate Schedule be made separately from, and not included in, the Master Fee Schedule, since the business tax assessments are not fees. That correction was made in November 2014. Further, the Fiscal Year 2015/16 Business Tax Schedule adopted in July 2015 was modified to calculate the allowable increase in cents, rather than whole dollars.

Prepared By: _JC_ Dept Review:
City Manager Review: __SC__ City Attorney Review: _CFN_

DISCUSSION

The Business Tax rates set in July 2018 have been adjusted by the percentage change in the March 2019 Consumer Price Index (CPI) for the Los Angeles-Riverside-Orange County area, per the Municipal Code 5.04.050(B). The CPI change from March 2018 to March 2019 was 2.7%.

Staff has applied the CPI change to all taxes that can be legally adjusted and is presenting those new amounts in the attached draft FY 2019/20 Business Tax Schedule for Council approval.

CONCLUSION

Staff recommends the City Council adopt Resolution No.29-19, and establish the FY 2019/20 Business Tax Rate Schedule. That rate schedule begins July 1, 2019, with renewals and new applications.

ATTACHMENTS

1. Resolution No. 29-19 - Fiscal Year 2019/20 Business Tax Rate Schedule
2. Updated Business Tax Schedule – Current to Proposed
3. CPI for March 2019

RESOLUTON NO. 29-19

**RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF MORRO BAY, CALIFORNIA,
ESTABLISHING THE FISCAL YEAR 2019/20 BUSINESS TAX RATE SCHEDULE**

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

WHEREAS, Title 5 of the Morro Bay Municipal Code sets forth Business Taxes and Regulations; and

WHEREAS, Section 5.04.050 allows for the Business Tax Rate Schedule to be adjusted by the change in the Consumer Price Index (CPI) from March of the previous year to March of the current year, for the Los Angeles-Riverside-Orange County area; and

WHEREAS, the March 2019 annual CPI change was 2.7%, a copy of which is attached to this Resolution; and

WHEREAS, staff has applied the 2.7% CPI to the rates, previously set, and those adjusted rates are presented in the attached draft Fiscal Year 2019/20 Business Tax Rate Schedule.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Morro Bay, Resolution No. xx-xx is adopted, establishing the Fiscal Year 2019/20 Business Tax Rate Schedule, attached herewith, and direct staff to implement these new rates beginning with the July 1, 2019, renewals and new applications.

PASSED AND ADOPTED, by the City Council of the City of Morro Bay, at a regular meeting thereof held on the 14th day of May 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

JOHN HEADDING, Mayor

ATTEST:

DANA SWANSON, City Clerk

City of Morro Bay Business Certificate Tax Rate Schedule

Effective July 1, 2019 through June 30, 2020

All amounts are annual unless otherwise noted, and adjusted by March CPI for the
Los Angeles-Riverside-Orange County area.

All taxpayers are required to pay a \$4 SB1186 ADA charge *in addition to* the business tax amount
listed below

Morro Bay Municipal Code Sections are listed after category name.

		Proposed
Basic Business License for all undesignated professions (5.08.020)		
	\$147.36	\$151.34
Plus each employee, if applicable	\$35.14	\$36.09
Common Business Categories		
Apartment, Motel, Hotel, Multiple Dwellings, Rest Homes, Rooming Houses, Hospitals & Sanitariums of 4 or more units (5.080.30)		
Basic license	\$147.36	\$151.34
Additional for each unit, dwelling, room or person cared for in excess of 3	\$5.85	\$6.01
Art, Hobby or Handicraft Show & Exhibitions, Farmers Market, Special Events (5.08.040)		
Basic license for sponsor/organizer, per day per event	\$147.36	\$151.34
Basic license for not-for-profit sponsor/organizer, per day per event		
Special Event, per seller:		
Per day	\$9.14	\$9.39
Per weekend	\$15.02	\$15.43
Annual	\$50.16	\$51.51
Contractor/Consultant (5.08.080)		
Primary General Contractor/Consultant	\$293.76	\$301.69
Primary General Contractor one job only	\$147.36	\$151.34
Sub-Contractor/Consultant	\$147.36	\$151.34
Sub-Contractor one job only	\$38.63	\$39.67
Delivery by vehicle (5.08.090)		
1 or more conveyances	\$147.36	\$151.34
Garage or yard sale (5.08.120)		
Limited to 2 per year, with permit	\$0.00	\$0.00
More than 2 per year	\$147.36	\$151.34
Home Occupation (5.08.130)		
Basic Home Occupation		
Business License	\$147.36	\$151.34

City of Morro Bay Business Certificate Tax Rate Schedule

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		Proposed
Home Occupation (5.08.130) - continued		
Required, one-time Permit Processing Fee	\$71.23	\$73.15
Home Occupation Exception Business License; must qualify by submitting latest tax return, including Schedule C		
Occupations which are intended to augment or supplement primary source of income	\$61.85	\$63.52
Required, one-time Permit Processing Fee	\$71.23	\$73.15
Low Revenue Business; must qualify annually by submitting latest tax return, including Schedule C, or estimate if new business (Ord No. 590)		
Gross receipts under \$12,000 per year for all work conducted in Morro Bay	\$34.87	\$35.81
Required, one-time Permit Processing Fee (only if Home Occupation)	\$71.23	\$73.15
Very Low Revenue Business; must qualify initially by submitting latest tax return, including Schedule C, or estimate if new business (Ord No. 597)		
Gross receipts under \$4,000 per year for all work conducted in Morro Bay; no requirement to complete business tax certificate		
Real Estate (5.08.170)		
Calif. Licensed Broker	\$147.36	\$151.34
Each Salesman or Agent	\$35.14	\$36.09
Each Employee	\$25.76	\$26.46
Trailer House, RV or Mobile Home Park (5.08.210)		
Rental Spaces 1-3	\$147.36	\$151.34
Plus additional per space	\$5.85	\$6.01
Non-Profit Organizations (5.04.050), exempt from Business Tax; must pay SB1186		
All Other Business Categories		
Ambulance		
	\$120.42	\$123.67
Auctioneers (5.08.050)		
Per day, no fixed place of business	\$147.36	\$151.34

City of Morro Bay Business Certificate Tax Rate Schedule

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listed below

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		Proposed
Fixed place of business	\$147.36	\$151.34
Bingo (9.12.050)		
Per game	\$72.40	\$74.35

City of Morro Bay Business Certificate Tax Rate Schedule

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Los Angeles-Riverside-Orange County area.

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listed below

Morro Bay Municipal Code Sections are listed after category name.

		Proposed
Carnival and/or Circus, per day (5.08.060)	\$591.22	\$607.18
Covers all activities within the perimeter of the event		
Coin-Operated Vending Machine(s) (5.08.070)		
Gross receipts for all machines	1%	
Fire, Wreck or Bankrupt Sale (5.08.100)		
Each sale	\$208.28	\$213.90
Additional in excess of 3 days, per day	\$120.42	\$123.67
Flea Markets (5.08.110)		
Minimum per Salesperson	\$11.71	\$12.03
Money Lenders & Pawnshops (5.08.140)	\$591.22	\$607.18
Non-Profit Organizations (5.04.050), exempt from Business Tax; must pay SB1186		
Public Utilities (5.08.160)	\$147.36	\$151.34
Exception: when City Franchise Tax is greater than annual Business Tax Rate		
Private Patrol (5.04.330)	\$73.56	\$75.55
Rides, Shows, Public Dances, and Exhibitions (5.08.180)		
Exhibiting Animals or Trick Riding, Wire Dancing or other Exhibitions (Exception No Fee or Admission), per day	\$61.85	\$63.52
Merry-Go-Round, Revolving Wheel Chute, Tobaggan, Slide, Mechanical Riding Contrivance or Pony Ride	\$61.85	\$63.52
Public Dance (Exception No Fee or Admission), per day	\$61.85	\$63.52
Tent Show or Itinerant Show (Exception No Fee or Admission), per day	\$147.36	\$151.34
Wrestling or Boxing Show, per day	\$61.85	\$63.52
Secondhand Store or Junkdealer (5.08.190)	\$147.36	\$151.34
Skating Rink (5.08.200)	\$147.36	\$151.34

City of Morro Bay Business Certificate Tax Rate Schedule

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Los Angeles-Riverside-Orange County area.

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listed below

Morro Bay Municipal Code Sections are listed after category name.

		Proposed
Taxicabs (5.24.140)		
License Per Cab	\$80.59	\$82.77
Driver	\$11.71	\$12.03
Transient, Solicitor, Itinerant Merchant (5.08.150)		
Transient		
Per day	\$9.14	\$9.39
Per weekend	\$15.02	\$15.43
Annual	\$50.16	\$51.51
Solicitor		
Basic charge per day	\$120.42	\$123.67
Itinerant Merchant		
Per day	\$63.04	\$64.74
Per week	\$123.92	\$127.27
Per month	\$183.66	\$188.62
Per quarter	\$241.06	\$247.57
For 180 days	\$301.96	\$310.11
Administrative Charges		
Duplicate or replacement Business License Certificate	\$2.00	\$2.00
Transferring a Business License	\$2.00	\$2.00
Business License listing, per list	\$16.35	\$16.79

CONSUMER PRICE INDEXES PACIFIC CITIES AND U. S. CITY AVERAGE MARCH 2019

(All items indexes. 1982-84=100 unless otherwise noted. Not seasonally adjusted.)

MONTHLY DATA	All Urban Consumers (CPI-U)						Urban Wage Earners and Clerical Workers (CPI-W)					
	Indexes			Percent Change			Indexes			Percent Change		
				Year ending	1 Month ending					Year ending	1 Month ending	
	Mar 2018	Feb 2019	Mar 2019	Feb 2019	Mar 2019	Mar 2019	Mar 2018	Feb 2019	Mar 2019	Feb 2019	Mar 2019	Mar 2019
U. S. City Average.....	249.554	252.776	254.202	1.5	1.9	0.6	243.463	246.218	247.768	1.3	1.8	0.6
West.....	260.994	266.215	267.370	2.4	2.4	0.4	252.644	257.519	258.617	2.3	2.4	0.4
West – Size Class A ¹	269.271	274.753	276.187	2.5	2.6	0.5	258.983	264.374	265.774	2.5	2.6	0.5
West – Size Class B/C ²	151.702	154.671	155.178	2.3	2.3	0.3	151.404	154.110	154.618	2.1	2.1	0.3
Mountain ³	101.196	102.685	103.339	1.8	2.1	0.6	101.358	102.923	103.508	1.8	2.1	0.6
Pacific ³	101.499	103.727	104.100	2.6	2.6	0.4	101.474	103.589	103.972	2.5	2.5	0.4
Los Angeles-Long Beach-Anaheim, CA.....	264.158	269.608	271.311	2.5	2.7	0.6	254.451	259.734	261.278	2.6	2.7	0.6
BI-MONTHLY DATA (Published for odd months)	Indexes			Percent Change			Indexes			Percent Change		
				Year ending	2 Months ending					Year ending	2 Months ending	
	Mar 2018	Jan 2019	Mar 2019	Jan 2019	Mar 2019	Mar 2019	Mar 2018	Jan 2019	Mar 2019	Jan 2019	Mar 2019	Mar 2019
Riverside-San Bernardino-Ontario, CA ³	101.897	103.991	104.749	3.0	2.8	0.7	101.909	104.062	104.769	3.1	2.8	0.7
San Diego-Carlsbad, CA.....	290.810	295.761	297.226	2.6	2.2	0.5	272.813	277.832	279.093	2.5	2.3	0.5
Urban Hawaii.....	275.408	279.005	280.263	1.9	1.8	0.5	272.021	274.941	276.462	2.0	1.6	0.6
BI-MONTHLY DATA (Published for even months)	Indexes			Percent Change			Indexes			Percent Change		
				Year ending	2 Months ending					Year ending	2 Months ending	
	Feb 2018	Dec 2018	Feb 2019	Dec 2018	Feb 2019	Feb 2019	Feb 2018	Dec 2018	Feb 2019	Dec 2018	Feb 2019	Feb 2019
Phoenix-Mesa-Scottsdale, AZ ⁴	136.774	140.083	139.660	4.3	2.1	-0.3	134.439	138.231	137.722	4.6	2.4	-0.4
San Francisco-Oakland-Hayward, CA.....	281.308	289.896	291.227	4.5	3.5	0.5	275.699	283.278	284.758	4.4	3.3	0.5
Seattle-Tacoma-Bellevue, WA.....	268.031	273.293	275.304	2.8	2.7	0.7	264.477	269.470	271.039	2.7	2.5	0.6
Urban Alaska.....	221.679	226.537	227.183	2.8	2.5	0.3	219.714	223.996	223.971	2.4	1.9	0.0

¹ Population over 2,500,000 ² Population 2,500,000 and under, Dec 1996 = 100 ³ Dec 2017=100 ⁴ Dec 2001=100 Dash (-) = Not available

NOTE: In January 2018, BLS introduced a new geographic area sample for the Consumer Price Index (CPI): www.bls.gov/regions/west/factsheet/2018cpirevisionwest.pdf

1967=100 base year indexes and historical tables including semiannual and annual average data are available at: www.bls.gov/regions/west/data/cpi_tables.pdf

Release date April 10, 2019. The next release date is scheduled for May 10, 2019. For questions, please contact us at BLInfoSF@bls.gov or (415) 625-2270.

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AGENDA NO: A-5

MEETING DATE: May 14, 2019

Staff Report

TO: Honorable Mayor and City Council

DATE: May 6, 2019

FROM: Chris F. Neumeyer, City Attorney

SUBJECT: Set Rates (Collection, Penalty and Interest) for Morro Bay Commercial Cannabis Tax in Voter-Approved Chapter 3.70 (Cannabis Tax) of Title 3 of the Morro Bay Municipal Code Through Approval of Resolution No. 30-19.

RECOMMENDATION

Council approve Resolution No. 30-19 to set rates (collection, penalty and interest) for the Morro Bay commercial cannabis tax.

FISCAL IMPACT

The Morro Bay commercial cannabis tax is estimated to generate tax revenues (from *currently authorized* commercial medical cannabis operations) anywhere from \$25,000 to \$225,000 on an annual basis. Morro Bay Municipal Code Chapter 5.50 authorizes in the City two medical cannabis retail operations, (wholesale) medical cannabis distribution operations, and medical cannabis deliveries. The revenue will be deposited in the General Fund and will be available for general City purposes.

BACKGROUND

Morro Bay voters approved a commercial cannabis tax at the November 6, 2018 general municipal election. That tax is codified now in Chapter 3.70 (Cannabis Tax) of Title 3 (Revenue and Finance) of the Morro Bay Municipal Code ("MBMC").

The voters approved maximum tax rates of no more than ten percent (10%) of proceeds from a commercial cannabis operation, and no more than \$25 per square foot utilized for commercial cannabis cultivation operations. (MBMC sections 3.70.020(A-B).) The voters also approved a penalty rate of no more than 25% of the amount of tax owed if not paid on time, and an interest rate on unpaid taxes of no more than 10%. (MBMC section 3.70.050(A).)

By Council action, these rates may be set at the maximum rates or lower than the maximum rates.

DISCUSSION

The Council at its regular meeting on February 13, 2019 discussed setting cannabis tax, penalty and interest rates. Recommendations on what rates to set were provided by the Morro Bay Council Cannabis Subcommittee (consisting of Councilmembers Robert Davis and Marlys McPherson, City Manager Scott Collins, Finance Director Jennifer Callaway, Community Services Director Scot Graham and City Attorney Chris F. Neumeyer). Among the factors considered were commercial competitiveness and generation of reasonable City revenue. Recommendations were as follow:

1. Commercial cannabis operations tax – set at 5% of proceeds (maximum 10%)

CFN Prepared By: _____	CFN
City Manager Review: <u>SC</u>	City Attorney Review: <u>CFN</u>

Set Rates (Collection, Penalty and Interest) for Morro Bay Commercial Cannabis Tax in Voter-Approved Chapter 3.70 (Cannabis Tax) of Title 3 of the Morro Bay Municipal Code.

March 14, 2019

Page 2 of 2

2. Commercial cannabis cultivation tax – prospectively address because commercial cannabis cultivation is not presently authorized in the City
3. Penalty rate for late payment of taxes – set at 25% (maximum 25%)
4. Interest rate for late payment of taxes – set at 10% (maximum 10%) and affirm monthly on principle of unpaid tax

The Council accepted these recommendations and directed staff to bring back a timely resolution to set the rates before commercial cannabis permits are issued by the City of Morro Bay. Note Council action setting these rates does not foreclose future adjustment of the rates either lower or up to the maximum approved by the voters.

As a matter of reference, below is a sampling of regional commercial cannabis tax rates:

- City of Grover Beach (May, 2018)
 - 5% - retail uses
 - 3% - manufacturing, distribution and testing laboratories
 - \$5 per square foot of cultivation based on floor area of the business
- City of Santa Barbara (January, 2018)
 - 5% - storefront and delivery sales
 - 4% - distribution and testing
 - 3% - manufacturing
 - 2% - indoor cultivation
- City of San Luis Obispo (November, 2018)
 - 4% with 2% annual increase until reaches 10%
 - \$10 per square foot of cultivation based on canopy
- City of Coalinga
 - \$7 per square foot for cultivation (August, 2018)
 - \$2 per square foot for nurseries (August, 2018)
 - 10% - retail uses (November, 2016)
- City of Atascadero (November, 2018)
 - 10% - retail businesses (maximum)
 - 6% - non-retail businesses (maximum)
 - \$10 per square foot for cultivation (maximum)

CONCLUSION

Council is asked to adopt the attached resolution to set commercial cannabis tax rates (collection, penalty and interest), pursuant to direction received from the Council at the February 13, 2019 regular Council meeting.

ATTACHMENTS

- A. Resolution No. 30-19 (Setting Cannabis Tax, Penalty and Interest Rates)

RESOLUTION NO. 30-19

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA, SETTING CANNABIS TAX, PENALTY AND INTEREST RATES PURSUANT TO VOTER APPROVED CHAPTER 3.70 (CANNABIS TAX) OF THE MORRO BAY MUNICIPAL CODE

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

WHEREAS, a General Municipal Election was held in the City of Morro Bay, California, on November 6, 2018, at which the voters adopted by majority vote an ordinance for the taxation of commercial cannabis operations and commercial cannabis cultivation (“Cannabis Tax Ordinance”); and

WHEREAS, the Cannabis Tax Ordinance as approved by the voters is codified in Chapter 3.70 (Cannabis Tax) of Title 3 (Revenue and Finance), of the Morro Bay Municipal Code (“MBMC”); and

WHEREAS, the voters approved maximum cannabis tax rates of no more than ten percent (10%) of proceeds from a commercial cannabis operation, and no more than \$25 per square foot utilized for commercial cannabis cultivation operations, as provided for in MBMC §§ 3.70.020(A-B); and

WHEREAS, the voters approved a penalty rate of no more than 25% of the amount of cannabis tax owed if not paid on time, and an interest rate on unpaid taxes of no more than 10%, as provided for in MBMC § 3.70.050(A); and

WHEREAS, by Council action, these various tax, penalty and interest rates can be set lower than the maximum rates, and likewise increased up to the maximum rates later in time, as provided for in MBMC §§ 3.70.090, 3.70.020, 3.70.030 and 3.70.050; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The forgoing recitals are true and correct and are incorporated herein by this reference.

Section 2. Pursuant to the authority provided to the City Council by both voter action on November 6, 2018 approving the Morro Bay Cannabis Tax Ordinance, as well as Morro Bay Municipal Code §§ 3.70.090, 3.70.020, 3.70.030 and 3.70.050, the City Council hereby sets cannabis tax, penalty and interest rates under Chapter 3.70 (Cannabis Tax) of Title 3 (Revenue and Finance), of the Morro Bay Municipal Code as follows:

- A. Commercial cannabis operations tax – set at five percent (5%) of proceeds (voters approved a maximum rate of 10%)

- B. Penalty rate for late payment of taxes – set at twenty-five percent (25%) of the amount of the tax due (voters approved a maximum rate of 25%)
- C. Interest rate for late payment of taxes – set at ten percent (10%) of the unpaid tax calculated from the due date of the tax (voter approved maximum rate of 10%); and, affirm the interest rate is assessed monthly on the principle of unpaid tax

Section 3. The City Council will prospectively consider addressing further the commercial cannabis cultivation tax rate because commercial cannabis cultivation is not presently authorized in the City.

Section 4. The City Council reserves the option and right to subsequently modify the above rates, to lower rates and/or up to the maximum rates, pursuant to Morro Bay Municipal Code §§ 3.70.090, 3.70.020, 3.70.030 and 3.70.050.

Section 5. The City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions. This Resolution shall be effective immediately upon passage and adoption.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Morro Bay, California, at a regular meeting held on the _____ day of _____, 2019 on the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

JOHN HEADDING, Mayor

ATTEST:

DANA SWANSON, City Clerk



AGENDA NO: A-6

MEETING DATE: May 14, 2019

Staff Report

TO: Mayor and City Council

DATE: May 7, 2019

FROM: Jennifer Callaway, Finance Director

SUBJECT: Adoption of Resolution No. 31-19, which Rescinds Resolution 37-18 and extends the adopted FY 2018/19 Master Fee Schedule into FY 2019/20 until the Fee Study is complete and presented to Council

RECOMMENDATION

Staff recommends the City Council adopt Resolution No. 31-19, which extends the adopted Fiscal Year (FY) 2018/19 Master Fee Schedule until the pending Fee Study is complete and presented to Council. That Resolution will also rescind Resolution No. 37-18 that adopted the current FY 2018/19 Master Fee Schedule and replaces it in its entirety.

BACKGROUND

Annually, the City reviews and revises the adopted Master Fee Schedule, which dictates what charges are approved for various City provided services. "Fee" activities are services and functions provided by the City to individuals who receive some direct material benefit above and beyond services offered to residents at general taxpayer expense. Council has directed this annual process be revised to have one consolidated fee schedule brought forward in late Spring. This format allows staff to implement any revised fees into budget preparations for the upcoming fiscal years.

The Morro Bay Municipal Code Chapter 3.34, Master Fee Schedule, stipulates how the City shall move forward with amending the Master Fee Schedule. Relevant sections of that chapter are included below for reference.

3.34.010 – Established

The City Master Fee Schedule is established, which shall set forth a consolidated listing of fees as fixed and adopted by the City Council, in accordance with all applicable provisions of state and city laws.

3.34.020 – Fee Revisions and Reviews

Any fees included in the Master Fee Schedule may be reviewed and revised annually by the City Council. The city's cost of providing the services shall be computed and reflected in these fees. The fees shall then be enumerated, and the revised Master Fee Schedule adopted by resolution of the City Council.

In March 2018 the City Council approved release of a Request for Proposal (RFP) to complete a Comprehensive Fee Study, Full Cost Allocation Plan and Development Impact Fee Study. The RFP was released in April 2018. Seven proposals were received in response to the RFP with

Prepared By: JC

Dept Review: JC

City Manager Review: SC

City Attorney Review: CFN

members of the City's Public Works Department, Utilities Division, Community Development Director, Harbor Director, City of Grover Beach Finance Director, Public Works Advisory Board and Planning Commission serving on the evaluation team to recommend award of contract to Revenue Cost Specialists.

Revenue Cost Specialists began work on updating the City's Cost Allocation Plan, Fee Study and Development Impact Fee Study in late 2018. Staff estimates bringing forward the draft fee study update in late May for Council discussion. After receiving Council feedback, public outreach will be conducted before bringing the final Fee Study back in late summer 2019 for Council consideration and adoption.

DISCUSSION

Staff prepared Resolution No. 31-19 to extend the adopted FY 2018/19 Master Fee Schedule into FY 2019/20 and rescind and replace in its entirety Resolution 37-18 that established the FY 2018/19 Master Fee Schedule. Attached for Council reference is the FY 2018/19 Comprehensive Fee Schedule (Exhibit A to Attachment 2) reflecting all City Fees. There is only one minor adjustment being recommended which is to remove the 10% discount for harbor vessel fees and mooring fees if paid one year in advance during the first month of the fiscal year. Staff is recommending removing these discounts as the fee schedule is expected to be updated in fall 2019 as a result of the fee study and so as to also analyze whether the discount is cost effective or not.

ALTERNATIVES

Alternatives would be to not extend the existing fee schedule and direct staff to include CPI increases until a new schedule is adopted with the results of the revised fee study.

CONCLUSION

Staff recommends the City Council adopt Resolution No. 31-19 extending the FY 2018/19 Master Fee Schedule with the one amended change until the Fee Study is complete and an updated FY 2019/20 Master Fee Schedule is complete and presented to Council for adoption.

ATTACHMENTS

1. Resolution No. 31-19
2. Proposed FY 2018/19 Master Fee Schedule (extended)

RESOLUTION NO. 31-19

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
EXTENDING FISCAL YEAR 2018/19 MASTER FEE SCHEDULE**

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

WHEREAS, the City Council finds fees and charges for City services are annually in need of review for possible updating to reflect changes in the cost of providing those services; and

WHEREAS, pursuant to the California Constitution, with certain expectations, if a City Fee exceeds the City's cost for providing the service covered by that fee, that fee is considered a tax; and

WHEREAS, the City has reviewed the attached fees, and finds they do not exceed the actual costs of providing related services when that limitation is applicable; and

WHEREAS, California Government Code sections 66000, et seq, mandate numerous detailed and stringent requirements for all development fees levied by local government on new construction projects; and

WHEREAS, Section 66017 of the California Government Code requires a 60-day "waiting period" before any development fee increase can become effective; and

WHEREAS, pursuant to government Code section 66016, et seq., specific fees to be charged for services must be adopted by City Council resolution or ordinance, after providing notice and holding a public hearing; and

WHEREAS, the City's Municipal Code Section 3.34.020 (Fee revisions and reviews), states: *Any fees, included in the Master Fee Schedule, may be reviewed and revised annually by the city council. The City's cost of providing the services shall be completed and reflected in these fees. The fees shall then be enumerated, and the revised Master Fee Schedule adopted by resolution of the City Council ;* and

WHEREAS, on July 14, 2015, City Council adopted Resolution No. 55-15, specifying the month of December as the determinate for retrieving Consumer Price Index (CPI) and Engineering News Record (ENR) Construction Cost Index adjustment factors; and

WHEREAS, with the adoption of Resolution 55-15, the City Council set the San Francisco-Oakland-San Jose area as the comparable area to the City of Morro Bay for consumer price index changes; and

WHEREAS, on August 11, 2008, the City Council adopted Resolution No. 49-08, which stated that the "Master Fee Schedule" will be brought back in its entirety for review annually; and

WHEREAS, the City Council is extending the FY 2018/19 Master Fee Schedule, with minor amendments, until the Fee Study update is complete, and a FY 2019/20 Fee Schedule is adopted and

effective; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, the Fiscal Year 2018/19 Master Fee Schedule Extended, attached hereto and incorporated herein, is hereby amended and readopted.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 14th day of May 2019, by the following vote:

AYES:

NOES:

ABSENT:

ATTEST:

JOHN HEADDING, Mayor

DANA SWANSON, City Clerk

**CITY OF MORRO BAY
FEE SCHEDULE
FOR THE FISCAL YEAR 2018/19
EXTENDED**

All fees adjust annually by either the December Consumer Price Index (CPI = 2.9%) or Construction Cost Index (ENR = 3.5%). The CPI used is for the San Francisco-Oakland-San Jose area.

Table of Contents

Category	Page Number
General	2
Finance	3
Community Development	4
Public Works	13
Police	17
Fire	19
Harbor	24
Recreation	28
Transit	32

GENERAL FEES	
FEE NAME	ADOPTED FEE
Photocopies (unless otherwise defined)	\$0.40 per page \$0.70 per 11 x 17" page
Print material mailed	Cost of copying/printing and postage
Refundable appeal fee for non-land use administrative decisions	\$250 per appeal*
Elections filing fee - Notice of intention to circulate petition; this amount is refundable under Elections Code Section 9202(b), with conditions	\$200

*Estimated Cost of Appeal is \$1,000. The \$250 appeal fee denotes 25% cost recovery.

FINANCE	
FEE NAME	ADOPTED FEE
Budget document, per copy	Per page cost for photocopying
City audit document, per copy	Per page cost for photocopying
Master Fee Schedule	Per page cost for photocopying
Business Tax Schedule	Per page cost for photocopying
Returned check charge, per CA Civil Code Section 1719	\$25 for the first check \$35 for each subsequent check
UTILITY BILLING	
Water service application fee	\$29
Physical posting of shut-off notice at customer location	\$62.27
Refundable/transferable deposit - residential tenants only on signup (MC 13.04.220)	\$100
Deposit required for service termination for delinquent non-payment (residential tenants only, if a deposit has not previously been collected)	\$100
Reconnection (MC 13.040.310)	\$52.48

COMMUNITY DEVELOPMENT

BUILDING DIVISION

FEE NAME	ADOPTED FEE
Valuation of from 0 - \$3,000 (including electrical service less than 600 amp, and minor plumbing alternatives)	\$94
\$3,001 and up	.025 x total valuation as determined by the Building Official (50% submittal/50% at issuance)
Construction Operation After Hours	\$36
Building Re-Address Processing	\$35
Demo Commercial	\$514
Demo Residential	\$309
In-lieu Housing Fee (if unit not affordable housing) - per square foot	\$0.37
General Plan Maintenance	6% surcharge on all Building Permits
I.T. Service Fee	.0075 x valuation
SMIP Category I (Residential)	.00013 x valuation
SMIP Category II (Commercial)	.00028 x valuation
Unsafe Building repair, demolition or moving structure	Charged at cost
Inspection Fees - outside of normal work hours - per hour, 2 hour minimum	\$173
Re-Inspection Fees - per hour	\$129
Property condition report for Condominium Conversions (Review/Inspection)	\$206
Inspection for which no fee is otherwise indicated - per hour, 1 hour minimum – Use for Certificate of Occupancy	\$129

Additional Plan Review required by changes, additions, revisions to the approved plans - per hour, 1hour minimum	\$129
Use of outside consultants for special plan checking and inspection	Charged at cost + 25% Administration Fee
Permits – Change Ownership/Add Contractor	\$129
Permit Extension of Time	\$129
Residential Solar Permit 1kW to 15 kW	\$360
Residential Solar over 15kW	\$360 + \$15 per kW above 15kW
Commercial Solar Permit below 50kW	\$772
Commercial Solar Permit 50kW – 250kW	\$772 + 5\$ per kW above 50kW
SPECIAL INSPECTION & PLAN REVIEW FEES	
Penalty for commencing construction without permit(s). This is in addition to the standard building permit fees.	\$120 + 2 times the permit fee
DEVELOPMENT IMPACT FEES	
Building fees per square foot, including garages (enclosed spaces). Single family residential additions of 500 square feet or less are exempt. Water and Wastewater fees are additional. An increase in meter size resulting from the need to comply with the hydraulic demand associated with Fire Sprinklers is exempt.	
Residential, Single Family	\$4.43
Residential, Multi-family	\$7.10
Accessory Dwelling Unit	\$1.08
Non-residential, commercial	\$4.50
Non-residential, office	\$3.17
Non-residential, industrial	\$1.63

Park fees for residential in-fill lots, per square foot	
Single-family	\$1.38
Single-Family, Detached Accessory Structure	\$0.34
Accessory Dwelling Unit	\$0.34
Multi-family	\$2.29
Public Facilities Fees, per square foot.	
Single-family residential:	
General Government	\$1.32
Police	\$0.44
Parks	\$1.38
Fire	\$0.48
Storm Drain	\$0.06
Traffic	\$2.13

DEVELOPMENT IMPACT FEES (continued)

Multi-family residential:

General Government	\$2.18
Police	\$0.72
Parks	\$2.29
Fire	\$0.81
Storm Drain	\$0.07
Traffic	\$3.31

Public Facilities Fees, per square foot

Non-residential, commercial:

General Government	\$0.28
Police	\$0.07
Parks	\$0.02
Fire	\$0.25
Storm Drain	\$0.04
Traffic	\$3.78

Non-residential, office:

General Government	\$0.36
Police	\$0.09
Parks	\$0.02
Fire	\$0.35
Storm Drain	\$0.04
Traffic	\$2.30

Non-residential, industrial:

General Government	\$0.10
Police	\$0.04
Parks	\$0.02
Fire	\$0.09

Public Facilities Fees, per square foot (continued)	
Storm Drain	\$0.04
Traffic	\$1.33
PLANNING DIVISION	
Affordable Housing In-Lieu:	
Funding assistance application fee	\$620
Reasonable Accommodation (ADA) fee (no fee required if in conjunction with other discretionary permit)	\$120
Coastal Permits (may be billed at direct cost):	
Coastal Permit in combination with Conditional Use Permit	No fee
Coastal Permit (Administrative)	\$806
Regular CDP Without CUP - New single family and single family additions over 25%, Multiple Dwelling, Office, Commercial, Convention, Industrial & Institutional	\$5,653
Additions between 10% and 25% to a Single Family Dwelling in Coastal Appeals area (Planning Commission)	\$2,174
Emergency Permit (excluding required regular CDP)	\$726
Other administrative – Tree Removal, private	\$277
Environmental (may be billed at direct cost):	
Categorical Exemption	\$98
Negative Declaration	\$1,575
Mitigated Negative Declaration If contracted = contract amount + 25% administrative fee	\$3,844, if done in house or as a deposit for outside consultant
Filing Fee - for environmental document	\$200
Environmental Impact Report - Contract Amount + 25% administrative fee	\$5,000 deposit

Archaeology Research Fee – Santa Barbara Central Coast Information Services	\$100
Miscellaneous:	
Letter regarding land use confirmation or other research – per hour cost	\$98
Development Agreement – charged at fully allocated hourly rates for all personnel involved, plus any outside costs	\$10,000 deposit
Applicant Requested Continuance	\$127
Fine, in addition to permit fee	\$100 + two times the permit fee + plus \$50 per day – after notice.
Appeal of City decision, excluding Coastal Permits in the appeal jurisdiction – refundable if appellant prevails	\$250*
Copy of Planning Commission DVD	\$13
Street name/Rename Processing	\$461
Conceptual Review Fee – Fee is credited toward any future discretionary permit application	\$1,543
Notification fees:	
Planning Commission Hearing	\$326
Administrative Permit Noticing	\$163
Special Events	Actual staff cost
Sign Permits:	
Sign Permit	\$217
Sign Exception (CUP)	\$979
Pole Sign (CUP)	\$979
Fines – Temporary, beyond time allowed by Ordinance – per day after notice given	\$55
Fines – Permanently attached sign w/o permit – per day after notice	\$55

*Estimated Cost of Appeal is \$1,000. The \$250 appeal fee denotes 25% cost recovery.

Subdivisions: all Subdivisions may be billed at direct cost	
Tentative Parcel Map Application	\$7066
Tentative Tract Map 0 to 10 lots, add \$100.00 per lot over 10 lots	\$7066
Amendments to Existing Tract or Parcel Maps	\$3,261
Lot Line Adjustment	\$1,088
Certificate of compliance (legal determination) – initial fee covers up to 4 lots. Add \$250 per lot over 4 lots	\$2,130 + \$250 per lot for every lot over 4
Lot Mergers	\$1,088
Text Amendments & Annexations (May be billed at direct cost)	
Zone Ord. Changes/LCP <ul style="list-style-type: none"> - Minor (single section revisions/additions) - Major (multiple sections revised/added) If contracted – contract amount + 25% administrative fee. Fee amount becomes an initial deposit.	Minor = \$7,610 Major = \$10,871
Specific Plan (Billed as deposit with charges at the fully allocated hourly rates for all personnel involved + any outside costs). If contracted = cost + 25% administration fee. Fee amount becomes an initial deposit.	\$5,000 deposit
General Plan/Local Coastal Plan Amendment: <ul style="list-style-type: none"> - Minor (single section revisions/additions) - Major (multiple sections revised/added) If contracted – cost + 25% administrative fee. Fee amount becomes an initial deposit.	\$7,610 \$10,871
Annexations – Deposit to be determined by staff. Billed at fully allocated staff cost. If contracted – contract amount + 25% administrative fee.	\$5,355
Time Extensions	
Time extension for CUP, regular Coastal Permits and variance (Planning Commission)	\$979
Time Extensions for Tract Maps and Parcel Maps	\$979

Time Extension - Administrative	\$272
<p>Use Permits</p> <ul style="list-style-type: none"> - All use permits may be billed at direct cost at the discretion of the Community Development Manager and the scheduled fee would then be deemed as a deposit. - All Projects in the Planned Development Overlay require a Use Permit 	
Conditional Use Permit (CUP)	\$5,653
CUP Concept Plan	\$8,697
CUP Precise Plan	\$3,261
CUP Combined Concept/Precise Plan	\$8,697
Conditional Use Permit for an SFR addition of 25% or less of the existing floor area. (appeals area only)	\$2,174
One SFR in a Planned Development Zone or Bluff Area	\$1,6315
Occupancy Change in Commercial/Industrial Zones	\$871
Additions to non-conforming structures, not adding units or new uses	\$2,130
Minor Use Permit (Residential & Industrial Uses)	\$619
Temporary Use Permit – Longer than 10 days	\$1,088
Outdoor display and sales and outdoor dining	\$988
Administrative Temporary Use Permit – 7 consecutive days or 10 non-consecutive days	\$163
Amendments to Existing Permits (Planning Commission)	\$2,827
Major modification while processing	\$1,672
Minor amendments to existing permits (Administrative)	\$211
Special Use Permit (Minor – PC Review)	\$2,174
Special Use Permit (Major – PC Review)	\$5,653

Variances	
Variance	\$2,174
Variance processed with other permits	\$830
Minor Variance	\$457
Parking Exception (will always be accompanied by a Conditional Use Permit, Minor Use Permit or Coastal Development Permit)	\$213
Laserfiche Applies to all Planning and Building Permits	
Laserfiche of planning and building documents, including scanning and storage. Fee based on plan set pages only.	\$15 for first page of plan set, and \$7 for each additional page.

PUBLIC WORKS	
FEE NAME	AMOUNT
IMPACT FEES	
Water Impact fee (Capacity Credit is given for existing meter) Based on Water & Wastewater Impact Fee Update, Bartle Wells Associates, 3/17/15	
Less than 1-inch meter	\$5,581
1 inch meter	\$7,487
1-1/2 inch meter	\$14,972
2 inch meter	\$23,956
3 inch meter	\$44,918
Wastewater fee (Capacity Credit is given based on existing water meter size) Based on Water & Wastewater Impact Fee Update, Bartle Wells Associates, 3/17/15	
Less than 1-inch meter	\$5,636
1 inch meter	\$7,514
1-1/2 inch meter	\$15,062
2 inch meter	\$24,047
3 inch meter	\$45,087
ENGINEERING DEVELOPMENT REVIEW FEES	
Flood Hazard Development Permit (MC 14.72.040) - time and materials costs may be added to minimum, when actual cost exceeds the minimum fee (PW):	
Permit, minimum fee	\$219
Flood plain letter	\$110
City Engineer Map Review Fees Subdivisions - (PW):	
Final Map - Tract, minimum fee (MC 16.24.040J)	\$5,167
Final Map – Tract, Per lot for every lot over 4 lots	\$136
Final Parcel Maps	\$5,167

Final Maps Amendment Review, minimum fee	\$1,176
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Public Improvement Plans Inspections/Plan Review - time and materials costs may be added to minimum, when actual cost exceeds the minimum fee:	
Public/Subdivision Improvement Plan Check, and Inspection as a Percentage of the Engineer's estimate for Subdivision Improvements	5 - Percent
Abandonment Process:	
Street/R-O-W Abandonment Process	\$6,359
Encroachment Permits (MC 13.16.140) - time and materials costs may be added to minimum, when actual cost exceeds the minimum fee (PW):	
Regular – Surface Improvements	\$201
Regular – Underground Improvements	\$440
Special - Private Encrachsments into the Public R/W, Landscaping plant materials and exempt.	\$1,542
Traffic Control Plan Review, in Addition to Encroachment Permit.	\$114
Annual Utility Encroachment Permit	\$1,922
Wide Load Permit with Traffic Control Plans - Per Year (Set by State of California)	\$90
Wide Load Permit with Traffic Control Plans - One Time (Set by State of California)	\$16
Street & Sidewalks:	
Exception Application Exception Application (Sidewalk Deferral)	\$184
PLANNING AND ENGINEERING DEVELOPMENT REVIEW FEES	
Storm Water Fees (PW):	
Single Family; Other than Single Family (per 6,000 square foot lot area, or fraction thereof):	
Planning review of preliminary stormwater plan	\$165

Building permit review of stormwater plan	\$215
Inspection of stormwater facility/erosion control	\$115
Trees (PW):	
Removal Permit (to trim, brace or remove, MC 12.08.110)	\$297

WATER	
Water Service:	
Application (MC 13.04.07)	\$29
Connection - Outside City), only by Council Resolution (MC 13.04.100)	2 x Fee
Meter Installations/Connections:	
3/4 inch Meter/Service (Only installed where Fire sprinklers are not required)	\$1,565
1 inch meter Meter/Service	\$2,099
1" Meter/1-1/2" Service (for residential fire sprinklers)	\$2,656
1" Meter/2" Service (for residential fire sprinklers)	\$3,323
1-1/2" inch meter and above	T&M (\$3,625 deposit)
Meter Box Installation	\$253
Water Meter Re-Read	\$53
Reconnection (MC 13.04.310)	\$53
After - Hours Water Meter Turn Off/On	\$226

"Drop in" meter fee, up to 2 inches	0.75 x Reg Meter Fee
Relocation of water meter for customer convenience	0.5 x Reg Meter Fee
Water meter lock and any other damage. Subject to Police investigation and potential prosecution for theft of water and tampering with City Property	T&M (\$53 minimum)

Meter Installations/Connections (continued):	
Water Meter Testing (Remove, test and replace meter); fee refunded if meter test indicates an overage of greater than 2%	\$165
Water Equivalency Unit (WEU) "In-Lieu" Fee - per WEU required. In-lieu fee is an alternative for an applicant that does not provide the WEU offset, as required and set by Council Resolution	2 x \$3,139/WEU required = \$6,278
Fire Hydrants/Non-Potable - Meter Installation and Removal for Contractor Use (MC 13.04.360):	\$53 Installation; \$53 Removal
Hydrant Meter Rental, per day plus cost of water at current rate structure.	\$5 + \$1,500 Refundable Deposit, will be read and billed on a monthly basis
Certificate of Compliance – Water Retrofit	\$28
Water Service Refundable Deposit - residential tenants only	\$104
WASTEWATER	
Connection Permit - This is in addition to an Encroachment Permit.	\$88
Discharge Fee - Recreational Vehicles and Campers	\$26 + 0.25/gal or fraction there of
Discharge Fee - Tank Trucks and Commercial per truck, for gallon. No septage allowed	\$104 + \$0.25/gal or fraction there of
Raising Manhole to Grade	T&M (\$776 min)
Sewage Spill Cleanup - cost of providing service Sewage spill clean up	T&M (\$776 min)
OTHER FEES	
Dedication 15 Gallon Tree and Plaque	\$525
Dedication Bench and 1 Plaque Space	\$545
Dedication Whole Bench with 3 Plaque Spaces	\$1,632
Other Park Amenity Dedication	To Be Determined on an individual basis

POLICE SERVICES	
FEE NAME	ADOPTED FEE
Permits and Licenses:	
Tow/Taxi Service Provider Application Fee	\$673
Taxi Operator Permit Application Fee	\$428
Taxi Operator Permit Application Renewal Fee	\$71
Second Hand Dealer Permit - City Application Fee (does not include Department of Justice fee) (MBMC 5.40.330)	\$358
Second Hand Dealer Permit renewal - City Application Fee (does not include Department of Justice fee) (MBMC 5.40.330)	\$178
Massage Therapist/Parlor Permit Application Fee (MBMC 5.40.330)	\$149
Support Services Activity:	
Digital Photo Reproduction to CD - per hour, 1 hour minimum	\$60
Audio/Video Tape Reproduction - per hour, 1 hour minimum	\$60
Record Searches/Reviews/Clearance/Responses - per hour, 1 hour minimum	\$60
Officer Activity:	
Equipment Citation Sign Off	\$17
Vehicle Impound Fee Administrative Costs (CVD 22850.5)	\$178
Abandoned Vehicle Removal (junk vehicles/parts)	\$358
Other Police Services:	
Firearms-seizure/storage (PC 33880)	\$60

State Mandated Costs	
Concealed Weapons Permit (does not include DOJ or other fees (PC25455))	\$119
Renewal of Concealed Weapons Permit (does not include cost of ID card)	\$29
Subpoena Duces Tecum (does not include costs of report, etc) (EC 1563(b)(1))	\$17
Delinquent Parking Citation Copy (VC 40206.5)	\$2
Repossessed Vehicle (GC 41612)	\$17
Booking Fees (current cost-cost is dependent on charges by County) (GC 53150) & (GC 29550.1)	\$130
Live scan Fingerprint Fees (PC 13300(e))	\$23
Criminal History Review (PC13322)	\$29
Cost Recovery:	
DUI Emergency Response (MBMC 3.40.030)	Actual Cost
False Alarm Response (after 3 rd false alarm in a year) (MBMC 9.22.020)	\$239

FIRE	
FEE NAME	ADOPTED FEE
Permits:	
Permit Inspection Fees:	
Any single permit identified in Title 24 CFC and not specifically addressed in the Master Fee Schedule	\$146
Any combination of permits shall not exceed	\$438
Special Occurrence or Use Permit (equipment & personnel charges additional)	\$146
Special Permits:	
Marine Welding Permit: Vessel, Pier, Wharf, Waterfront	\$73
Aircraft Landing Permit, per occurrence (required Fire standby equipment & personnel charges additional)	\$146
Equipment & Personnel Charges:	
Engine or Truck: per hour, per vehicle (personnel charges additional)	\$129
Squad/Rescue: per hour, per vehicle (personnel charges additional)	\$94
Utility/Command Vehicle: per hour, per vehicle (personnel charges additional)	\$45
Personnel charges	Per hour, per person - 2 hour minimum, unless otherwise specified, at current productive hourly rate

Plan Review Fees:	
Fire Plan Concept Review	Personnel charges, as specified in Equipment and Personnel Charges
Plan Review	0.9% of total valuation plus use of outside consultant for Plan Review & Inspection is based on actual cost plus \$67 fee
Additional Plan Review required by changes, additions or revisions to approved plans	Personnel charges, as specified in Equipment & Personnel Charges, on an hourly basis, plus actual cost of outside consultant for Plan Review
Fire Protection:	
System & Equipment Fees:	
Fire Sprinkler System Installation Inspection - (above ground):	
Residential	\$146 + \$0.55 per head
Commercial	\$219 + \$0.55 per head
Commercial projects or tenant improvements under 1,000 sq. ft.	\$146 + \$0.55 per head
Underground water line inspection	\$146
Fire Alarm System Installation Inspection:	
0 - 15 devices	\$146
16 - 50 devices	\$219
51 - 100 devices	\$292
101 - 500 devices	\$365
501 and up	\$365 + \$292 for each additional 100 devices or portion thereof
Specialized Fire Protection System Inspection, e.g., Halon, Dry Chemical Commercial Kitchen Hood System	\$146
Flammable or Combustible Tank Installation Inspection	\$73
On-site Hydrant System Installation Inspection	\$146
Use of Outside Consultants for Plan Review & and/or Inspection	\$146 + actual cost
Request for Building Fire Flow Calculations	\$73
Request for Hydrant Flow Information	\$73

Fire Protection (continued):	
Request for Hydrant Flow Test	\$73 fee plus personnel & equipment as specified in Personnel and Equipment Charges, 1 hr min
Engine company business inspection:	
1st and 2nd inspections	No charge
3rd and subsequent inspections	\$219
Fire Prevention:	
New and annual business/facility inspection fees:	
1st and 2nd inspections	No charge
3rd and subsequent inspections	\$146
Administrative citation for failure to correct a violation shall be charged per 1.03.050 of the Municipal Code	\$146
Administrative citation for second violation of the same ordinance in the same year shall be charged per 1.03.050 of the Municipal Code	\$292
Administrative citation for third and each additional violation of the same ordinance in the same year shall be charged per 1.03.050 of the Municipal Code	\$584
Annual weed and hazard abatement inspection fees:	
1st inspection for compliance	No charge
2nd and subsequent inspections	\$146
Administrative citation for failure to correct a violation shall be charged per 1.03.050 of the Municipal Code	\$146
Administrative citation for second violation of the same ordinance in the same year shall be charged per 1.03.050 of the Municipal Code	\$292
Administrative citation for third and each additional violation of the same ordinance in the same year shall be charged per 1.03.050 of the Municipal Code	\$584

Incident Response Fees:	
Hazardous Material/Chemical Incident	No charge first half-hour (excluding negligent/intentional acts) Each additional hour, or fraction thereof, will be charged as specified in the Personnel and Equipment Charges plus the cost of any materials and contract services used
Negligent Incidents	Response due to negligent/malicious act (e.g., DUI traffic accident, climber on Morro Rock, incendiary fire, negligent hazardous material incident, negligent confined space incident, etc.) Two hour minimum to be charged as specified by Personnel & Equipment Charges plus any material costs and contract services used.
Excessive or Malicious False Alarms	Emergency response due to "Failure to Notify" when working on or testing fire/alarm system 0.5 hours minimum to be charged as specified by Personnel & Equipment Charges.
Malicious False Alarms	.5 hour minimum to be charged as specified by Personnel & Equipment Charges plus any material costs.
Alarm system malfunction resulting in 2 in 30 days or 3 in 12 months	Charged as specified by Personnel & Equipment Charges plus any material costs
Other Fire Services:	
Copy of response report, per report	\$28
Additional copies, per page	See General Fees for copy charges
Cause & Origin investigation reports, per report	\$116
Non-renewal of required annual permit	Charge double permit fee rate
Failure to obtain permit	Charge double permit fee rate
Missed site inspection appointment	\$73
Failure to meet permit requirements/requiring re-inspection	\$73

Permits - California Fire Code:	
See operational and construction permits identified in the California Fire Code, Section 105	
Special Occurrence or Use Permit includes 1 inspection	
Plan Review Fees:	
Plan Review Fees	Total valuation to recover the cost of providing service
Use of outside consultant for Plan Review and/or Inspection	\$73 plus actual cost of consultant
All Plan Review Fees shown are minimum amounts, based on average processing. Large or complex projects may be subject to increased fees based upon time, costs, or equipment costs as shown per Equipment & Personnel Charges.	

HARBOR DEPARTMENT

1. All fees are due in advance. At **the Harbor Department's discretion, billing in arrears** for qualified and registered vessels with current account status may be allowed.
2. Any account past due over 10 days will be charged a \$35 late fee on a monthly basis. Accounts are due and payable by the 10th of every month.

VESSEL FEES

1. All vessel fees based on the length of the vessel or the length of the slip, whichever is greater, with a 36-foot minimum.
- 2. The Harbor Director may waive dockage fees for "tall ships" visiting Morro Bay Harbor for any period less than 30 days with written notice.**
3. Transient Slip fees will be charged by the day or by the month, whichever is less.
4. Transient Slip monthly subleases shall be limited to 3 months in any slip as long as there are vessels appropriate to the slip size on the sublease waiting list.
5. Floating Dock and Anchorage stay limited to 30 days in any 6 month period.
- ~~6. A 10% discount is available for assigned Commercial Fishing Vessel slips when paid one full year in advance during the first month of the fiscal year after adoption of the Master Fee Schedule for that fiscal year.~~

Commercial Fishing Slips – monthly rate per foot	\$5.10
Commercial Fishing Slip Waiting List Deposit	\$435
Head Float Berth – monthly rate	\$205
Transient Slips – monthly sublease rate per foot	\$10
Transient Slips – daily rate per foot	\$1
T-Piers – daily rate per foot	\$0.30
Floating Dock	\$0.30
A1-5 Anchorage Area – first 5 days	\$0.00
A1-5 Anchorage Area – daily rate/foot over 5 days	\$0.25

Vessel Fees (continued)	
Temporary Moorage – large vessels or equipment requiring special accommodation – daily rate	\$182
Impound Fee	\$213
Impounded Vessels – daily storage rate per foot	\$1.50
MOORING FEES 1. A 10% discount is available for Private and City mooring fees when paid one full year in advance during the first month of the fiscal year after adoption of the Master Fee Schedule for that fiscal year. 2. Guest Mooring stay limited to 30 days in any 6 month period without prior approval of the Harbor Department.	
City Moorings – monthly rate	\$260
Private Moorings – monthly rate	\$90
Guest Moorings – daily rate per foot	\$0.30
Mooring Ownership Transfer – private moorings	\$1,205
SERVICE FEES 1. South T-Pier Hoist may only be used for fish unloading in certain cases; see Harbor Department Rules and Regulations. 2. Dry Storage fee for use of each designated approximate 9-foot by 20-foot space, minimum monthly increments.	
T-Pier Electrical – daily rate	\$2.85
South T-Pier Hoist – rate per use	\$15.40
South T-Pier Hoist Fish Unloading – per hour	\$80.50
Wharfage – rate per ton	\$1.05
Loaned Electric Cord or Adaptor Replacement	\$175
Dry Storage – monthly rate	\$97

LIVEABOARD FEES

1. Liveaboard permits are valid for 2 fiscal years. Any Liveaboard application, submitted during the period January 1 through June 30, is valid only for that fiscal year and the following fiscal year, but will be prorated by reducing the Liveaboard application fee, stated herein, by 25%. Any Liveaboard application, submitted July 1 through December 31, will not be prorated.

2. Liveaboard Permit Inspections may be conducted by the Harbor Patrol or by a qualified Marine Surveyor acceptable to the City.

Liveaboard Permit Administration - biennial	\$184
Liveaboard Permit Inspection – biennial (if done by Harbor Patrol)	\$88
Service Fee, Moorings - monthly	\$17.40
Service Fee, City Slips - monthly	\$35.80

EQUIPMENT & PERSONNEL CHARGES

1. Vessels requiring non-emergency assistance more than once in any 12-month period may be charged at the rates established herein.

2. Officers and vessels charged on an hourly basis with a 1-hour minimum.

3. Officers and vehicles charged on an hourly basis with a 1-hour minimum.

One Patrol Officer + Patrol Vessel – per hour	\$213
Each Additional Patrol Officer – per hour	\$88
One Patrol Officer + Vehicle – per hour	\$130
Lifeguard	\$25

LAUNCH RAMP PARKING FEES

1. Launch Ramp Parking fees apply to the extended yellow-striped truck and trailer parking spaces at the Launch Ramp parking lot and Tidelands Park.

2. Annual Parking Permits are valid for one calendar year and may be prorated to the nearest month.

Daily (or any part thereof)	\$5
Annual Permit	\$115
Failure to Pay Established Fee	\$60

Failure to Visibly Display Receipt	\$60
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LEASE ADMINISTRATION FEES	
Master Lease Approval	\$2,200
Actions Requiring City Council Approval	\$700
Actions Requiring Administrative Approval	\$265

RECREATION

FACILITY RENTALS:

COMMUNITY CENTER

	Resident/Non-Profit Groups	Non-Resident/For-Profit Groups
Auditorium – Per Hour	\$82	\$121
Auditorium, one-half – Per Hour	\$50	\$72
Multi-Purpose Room – Per Hour	\$45	\$67
Lounge – Per Hour	\$36	\$54
Studio – Per Hour	\$28	\$41
Kitchen – Per Hour Note: Kitchen only rentals permitted Monday – Friday; weekend rentals must be combined with room rental.	\$22	\$27
Kitchen – 8 Hours	\$109	\$136

VETERAN'S MEMORIAL BUILDING

	Resident/Non-Profit Groups	Non-Resident/For-Profit Groups
Assembly, w/o kitchen – Per Hour	\$36	\$48
Complete, w/o kitchen – Per Hour	\$41	\$54
Meeting, w/o kitchen – Per Hour	\$30	\$40
Kitchen & barbeque – Per Hour Note: Kitchen only rentals permitted Monday – Friday; weekend rentals must be combined with room rental.	\$22	\$27
Kitchen – 8 hours	\$109	\$136

RECREATION FACILITY RENTALS (continued)		
TEEN CENTER		
	Resident/Non-Profit Groups	Non-Resident/For-Profit Groups
Per hour – up to 50 participants, includes one staff	\$75	\$75
Per hour - over 50 participants, includes two staff	\$90	\$90
ADDITIONAL FEES		
Processing Fee: \$10, non-refundable Public Special Event/Festival Processing Fee: \$30, non-refundable		
Security Deposit: \$150, no alcohol or live music \$500, alcohol and/or live music \$750, alcohol and/or live music over 200 people The City reserves the right to require additional security deposit limits at its discretion.	Facility Impact fee, non-refundable, per event based on group size: 100-200 participants: \$153 201 or more participants: \$306	
Event set-up: \$50 per hour Event breakdown: \$50 per hour Veteran's Memorial Building stage use, set-up and breakdown: \$100 flat rate	Facility Attendant(s): \$16 per hour each Security Guard(s): \$31 per hour each (Required for events with alcohol and/or dancing) Unscheduled overtime: \$75 per hour	
Insurance: cost based on event size/type	Cancellations: 20% charge of invoiced costs	

PARK and OPEN SPACE RENTALS		
	Resident/Non-Profit Groups	Non-Resident/For-Profit Groups
Anchor Memorial Park Open Area Bayshore Bluffs Open Area Centennial Parkway Open Area City Park Open Area Cloisters Park Open Area General Open Area Monte Young Open Area Morro Rock Open Area Tidelands Park Open Area	Single Area: \$54 Rental Fee/Area Multi-Area, Entire Park, Multi-Day Event: \$107/Day + Rental Fee	Single Area: \$80 Rental Fee/Area Multi-Area, Entire Park, Multi-Day Event: \$160/Day + Rental Fee

Park and Open Space Rentals (continued)		
	Resident/Non-Profit Groups	Non-Resident/For-Profit Groups
City Park Basketball Courts Coleman Park Coleman Basketball Courts Del Mar Park Hillside or Meadow Del Mar Park Basketball Courts Del Mar Pickleball Courts Del Mar Tennis Courts Lila Keiser Park BBQ (Excluding Tournament Use) Monte Young Tennis Courts North Point Overlook	Single Area: \$54 Rental Fee/Area Multi-Area, Entire Park, Multi-Day Event: \$213/Day + Rental Fee <u>Note:</u> See courts/rink hourly rental charges below, which are in addition to area rental fee.	Single Area: \$80 Rental Fee/Area Multi-Area, Entire Park, Multi-Day Event: \$319/Day + Rental Fee
Lila Keiser Park Tournament Use (does not include field prep, or hourly use rates)	\$533	\$1,066
Public Special Event/Festival	\$533	\$1,066
HOURLY and PARK USE FEES		
	Resident/Non-Profit Groups	Non-Resident/For-Profit Groups
Giant Chessboard – Wooden Pieces	\$43	\$116
Giant Chessboard – Plastic Pieces	\$12	\$14
Basketball Courts, Pickleball Court & Tennis Court Hourly	\$7	\$8

HOURLY and PARK USE FEES (continued)		
Lila Keiser hourly field rental w/o lights	\$7	\$8
Lila Keiser hourly field rental w/ lights	\$19	\$21
Lila Keiser field preparation	\$30	\$33
City Park Banner Placement	\$107/wk	\$159/wk
ADDITIONAL FEES		
Processing Fee: \$10, non-refundable Public Special Event/Festival Processing Fee: \$30, non-refundable		
Security Deposit: \$50, Bounce House \$150, no alcohol or live music \$500, alcohol and/or live music \$500 Organized Sporting Event (tournaments) \$500 Public Special Event/Festival The City reserves the right to require additional security deposit limits at its discretion	Lila Keiser Support Services: \$27 per hour Insurance: cost based on event size/type Cancellations: 20% of invoiced costs	
MISCELLANEOUS PROPERTY USE		
	Resident/Non-Profit Groups	Non-Resident/For-Profit Groups
Recreation equipment rental, per bag Includes one: Horseshoes, Badminton, Volleyball, Bocce Ball	\$12	\$14
Skate Park - Per Hour (2 hour minimum)	\$115	\$172
Photography/Filming – Per Day	\$533	\$1,065
ADDITIONAL FEES		
Equipment Rental Deposit: \$50 Photography/Filming Deposit: \$1,000		

MORRO BAY TRANSIT AND TROLLEY	
Morro Bay Transit - Fixed Route	
Regular fare, per ride	\$1.50
Discount fare, per ride	\$0.75
Regular punch pass (11 rides for the price of 10)	\$15
Discount punch pass (11 rides for the price of 10)	\$7.50
Regular day pass	\$4
Discount day pass	\$2
Morro Bay Transit - Call-a-Ride:	
Fare, per ride	\$2.50
Call-A-Ride punch pass (11 rides for the price of 10)	\$25
Morro Bay Trolley Fares (Ages 12 and up):	
Per ride (Children, under 12 years old ride free, but must be accompanied by a fare-paying adult)	\$1
All day pass	\$3
Morro Bay Trolley Advertising:	
Exterior Side of Trolley (approx. 36"x20") - with supplied sign	\$401
Exterior Side of Trolley (approx. 36"x20") - MB Community Foundation supplied sign	\$468
Exterior Rear of Trolley (approx. 24"x20") - with supplied sign	\$365
Exterior Rear of Trolley (approx. 24"x20") - MB Community Foundation supplied sign	\$401
Interior (approx. 26"x12") - with supplied sign	\$172
Interior (approx. 26"x12") - MB Community Foundation supplied sign	\$208

Morro Bay Trolley Rental Rates:

Hourly rate includes driver, fuel, cleaning, standby mechanic and administration, unless otherwise noted.

One day, within City Limits, per hour (2 hour minimum):

Transportation of passengers to and from one location to another or continuous loop with multiple stops; plus cost of fuel	\$114
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One day, outside City limits, per hour (3 hour minimum)

Transportation of passengers to and from one location to another or continuous loop with multiple stops; plus cost of fuel	\$114
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AGENDA NO: A-7

MEETING DATE: May 14, 2019

Staff Report

TO: Honorable Mayor and City Council

DATE: April 29, 2019

FROM: Eric Endersby, Harbor Director

SUBJECT: Adoption of Resolution No. 32-19 Approving Amendment #1 to the New Master Lease Agreement Between the City of Morro Bay and Flying Dutchman Enterprises (Stan Van Beurden) for Lease Site 96/96W, Located at 945 Embarcadero

RECOMMENDATION

Staff recommend the City Council adopt Resolution No. 32-19, approving Amendment #1 to the new Master Lease Agreement (“MLA”) for Lease Site 96/96W, as proposed.

ALTERNATIVES

Council may elect not to approve Resolution No. 32-19, and direct staff accordingly.

FISCAL IMPACT

There are no new fiscal impacts to this action.

BACKGROUND

On January 8, 2019, a new MLA was approved for Lease Site 96/96W as the final step in the redevelopment process for this site, which began with a Request for Proposals in 2009. Over several months leading up to the new lease approval, staff and Mr. Van Beurden (on behalf of Flying Dutchman Enterprises) negotiated a new Master Lease Agreement for the Lease Site to enable completion of the redevelopment, including taking negotiations to the Council in closed session for input and direction.

The lease was negotiated to become effective upon execution (signing) by both parties (the Effective Date), which occurred on February 5, 2019, with a 35-year term that was to commence (the Commencement Date) upon the tenant’s ability to obtain a Certificate of Occupancy (COO) for the completion of the redevelopment project as-defined. That completion, by the terms of the lease, must occur on or before March 31, 2020.

DISCUSSION & CONCLUSION

In writing the lease terms, staff inadvertently wrote them in such a manner the Effective and Commencement dates are the same, which was not the intent of staff or the tenant, nor what Council directed during negotiations. As the language stands, the new lease will not become effective or commence until the redevelopment is completed and a COO is able to be issued.

Consistent with the intent of the parties, Amendment #1 will make changes to Section 1.01 providing the new lease Effective Date was February 5, 2019, and the Commencement Date will be when the tenant is eligible to receive a COO for the redevelopment completion. This amendment will also change Section 1.04 to make a necessary clarification regarding when the previous lease

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Prepared By: EE

Dept Review: EE

City Manager Review: SC

City Attorney Review: CFN

is extinguished.

ATTACHMENTS

1. Resolution No. 32-19.
2. Amendment #1 to the New Master Lease Agreement for Lease Site 96/96W.

RESOLUTION NO. 32-19

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
APPROVING AMENDMENT #1 TO THE NEW MASTER LEASE AGREEMENT
FOR LEASE SITE 96/96W BETWEEN THE CITY OF MORRO BAY AND
FLYING DUTCHMAN ENTERPRISES, LOCATED AT 945 EMBARCADERO**

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

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

WHEREAS, Flying Dutchman Enterprises (Tenant) has been the lessee of Lease Site 96/96WW since February 2010 following a Request for Proposals process to redevelop the site, and is a tenant in good standing; and

WHEREAS, on January 8, 2019 Tenant was granted a new 35-year Master Lease Agreement (MLA) for completion of a significant site redevelopment project; and

WHEREAS, the MLA was to become effective (the Effective Date) upon signing by both parties with the 35-year term commencing (the Commencement Date) upon the Tenant being eligible to receive Certificate of Occupancy for the completion of the redevelopment; and

WHEREAS, staff inadvertently wrote the MLA so both the Effective and Commencement Dates are concurrent, and now the City and Tenant mutually agree to modify the MLA, as needed to effectuate the original intent of the parties.

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

1. The attached Amendment #1 to the Master Lease Agreement for Lease Site 96/96W is hereby approved.
2. The Mayor is hereby authorized to execute said Amendment #1.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 14th day of May, 2019 on the following vote:

AYES:
NOES:
ABSENT:

John Headding, Mayor

ATTEST:

Dana Swanson, City Clerk

**AMENDMENT #1
TO THE MASTER LEASE AGREEMENT
FOR LEASE SITE 96/96W,
LOCATED AT 945 EMBARCADERO**

This Amendment (this Amendment #1) is made and entered into as of this ____ day of _____, 2019, by and between the City of Morro Bay, a municipal corporation, hereinafter called "City," and The Flying Dutchman Enterprises, a California corporation, hereinafter called "Tenant." (Collectively, City and Tenant are sometimes referred to herein as the "Parties.")

WHEREAS, on February 5, 2019, the Parties signed that certain lease for Lease Sites 96/96W (Master Lease); and

WHEREAS, the Parties desire to amend the Master Lease to make certain modifications thereto so as to effectuate the original intent of the Parties, regarding the effective date of the Master Lease and termination of another lease between the Parties (namely one that has been in effect since February, 2010), (Previous Lease).

NOW THEREFORE, Tenant and City agree, as follows:

1. Unless expressly stated herein, words used in this Amendment #1 shall have the same meaning as stated in the Master Lease, except to the extent the context requires otherwise.
2. Section 1.01 of the Master Lease is amended in its entirety to read as follows:

The term of this Lease shall be deemed to have become effective as of February 5, 2019, (Effective Date) and, unless sooner terminated as provided herein, terminate, without notice, on the thirty-fifth (35th) annual anniversary of the first day of the complete calendar month following TENANT'S ability to obtain a Certificate of Occupancy for the Project, as defined in Section 13.01 (Commencement Date). Within five days after the Commencement Date, the Parties agree to sign a Commencement/Termination Date Memo, substantially similar to Exhibit A, attached hereto.

3. Section 1.04 of the Master Lease is amended in its entirety to read as follows:

This Lease hereby extinguishes and replaces every prior lease between CITY and TENANT respecting the Premises, including the Previous Lease. Any right or interest held by the TENANT pursuant to any existing lease, including the Previous Lease, with respect to the Premises, which is not granted pursuant to this Lease, shall be extinguished as of the Effective Date.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment #1 as of the date written above.

CITY OF MORRO BAY,
a municipal corporation

THE FLYING DUTCHMAN ENTERPRISES,
a California Corporation

By: _____
John Headding, Mayor

By: _____
Stan Van Beurden, President and Sole
Shareholder

APPROVED AS TO FORM:

Chris Neumeyer, City Attorney

ATTEST:

Dana Swanson, City Clerk

EXHIBIT A

COMMENCEMENT/TERMINATION DATE MEMO

[CITY LETTERHEAD]

The Parties have signed that certain Lease Agreement, dated February 5, 2019, (the "Lease"). Pursuant to Section 1.01 of the Lease the Parties agreed to sign a memo, substantially similar to this memo, within 5 days after the Commencement Date as defined in the Lease. The Commencement Date of the Lease is _____, 202__. The Lease terminates as of _____, 205__, unless terminated earlier as provided in the Lease.

CITY OF MORRO BAY

FLYING DUTCHMAN ENTERPRISES

By: _____
_____, Mayor

By: _____
Stan Van Beurden, President

Dated: _____

Dated: _____

**A PROCLAMATION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY
DECLARING JUNE 7, 2019 TO BE
“HUNGER AWARENESS DAY”**

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

WHEREAS, the Food Bank Coalition of San Luis Obispo County is the leading hunger relief organization in the county; and

WHEREAS, the Food Bank was founded in 1989, and this year is celebrating its 30th Anniversary; and

WHEREAS, the Food Bank provides the backbone infrastructure for hunger relief and is the primary source of quality and affordable food for over 70 partner nonprofit agencies that feed the hungry; and

WHEREAS, the Food Bank and its coalition partners deliver nutritious food to those in need to every community in the county, from Nipomo to San Miguel, on the coast from Los Osos to San Simeon, and to points east including Creston, Shandon, and California Valley; and

WHEREAS, the Food Bank provides millions of pounds of only the most wholesome nutrition which advances and promotes important public health outcomes; and

WHEREAS, the Food Bank is coordinating a countywide promotion called Hunger Awareness Day on June 7th this year; and

WHEREAS, the Food Bank believes that the people of our county will rally in a one day push to donate funds needed to alleviate local hunger; and

WHEREAS, people giving donations on, June 7, 2019, can raise the funds needed to help alleviate hunger.

NOW, THEREFORE, BE IT RESOLVED, that I, Mayor John Headding and the City Council of the City of Morro Bay, declare June 7, 2019, as Hunger Awareness Day in Morro Bay.

IN WITNESS WHEREOF I have hereunto
set my hand and caused the seal of the City
of Morro Bay to be affixed this 14^h day of
May, 2019

JOHN HEADDING, MAYOR
City of Morro Bay, California

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AGENDA NO: B-1

MEETING DATE: May 14, 2019

Staff Report

TO: Honorable Mayor and City Council

DATE: May 1, 2019

FROM: Cindy Jacinth, Senior Planner

SUBJECT: Adoption of Resolution No. 28-19 approving Concept/Precise Plan Conditional Use Permit No. CUP18-10 for US Coast Guard Station Building, 1279 Embarcadero. (Project includes 806sf addition to existing US Coast Guard building on City lease site 141.)

RECOMMENDATION

Council adopt Resolution No. 28-19, making the necessary findings for approval of Conditional Use Permit (CUP) No. 18-10 as Concept/Precise Plan approval, for Lease Site 141, located at 1279 Embarcadero.

ALTERNATIVES

Alternative 1. The City Council could move to modify or delete conditions of approval from the Planning Commission's favorable recommendation.

Alternative 2. The City Council could move to deny the CUP request and direct staff to return to Council with a resolution memorializing that denial and the basis for the denial.

FISCAL IMPACT: Negligible fiscal impact anticipated: The proposed work is a relatively small addition to existing Coast Guard building. There will be a one-time payment of \$75,000 from the Coast Guard as an offset fee for the parking space impacts of the project as detailed later in this report.

BACKGROUND

The Applicant is seeking Concept/Precise Conditional Use Permit approval for an 806sf addition to the existing 3,057sf Coast Guard Station building at 1279 Embarcadero Road. The proposed addition includes area for berthing rooms and laundry/wet room to address space deficiencies necessary to meet Coast Guard personnel needs. The addition also enables the Coast Guard to allow female Coast Guard personnel to be assigned overnight to the station. The construction proposed is single story on the east side of the building. The footprint area of the addition will impact a total of 6 existing parking spaces. This project is located in the CF/PD zoning district and in the Coastal Commission Original Jurisdiction.

The proposed project was reviewed by the Planning Commission (Commission) on April 16, 2019, pursuant to Morro Bay Municipal Code (MBMC) section 17.40.030 (Planned Development overlay), which requires both a Concept and Precise plan for projects on publicly-owned land. Because of the small scale addition request, the Planning Commission reviewed the project as a combined concept/precise plan and voted 4-1 to forward a favorable recommendation with one added condition to the City Council for final consideration (PC Resolution 07-19, Attachment B). The

Prepared By: CJ

Dept Review: SG

City Manager Review: SC

City Attorney Review: CN

Commission staff report, which discusses the project in greater detail is attached as Attachment C and an online link which includes all attachments is provided below on the last page of this staff report.



5 EXISTING VIEW FROM EMBARCADERO
A1 A2 SCALE: N/A



6 PROPOSED VIEW FROM EMBARCADERO
A1 A2 SCALE: N/A

DISCUSSION

At the April 16, 2019 Planning Commission meeting, the discussion included the following topics: 1) construction staging and traffic control for the public parking lot immediately adjacent to the proposed project; 2) parking; and 3) electric vehicle (EV) charging.

The Commission's deliberation resulted in one condition being added, which is included in Council Resolution No. 28-19, as Planning condition 4:

- 4. Applicant shall submit a construction staging and traffic control plan that minimizes impact to neighboring business and pedestrian traffic to the greatest extent feasible. Said plan shall be submitted for review and approval by the Community Development Director prior to issuance of a building permit.**

Construction Staging

Since the Commission's meeting, the City has received public correspondence regarding construction staging impacts from Mr. Mark Tognazzini, a neighboring lease site holder (Attachment C). As discussed at the Commission hearing, the construction staging area is only tentatively proposed until a contractor is hired and the construction timeline is developed. A construction staging plan is a routine part of the Building permit submittal process when construction has the potential to impact pedestrians, motorists, and neighboring businesses. The proposed work is a small addition and is not anticipated to take longer than 60 days to construct. The Commission recommended condition will ensure impact is minimized to address both the Commission's concern and public concern.

Parking

The project will cause a loss of 5 parking spaces as a result of the building addition. The 5 parking spaces to be removed are currently reserved for Coast Guard personnel by way of a separate

“support services” lease with the Coast Guard that provides for 10 Coast Guard-dedicated spaces. A sixth parking space in front of the Harbor Department building will be reconfigured to be an ADA accessible parking space which will provide access to the Coast Guard building and adjacent City Harbor Department building¹. Pursuant to the City’s recently-approved supplemental lease agreement (SLA) with the Coast Guard for their main building lease, a one-time payment of \$75,000 to the City for the 5 lost spaces will be made. This amount is the equivalent of 5 parking in-lieu spaces. Negotiation of possible re-designation of the 5 lost spaces in another location will occur this summer when the City renegotiates the “support services” lease with the Coast Guard.

At the Planning Commission hearing, the Commission recommended that the Council designate the \$75,000 payment to be used for the purpose of installing an EV fast charging station within the public parking lot on the Embarcadero. This was not included as a project condition because it is outside the scope of the Applicant’s CUP request. The preference of the Harbor Department is to allocate the funds as a one-time payment to the Harbor Accumulation Fund; however, if the Council agrees with the Planning Commission recommendation, staff can be directed to come back with a subsequent action addressing the recommendation.

Coastal Development Permit

The project is within the original jurisdiction of the California Coastal Commission (CCC) which would have authority for issuance of a Coastal Development Permit (CDP) or concurrence under Coastal Zone Management Act. The Coastal Commission has provided this concurrence to the Coast Guard dated February 6, 2019 concurring that there are no effects on coastal zone resources. (Exhibit C of the Planning Commission staff report).

ENVIRONMENTAL

Upon staff review, the project has been determined to be eligible for a categorical exemption under the California Environmental Quality Act (CEQA), Section 15301, Class 1e. This exemption allows for additions to existing structures if the increase is not more than 50 percent of floor area or 2,500 square feet whichever is less, for which the proposed 806sf Coast Guard addition would qualify for an exemption. In addition, none of the exceptions found in CEQA Section 15300.2 apply to this project.

PUBLIC NOTICE:

Notice of a public hearing on this item was posted at the site and published in the Tribune newspaper on May 3, 2019, and mailed directly to all property owners and occupants of record within 500 feet of the subject site. The notices invited the public to attend the hearing and express any concerns they may have regarding the proposed project.

CONCLUSION

The City’s General Plan and Local Coastal Plan provide emphasis on maintaining the Coast Guard’s presence and mission in this area. The project as proposed is visually compatible with the existing structure and character of the surrounding area, and does not adversely affect views because the addition on the east side of the building has been designed to not diminish or detract from existing public views of the water or of Morro Rock. The Commission reviewed the project and

¹ The public entrance door of the City’s Harbor Department at 1275 Embarcadero currently faces west. The Harbor Department has confirmed that the public entrance door will be relocated to the east side of the building in order to improve accessibility.

has forwarded a favorable recommendation for final approval to City Council. The attached Council Resolution No. 28-19 reflects the Commission's recommendation.

As conditioned, the City Council can find for approval of the project as Concept /Precise Plan approval consistent with applicable provisions of the General Plan/ LCP, and Zoning Ordinance. Staff therefore recommends approval of Concept/Precise CUP #18-10.

ATTACHMENTS:

- A. City Council Resolution No. 28-19
- B. Planning Commission Resolution No. 07-19 (adopted April 16, 2019)
- C. Planning Commission staff report, April 16, 2019 meeting
- D. Public Correspondence by Mr. Mark Tognazzini, dated April 23, 2019
- E. Plans/ Plan Reductions received March 19, 2019

ONLINE DOCUMENTS

*Complete staff report & attachments for the 4/16/19 Planning Commission meeting available at the following link: <http://www.morro-bay.ca.us/ArchiveCenter/ViewFile/Item/5005>

RESOLUTION NO. 28-19

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA APPROVING THE CONCEPT /PRECISE PLAN FOR CONDITIONAL USE PERMIT (CUP 18-10) FOR 806SF ADDITION TO US COAST GUARD STATION BUILDING AT 1279 EMBARCADERO, US COAST GUARD (CITY LEASE SITE 141).

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 April 16, 2019, for the purpose of considering the Concept/Precise Plan for Conditional Use Permit #CUP18-10 and adopted PC Resolution 07-19 to forward a favorable recommendation to the City Council for approval; and

WHEREAS, the City Council conducted a public hearing at the Morro Bay Veteran's Hall, 209 Surf Street, Morro Bay, California, on May 14, 2019, pursuant to the Planned Development regulations (Morro Bay Municipal Code (MBMC) section 17.40.030), for the purpose of considering the Project for 1279 Embarcadero, also known as the US Coast Guard Station Building, in an area within the original jurisdiction of the California Coastal Commission; and

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

WHEREAS, the City Council has duly considered all evidence, including the testimony of the applicant, interested parties, and the evaluation and recommendations by staff, presented at said Council public 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 evidence, the Council makes the following findings:

California Environmental Quality Act (CEQA)

- A. That for purposes of the California Environmental Quality Act, Case No. CUP18-10 is categorically exempt under Section 15301, Class 1e. This exemption allows for additions to existing structures if the increase is not more than 50 percent of floor area or 2,500 square feet whichever is less, for which the proposed 806sf Coast Guard addition would qualify for an exemption. In addition, none of the exceptions found in CEQA Section 15300.2 apply to this 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 806sf addition to the existing Coast Guard building at 1279 Embarcadero is a permitted use as a government building within the commercial/recreational fishing zoning district; and said building addition structure complies with all applicable project conditions and City regulations, is consistent with the City's Local Coastal Program, and as a branch of the U.S. military is responsible for maritime safety.
- 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 addition will provide enhanced ability for the Coast Guard to fulfil its mission of boating safety, search and rescue, and enforcement of maritime laws while also indirectly benefitting public safety and recreation for visitors and residents and is consistent with the character of the existing development. The loss of five parking spaces will not be detrimental to the lease site or adjacent public parking lot because the addition is proposed to maintain the minimum drive aisle width to allow for continued function of the parking lot.
- C. The proposed project includes the removal of 5 parking spaces in the area where the addition is located, and the City Council has adopted Resolution No. 22-19, approving a Supplemental Lease Agreement with the Coast Guard requiring payment of \$75,000 (\$15,000 per space) to offset the removal of the parking spaces.

Waterfront Master Plan Findings

- A. The proposed project makes a positive contribution to the visual accessibility to the bay and rock while supporting the harbor.
- B. In the case of granting exceptions to development standards including lot coverage, the proposed project provides significant public benefit pursuant to the Planned Development Overlay zone requirements in that the proposed project of an 806sf single story addition to an existing Coast Guard building provides for and supports and actively encourages the continued permanent presence by the Coast Guard as an essential element of boating safety in the region.
- C. Meets the Waterfront plan height limit, bulk, and scale requirements in that the proposed project does not exceed the maximum height allowed and interesting articulation breaks up the bulk and scale.
- D. The project does not worsen or block more views, it does not block view corridors or intrude into pedestrian access areas. It takes advantage of outward views and characteristics of the topography in that the project proposes a single story addition on the east side of the building outside of public view corridors.

- E. The proposed project provides the amenities identified in the Waterfront Master Plan, facilitates visual and physical access to the waterfront, and takes advantage of outward views and characteristics of the topography.
- F. The proposed project makes a positive contribution to the working fishing village character and quality of the Embarcadero area in that the new project supports and actively encourages the continued permanent presence by the Coast Guard as an essential element of boating safety in the region..
- G. The proposed project recognizes the pedestrian orientation of the Embarcadero by maintaining the surrounding area and proposing a small addition with minimal impact to the surrounding parking lot that does not create view impacts and also in that the project will provide historical interpretive sign on the history of the US Coast Guard for pedestrian passers-by as a public educational benefit that is consistent with the character of the existing development.
- H. The project gives its occupants and the public some variety in materials and/or application in that the project is designed to match color and materials of existing building and retain building character.
- I. The project contains the elements of harmony, continuity, proportion, simplicity, and balance, and its appearance matches its function and the uses proposed.
- J. 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 to its immediate neighbor.

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.

Section 2. Action. The City Council does hereby approve Concept/Precise Plan Conditional Use Permit #CUP18-10 subject to the following conditions:

STANDARD CONDITIONS

1. This permit is granted for the Coast Guard addition on land described in the City Council staff report dated May 1, 2019, (Council meeting date May 14, 2019) for the project at 1279 Embarcadero depicted on plans dated March 19, 2019, 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 CUP18-10, 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, 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.
8. Conditions of Approval: The Findings and Conditions of Approval shall be included as a full-size sheet in the Building Plans.

BUILDING DIVISION CONDITIONS:

CONDITIONS TO BE MET PRIOR TO ISSUANCE OF A BUILDING PERMIT

1. Building permit plans shall be submitted by a California licensed architect or engineer when required by the Business & Professions Code, except when otherwise approved by the Chief Building Official.
2. The owner shall designate on the building permit application a registered design professional who shall act as the Registered Design Professional in Responsible Charge. The Registered Design Professional in Responsible Charge shall be responsible for reviewing and coordinating submittal documents prepared by others including phased and staggered submittal items, for compatibility with design of the building.
3. The owner shall comply with the City's Structural Observation Program. The owner shall employ the engineer or architect responsible for the structural design, or another engineer or architect designated by the engineer of record or architect responsible for the structural design, to perform structural observation as defined in Section 220. Observed deficiencies shall be reported in writing to the owner's representative, special inspector, contractor and the building official. The structural observer shall submit to the building official a written statement that the site visits have been made and identify any reported deficiencies that, to the best of the structural observer's knowledge, have not been resolved.
4. The owner shall comply with the City's Special Inspection Program. Special inspections will be required by Section 1704 of the California Building Code. All Special Inspectors shall first be approved by the Building Official to work in the jurisdiction. All field reports shall be provided to the City Building Inspector when requested at specified increments in order for the construction to proceed. All final reports from Special Inspectors shall be provided to the Building Official when they are complete and prior to final inspection.
5. Mitigation measures for natural occurring asbestos require approval from San Luis Obispo County Air Pollution Control District.
6. A soils investigation performed by a qualified professional shall be required for this project. All cut and fill slopes shall be provided with subsurface drainage as

necessary for stability; details shall be provided. Alternatively, submit a completed City of Morro Bay soils report waiver request.

7. BUILDING PERMIT APPLICATION. To apply for building permits, submit three (3) sets of construction plans to the Building Division.
8. The Title sheet of the plans shall include:
 - a. Street address, lot, block, track and Assessor Parcel Number.
 - b. Description of use.
 - c. Type of construction.
 - d. Maximum Height of the building allowed and proposed.
 - e. Floor area of the building(s).
 - f. Vicinity map.
 - g. Minimum building set back per zoning designation or conditional use approval.
9. All construction will conform to the 2016 California Building Code (CBC), 2016 California Residential Code (CRC), 2016 California Fire Code (IFC), 2016 California Mechanical Code (CMC), 2016 California Plumbing Code (CPC), 2016 California Electrical Code (CEC), 2016 California Energy Code, 2016 California Green Code (CGBC), and Accessibility Standards where applicable and all City codes as they apply to this project.

(Code adoption dates are subject to change. The code adoption year is established by application date of plans submitted to the Building Division for plan review.)

CONDITIONS TO BE MET DURING CONSTRUCTION

10. SITE MAINTENANCE. During construction, the site shall be maintained so as to not infringe on neighboring property, such as debris and dust.
11. ARCHAEOLOGICAL MATERIALS. In the event unforeseen archaeological resources are unearthed during any construction activities, all grading and or excavation shall cease in the immediate area and the find left untouched. The Building Official shall be notified so that the extent and location of discovered materials may be recorded by a qualified archaeologist, Native American, or paleontologist, whichever is appropriate. The qualified professional shall evaluate the find and make reservations related to the preservation or disposition of artifacts in accordance with applicable laws and ordinances. If discovered archaeological resources are found to include human remains, or in any other case when human remains are discovered during construction, the Building Official shall notify to county coroner. If human remains are found to be of ancient age and of archaeological and spiritual significance, the Building Official shall notify the Native American Heritage Commission. The developer shall be liable for costs associated with the professional investigation.

12. A licensed surveyor or engineer shall verify pad elevations, setbacks, prior to foundation inspection, and/or building height prior to framing inspection when determined necessary by the Planning Division.

CONDITIONS TO BE MET PRIOR TO FINAL INSPECTION AND ISSUANCE OF CERTIFICATE OF OCCUPANCY:

13. Prior to building division final approval all required inspections from the other various divisions must have been completed and verified by a city inspector. All required final inspection approvals must be obtained from the various departments and documented on the permit card.
14. Title 24 form(s) 2F-6R (Certificate of installation) for building, mechanical, electrical and plumbing systems.

FIRE DEPARTMENT CONDITIONS:

1. Automatic fire sprinklers. An automatic fire sprinkler system, in accordance with NFPA 13-D, California Fire Code (Section 903) and Morro Bay Municipal Code (Section 14.08.090).
2. Fire Safety during Construction and Demolition shall be in accordance with 2016 California Fire Code, Chapter 33. This chapter prescribes minimum safeguards for construction, alteration and demolition operations to provide reasonable safety to life and property from fire during such operations.
3. Fire Apparatus Access Roads-Dimensions. Fire apparatus access roads shall have an unobstructed width of not less than 20 feet, exclusive of shoulders, except for approved security gates in accordance with Section 503.6, and an unobstructed vertical clearance of not less than 13 feet 6 inches. (CFC 503.2.1)
4. Fire Department access to equipment. Rooms or areas containing controls for Electrical, FAU, Alarm and Fire Sprinkler Systems shall be identified by approved and appropriate signage for Fire Department use. (CFC 1001.8)

PUBLIC WORKS CONDITIONS:

The following Public Works conditions shall be satisfied with the Building Plan submittal:

1. Stormwater Management: The City has adopted Low Impact Development (LID) and Post Construction requirements to protect water quality and control runoff flow from new and redevelopment projects. Projects with more than 2,500sf of new or redeveloped impervious area are subject to these requirements. The submitted "SFR Performance Requirement Determination Form" indicates this project is "Exempt".

2. Sewer Mainline: Indicate and label new sewer mainline per City specifications in the “City of Morro Bay Standard Drawings and Specifications”. Add note to “Maintain all sewer lateral connections along sewer mainline”.
3. Sewer Manhole: Indicate and label new sewer manhole per City standard detail S-3.
4. Sewer Lateral: Indicate and label new or existing sewer lateral and connections. If an existing lateral is used, perform a video inspection of the lateral and submit to Public Works via flash drive or DVD, prior to building permit plan approval. Lateral shall be repaired as necessary and all repairs shall be noted on approved set of plans.
5. Sewer Backwater Valve: Indicate and label sewer backwater valve on plan. A sewer backwater valve shall be installed on site to prevent a blockage or maintenance of the municipal sewer main from causing damage to the proposed project (MBMC 14.24.070).
6. Erosion and Sediment Control Plan: For small projects less than one acre and less than 15% slope, provide a standard erosion and sediment control plan. Show on plans the control measures to provide protection against erosion of adjacent property and prevent sediment or debris from entering the City right of way, adjacent properties, any harbor, waterway, or ecologically sensitive area.
7. Water Meter: Indicate and label new or existing water meter on plans.
8. Water Backflow Prevention Device: Verify and label all new or existing water backflow preventers. Devices are required for fire water systems, irrigation systems on a dedicated water meter, systems which may change in character of use (commercial rentals, etc.), gray water systems, or any plumbing system which has cross-connections or the ability to allow water of deteriorated sanitary quality to enter the public water supply. Add note to plan that device is an approved domestic water backflow prevention device.
9. Grading and Drainage: Indicate on plans the existing and updated contours, drainage patterns, spot elevations, finish floor elevation and all existing and proposed drainage pipes and structures.

Add the following Notes to the Plans:

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.

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.

HARBOR CONDITIONS:

1. Applicant shall submit for a lease line amendment to be approved by the City Council prior to issuance of a building permit.

PLANNING CONDITIONS:

1. 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.
2. An interpretive sign with content relating to the historical nature of the Coast Guard in Morro Bay shall be submitted for review and approval by the Community Development Director for installation prior to final occupancy of the building permit.
3. Compliant ADA path of travel shall be shown on building construction plans.

Planning condition 4 added by the Planning Commission on 4/16/2019:

4. Applicant shall submit a construction staging and traffic control plan that minimizes impact to neighboring business and pedestrian traffic to the greatest extent feasible. Said plan shall be submitted for review and approval by the Community Development Director prior to issuance of a building permit

PASSED AND ADOPTED by the Morro Bay City Council at a regular meeting thereof held on this 14th day of May, 2019, on the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

JOHN HEADDING, Mayor

ATTEST

DANA SWANSON, City Clerk

Attachment B

RESOLUTION NO. PC 07-19

A RESOLUTION OF THE MORRO BAY PLANNING COMMISSION FOR CONCEPT/PRECISE PLAN APPROVAL OF CONDITIONAL USE PERMIT (CUP18-10) FOR 806SF ADDITION TO EXISTING COAST GUARD STATION BUILDING AT 1279 EMBARCADERO, US COAST GUARD

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 April 16, 2019, for the purpose of considering the Concept/Precise Plan approval of Conditional Use Permit #CUP18-10 and adopted PC Resolution 07-19 to forward a favorable recommendation to the City Council for approval; 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. CUP18-10 is categorically exempt under Section 15301, Class 1e. This exemption allows for additions to existing structures if the increase is not more than 50 percent of floor area or 2,500 square feet whichever is less, for which the proposed 806sf Coast Guard addition would qualify for an exemption. In addition, none of the exceptions found in CEQA Section 15300.2 apply to this 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 806sf addition to the existing Coast Guard building at 1279 Embarcadero is a permitted use as a government building within the commercial/recreational fishing zoning district; and said building addition structure complies with all applicable project conditions and

Attachment B

City regulations, is consistent with the City's Local Coastal Program, and as a branch of the U.S. military is responsible for maritime safety.

- 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 addition will provide enhanced ability for the Coast Guard to fulfil its mission of boating safety, search and rescue, and enforcement of maritime laws while also indirectly benefitting public safety and recreation for visitors and residents and is consistent with the character of the existing development. The loss of five parking spaces will not be detrimental to the lease site or adjacent public parking lot because the addition is proposed to maintain the minimum drive aisle width to allow for continued function of the parking lot.

Waterfront Master Plan Findings

- A. The proposed project makes a positive contribution to the visual and public safety to the bay while increasing and supporting the harbor::
- a. In the case of granting exceptions to development standards including lot coverage, the proposed project provides significant public benefit pursuant to the Planned Development Overlay zone requirements in that the proposed project of an 806sf single story addition to an existing Coast Guard building provides for and supports and actively encourages the continued permanent presence by the Coast Guard as an essential element of boating safety in the region.
 - b. Meets the Waterfront plan height limit, bulk, and scale requirements in that the proposed project does not exceed the maximum height allowed and interesting articulation breaks up the bulk and scale.
 - c. The project does not worsen or block more views, it does not block view corridors or intrude into pedestrian access areas. It takes advantage of outward views and characteristics of the topography in that the project proposes a single story addition on the east side of the building outside of public view corridors.
 - d. The proposed project provides the amenities identified in the Waterfront Master Plan, facilitates visual and physical access to the waterfront, and takes advantage of outward views and characteristics of the topography.
 - e. The proposed project makes a positive contribution to the working fishing village character and quality of the Embarcadero area in that the new project supports and actively encourages the continued permanent presence by the Coast Guard as an essential element of boating safety in the region..

Attachment B

- f. The proposed project recognizes the pedestrian orientation of the Embarcadero by maintaining the surrounding area and proposing a small addition with minimal impact to the surrounding parking lot that does not create view impacts and also in that the project will provide historical interpretive sign on the history of the US Coast Guard for pedestrian passers-by as a public educational benefit that is consistent with the character of the existing development.
- g. The project gives its occupants and the public some variety in materials and/or application in that the project is designed to match color and materials of existing building and retain building character.
- h. The project contains the elements of harmony, continuity, proportion, simplicity, and balance, and its appearance matches its function and the uses proposed.
- i. 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 to its immediate neighbor.
- j. The proposed project includes the removal of 5 parking spaces in the area where the addition is located, and the City Council has adopted Resolution No. 22-19, approving a Supplemental Lease Agreement with the Coast Guard requiring payment of \$75,000 (\$15,000 per space) to offset the removal of the parking spaces.

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.

Section 2. Action. The Planning Commission does hereby approve Concept/Precise Plan Conditional Use Permit #CUP18-10 subject to the following conditions:

STANDARD CONDITIONS

- 1. This permit is granted for the land described in the staff report dated April 9, 2019, for the project at 1279 Embarcadero depicted on plans dated March 19, 2019, 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

Attachment B

substantially as shown on Planning Commission approved plans submitted for CUP18-10, 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, 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.

Attachment B

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.
8. Conditions of Approval: The Findings and Conditions of Approval shall be included as a full-size sheet in the Building Plans.

BUILDING DIVISION CONDITIONS:

CONDITIONS TO BE MET PRIOR TO ISSUANCE OF A BUILDING PERMIT

1. Building permit plans shall be submitted by a California licensed architect or engineer when required by the Business & Professions Code, except when otherwise approved by the Chief Building Official.
2. The owner shall designate on the building permit application a registered design professional who shall act as the Registered Design Professional in Responsible Charge. The Registered Design Professional in Responsible Charge shall be responsible for reviewing and coordinating submittal documents prepared by others including phased and staggered submittal items, for compatibility with design of the building.
3. The owner shall comply with the City's Structural Observation Program. The owner shall employ the engineer or architect responsible for the structural design, or another engineer or architect designated by the engineer of record or architect responsible for the structural design, to perform structural observation as defined in Section 220. Observed deficiencies shall be reported in writing to the owner's representative, special inspector, contractor and the building official. The structural observer shall submit to the building official a written statement that the site visits have been made and identify any reported deficiencies that, to the best of the structural observer's knowledge, have not been resolved.
4. The owner shall comply with the City's Special Inspection Program. Special inspections will be required by Section 1704 of the California Building Code. All Special Inspectors shall first be approved by the Building Official to work in the jurisdiction. All field reports shall be provided to the City Building Inspector when requested at specified increments in order for the construction to proceed. All final reports from Special Inspectors shall be provided to the Building Official when they are complete and prior to final inspection.
5. Mitigation measures for natural occurring asbestos require approval from San Luis Obispo County Air Pollution Control District.

Attachment B

6. A soils investigation performed by a qualified professional shall be required for this project. All cut and fill slopes shall be provided with subsurface drainage as necessary for stability; details shall be provided. Alternatively, submit a completed City of Morro Bay soils report waiver request.
7. **BUILDING PERMIT APPLICATION.** To apply for building permits, submit three (3) sets of construction plans to the Building Division.
8. The Title sheet of the plans shall include:
 - a. Street address, lot, block, track and Assessor Parcel Number.
 - b. Description of use.
 - c. Type of construction.
 - d. Maximum Height of the building allowed and proposed.
 - e. Floor area of the building(s).
 - f. Vicinity map.
 - g. Minimum building set back per zoning designation or conditional use approval.
9. All construction will conform to the 2016 California Building Code (CBC), 2016 California Residential Code (CRC), 2016 California Fire Code (IFC), 2016 California Mechanical Code (CMC), 2016 California Plumbing Code (CPC), 2016 California Electrical Code (CEC), 2016 California Energy Code, 2016 California Green Code (CGBC), and Accessibility Standards where applicable and all City codes as they apply to this project.

(Code adoption dates are subject to change. The code adoption year is established by application date of plans submitted to the Building Division for plan review.)

CONDITIONS TO BE MET DURING CONSTRUCTION

10. **SITE MAINTENANCE.** During construction, the site shall be maintained so as to not infringe on neighboring property, such as debris and dust.
11. **ARCHAEOLOGICAL MATERIALS.** In the event unforeseen archaeological resources are unearthed during any construction activities, all grading and or excavation shall cease in the immediate area and the find left untouched. The Building Official shall be notified so that the extent and location of discovered materials may be recorded by a qualified archaeologist, Native American, or paleontologist, whichever is appropriate. The qualified professional shall evaluate the find and make reservations related to the preservation or disposition of artifacts in accordance with applicable laws and ordinances. If discovered archaeological resources are found to include human remains, or in any other case when human remains are discovered during construction, the Building Official shall notify to county coroner. If human remains are found to be of ancient age and of archaeological and spiritual significance, the Building Official shall notify the Native

Attachment B

American Heritage Commission. The developer shall be liable for costs associated with the professional investigation.

12. A licensed surveyor or engineer shall verify pad elevations, setbacks, prior to foundation inspection, and/or building height prior to framing inspection when determined necessary by the Planning Division.

CONDITIONS TO BE MET PRIOR TO FINAL INSPECTION AND ISSUANCE OF CERTIFICATE OF OCCUPANCY:

13. Prior to building division final approval all required inspections from the other various divisions must have been completed and verified by a city inspector. All required final inspection approvals must be obtained from the various departments and documented on the permit card.
14. Title 24 form(s) 2F-6R (Certificate of installation) for building, mechanical, electrical and plumbing systems.

FIRE DEPARTMENT CONDITIONS:

1. Automatic fire sprinklers. An automatic fire sprinkler system, in accordance with NFPA 13-D, California Fire Code (Section 903) and Morro Bay Municipal Code (Section 14.08.090).
2. Fire Safety during Construction and Demolition shall be in accordance with 2016 California Fire Code, Chapter 33. This chapter prescribes minimum safeguards for construction, alteration and demolition operations to provide reasonable safety to life and property from fire during such operations.
3. Fire Apparatus Access Roads-Dimensions. Fire apparatus access roads shall have an unobstructed width of not less than 20 feet, exclusive of shoulders, except for approved security gates in accordance with Section 503.6, and an unobstructed vertical clearance of not less than 13 feet 6 inches. (CFC 503.2.1)
4. Fire Department access to equipment. Rooms or areas containing controls for Electrical, FAU, Alarm and Fire Sprinkler Systems shall be identified by approved and appropriate signage for Fire Department use. (CFC 1001.8)

PUBLIC WORKS CONDITIONS:

The following Public Works conditions shall be satisfied with the Building Plan submittal:

1. Stormwater Management: The City has adopted Low Impact Development (LID) and Post Construction requirements to protect water quality and control runoff flow from new and redevelopment projects. Projects with more than 2,500sf of

Attachment B

new or redeveloped impervious area are subject to these requirements. The submitted "SFR Performance Requirement Determination Form" indicates this project is "Exempt".

2. Sewer Mainline: Indicate and label new sewer mainline per City specifications in the "City of Morro Bay Standard Drawings and Specifications". Add note to "Maintain all sewer lateral connections along sewer mainline".
3. Sewer Manhole: Indicate and label new sewer manhole per City standard detail S-3.
4. Sewer Lateral: Indicate and label new or existing sewer lateral and connections. If an existing lateral is used, perform a video inspection of the lateral and submit to Public Works via flash drive or DVD, prior to building permit plan approval. Lateral shall be repaired as necessary and all repairs shall be noted on approved set of plans.
5. Sewer Backwater Valve: Indicate and label sewer backwater valve on plan. A sewer backwater valve shall be installed on site to prevent a blockage or maintenance of the municipal sewer main from causing damage to the proposed project (MBMC 14.24.070).
6. Erosion and Sediment Control Plan: For small projects less than one acre and less than 15% slope, provide a standard erosion and sediment control plan. Show on plans the control measures to provide protection against erosion of adjacent property and prevent sediment or debris from entering the City right of way, adjacent properties, any harbor, waterway, or ecologically sensitive area.
7. Water Meter: Indicate and label new or existing water meter on plans.
8. Water Backflow Prevention Device: Verify and label all new or existing water backflow preventers. Devices are required for fire water systems, irrigation systems on a dedicated water meter, systems which may change in character of use (commercial rentals, etc.), gray water systems, or any plumbing system which has cross-connections or the ability to allow water of deteriorated sanitary quality to enter the public water supply. Add note to plan that device is an approved domestic water backflow prevention device.
9. Grading and Drainage: Indicate on plans the existing and updated contours, drainage patterns, spot elevations, finish floor elevation and all existing and proposed drainage pipes and structures.

Add the following Notes to the Plans:

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

Attachment B

shall be repaired at no cost to the City of Morro Bay.

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.

HARBOR CONDITIONS:

1. Applicant shall submit for a lease line amendment to be approved by the City Council prior to issuance of a building permit.

PLANNING CONDITIONS:

1. 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.
2. An interpretive sign with content relating to the historical nature of the Coast Guard in Morro Bay shall be submitted for review and approval by the Community Development Director for installation prior to final occupancy of the building permit.
3. Compliant ADA path of travel shall be shown on building construction plans.

Planning condition 4 added by the Planning Commission on 4/16/2019:

4. Applicant shall submit a construction staging and traffic control plan that minimizes impact to neighboring business and pedestrian traffic to the greatest extent feasible. Said plan shall be submitted for review and approval by the Community Development Director prior to issuance of a building permit

PASSED AND ADOPTED by the Morro Bay Planning Commission at a regular meeting thereof held on this 16th day of April, 2019, on the following vote:

AYES: Stewart, Barron, Ingraffia, Luhr

NOES: Lucas

ABSENT:

ABSTAIN:



Chairperson Gerald Luhr

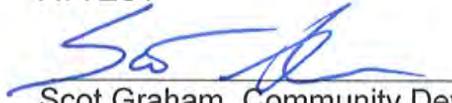
Attachment B

Planning Commission Resolution #07-19

Concept/Precise CUP #CUP18-10

Page 10

ATTEST



Scot Graham, Community Development Director

The foregoing resolution was passed and adopted this 16th day of April, 2019.

Attachment C



AGENDA NO: B-2

MEETING DATE: April 16, 2019

Staff Report

TO: Planning Commissioners

DATE: April 10, 2019

FROM: Cindy Jacinth, Senior Planner

SUBJECT: 1279 Embarcadero Road: Concept/Precise Plan approval of Conditional Use Permit #CUP18-10 for 806sf addition to US Coast Guard building

RECOMMENDATION:

FORWARD A FAVORABLE RECOMMENDATION TO THE CITY COUNCIL TO CONDITIONALLY APPROVE THE PROJECT by adopting a motion including the following action(s):

Adopt Planning Commission Resolution 07-19 which includes the Findings and Conditions of Approval for project depicted on site development plans dated March 19, 2019 (Ex. D).

APPLICANT/AGENT: US Coast Guard FDCC Seattle, Lieutenant Commander Jared England

LEGAL DESCRIPTION/APN: City lease sites 141 / APN: 066-351-003

PROJECT SUMMARY: The Applicant is seeking Concept/Precise Conditional Use Permit approval for an 806sf addition to the existing 3,057sf Coast Guard Station building at 1279 Embarcadero Road. The proposed addition includes area for berthing rooms and laundry/wet room to address space deficiencies necessary to meet Coast Guard personnel needs. The construction proposed is single story on the east side of the building. The footprint area of the addition will impact a total of 6 existing parking spaces. This project is located in the CF/PD zoning district and in the Coastal Commission Original Jurisdiction.



Attachment C

PROJECT SETTING:

Waterfront Master Plan: The proposal is within the Waterfront Master Plan and is within Planning Area 2: T-Piers/Fisherman Working Area. This includes the area from the Dynegy energy intake building to the Embarcadero Road/Beach Street intersection. This area is primarily devoted to the working fishing boats and shoreside support. There is also a few restaurants and series of parking lots. To the east, the area is visually dominated by the now-closed Dynegy power plant.

Planned Development (PD) overlay: Pursuant to MBMC Section 17.40.030, Planned Development (PD) overlay zone projects are required to seek both concept and precise plan approval from Planning Commission and City Council. This Coast Guard application is being processed as a combined concept/precise plan approval due to the small scale addition being proposed and in order to facilitate federal fiscal year funding. Accordingly, the Planning Commission should review this project for purposes of forwarding a favorable recommendation to the City Council for final approval.

<u>Adjacent Zoning/Land Use</u>			
North:	CF/PD, / Commercial Fishing, planned development overlay	South:	CF/PD, / Commercial Fishing, planned development overlay
East:	M-2, PD/I, Industrial, Power Plant	West:	Harbor

<u>Site Characteristics</u>	
Overall Site Area	Approx 1,500 sf
Existing Use	City land lease – Existing use is 3,057sf US Coast Guard building located adjacent to City parking lot. No water lease area.
Terrain	Previously developed and paved surface
Vegetation/Wildlife	Existing paved parking lot
Access	Embarcadero
Archaeological Resources	No known resources.
<u>Development Standards</u>	
<u>Setbacks Requirements:</u> Front – 5 feet Interior Side – 0 ft Exterior Side – 5 ft Rear – 0 feet	<u>Proposed:</u> Front setback (west) is 1ft 6” (no change proposed to west). Interior side setback (south) is 1 ft 6”. Exterior side setback (north) is 5 ft. Rear setback (east) is 1 foot. Project proposes an addition to area outside of existing lease site. Project is conditioned to process a lease site amendment to adjust boundary line to minimum necessary to

Attachment C

	ensure minimal amount of parking impact while also meeting federal standards for Coast Guard personnel.
Lateral Access	Does not apply: Lease site is not bay fronting. Harborwalk is at sidewalk.
Height maximum; 25 feet in Waterfront Master Plan; 30 feet for multi-story government structures in CF zoning district	Project proposed is single story at 16 feet 11 inches and compliant for height requirements.
View Corridor requirement:	Proposed addition is in line with existing building footprint and therefore view corridor requirements do not apply.
Sloping Roof, 4 in 12 for 80%	Proposed addition is single story addition, although addition proposes a portion as flat roof in order to preserve existing window views, the overall building is compliant. Roofline of proposed addition is 81% sloped, 19% flat.
Lot Coverage – 1 st floor 70% max. of land portion. 2nd floor is 70% of allowable first floor coverage. – N/A	Coast Guard building lease site is limited to extent of building footprint due to access road on 3 sides of building. Proposed addition would be outside existing lease site. As a result, project requires lease line amendment. Boundary lines to be adjusted to the minimum necessary to ensure minimal parking impact. Lot coverage cannot comply without impacting public parking. Proposed lot coverage is approximately 80-85%. See project discussion below.
Landscaping	No change proposed to landscaping. Planter area near front door proposed to add a historical interpretive sign on the history of the Coast Guard.

General Plan, Zoning Ordinance & Local Coastal Plan Designations	
General Plan/Coastal Plan Land Use Designation	Commercial /recreational fishing uses
Base Zone District	CF, Commercial/Recreational Fishing district
Coastal Land Use Plan	Planning Area 2: T-Piers/Fisherman Working Area
Zoning Overlay District	PD, Planned Development overlay (MBMC 17.40.030) Applicant required to also obtain City Council approval of CUP.
Special Treatment Area	N/A
Combining District/Spec. Plan	N/A
Coastal Zone	Coastal Commission original jurisdiction. Applicant required to obtain Coastal Development permit from Coastal Commission or other Federal Coastal Zone Management concurrence prior to

Attachment C

	issuance of any building permit. Concurrence letter received (Exhibit. C)
Parking Requirements (MBMC 17.44.020.C2):No relevant parking calculation included for US Coast Guard government building	Project does not propose an intensification of use nor increase in personnel capacity. Proposed project is necessary to remedy inadequate berthing rooms and space configuration. Project does not therefore trigger parking requirements.
View Corridor Requirement	Existing Coast Guard building footprint not proposed to change. Addition proposed at east side of the building with no additional view blockage.
Sign program requirement	No change to signage is proposed.

PROJECT HISTORY / BACKGROUND:

US Coast Guard operations have been present in Morro Bay for over 80 years predating City incorporation. The existing two story Coast Guard building was constructed in 1990 which includes a third floor observation tower on the northerly end of the structure for marine safety purposes. This building replaced a previous City owned storage building adjacent to the City's Harbor Department building. As noted in the Project Description (Exhibit B), the existing Coast Guard building is undersized for the needs of the station. To adequately meet USCG space standards, the building would be 10,000sf or three times the existing size. Due to a lack of area to meet these standards, the Coast Guard is proposing a modest addition of 806sf to address these space constraints.

PROJECT DESCRIPTION DISCUSSION:

The Coast Guard has provided a detailed description of the proposed project in letter format attached as Exhibit B. Project plans are attached as Exhibit D which depicts the site plan, floor plan, and building elevations. Project description details include:

1. 806 square foot single story addition to east side of the 3,057 square foot building
2. Trash enclosure proposed as a 3-sided 9' x 6' x 6' high pressure treated lumber enclosure on the east of the parking lot as shown on plan sheet C1 (Exhibit C).
3. 24" x 36" historical interpretive sign on the history of the Coast Guard for visitor passers-by.

In addition, the project proposes removal of 6 parking spaces in the area of the proposed addition with installation of a new ADA parking space. The ADA parking space is proposed off-lease site and to be located to provide accessible parking for the City Harbor Department building which currently has no ADA parking spaces. The required path of travel to delineate ingress/egress to the Harbor Dept. building has been added as a planning condition of approval to be shown on building construction plans (Exhibit A).

PARKING

The project does not propose an intensification of use nor does it propose an increase to the

Attachment C

station crew size. The City's parking ordinance (MBMC 17.44.02.C2) does not clearly identify what the parking count would be for a government use of this coastal dependent type. The project is necessary to provide shore support facilities for both male and female personnel. The addition is proposed to extend into the parking lot and will cause the loss of a total of 5 parking spaces directly behind the existing building and reconfiguration of one space, behind the Harbor Department building to an ADA parking space.. The 5 parking spaces to be removed are currently reserved parking spaces for US Coast Guard personnel. Pursuant to the City's supplemental lease agreement (SLA) with the Coast Guard, these 5 Coast Guard spaces will be relocated to the east side of the parking lot opposite the existing building.

Project plans depict the proposed floor plan and parking layout on site plan sheet C1 (Exhibit D).

VISUAL SIMULATIONS

The Applicant has submitted visual simulations of the proposed addition as shown on plan sheet A2 and as depicted below. The plans show the addition which include a view from the Embarcadero looking toward Morro Rock (Exhibit D). The area of the proposed addition was designed to minimize or avoid adverse view impacts and be visually compatible with the existing building. The color and materials are proposed to match with the existing materials and finishes for the project. The Waterfront Master Plan design guidelines describe the design goal for the Embarcadero is to enhance the visual experience of visiting the area by bringing about a gradual strengthening of architectural continuity and by encouraging buildings with distinctive visual quality. This design quality or character should reflect the historical and cultural identity of the Embarcadero, of a working fishing community with a variety of character and building types. The project is located on the northern end of the Embarcadero mixed in with the industrial power plant intake building to the north, and visitor-serving uses to the south. By matching the existing colors and materials, the project is in keeping with the architectural character and ambiance of the northern waterfront area.

Attachment C



5 EXISTING VIEW FROM EMBARCADERO
A1 A2 SCALE N/A



6 PROPOSED VIEW FROM EMBARCADERO
A1 A2 SCALE N/A

Coastal Development Permit

The project is within the original jurisdiction of the California Coastal Commission (CCC) which would have authority for issuance of a Coastal Development Permit (CDP) or concurrence under Coastal Zone Management Act. The Coastal Commission has provided this concurrence to the Coast Guard dated February 6, 2019 concurring that there are no effects on coastal zone resources. (Exhibit C).

ENVIRONMENTAL:

Upon staff review, the project has been determined to be eligible for a categorical exemption under the California Environmental Quality Act (CEQA), Section 15301, Class 1e. This exemption allows for additions to existing structures if the increase is not more than 50 percent of floor area or 2,500 square feet whichever is less, for which the proposed 806sf Coast Guard addition would qualify for an exemption. In addition, none of the exceptions found in CEQA Section 15300.2 apply to this project.

PUBLIC NOTICE:

Notice of a public hearing on this item was posted at the site and published in the Tribune newspaper on April 5, 2019, and mailed directly to all property owners and occupants of record within 500 feet of the subject site. The notices invited the public to attend the hearing and express any concerns they may have regarding the proposed project.

CONCLUSION:

The proposed project would add a 806sf single story addition to the existing two story US Coast Guard building in order to address space constraints by adding berthing rooms and restroom facilities. The addition is proposed to provide sufficient berthing space to support the minimum overnight watch-stander requirements and enables the Coast Guard to allow female Coast Guard personnel to be assigned to the station overnight.

Attachment C

The proposed lot coverage of the building as discussed in the table above would not comply with the CF zoning standards but are allowed in the Waterfront Master Plan with a finding of significant public benefit via the planned development overlay (MBMC 17.40.030). This finding is included in the Resolution attached as Exhibit A: *In the case of granting exceptions to development standards including lot coverage, the proposed project provides significant public benefit pursuant to the Planned Development Overlay zone requirements in that the proposed project of an 806sf single story addition to an existing Coast Guard building provides for and supports and actively encourages the continued permanent presence by the Coast Guard as an essential element of boating safety in the region.*

The City's General Plan and Local Coastal Plan provide emphasis on maintaining the Coast Guard's presence and mission in this area. The project as proposed is visually compatible with the existing structure and character of the surrounding area, and does not adversely affect views because the addition on the east side of the building has been designed to not diminish or detract from existing public views of the water or of Morro Rock.

Morro Bay Harbor is designated as a navigational waterway of the United States and is considered by the US Coast Guard as "Safe Harbor" during inclement weather. It is the only fully protected harbor between Monterey and Santa Barbara. The Coast Guard is responsible for enforcement of boating laws in the harbor and is essential to boating safety. As noted by Coastal Commission in its concurrence letter (Exhibit C), the project would not adversely affect public access, water quality, or biological resources, and indirectly, would benefit public safety and recreation.

Accordingly, it is consistent with the City's General Plan and Local Coastal Program (LCP), Waterfront Master Plan, with finding of significant public benefit. With the incorporation of recommended conditions, staff recommends that Planning Commission forward a favorable recommendation of this Concept /Precise Plan to City Council for approval.

EXHIBITS:

Exhibit A – Planning Commission Resolution 07-19

Exhibit B – US Coast Guard Project Description letter dated March 22, 2019

Exhibit C – Coastal Commission concurrence letter dated February 6, 2019

Exhibit D -.Plans/ Reductions received March 19, 2019

Attachment D

RECEIVED
City of Morro Bay

APR 23 2019

Administration

Councilwoman Marlys McPherson

595 Harbor Street

Morro Bay, CA 93442

Councilwoman McPherson,

Please find enclosed my recent public comments to the Morro Bay Planning Commission on April 16, 2019.

I made it crystal clear that I am in favor of the United States Coast Guard's proposed addition.

I do have several concerns that I outlined in my comments. I am not sure if city staff fully understands the burden of closing off the only entrance into the parking lot that serves Dockside and Dockside Too. However I am hoping that you may.

If the staging area is allowed as proposed it will take up approximately 30% of the available parking spots and eliminate the flow into and through the lot. A lot already heavily impacted by "official reserved parking spots" as well as all USCG staff overflow, Morro Bay City lifeguards, etc. This lot is often over half full before we ever open our doors to business.

Again, I am absolutely in favor of the much needed United State Coast Guards building addition. But the proposed staging area will be a financial burden on our restaurants. As well as disrupt our service and delivery vehicles.


Mark Tognazzini

Dockside Restaurants

1245 Embarcadero

Morro Bay, CA 93442

805-441-1451

Attachment D

MB PLANNING 4/16/19

Thank you for this opportunity to speak tonight regarding the proposed United States Coast Guard addition.

I have a close connection to United States Coast Guard as my son in law is a Senior Chief and the Officer in Charge at CAPE HATTERAS, NORTH CAROLINA.

In addition as a commercial fisherman based out of Morro Bay for over 45 years I have benefited from several assists including a vessel saving assist in 2005 when I grounded the Bonnie Marietta at Pt. Sur.

So I am happy to speak tonight in favor of a much needed addition to the UNITED STATES COAST GUARD STATION MORRO BAY.

This addition shows that a project can be within the scope and scale of our working waterfront and still serve the needs of the builder and the community.

Recently a project south of our location has started that is the exact opposite of the proposed COAST GUARD ADDITION. It does not fit in scale or size and it does not fit the character of our Embarcadero.

I don't necessary believe in architectural review boards but in this case visitors and residents alike would have benefited from a closer review before allowing it to move forward.

So it is obvious that the United State Coast Guard has taken into consideration and planned well to have a project that fits Morro Bay. It will seem as if it has always been here and give UNITED STATES COAST GUARD crews the much needed additional space they need.

I would respectfully ask that the city and the UNITED STATES COAST GUARD take into consideration several negatives that will impact surrounding businesses such as our two restaurants and fish market.

#1. The contactor staging area should not impede the flow of traffic into the one way parking lot adjacent Dockside and Dockside Too. The way it is planned it shows NO access to the only parking lot that directly services our businesses. Flow into and though this lot is paramount to our business success. Not only for customers but employees, as well as service and delivery vehicles.

- I have attached a photo copy showing the proposed contractors staging area.

Attachment D

#2. Materials, equipment as well as contractors vehicles should not be allowed to park within the lot.

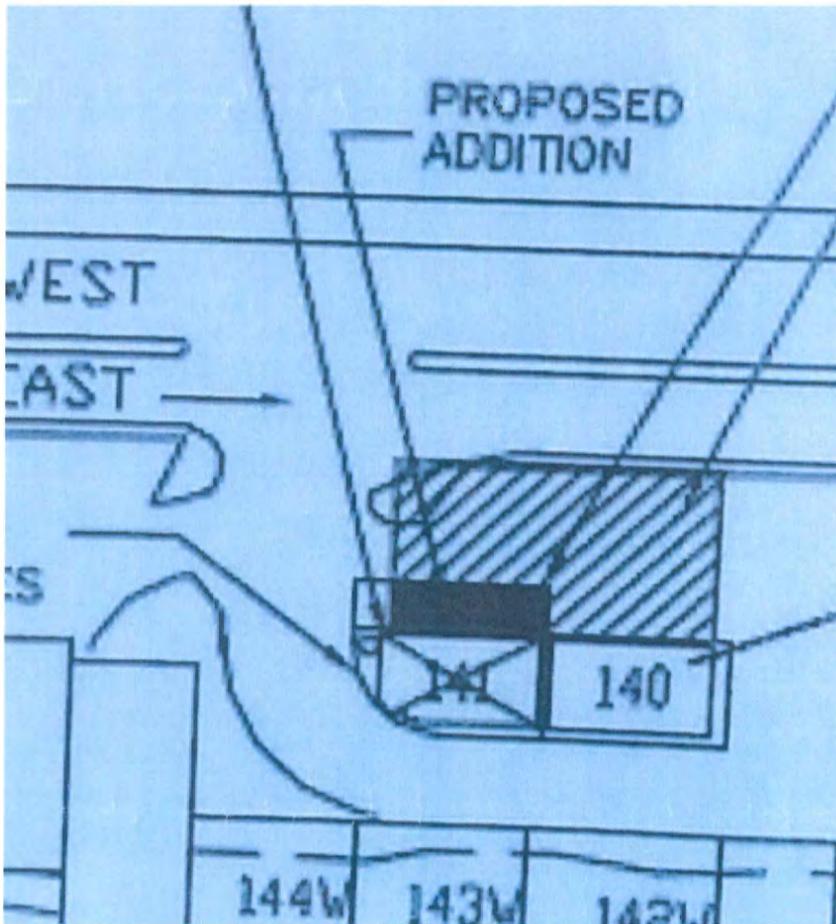
I speak from experience as the crews that have worked on the project to our south continue to take up valuable parking spots that are vital to the success of our businesses. As well as interrupt access by our service and delivery vehicles

Most project in most cities require parking mitigation plans for projects that may impact exiting business, however again pointing to what Dockside Restaurants are experiencing at the present time, Morro Bay must not think it important enough to address this issue. In the restaurant business, parking spaces equal customers, and when one loses parking spaces then revenue is also lost and if we lose revenue so does Morro Bay.

#3. Finally I would request that the 10 parking spaces reserved for USCG by their lease agreement be reduced to 5 as their new building will absorb 5 parking spaces.

Thank you for allowing me to speak this evening in support of this project but please protect residents, visitors and businesses from any negative parking issues and access issues both during and after construction.

N

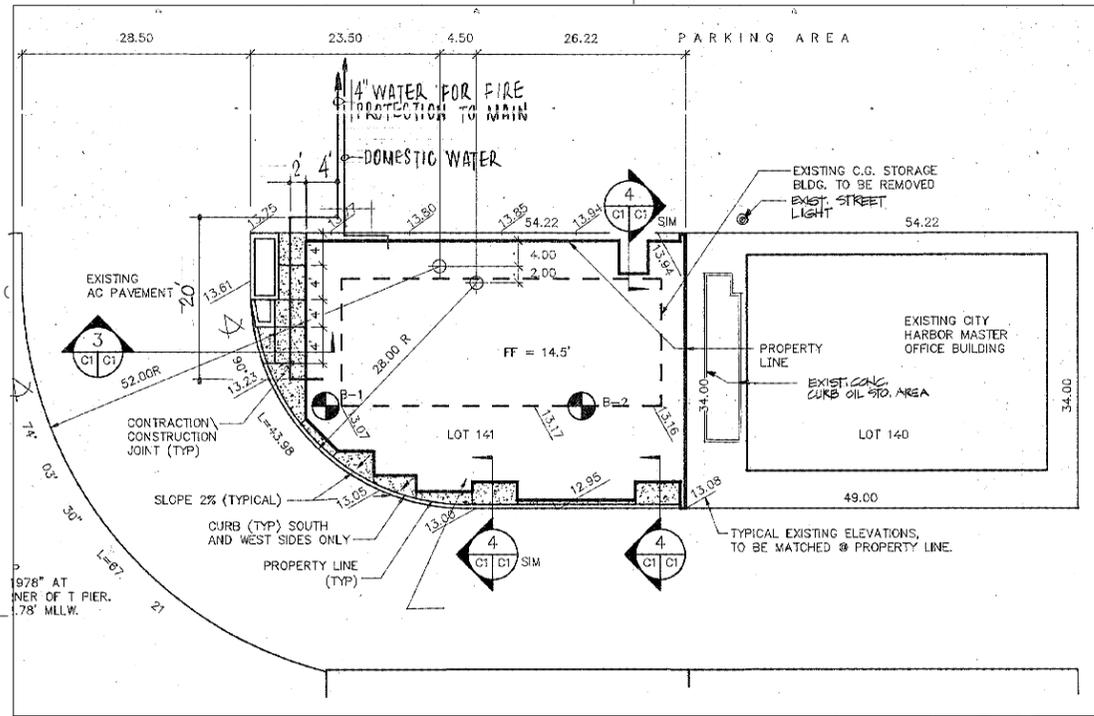


Contractor staging area

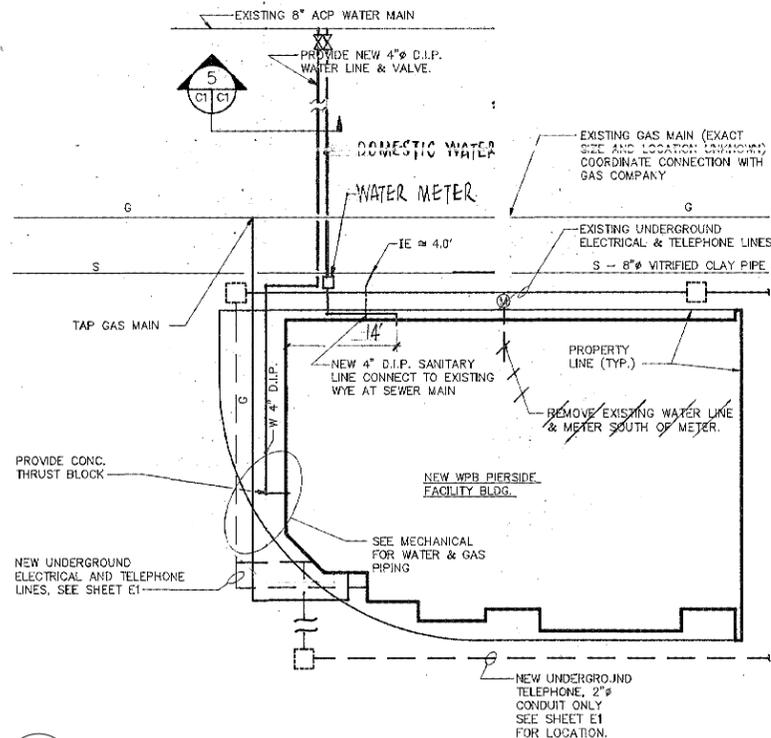
NOTES:

1. ANY DAMAGE, AS A RESULT OF CONSTRUCTION OPERATIONS FOR THIS PROJECT, TO CITY FACILITIES, I.E. CUB/BERM, STREET SEWER LINE, WATER LINE, OR ANY PUBLIC IMPROVEMENTS SHALL BE REPAIRED AT NO COST TO THE CITY OF MORRO BAY.

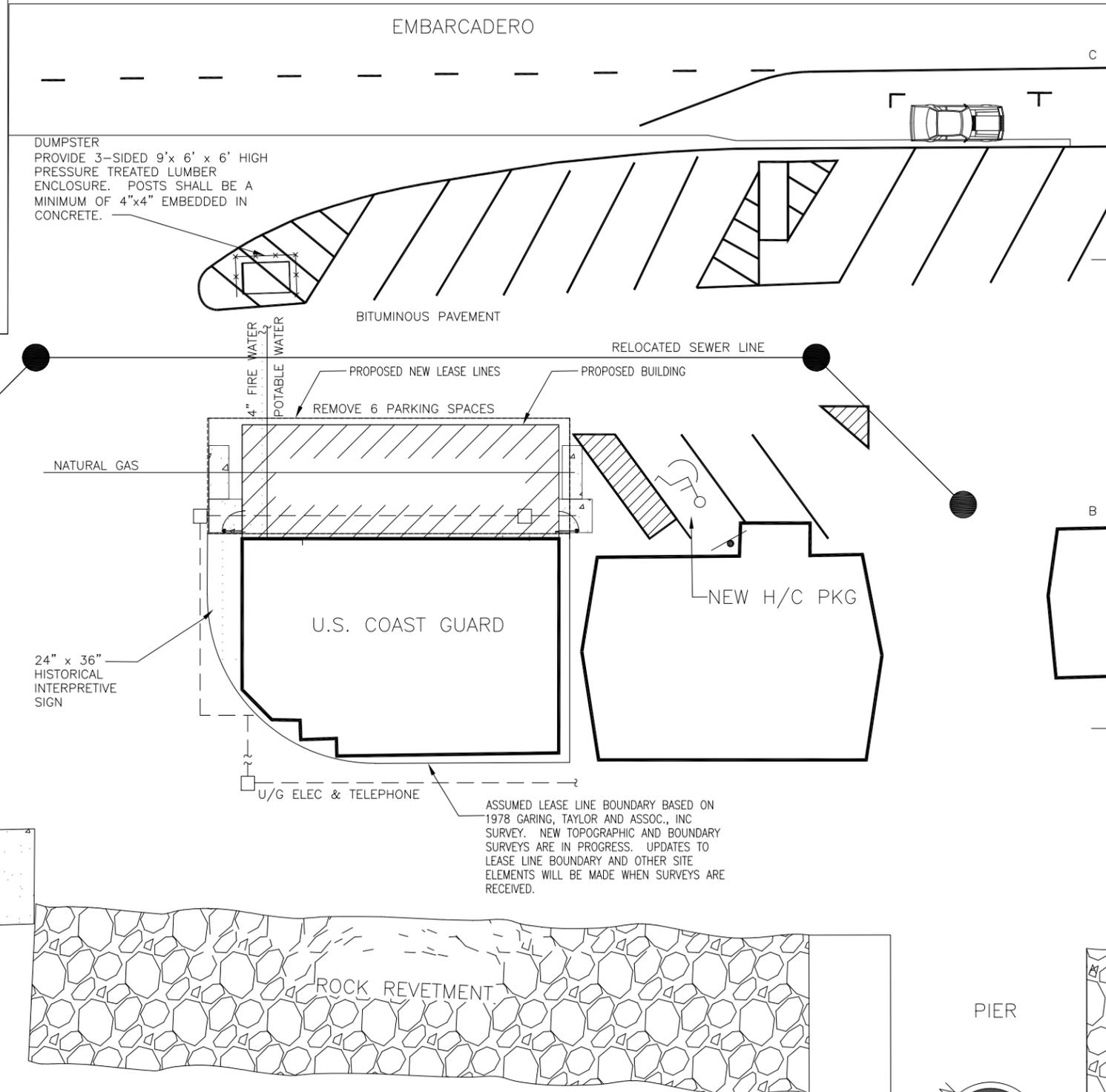
2. NO WORK SHALL OCCUR WITHIN [OR USE OF] THE CITY'S RIGHT OF WAY WITHOUT AN ENCROACHMENT PERMIT. ENCROACHMENT PERMITS ARE AVAILABLE AT THE CITY OF MORRO BAY PUBLIC WORKS OFFICE LOCATED AT 955 SHASTA AVE. THE ENCROACHMENT PERMIT SHALL BE ISSUED CONCURRENTLY WITH THE BUILDING PERMIT.



1 EXISTING SITE PLAN
SCALE: NOT TO SCALE



2 EXISTING UTILITY PLAN
SCALE: NOT TO SCALE



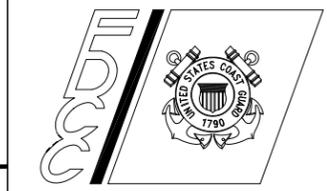
3 PROPOSED SITE PLAN
SCALE: 1:10

DUMPSTER
PROVIDE 3-SIDED 9'x 6' x 6' HIGH PRESSURE TREATED LUMBER ENCLOSURE. POSTS SHALL BE A MINIMUM OF 4"x4" EMBEDDED IN CONCRETE.

ASSUMED LEASE LINE BOUNDARY BASED ON 1978 GARING, TAYLOR AND ASSOC., INC SURVEY. NEW TOPOGRAPHIC AND BOUNDARY SURVEYS ARE IN PROGRESS. UPDATES TO LEASE LINE BOUNDARY AND OTHER SITE ELEMENTS WILL BE MADE WHEN SURVEYS ARE RECEIVED.

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FACILITIES DESIGN & CONSTRUCTION
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915 SECOND AVE, ROOM 2664
SEATTLE, WASHINGTON 98174-1011

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DRAWN BY:
EDITED BY:
CHECKED BY:

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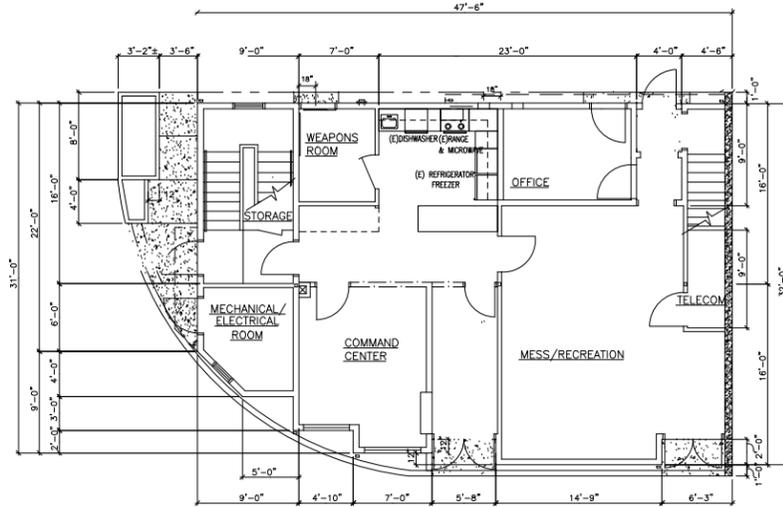
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USCG STATION MORRO BAY ADDITION
1279 EMBARCADERO
MORRO BAY CA

CIVIL SITE PLAN

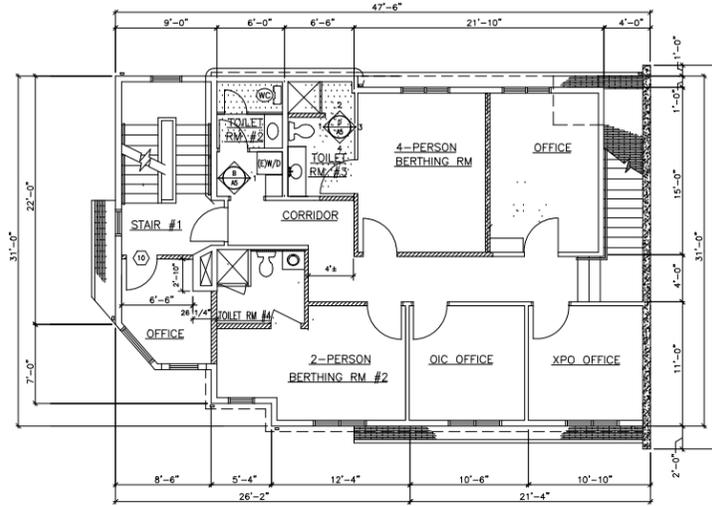
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PROJECT ENG.	BRANCH CHIEF	TECH. DIRECTOR

APPROVING OFFICER	DATE
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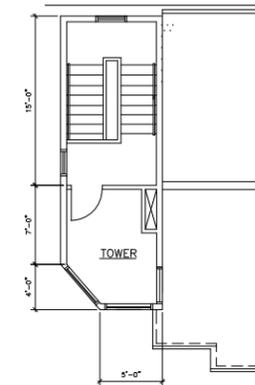
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1 EXISTING FIRST FLOOR PLAN
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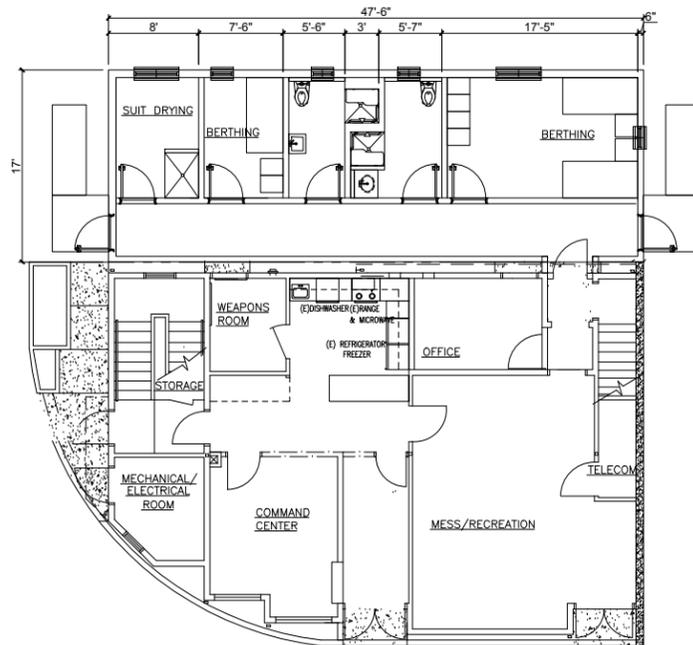


2 EXISTING SECOND FLOOR PLAN
SCALE: 1/8"=1'-0"
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WATCH TOWER FLOOR PLAN
SCALE: 1/4" = 1'-0"

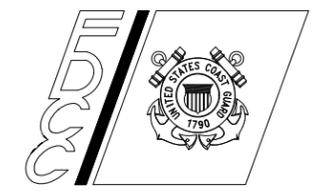
3 EXISTING THIRD FLOOR PLAN
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0' 5' 10' 20'



4 PROPOSED FLOOR PLAN
SCALE: 1/8"=1'-0"
0' 5' 10' 20'

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FACILITIES DESIGN & CONSTRUCTION
CENTER- SEATTLE DETACHMENT



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SEATTLE, WASHINGTON 98174-1011

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DRAWN BY:
EDITED BY:
CHECKED BY:

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SHEET TITLE
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1279 EMBARCADERO
MORRO BAY CA

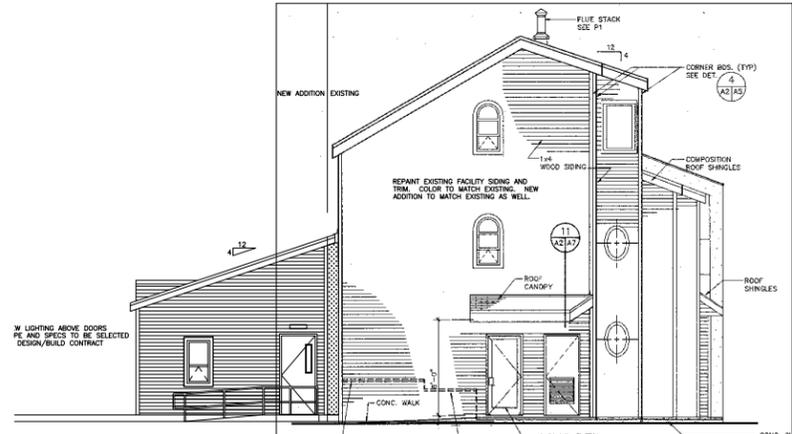
FLOOR PLAN
REVIEWED BY: REVIEWED BY: REVIEWED BY:
PROJECT ENG. BRANCH CHIEF TECH. DIRECTOR
APPROVING OFFICER DATE

PROJECT NUMBER	DRAWING NUMBER
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DISCIPLINE/SHT NO X	SHEET X OF XX

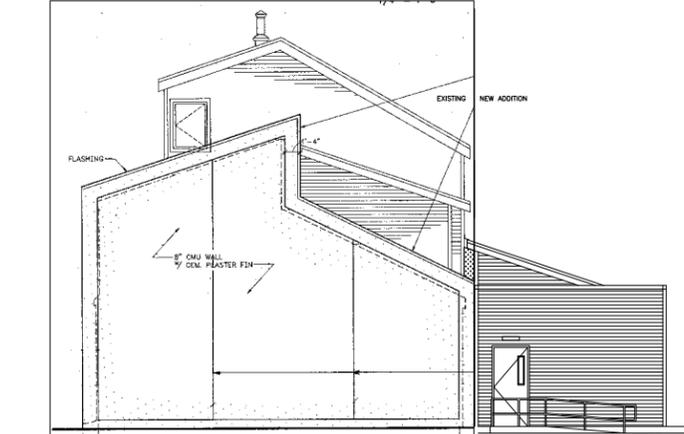
Attachment E



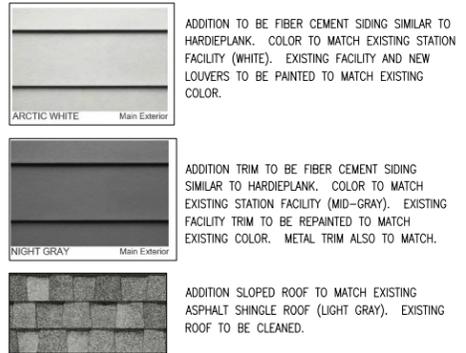
1 NORTHEAST ELEVATION - VIEW FROM EMBARCADERO
SCALE: 1/8"=1'-0"



2 NORTHWEST ELEVATION
SCALE: 1/8"=1'-0"



3 SOUTHEAST ELEVATION
SCALE: 1/8"=1'-0"



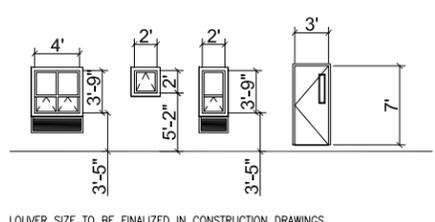
4 PROPOSED EXTERIOR COLOR BOARD
SCALE: N/A



5 EXISTING VIEW FROM EMBARCADERO
SCALE: N/A



6 PROPOSED VIEW FROM EMBARCADERO
SCALE: N/A



7 PROPOSED DOOR / WINDOW SCHEDULE
SCALE: N/A



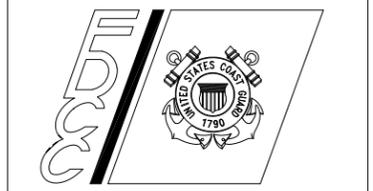
8 PROPOSED VIEW FROM WATERSIDE
SCALE: N/A



9 PROPOSED VIEW FROM PARKING ENTRANCE
SCALE: N/A

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U. S. COAST GUARD
FACILITIES DESIGN & CONSTRUCTION
CENTER- SEATTLE DETACHMENT



915 SECOND AVE, ROOM 2664
SEATTLE, WASHINGTON 98174-1011

MARK	DATE	DESCRIPTION

A/E PROJECT NO:	
CAD FILE NAME:	5039735A2.dwg
DESIGNED BY:	J McKENNA
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SHEET TITLE
USCG STATION MORRO BAY ADDITION
1279 EMBARCADERO
MORRO BAY CA

ELEVATIONS

REVIEWED BY:	REVIEWED BY:	REVIEWED BY:
PROJECT ENG.	BRANCH CHIEF	TECH. DIRECTOR

PROJECT NUMBER	DRAWING NUMBER
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AGENDA NO: C-1

MEETING DATE: May 14, 2019

Staff Report

TO: Honorable Mayor and City Council

DATE: May 8, 2019

FROM: Rob Livick, PE/PLS – Public Works Director/City Engineer
Eric Casares, PE – Water Reclamation Facility (WRF) Program Manager

SUBJECT: Review and Approval of Basis of Design Report (BODR), Potential Change Orders (PCO), and Increase of the Guaranteed Maximum Price (GMP) for the Water Reclamation Facility

RECOMMENDATION

Staff recommends City Council take the following actions:

1. Review and Approve the Draft Basis of Design Report (BODR), and
2. Review and Approve the potential change orders (PCOs) for the Water Reclamation Facility (WRF) that increases the Guaranteed Maximum Price for the construction of the WRF from \$67,234,512 to \$69,102,419, and
3. Authorize the City Manager to approve future changes to the GMP up to approximately 0.2 percent of the increased GMP (maximum of \$125,000) that will be reported to Council in the regular updates, and
4. Authorize the City Attorney to prepare and the City Manager to sign an amendment to the design build agreement for the WRF (DB Agreement) to memorialize items 2 and 3 above.

ALTERNATIVES

1. Do not approve the BODR and provide direction to staff.
2. Do not approve the all or some of the PCOs and provide direction to staff.
3. Do not authorize any proposed amendment to the DB Agreement.
4. Authorize the City Manager to approve future changes to the GMP up to a lesser amount.

FISCAL IMPACT

The total cost for the seventeen PCOs is \$1,867,907. If all PCOs are approved, then the guaranteed maximum price for the WRF would increase from \$67,234,512 to \$69,102,419. That total cost for the PCOs is within the planned contingency for the WRF included in the \$126 Million baseline budget. Acceptance of all the PCOs would not result in an increase in the WRF Project baseline budget.

BACKGROUND

At the October 23, 2018, City Council meeting, a contract was awarded to the Filanc/Black & Veatch team (DB team) in the amount of \$67,234,512. The contract is structured as a guaranteed maximum price (GMP). Therefore, the DB team committed to delivering the specific project defined in the contract for a cost not to exceed \$67,234,512. The contract award was the culmination of a year-long competitive procurement that began with the advertisement of a request for qualifications

Prepared By: EC/RL

Dept Review: RL

City Manager Review: _____

City Attorney Review: JWP

(RFQ) on October 27, 2017. The scope of work (i.e., Exhibit B) included in the contract is the same as the scope of work included in the DB team's original proposal received by the City on May 8, 2018.

Draft Basis of Design Report

The DB team is responsible for design of the WRF. Per the DB Agreement, the design will be progressed and presented to the City over the course of the following design deliverables:

- Basis of Design Report/30 Percent Submittal
- 60 Percent Design Submittal
- 90 Percent Design Submittal

Since the agreement was executed, the DB team has been advancing the design concept that was included in their proposal. The DB team, City staff, and Program Manager have been working closely to refine the WRF scope of work to reflect a facility that best fits the City's current and long-term operational needs. In addition to weekly status updates, the following design internal working meetings or workshops¹ have been held since November 2018: That refinement is captured in the Draft Basis of Design Report (BDR) and 30 Percent Design Submittal (attachment #1).

Meeting	Date	Topic(s)
Workshop No. 1	November 28, 2018 November 29, 2018	<ul style="list-style-type: none"> • Permitting • Process design criteria • Electrical design criteria • Instrumentation design criteria
Workshop No. 2	December 19, 2018	<ul style="list-style-type: none"> • Permitting • Partnering • Process design criteria • Architectural review
Workshop No. 3	December 20, 2018	<ul style="list-style-type: none"> • Coordination with Conveyance Facilities Project • Process design criteria
Workshop No. 4	January 10, 2019	<ul style="list-style-type: none"> • Permitting • Control descriptions
Workshop No. 5	March 12, 2019	<ul style="list-style-type: none"> • Permitting • PCO review
Workshop No. 6	March 28, 2019	<ul style="list-style-type: none"> • PCO review

Those workshops¹, and advancement of the design by the DB team, have resulted in the development of the Draft BODR and 30 Percent Design Submittal. The objectives of those documents are:

- Clearly defining the revised project scope;
- Advancing the plant design to assure no significant changes will be needed following this submittal;
- Preparing for early earthworks by focusing on refining the site plan and facility arrangement;
- Preparing for early procurement of critical pieces of equipment; and
- Integrating design features to support early start construction efforts.

¹ Not to be confused with “Public Workshops,” those meetings are between the Program Management Team, Staff and the DB Team for the purpose of design development.

Potential Change Orders

As a result of advancing the design and working with City staff and the Program Manager, as is typical for a project such as the WRF, a number of changes to the WRF scope of work have been identified. Those changes fall into three categories:

- No cost changes
- Changes resulting in an increase in the GMP
- Changes resulting in a decrease in the GMP

The process for development, negotiation, and acceptance of a PCO includes the following steps:

- City staff, DB team, or Program Manager identifies suggested change to the WRF design or construction approach
- Determination is collectively made as to whether the potential change constitutes a material change in the DR team's scope of work
- If it is determined the potential change constitutes a material change in the DB team's scope of work, then a raw order of magnitude cost (ROM) is developed
- Based on the ROM, the City makes the determination if the suggested change concept should be further developed
- If the City decides to move forward with the suggested change based on the ROM, then the Draft PCO is developed
- The Draft PCO and all supporting documentation are reviewed by the Program Manager
- City staff, Program Manager, and DB team discuss the Draft PCO and the Program Manager's comments
- The DB team develops the Final PCO for negotiation and recommendation for approval by City staff
- The Final PCO is brought to WRFCAC for review and comment
- The Final PCO is brought to City Council for final approval

The potential for changes to the DB team's scope of work for construction of the WRF were anticipated during the development of the baseline budget of \$126 Million and when the agreement was negotiated with the DB team and approved by the Council. Specifically, the Program Manager identified a total contingency of \$6.24 Million alone for the WRF facility component (the other two components of the WRF program include the Conveyance Facilities and the Recycled Water Facilities, which have their own contingencies as well). Acceptance of the seventeen PCOs would result in \$4.37 Million of the WRF contingency remaining unused.

In order to expedite this project staff is recommending that minor changes to the project may be authorized by the City Manager up to his limit specified for construction projects in the City's Municipal Code. This amount is \$125,000 and is well within the project contingency. Should the proposed change not be time critical, these changes would be brought forward for Council approval. It is anticipated that minor changes to the project would be agendaized on the consent agenda with the regular project updates.

At this time, the City has identified a total of seventeen PCOs that include a cost impact to the WRF for consideration by WRFCAC and approval by City Council. The table below summarizes the PCOs currently being considered.

PCO No.	Description	Cost Impact (Increase/Decrease)	Final PCO Cost	Primary Rationale
1	New Sodium Hypochlorite Feed for Plant Water	Increase	\$78,576	<ul style="list-style-type: none"> Operational flexibility Reduce potable water usage
2	Change Architecture of Operations Building	Decrease	(\$21,623)	<ul style="list-style-type: none"> Cost savings
4	Headworks Odor Control	Increase	\$18,423	<ul style="list-style-type: none"> Reduce odor and corrosion potential
5	Remove Canopy and Monorail at MBR	Increase	(\$185,434)	<ul style="list-style-type: none"> Cost savings
9	Consolidate Chemical Facilities	Increase	\$218,978	<ul style="list-style-type: none"> Improve operator safety and site security
10	Modify Chemical Piping	Decrease	(\$15,856)	<ul style="list-style-type: none"> Cost savings
15	Remove Solids Dumpster Lid	Increase	\$14,543	<ul style="list-style-type: none"> Reduced maintenance
17	Add SAFE Equalization Tank	Increase	\$504,116	<ul style="list-style-type: none"> Improved performance Operational flexibility Reduced maintenance
18	Instrumentation and Control Changes	Increase	\$75,266	<ul style="list-style-type: none"> SCADA Master Plan timing
21	Revise Maintenance Building Layout and Size	Increase	\$748,431	<ul style="list-style-type: none"> Consistent with current maintenance space
22	Influent Piping and Metering	Increase	\$411,766	<ul style="list-style-type: none"> Improved operability Compatibility with conveyance system design
23	Install Outdoor-Rated Positive Displacement Blowers at BNR Facility	Decrease	(\$58,210)	<ul style="list-style-type: none"> Cost savings
24	Remove Bypass of Coarse Screens	Decrease	(\$37,137)	<ul style="list-style-type: none"> Cost savings
26	SAFE Diversion Box Additions	Increase	\$58,304	<ul style="list-style-type: none"> Facilitates odor control Improves maintenance
28	Size Dewatering as a Building in the Future	Increase	\$30,983	<ul style="list-style-type: none"> Operational flexibility
31	Stairs for the Coarse Screens	Increase	\$52,870	<ul style="list-style-type: none"> Improved access for maintenance

PCO No.	Description	Cost Impact (Increase/Decrease)	Final PCO Cost	Primary Rationale
	and Grit Basins (total of 4)			
38	IPR Product Water Tank Bypass	Decrease	(\$26,087)	• Cost savings
Total			\$1,867,907	

The above listed PCOs are detailed in the Draft BODR and will be discussed as part of the presentation that will be presented at the May 9, 2019 WRFCAC meeting and May 14, 2019 City Council meeting. Input and recommendations provided by WRFCAC on this item will be shared with City Council through staff's oral presentation on May 14, 2019.

CONCLUSION

The BODR was developed to provide direction for the final design of the WRF and is necessary to minimize costly changes to the WRF project. Potential Change Orders were developed to address cost savings (both capital and operating), operational needs and flexibility, and corrections to design parameters provided in the Request for Proposal. Additionally, in order to facilitate the schedule compliance, staff recommends the authority to approve future change orders within the authorized limits of \$125,000 be granted to the City Manager.

ATTACHMENT (LINKS TO REFERENCED DOCUMENTS)

1. [Draft Basis of Design Report \(Filanc/Black & Veatch, March 2019\)](#)
2. [Draft Basis of Design Report Drawings](#)
3. [Potential Change Order Details](#)

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AGENDA NO: C-2

MEETING DATE: May 14, 2019

Staff Report

TO: Honorable Mayor and City Council

DATE: May 8, 2019

FROM: Scott Collins, City Manager

SUBJECT: City Council Goals and Work Plan for 2019 and 2020

RECOMMENDATION

City Council review and adopt the 2019 and 2020 City Goals and Work Plan and provide further direction to staff as appropriate.

ALTERNATIVES

Council could elect to modify the City Council Goals and Work Plan for 2019 and 2020.

FISCAL IMPACT

There will be no immediate fiscal impact with the adoption of the 2019 and 2020 City Council Goals and related work plan.

BACKGROUND

City Council hosted a second facilitated community forum on City Council Goals for 2019 and 2020 on April 18, 2019, at the Community Center. Following public comment and input on the Goals and related action items at that meeting, and after reviewing public input gathered online through Polco, email and at a previous March 1, 2019 community forum, the Council unofficially approved four City Goals for 2019 and 2020 and 24 action items to help achieve those goals. Council provided general direction to staff to bring back a formal recommendation that memorialized those Goals and action items in May for Council to review and adopt. Council further directed staff to create a work plan that demonstrates how and when those action items would be accomplished. This report and recommendation serves to satisfy that Council direction.

DISCUSSION

City Council informally approved the following four City Goals at the April 18, 2019 Goals Community Forum, with Council identifying the first listed goal as the top overall priority and the three remaining goals of equal priority to each other:

- 1) Achieve fiscal and economic sustainability
- 2) Improve public infrastructure
- 3) Improve communication and community engagement
- 4) Address affordable housing issues and complete updates to the City's major land use plans (General Plan, Local Coastal Program, and Zoning Code)

Prepared By: SC

Dept Review: SC

City Manager Review: _____

City Attorney Review: _____

City Council also unofficially approved action items to pursue under each of the City Goals, which are listed below. Action items that were previously approved in 2018 by Council are identified as “2018 action items.”

Achieve Fiscal and Economic Sustainability

- 1) Establish waterfront lease site policies and implementation plan. (2018 action item)
- 2) Complete and implement the fee study and cost allocation plan. (2018 action item)
- 3) Bring forward a comprehensive set of revenue enhancement options for City Council consideration. (2018 action item)
- 4) Review option to revise cannabis ordinance to allow for adult-use (recreational) cannabis retailing in Morro Bay.
- 5) Redevelop the Market Street Plaza lot for visitor serving accommodations, with significant community benefit to include public improvements to the Centennial Plaza.
- 6) In support of achieving economic development goals and limiting City costs in that pursuit, contract with an outside agency to fulfill economic development Ombudsmen duties on behalf of the City.
- 7) Review and make improvements where feasible to the permit process.
- 8) Continue to pursue offshore windfarm development, with a short-term focus on ensuring the Federal Government approves a windfarm lease site near Morro Bay. (2018 action item)
- 9) Continue to pursue locating a new aquarium in the waterfront area, in partnership with Cal Poly and Central Coast Aquarium. (2018 action item)
- 10) Review opportunity to include vacation rentals and recreational vehicle parks into Tourism Business Improvement District. (2018 action item)
- 11) Facilitate coordination and development of a business incubator/co-working space in Morro Bay.
- 12) Conduct outreach on the current opportunity sites within Morro Bay, including, but not limited to the decommissioned power plant. (2018 action item)

Improve Public Infrastructure

- 1) WRF Implementation, which includes completing design of the facility, pipeline conveyance and injection system, permitting the project, securing financing for entire project and beginning construction. (2018 action item)
- 2) Include local labor on major City capital improvement projects, with the WRF being the initial project.
- 3) Begin work on a parking management plan to address parking issues in the downtown and water front areas. Initial work includes conducting a parking study. (2018 action item)
- 4) Pursue a public-private partnership to increase business and residential access to hi-speed internet in Morro Bay.
- 5) Complete RFQ for marine services facility (boatyard) feasibility study and bring forward information to City Council for next steps. (2018 action item)

Improve Communication and Community Engagement

- 1) Work to develop stronger coordination, and processes, with community groups in support of advancing mutually beneficial initiatives and goals.
- 2) Revise the partnership policy, and related policies, in conjunction with the fee study update. (2018 action item)

Complete Updates to the City's Major Land Use Plans and Address Affordable Housing Issues

- 1) Complete the General Plan/Local Coastal Plan rewrite. (2018 action item)
- 2) Complete the zoning code update. (2018 action item)
- 3) Revise the vacation rental policy. (2018 action item)
- 4) Work with San Luis Obispo County and cities therein on a regional partnership and solutions to housing issues.
- 5) Pursue grant funding to develop an emergency warming shelter in Morro Bay. (2018 action item)

As was discussed at the first community forum and reinforced by City Council and staff at the April Goals session, it is important to establish an achievable work plan, not an overwhelming number of items that leads to unmet expectations and community frustration. With that in mind, this list of action items certainly represents an ambitious work plan for 2019 and 2020. It will stretch existing City resources. However, staff believes this list can be reasonable addressed over the next two years and will help the City make progress on the four overarching Goals.

Just like in 2018, staff recommends that City Council review the progress on City Goals and action items on a quarterly basis, beginning with the first report back to Council in August 2019. The attached spreadsheet serves as a summary to inform Council on the status of the Goals and each action item. Each action item is listed under each Goal, and includes the following information:

- responsible department,
- other involved departments,
- projected date for City Council review (if required)
- status update.

Lastly, staff recommends that City Council adopt a framework for dealing with potential new items that come forward during the 2019 and 2020 time period. The City must maintain flexibility to respond to new issues as they arise, particularly those of great importance to the community and City Council. However, taking on new items must be balanced against available City resources (staff, budget, and Council schedule). Therefore, staff recommends that any consideration of a new Goal/action item must have a corresponding pause on an equally impactful Goal or action item that is being adopted now for 2019 and 2020. That way, the City can continue to make progress on the action items, and not overwhelm any particular department or function of the City.

CONCLUSION

The City Goals and action items were developed by the City Council following many opportunities for public engagement. In total, City Council has identified four major goals and 24 corresponding action items to pursue in 2019 and 2020. Staff recommends that City Council formally adopt the Goals and action items and review the progress of each on a quarterly basis. Finally, should new items come forward of great importance to the community and Council during that same time period, staff recommends that Council require the postponement of an approved action item of similar staff and budget resource usage to account for limited resources (staff, budget, and Council schedule).

ATTACHMENT

1. Proposed Work Plan for 2019 and 2020

City Council Goals and Action Items for 2019 - 2020

These are the City Council Goals and priority action items for 2019 and 2020, constituting the main work plan for the City.

Goal #1: Achieve Financial Sustainability and Economic Sustainability					
Item #	Action Items	Departments Involved	Lead Department	Anticipated Council Date/Completion	Current Status
1)	Complete and implement the fee study and cost allocation plan.	All	Finance	City Council to review first draft on May 28, 2019.	Draft study complete.
2)	Review option to revise cannabis ordinance to allow for adult-use (recreational) cannabis retailing in Morro Bay.	City Manager, Police, Fire and Finance	Planning, City Attorney	City Council to review after initial cannabis retailers are in operation (likely sometime in Summer/Fall 2019).	No work done on this to date. Need to first complete permitting process for medical cannabis retailers prior to initiating policy development.
3)	Redevelop the Market Street Plaza lot for visitor serving accommodations, with significant community benefit to include public improvements to the Centennial Plaza.	City Attorney, Finance	Planning, City Manager	City Council will review proposals and select a potential partner for the project sometime in the Summer of 2019.	Concepts have been developed by three interested firms. Review process underway.
4)	Review and make improvements, where feasible, to the permit process.	City Manager, Public Works, Fire, Harbor	Ombudsmen, Planning	City Council to receive updates on progress, and may consider policy changes depending upon recommendations that come forward.	No work done on this to date. Next step is to convene working group to review current efforts and issues.
5)	Bring forward a comprehensive set of revenue enhancement options for City Council consideration.	All	City Manager, Finance	City Council to review options in June/July 2019.	Following completion of Fiscal Year 2019/2020 Budget study sessions, staff to develop a list of options for Council to review.
6)	Conduct outreach on the current opportunity sites within Morro Bay, including, but not limited to the decommissioned power plant.	Planning, City Manager, Harbor, Tourism	Ombudsmen	Staff will provide updates to City Council.	If ombudsmen is approved, they will begin work on helping to market the opportunity sites.
7)	In support of achieving economic development goals and limiting City costs in that pursuit, contract with an outside agency to fulfill economic development Ombudsmen duties on behalf of the City.	Planning, Tourism, Harbor	City Manager	City Council to review option and consider contract in May/June 2019.	Staff exploring options. Next step is to bring forward concept to Council during the Fiscal Year 2019/2020 Budget.
8)	Continue to pursue locating a new aquarium in the water front area, in partnership with Cal Poly and Central Coast Aquarium.	City Manager, Planning, Tourism	Harbor	Council to review progress on a quarterly basis through March 2020.	Staff and City Council sub-committee to hold on-going meetings with Central Coast Aquarium.
9)	Establish Waterfront Lease site policies and implementation plan.	Harbor, Planning, City Manager, Finance	Harbor	Item will come to City Council later in 2019.	Ad hoc committee work on lease management policy updates continues. Group is developing draft policies.
10)	Continue to pursue offshore windfarm development, with a short-term focus on ensuring the Federal Government approves a windfarm lease site near Morro Bay.	City Manager, Planning, City Attorney	Harbor	Staff will provide updates to City Council.	City Council approved Community Benefits Agreement with Castle Wind in 2018. Staff and Council sub-committee working with State and Federal representatives.
11)	Review opportunity to include vacation rentals and recreational vehicle parks into Tourism Business Improvement District (TBID).	City Manager	Tourism	City Council to review options in October/November 2019. Could include Vacation Rentals and RV parks into the TBID through a mid-year assessment process.	City contracted with facilitator to gain input from vacation rental owners/groups and recreational vehicle park owners/operators in late Spring/early Summer 2019. TBID to consider in September 2019.
12)	Facilitate coordination and development of a business incubator/co-working space in Morro Bay.	City Manager, Planning	Ombudsmen	Staff will provide updates to City Council.	If ombudsmen is approved, they will begin work on helping to identify options for business incubation/co-worker space.

City Council Goals and Action Items for 2019 - 2020

Goal #2: Improve Public Infrastructure					
Item #	Action Items	Departments Involved	Lead Department	Anticipated Council date/Completion	Current Status
1)	WRF Implementation, which includes completing design of the facility, pipeline conveyance and injection system, permitting the project, securing financing for entire project and beginning construction.	Public Works, Planning, City Attorney	WRF Program Manager, City Manager	Immediate next steps for Council: review 30% design for WRF facility and change orders in May 2019, review EIR Addendum and hold public input opportunity for Coastal Development Permit in June 2019.	Coastal Development Permit to Coastal Comm in July 2019, 30% design on WRF Facility complete, nearing completion of pipeline conveyance 60% design, secured recommendation for State Revolving Fund low-interest loan and grant, working through process to purchase property for WRF facility.
2)	Include local labor on major City capital improvement projects (CIP), with the WRF being the initial project.	City Attorney, Public Works, Finance	WRF Program Manager, City Manager	City Council to review options for local labor in June/July 2019.	Staff reviewing options to include local labor on City's major CIP projects.
3)	Begin work on a parking management plan to address parking issues in the downtown and water front areas.	City Manager, Finance, Harbor	Planning, Public Works	City Council to review options and provide initial direction in Summer 2019.	Some analysis complete on paid parking and general options developed.
4)	Complete RFQ for marine services facility (boatyard) feasibility study and bring forward information to City Council for next steps.	City Manager	Harbor	City Council to review options sometime in Summer 2019.	Staff reviewing options for feasibility study (no responses to RFP in 2018), and looking at funding opportunities.
5)	Pursue a public-private partnership to increase business and residential access to hi-speed internet in Morro Bay.	All	City Manager	City Council to review options in Summer 2019.	Staff reviewing options.

Goal #3: Improve Communication and Community Engagment					
Item #	Action Items	Departments Involved	Lead Department	Anticipated Council date/Completion	Current Status
1)	Work to develop stronger coordination, and processes, with community groups in support of advancing mutually beneficial initiatives and goals.	All	City Manager	Staff to provide updates to City Council. If policy changes are warranted, staff will bring those forward to Council.	Will be an on-going effort. Next step includes outreach to volunteer groups in Morro Bay.
2)	Revise the partnership policy, and related policies, in conjunction with the fee study update.	Finance	City Manager, Recreation	City Council to review first draft of fee study in May 2019. Draft policies to be presented to Council in late Summer 2019.	Fee study draft complete and research on best practices on-going. Next steps include bringing the fee study to Council and conducting outreach to stakeholder groups.

City Council Goals and Action Items for 2019 - 2020

Goal #4: Complete Updates to the City Major Land Use Plans and Address Affordable Housing Issues					
Item #	Action Items	Departments Involved	Lead Department	Anticipated Council date/Completion	Current Status
1)	Complete the General Plan/Local Coastal Plan rewrite.	City Manager	Planning	Staff likely to bring draft plans to Planning Commission and Council for formal consideration in Summer/Fall 2019 (contigent upon Coastal staff completion of review).	Coastal Commission staff is reviewing an administrative draft of the document.
2)	Complete the zoning code update.	City Manager, Pubilc Works	Planning	Staff will likely bring proposed zoning code update to Planning Commission and City Council in late 2019/early 2020 (contigent upcon Coastal staff completion of review).	Coastal Commission staff is reviewing an administrative draft of the document.
3)	Revise the vacation rental policy.	City Manager, Finance, Public Works, City Attorney	Planning	Will bring to Council followign completion of General Plan, LCP and Zoning Code update.	On hold until GP, LCP and Zoning Code updates complete. Engaging with vacation rental policy compliance firms, and plan to initiate that in Summer 2019.
4)	Work with San Luis Obispo County and cities therein on a regional partnership and solutions to housing issues.	Planning, Public Works, Finance	City Manager	Staff will provide updates to City Council and bring forward recommendations as appropriate.	Staff coordinating with County of SLO staff on housing and infrastructure date. Staff also will initiate update to Housing Element, which provides opportunity to coordinate regionally.
5)	Pursue grant funding to develop an emergency warming shelter in Morro Bay.	Public Works, Recreation, Finance	City Manager	Staff will provide updates to City Council on future funding opportunities.	City did not receive State funding (HEAP Grant). Coordinating with County on future funding opportunities.



AGENDA NO: C-3

MEETING DATE: May 14, 2019

Staff Report

TO: Honorable Mayor and City Council

DATE: May 6, 2019

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

SUBJECT: Adoption of Resolution No. 33-19 Approving the Engineer’s Report and Declaring the Intent to Levy the Annual Assessment for the Cloisters Landscaping and Lighting Maintenance Assessment District

RECOMMENDATION

Staff recommends City Council adopt Resolution No. 33-19 declaring the intent to levy the annual assessment for the maintenance of the Cloisters Park and Open Space for fiscal year 2019/20 and approving the Engineer’s Report.

FISCAL IMPACT

Based on the Engineer’s Report, which estimates the annual costs of maintaining the Cloisters Park and Open Space for the upcoming year, is estimated at \$141,275 of the maximum \$148,944. Those costs will be offset by the collection of an assessment for the same amount from the parcel owners in the Cloisters Subdivision. This includes the current proposed City budget action of continuing to assign the equivalent of one FTE position specifically for Cloisters maintenance. In addition to the typical operations and maintenance cost the City is proposing \$8,491 be used from accumulation to support complete the capital project that assesses potential revisions to the improved landscaped areas.

The original formation of the assessment district in 1996 set the fixed assessment of \$1,241.20 per parcel or \$148,944 for the entire Cloisters Landscape Lighting Maintenance Assessment District. In 1996, the Consumer Price Index (CPI) was 157 and today (3/2019) the CPI is at 271. This has resulted in a thirty-six percent drop in the purchasing power of the assessment district funds. Therefore, what was \$148,944 as the required amount to maintain the Cloisters AD in 1996 is approximately \$88,600 in today’s dollars, but due to increased efficiency in the service delivery originally provided in district, the City has been able to maintain the facilities and accrue an accumulation of approximately \$160,000 by the end of this current fiscal year as estimated in the FY 19/20 budget document.

SUMMARY

On April 9, 2019, City Council adopted Resolution No. 23-19, which initiated the proceedings to levy the annual assessment to fund the maintenance of the Cloisters Park and Open Space. As ordered by the Council and required by law, the Engineer’s Report has been updated detailing the estimated annual assessment for the parcel owners for fiscal year 2019/20 and expenditures for the District. Staff intends to continue to outsource certain maintenance tasks within the Assessment District, which may redistribute the expenditure estimates. Upon adoption of Resolution No. 33-19, the next and final step in the annual levy of assessment process is the public hearing at which City Council

Prepared By: <u>rl</u>	Dept Review: <u>RL</u>
City Manager Review: <u>_SC</u>	City Attorney Review: _____

may order the continuation of the levy of assessment.

BACKGROUND/DISCUSSION

Tract 1996, known as the Cloisters development, is a 124-lot subdivision bounded by State Highway One at the east, Atascadero State Beach at the west, Morro Bay High School at the south, and Azure, Coral, and San Jacinto Streets at the north.

It was well known, any development at the Cloisters was going to require a balance between continuation of lateral and vertical access within and through the property, while at the same time conserving the sensitive plant and wildlife resources present.

Zoning on most of the Cloisters site is Planned Development, Single-Family Residential with the sand dunes and wetlands zoned Environmentally Sensitive Habitat (ESH). The purpose of the Planned Development (PD) overlay zone is to provide for detailed and substantial analysis of development on parcels, which because of location, size or public ownership, warrant special review. That overlay zone was also intended to allow for the modification of, or exemption from, the development standards of the primary zone, which would otherwise apply if such action would result in better design or other public benefit.

On September 23, 1996, City Council passed Resolution No. 69-96, which accepted the final map for Tract 1996 known as the Cloisters Subdivision, consisting of 124 lots. Lots 1 through 120 were for single-family residential purposes, Lots 121, 122 (APN 065-386-005 & 016 on attached Assessor's Map) were for the 27.75-acre park and open space, Lot 124 was dedicated for a fire station and Lot 123 was offered to the state.

The findings and conditions of approval for the project were numerous. For example, City Council made findings the Cloisters project could cause significant environmental impacts relating to land use, visual/aesthetics, affordable housing, traffic generation, air quality noise, geology, drainage and water quality, ecological resources, and public services; but those impacts were mitigated by the recommended conditions. In addition, City Council made further findings the Cloisters project was in compliance with the specific policies of the General Plan/Land Use Plan (GP/LUP) and Zoning Ordinance with respect to protection of views, environmentally sensitive resources, public access, circulation, hazards and other requirements so long as the environmental impacts were mitigated. Finally, City Council made other findings the Cloisters project complies with the Morro Bay Municipal Code (MBMC) with respect to optional subdivision design and related improvements, and the optional design is justified in order to contribute to a better community environment through the dedication of extensive public areas, restoration of the ESH area, provision of scenic easements, provision of larger than usual lots adjacent to such areas, and maintenance of a consistent lot layout pattern adjacent to existing development on the north side of Azure Street.

In order to mitigate the environmental impacts of the project, and to provide a greater than public benefit as required in a PD overlay zone, the conditions of approval for the project required the applicant to form an assessment district for the maintenance of the public park, bicycle pathway, right-of-way landscaping, coastal access ways, ESH restoration areas and any other improved common areas to be privately held or dedicated to the City. The public park area, as well as all open space improvements and the assessment district, were part of many detailed discussions during City and Coastal Commission hearings.

The assessment district formation proceedings began in August 1996, with all of the owners of the real property within the proposed district petitioning the City and consenting in writing to the formation of the district pursuant to the Landscape and Lighting Act of 1972. The assessment

district formation proceedings concluded with the final public hearing for formation on September 23, 1996, which levied the annual assessment of \$148,944 for the maintenance of the 27.75 acres of park and open space.

In preparing the various purchase and sale documents for each individual lot, including the Conditions, Covenants, and Restrictions, the developer was especially careful to call out the existence of the assessment district and to make certain the existence of the assessment district would not come as a surprise to anyone who purchased one of the lots. The Developer assured the City "There will be no surprises to prospective owners about the assessments or their amounts."

In drafting all the project documents, the City and the developer reinforced the special benefits for the residents of the Cloisters Project with the public amenities and easements. Each Cloister's lot directly benefits from the public park, bicycle pathway, right-of-way landscaping, coastal access ways, ESH restoration areas and coastal access ways. There was also created and reserved in favor of each owner in the Cloisters Development, Conservation Space in parcels 065-386-005 & 065-386-016, and a Scenic Conservation Easement in parcel 065-386-020 for view, open space, scenic, passive recreation and coastal access, none of which will be developed with any improvements or structures, unless necessary and proper for the restoration and maintenance of the Environmentally Sensitive Habitat Area.

CONCLUSION

The process for the annual levy of assessment for the Cloisters Landscaping and Lighting Maintenance Assessment District requires the City Council receive the Engineer's Report, approve and/or modify the report and adopt a Resolution of Intention. The Resolution of Intention gives notice of the time, date and place for a public hearing by the City Council on the issue of the levy of assessment. The public hearing has been set for June 25, 2019, at the Veterans' Memorial Building. A summary of the Resolution of Intention shall be published in the newspaper as a legal notice of public hearing, to which all interested parties are afforded the opportunity to be heard either through written or oral communication. Upon completion of the public hearing on June 25, 2019, the City Council may adopt the resolution ordering the levy of the annual assessment.

ATTACHMENTS

1. Draft City Council Resolution No. 33-19
2. Cloisters Landscape Lighting Maintenance Assessment District Engineer's Report

RESOLUTION NO. 33-19

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

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

WHEREAS, all property owners of the Cloisters subdivision requested the City of Morro Bay form a maintenance assessment district to fund the maintenance of the Cloisters Park and Open Space; and

WHEREAS, the Landscaping and Lighting Act of 1972 (Streets and Highways Code sections 22500 et. seq.) (the "Act") enables the City to form assessment districts for the purpose of maintaining public improvements; and

WHEREAS, pursuant to Section 22623 of the Act, the City Engineer has filed in the Office of the City Clerk, and submitted for review to the City Council, a report entitled "Engineer's Report - Cloisters Landscaping and Lighting Maintenance Assessment District", dated May 7, 2019, prepared in accordance with Article 4 of the Act, commencing with Section 22565; and

WHEREAS, pursuant to Section 22608.2 of the Act, the subdivider was required by City Ordinance to install improvements for which an assessment district was required to assure continued and uninterrupted maintenance of the Cloisters Park and Open Space; and

WHEREAS, pursuant to the intent of Article XIII, Section 4, of the California Constitution, the property owners have elected to form the Cloisters Landscaping and Lighting Maintenance Assessment District.

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

Section 1. The City Council approves the Engineer's Report.

Section 2. It is the intent of the Council to order the annual levy and collection of assessments for the Cloisters Landscaping and Lighting Maintenance Assessment District at a public hearing to be held at the Regular City Council Meeting on June 25, 2019, in the Veteran's Memorial Building, 209 Surf Street, Morro Bay, CA.

Section 3. The improvements to be maintained at the Cloisters Park and Open Space are specified in the Engineer's Report dated May 7, 2019, which is hereby approved.

Section 4. The assessment upon assessable lots within the district is proposed to total \$148,944 or \$1,241.20 per assessable parcel for Fiscal Year 2019/20.

Section 5. Staff is directed to continue the Major Maintenance/Capital Improvement Program that will address items requiring significant expenditures in FY 2019/20. Any, projects

identified with input from the community and shall be approved by the City Council prior to implementation.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting held on this 14th day of May 2019 by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

JOHN HEADDING, Mayor

ATTEST:

DANA SWANSON, City Clerk

EXHIBIT A
 CLOISTERS
 LANDSCAPING AND LIGHTING
 MAINTENANCE ASSESSMENT DISTRICT
 DISTRICT BOUNDARY DIAGRAM

The boundary diagrams for the District have previously been submitted to the City Clerk in the format required under the 1972 Act and, by reference, are hereby made part of this Report. The boundary diagrams are available for inspection at the office of the City Clerk during normal business hours. The following diagram provides an overview of the District.





CITY OF MORRO BAY

**CLOISTERS
LANDSCAPING AND LIGHTING
MAINTENANCE ASSESSMENT DISTRICT**

2019/2020 ENGINEER'S ANNUAL LEVY REPORT

May 7, 2019

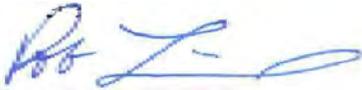
AFFIDAVIT FOR 2019/20 ENGINEER'S ANNUAL LEVY REPORT

CITY OF MORRO BAY

**CLOISTERS
LANDSCAPING AND LIGHTING
MAINTENANCE ASSESSMENT DISTRICT**

This report describes the proposed maintenance, improvements, budgets, zone of benefit and assessments to be levied on parcels of land within the Cloisters Landscaping and Lighting Maintenance Assessment District for the fiscal year 2019/2020, as the same existed at the time of the passage of the Resolution of Intention. Reference is hereby made to the San Luis Obispo County Assessor's maps for a detailed description of the lines and dimensions of parcels within the District. The undersigned respectfully submits the enclosed Report as directed by the City Council and, to the best of my knowledge, information, belief, the report, the assessments and diagrams have been prepared and computed in pursuant to the Landscaping and Lighting Act of 1972.

Dated this 7th day of May, 2019



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



CITY OF MORRO BAY

CLOISTERS

LANDSCAPING AND LIGHTING

MAINTENANCE ASSESSMENT DISTRICT

ENGINEER’S REPORT

Table of Contents

	<u>Page</u>
I. Overview	1
A. Introduction	1
B. Assessment History and Current Legislation	2
II. Description of the District	4
A. Improvements Authorized by the 1972 Act	4
B. Maintenance Items	4
III. Method of Apportionment	6
A. General	6
B. Benefit Analysis	6
C. Maintenance Tasks	7
D. Maintenance Costs	7
E. Apportionment of Assessment	8
Detailed Maintenance Tasks	Attachment A
District Budget - Fiscal Year 2019/2020	Attachment B
Parcel/Assessment Table	Attachment C
District Boundary Diagram	Attachment D

I. Overview

A. Introduction

The City Council of the City of Morro Bay (hereafter referred to as “City”), County of San Luis Obispo, State of California, previously formed and has levied and collected annual assessments for the district designated as:

CLOISTERS LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT

(hereafter referred to as “District”) pursuant to the provisions of the Landscaping and Lighting Act of 1972, being Part 2 of Division 15 of the California Streets and Highways Code, commencing with Section 22500 (hereafter referred to as the “1972 Act”), and in compliance with the provisions of the California State Constitution Articles XIIC and XIID (hereafter referred to as the “Constitution” or “Proposition 218”).

This Report has been prepared in accordance with Chapter 1, Article 4 (commencing with Section 22565) of the 1972 Act and describes the District and changes to the District including: territories annexed; modifications to the improvements or organization; and the proposed budgets and assessments applicable for fiscal year 2019/2020.

Project History

Tract 1996, known as the Cloisters development, is a 124 lot subdivision bounded by State Highway One at the east, Atascadero State Beach at the west, Morro Bay High School at the south, and Azure, Coral, and San Jacinto Streets at the north (the “Cloisters”).

The Cloisters, prior to development, was a privately owned 80-plus acre expanse of open land. The property was historically used for lateral and vertical access and contained a large area of sensitive sand dunes abutting the eastern edge of Atascadero State Beach. Over the years, it was the subject of various land development proposals including an RV park, a 390-unit condominium development, a 466-unit single family residential development, a 455-unit mixed residential development, and a 213-unit residential development. The City approved none of these development proposals.

It was well known that any development at the Cloisters was going to require a balance between continuation of lateral and vertical access within and through the property, while at the same time conserving the sensitive plant and wildlife resources present. In addition, the negative impacts of development on the site would have to be sufficiently offset by public resources and public amenities from the site.

Zoning on most of the Cloisters site is Planned Development, Single-Family Residential with the sand dunes and wetlands zoned Environmentally Sensitive Habitat (ESH). The purpose of the Planned Development (PD) overlay zone is to provide for detailed and substantial analysis of development on parcels, which because of location, size or public ownership, warrant special review. This overlay zone is also intended to allow for the modification of, or exemption from,

the development standards of the primary zone which would otherwise apply if such action would result in better design or other public benefit.

On September 23, 1996, the City Council passed Resolution No. 69-96, which accepted the final map for Tract 1996, known as the Cloisters Subdivision, consisting of 124 lots. Lots 1 through 120 were for single-family residential purposes; Lots 121, 122 and 124¹ (dedicated for a fire station) were offered to the City subject to the completion of the public improvements; and Lot 123 was offered to the State.

The findings and conditions of approval for the project were numerous. For example, the City Council made findings that the Cloisters project could cause significant environmental impacts relating to land use, visual/aesthetics, affordable housing, traffic generation, air quality, noise, geology, drainage and water quality, ecological resources, and public services; but that these impacts could be mitigated by the recommended conditions. In addition, the City Council made further findings that the Cloisters project was in compliance with the specific policies of the General Plan/Local Coastal Plan (GP/LCP) and zoning ordinance with respect to protection of views, environmentally sensitive resources, public access, circulation, hazards and other requirements so long as the environmental impacts were mitigated. Finally, the City Council made further findings that the Cloisters project complied with MBMC with respect to optional subdivision design and related improvements, and that the optional design was justified in order to contribute to a better community environment through the dedication of extensive public areas, restoration of the ESH area, provision of scenic easements, and provision of larger than usual lots adjacent to such areas, and maintenance of a consistent lot layout pattern adjacent to existing development on the north side of Azure Street.

In order to mitigate the environmental impacts of the project and to provide a greater public benefit as required in a PD overlay zone, the conditions of approval for the project required the applicant to form an assessment district for the maintenance of the public park, bicycle pathway, right of way landscaping, coastal access ways, ESH restoration areas and any other improved common areas to be privately held or dedicated to the City. The public park area, as well as all open space improvements and the assessment district were part of many detailed discussions during each City and Coastal Commission hearing. Without this Condition of Approval and the creation of the assessment district, the project would not have been approved and there would not be a Cloisters Development.

B. Assessment History and Current Legislation

In November 1996, California voters approved Proposition 218 that established specific requirements for the ongoing imposition of taxes, assessments and fees. The provisions of the Proposition are now contained in the California Constitutional Articles XIII C and XIII D. All assessments described in this Report and approved by the City Council are prepared in accordance with the 1972 Act and in compliance with these provisions of the Constitution.

¹ Lot 124 of the Cloisters Subdivision (Tract 1996) has been sold and is going through the entitlement process for development of several single-family homes, which will become part of the District. As a result, the assessment per lot will be adjusted.

Pursuant to the Article XIID Section 5 of the Constitution, certain existing assessments were exempt from the substantive and procedural requirements of the Article XIID Section 4, and property owner balloting is not required until such time that a new or increased assessment is proposed. Specifically, the City determined that the annual assessments originally established for the Cloisters were imposed in accordance with a consent and waiver as part of the original development approval for the properties within these areas. As such, pursuant to Article XIID Section 5b, all the property owners approved the existing District assessments at the time the assessments were created (originally imposed pursuant to a 100% landowner petition). Therefore, the pre-existing assessments (the maximum assessment rates adopted prior to the passage of Proposition 218) for this district is exempt from the procedural requirements Article XIID Section 4. However, any new or increased assessment for the Cloisters shall comply with both the substantive and procedural requirements of Article XIID Section 4 before such assessments are imposed.

The assessment district formation proceedings began in August 1996, and concluded with the final public hearing on September 23, 1996 for formation of the District pursuant to the 1972 Act. This formation led to the annual assessment levy of \$148,944 (the "Assessment") for the maintenance of the thirty-four (34) acres of public resource lands including open space and natural lands, wetland area and pond used for drainage mitigation for homes constructed in Cloisters, median landscaping, trees, a neighborhood park and recreation area, fencing and other public improvements. The maximum assessment rates that existed and were adopted in fiscal year 1996/1997 did not include the assessment range formulae (inflationary adjustment) for their maximum assessment rates and therefore will remain static unless the assessee vote to increase the assessments. Refer to section III D – "Maintenance Costs" for an analysis of the decision to not include an inflationary adjustment in the formulae.

In preparing the various purchase and sale documents for each individual lot, including the Conditions, Covenants, and Restrictions, the owners and developer were especially careful to call out the existence of the assessment district and to make certain that the existence of assessment district was disclosed to anyone who purchased one of these lots. In drafting all the project documents, the City and the developer reinforced the special benefits for the residents of the Cloisters Project from the public amenities and easements maintained by the assessment.

II. Description of the District

A. Improvements Authorized by the 1972 Act

As applicable or may be applicable to this proposed District, the 1972 Act defines improvements to mean one or any combination of the following:

- the installation or planting of landscaping
- the installation or construction of statuary, fountains, and other ornamental structures and facilities
- the installation or construction of public lighting facilities
- the installation or construction of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof, including, but not limited to, grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls, sidewalks, or paving, or water, irrigation, drainage, or electrical facilities
- the maintenance or servicing, or both, of any of the foregoing
- the acquisition of any existing improvement otherwise authorized pursuant to this section.

Incidental expenses associated with the improvements including, but not limited to:

- the cost of preparation of the report, including plans, specifications, estimates, diagram, and assessment
- the costs of printing, advertising, and the publishing, posting and mailing of notices
- compensation payable to the County for collection of assessments
- compensation of any engineer or attorney employed to render services
- any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements
- any expenses incidental to the issuance of bonds or notes pursuant to Section 22662.5²
- costs associated with any elections held for the approval of a new or increased assessment.

The 1972 Act defines "Maintain" or "maintenance" to mean furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of any improvement, including:

- repair, removal, or replacement of all or any part of any improvement
- providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury
- the removal of trimmings, rubbish, debris, and other solid waste
- the cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti.

B. Maintenance Items

The ongoing maintenance for the District, and the costs thereof, paid from the levy of the annual assessments, are generally described below.

² There is no existing bond debt nor is any anticipated at this time.

Replacement, maintenance and servicing of improvements include, but are not limited to, turf, ground cover, shrubs, trees, other landscaping, irrigation systems, fencing, signage, trails, walkways, recreation facilities, lighting, restroom facilities, parking and all necessary appurtenances, and labor, materials, supplies, utilities and equipment. The public resources maintained by the assessments from the District are further summarized as follows:

- Parkland: 4 Acres
- Open space meadow and natural land: 18.15 Acres
- Wetland: 5.5 Acres
- Medians and parkways within the public right-of-ways: 1.6 Acres

Within those areas, the following items are maintained through the levy of assessments:

1. Landscaping

- a. Turf
- b. Planted medians
- c. Planter beds (formerly demonstration garden)
- d. Drainage systems, including gabion channels
- e. Irrigation system (spray and drip)
- f. Scrub/meadow plantings
- g. Trees & shrubs along the sound wall
- h. Willows
- i. Wetland area plantings and pond

2. Hardscaping

- a. Asphalt path system
- b. Concrete walkways
- c. Parking lot
- d. Decomposed granite paths
- e. Play area surfacing
- f. Bridge on City owned property

3. Facilities and miscellaneous

- a. Barbeques
- b. Bike rack
- c. Benches
- d. Directional signs
- e. Drinking fountains
- f. Fences:
 - i. 6' and 3' solid – Bike Path and Fire Access Fencing
 - ii. Habitat Area (ESHA) fencing and keep out signs
- g. Interpretive panels
- h. Light bollards
- i. Monuments with lights
- j. Observation pier at pond
- k. Picnic tables
- l. Play equipment and sand lot
- m. Restroom
- n. Sound wall
- o. Trash cans

III. Method of Apportionment

A. General

This section of the Engineer's Report includes an explanation of the special benefits to be derived from the installation, maintenance and servicing of the improvements and the methodology used to apportion the total assessment to properties within the District.

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements which include the construction, maintenance and servicing of public lights, landscaping and appurtenant facilities. The 1972 Act further requires that the cost of these improvements be levied according to benefit rather than assessed value:

“The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements.”

The proceeds from the District are used to fund the maintenance and upkeep of public resources within the Cloisters development project for the special benefit of the properties located within the project. The continued maintenance and upkeep of these important items is a distinct and special benefit to properties within the District.

Easements were created and reserved in favor of each owner in the Cloisters Development for view, open space, scenic, passive recreation and coastal access across the entirety of Lots 121, 122 and 123; these lots shall not be developed with any improvements or structures unless necessary and proper for the restoration and maintenance of the ESHA. This is another distinct and special benefit conferred on property within the District.

B. Benefit Analysis

Each of the proposed improvements, the associated costs and assessments have been carefully reviewed, identified and allocated based on special benefit pursuant to the provisions of the Constitution and 1972 Act. The improvements associated with the District have been identified as necessary, required and/or desired for the orderly development of the properties within the District to their full potential, consistent with the proposed development plans and applicable portions of the City GP/LCP as identified previously in this report. As such, these improvements would be necessary and required of individual property owners for the development of such properties, and the ongoing operation, servicing and maintenance of these improvements would be the financial obligation of those properties. Therefore, the improvements and the annual costs of ensuring the maintenance and operation of the improvements are of direct and special benefit to the properties. The method of apportionment (method of assessment) is based on the premise that each assessed parcel within the District receives special benefit from various improvements provided by the District. The desirability and security of properties is enhanced by the presence of local improvements in close proximity to those properties. The special benefits associated

with landscaped improvements are specifically:

- enhanced desirability of properties through association with the improvements
- improved aesthetic appeal of properties providing a positive representation of the area
- enhanced adaptation of the urban environment within the natural environment from adequate green space and landscaping.

C. Maintenance Tasks

A list of maintenance tasks required to maintain the District in acceptable condition for public use was originally developed based on maintenance standards established for existing parks within the City and is included in this report as Attachment A. The list has since been divided into Janitorial and Landscaping Maintenance Tasks, with an additional section for Deferred Maintenance Tasks/Capital Replacement Projects.

It is clear, as illustrated in the next section, the purchasing power of the assessments has severely eroded over the last twenty-one years, although the City has worked efficiently to provide the necessary maintenance and still accumulate a reserve for the repair and replacement of the improvements maintained by the district

D. Maintenance Costs

The estimated annual cost of maintaining the District was originally developed by the Recreation and Parks Department based on the tasks required and the City's Flat Rate Manual for Parks Maintenance and appeared to be a conservative estimate. District costs include labor, utilities, insurance, engineering services and depreciation/reserves. The annual cost of maintenance, including any reserves, for the 2019/20 fiscal year is estimated to be \$148,944. The cost estimate is included in this report as Attachment B. This estimate reflects a reduction in maintenance services when compared to the initial resources that were allocated to the District due to increased costs to provide services.

The original formation of the assessment district in 1996 set the fixed assessment of \$148,944 (or \$1,241.20 per parcel) for the entire Cloisters Landscape Lighting Maintenance Assessment District. In 1996, the Consumer Price Index (CPI) was 157 and today (3/2019) the CPI is at 271. This has resulted in a drop in the purchasing power of the assessment district funds, but due to increased efficiency in the service delivery originally provided in district, the City has been able to maintain the facilities and accrue an accumulation of approximately \$186,500 by the end of the 2017/18 fiscal year as shown in the following table:

**Cloisters Assessment District
Fund 570 & 575
SUMMARY OF REVENUES AND EXPENDITURES**

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Proposed
SOURCES OF FUNDS						
Beginning Cash Balance	\$ 74,578	\$ 79,585	\$ 153,783	\$ 186,533	\$ 186,533	\$ 159,495
REVENUES						
<i>Assessments</i>	\$ 149,565	\$ 148,944	\$ 148,944	\$ 148,944	\$ 148,944	\$ 148,944
<i>Use of Money & Property</i>	853	971	1,977	-	1,500	-
<i>Transfer In</i>	13,568	-	-	-	-	-
TOTAL REVENUES	\$ 163,986	\$ 149,915	\$ 150,921	\$ 148,944	\$ 150,444	\$ 148,944
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 11,901	\$ 30,733	\$ 48,927	\$ 92,182	\$ 92,182	\$ 88,454
<i>Supplies</i>	5,869	3,223	7,470	2,600	2,600	2,000
<i>Services</i>	116,390	41,761	61,774	82,700	82,700	40,000
<i>Transfers Out</i>						
<i>Capital Projects</i>						16,160
<i>Transfers Out - GF C.A.P</i>	24,819	-	-	-	-	10,821
TOTAL EXPENDITURES & TRANSFERS	\$ 158,979	\$ 75,717	\$ 118,171	\$ 177,482	\$ 177,482	\$ 157,435
Ending Cash Balance	\$ 79,585	\$ 153,783	\$ 186,533	\$ 157,995	\$ 159,495	\$ 151,004

E. Apportionment of Assessment

The total assessment for the District is apportioned equally to each of the one hundred and twenty residential lots. Lots 121 and 122 (Parcel 1) Cloisters Park and Open Space, Lot 124 (dedicated for a fire station, declared as surplus by the City and sold - currently vacant, but new owner is going through the entitlement process to develop several single-family homes) and Lot 123 (now Parcel 2) offered to the State are not assessed. Individual assessments are listed in the table shown in Attachment C.

Attachment A

CLOISTERS LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT

DETAILED MAINTENANCE TASKS

Task	Weekly	Twice Weekly	Monthly	Twice Annually	Annually	As Needed
I <i>Turf Maintenance</i>						
Mow						XX
Edge/Trim						XX
Fertilize				XX		XX
Aerate/Seed				XX		XX
II <i>Other Landscape Maint.</i>						
Prune plants/shrubbery				XX		XX
Maintain weed free						XX
Maintain bark mulch						XX
Rake/distribute gravel/sand			XX			XX
Fertilize				XX		
III <i>Tree Maintenance</i>						
Prune trees					XX	
Maintain tree supports						XX
Remove dead trees						XX
IV <i>Irrigation</i>						
Maintain/repair irrigation system						XX
Program/check controllers			XX			XX
Hand water as required						XX
Monitor water usage			XX			
V <i>Weed control</i>						
Mow open areas				XX		XX
Remove noxious weeds				XX		
Weed identified areas				XX		XX
VI <i>Wetlands</i>						
Coordinate maint. with city						XX
VII <i>Paths, walkways, parking lot maintenance</i>						
Conduct general safety inspection					XX	XX
Remove foreign objects						XX
Trim/spray pathways						XX

**CLOISTERS
LANDSCAPING AND LIGHTING
MAINTENANCE ASSESSMENT DISTRICT**

DETAILED MAINTENANCE TASKS (cont.)

Task	Weekly	Twice Weekly	Monthly	Twice Annually	Annually	As Needed
VII <i>Paths, walkways, parking lot maintenance (cont.)</i>						
Inspect hardscape for damage			XX			XX
Remove dog litter						XX
VIII <i>Pest/Disease Control</i>						
Control pests/rodents and plant diseases						XX
IX <i>Litter/trash control</i>						
Litter pick up throughout						XX
Remove trash from garbage cans		XX				
Empty ashes from bbq's		XX				
X <i>Restroom</i>						
Clean/sanitize/service	Daily M-F					
Maintain roof						XX
Maintain plumbing						XX
Paint structure						XX

Attachment B

**CLOISTERS
LANDSCAPING AND LIGHTING
MAINTENANCE ASSESSMENT DISTRICT**

DISTRICT BUDGET - FISCAL YEAR 2019/2020

NAME: Cloisters Landscaping and Lighting Maintenance Assessment District

DIAGRAM: Attached, as Attachment D

PLANS AND SPECIFICATIONS: On file in the Office of the City Engineer.

ESTIMATED COST OF MAINTENANCE: The table on the following page outlines the estimated budget for the maintenance of the District for fiscal year 2019/2020. It also provides a look back at the three previous fiscal years including the current year with expenses as of March 31, 2019.

CONTRACT SERVICES

Includes non-routine maintenance and repair costs, as needed.

PERSONNEL SERVICES

Includes all daily and routine tasks as well as non-routine maintenance and repair costs.

SUPPLIES

Includes all supplies used in daily tasks as well as non-routine repair and maintenance.

SERVICES

Includes utilities, outside engineering, insurance and contract services.

CAPITAL/DEFERRED MAINTENANCE RESERVE

Accumulated funds to be directed at capital projects, permits, and other one-time expenses.

TOTAL ASSESSMENT:	\$148,944.00
PER PARCEL YEARLY ASSESSMENT (\$148,944/120 parcels)	\$1,241.20
OPERATING FUND CASH BALANCE (March 2019)	\$115,610³
ACCUMULATION FUND BALANCE (June 30, 2018)	\$186,533

³ Not all transfers have occurred.

City of Morro Bay		DRAFT FY 19-20 Budget	
G/L Account Number	Account Description	2020 Proposed	
Fund: 570 - Cloisters Park Maint AD			
REVENUES			
Department: 6167 - Cloisters Park			
<i>300-Rev Taxes - Revenues From Taxes</i>			
570-6167 3018	Property Tax Special Assess	\$	148,944.00
<i>Account Classification Total: 300-Rev Taxes - Revenues From Taxes</i>		\$	148,944.00
Department Total: 6167 - Cloisters Park		\$	148,944.00
REVENUES Total		\$	148,944.00
EXPENSES			
Department: 6167 - Cloisters Park			
<i>10-Personnel - Personnel Services</i>			
570-6167 4110	Regular Pay	\$	48,710.20
570-6167 4515	Standby Pay		
570-6167 4599	Other Pay		
570-6167 4910	Employer Paid Benefits	\$	23,475.93
570-6167 4911	Pension Normal Cost	\$	3,613.69
570-6167 4912	PERS Unfunded Accrued Liability	\$	9,654.36
570-6167 4999	Labor Costs Applied	\$	3,000.00
<i>Account Classification Total: 10-Personnel - Personnel Services</i>		\$	88,454.18
<i>60-Supplies - Supplies</i>			
570-6167 5109	Uniforms/Safety Equipment	\$	500.00
570-6167 5199	Miscellaneous Operating Supplies	\$	500.00
570-6167 5501	Grounds Maintenance Supplies	\$	1,000.00
<i>Account Classification Total: 60-Supplies - Supplies</i>		\$	2,000.00
<i>70-Services - Services</i>			
570-6167 6106	Contractual Services	\$	10,000.00
570-6167 6300	Utilities		
570-6167 6301	Electricity	\$	1,500.00
570-6167 6303	Water	\$	25,000.00
570-6167 6305	Disposal	\$	2,500.00
570-6167 6810	Equipment Rental	\$	1,000.00
<i>Account Classification Total: 70-Services - Services</i>		\$	40,000.00
Department Total: 6167 - Cloisters Park		\$	130,454.18
Department: 7710 - Interfund Transactions			
570-7710 8510	Transfer To General Fund - Cost Allocation	\$	10,821.00
Department Total: 7710 - Interfund Transactions		\$	10,821.00
EXPENSES Total		\$	141,275.18
Fund REVENUE Total: 570 - Cloisters Park Maint AD		\$	148,944.00
Fund EXPENSE Total: 570 - Cloisters Park Maint AD		\$	141,275.18
Fund Total: 570 - Cloisters Park Maint AD		\$	7,668.82
REVENUE GRAND Totals:		\$	148,944.00
EXPENSE GRAND Totals:		\$	-
Grand Totals:		\$	148,944.00

Attachment C

**CLOISTERS
LANDSCAPING AND LIGHTING
MAINTENANCE ASSESSMENT DISTRICT**

PARCEL/ASSESSMENT TABLE

Lot Number	County Assessor's Parcel Number	Annual Assessment
1	065-387-001	\$1,241.20
2	065-387-002	\$1,241.20
3	065-387-003	\$1,241.20
4	065-387-004	\$1,241.20
5	065-387-005	\$1,241.20
6	065-387-006	\$1,241.20
7	065-387-007	\$1,241.20
8	065-387-008	\$1,241.20
9	065-387-009	\$1,241.20
10	065-387-010	\$1,241.20
11	065-387-011	\$1,241.20
12	065-387-012	\$1,241.20
13	065-387-013	\$1,241.20
14	065-387-014	\$1,241.20
15	065-387-015	\$1,241.20
16	065-387-016	\$1,241.20
17	065-387-017	\$1,241.20
18	065-387-018	\$1,241.20
19	065-387-019	\$1,241.20

Lot Number	County Assessor's Parcel Number	Annual Assessment
20	065-387-053	\$1,241.20
21	065-387-054	\$1,241.20
22	065-387-055	\$1,241.20
23	065-387-023	\$1,241.20
24	065-387-024	\$1,241.20
25	065-387-025	\$1,241.20
26	065-387-026	\$1,241.20
27	065-387-027	\$1,241.20
28	065-387-028	\$1,241.20
29	065-387-029	\$1,241.20
30	065-387-030	\$1,241.20
31	065-387-031	\$1,241.20
32	065-387-032	\$1,241.20
33	065-387-033	\$1,241.20
34	065-387-034	\$1,241.20
35	065-387-035	\$1,241.20
36	065-387-036	\$1,241.20
37	065-387-037	\$1,241.20
38	065-387-038	\$1,241.20
39	065-387-039	\$1,241.20
40	065-387-040	\$1,241.20
41	065-387-041	\$1,241.20
42	065-387-042	\$1,241.20
43	065-387-043	\$1,241.20

Lot Number	County Assessor's Parcel Number	Annual Assessment
44	065-387-044	\$1,241.20
45	065-387-045	\$1,241.20
46	065-388-001	\$1,241.20
47	065-388-002	\$1,241.20
48	065-388-003	\$1,241.20
49	065-388-004	\$1,241.20
50	065-388-005	\$1,241.20
51	065-388-006	\$1,241.20
52	065-388-007	\$1,241.20
53	065-388-008	\$1,241.20
54	065-388-009	\$1,241.20
55	065-388-010	\$1,241.20
56	065-388-011	\$1,241.20
57	065-388-012	\$1,241.20
58	065-388-013	\$1,241.20
59	065-388-014	\$1,241.20
60	065-388-015	\$1,241.20
61	065-388-016	\$1,241.20
62	065-388-017	\$1,241.20
63	065-388-018	\$1,241.20
64	065-388-019	\$1,241.20
65	065-388-020	\$1,241.20
66	065-388-021	\$1,241.20
67	065-388-022	\$1,241.20

Lot Number	County Assessor's Parcel Number	Annual Assessment
68	065-388-023	\$1,241.20
69	065-388-024	\$1,241.20
70	065-388-025	\$1,241.20
71	065-388-026	\$1,241.20
72	065-388-027	\$1,241.20
73	065-388-028	\$1,241.20
74	065-388-029	\$1,241.20
75	065-388-030	\$1,241.20
76	065-388-031	\$1,241.20
77	065-388-032	\$1,241.20
78	065-388-033	\$1,241.20
79	065-388-034	\$1,241.20
80	065-388-035	\$1,241.20
81	065-388-036	\$1,241.20
82	065-388-037	\$1,241.20
83	065-388-038	\$1,241.20
84	065-388-039	\$1,241.20
85	065-388-040	\$1,241.20
86	065-388-041	\$1,241.20
87	065-388-042	\$1,241.20
88	065-388-043	\$1,241.20
89	065-388-044	\$1,241.20
90	065-388-045	\$1,241.20
91	065-388-046	\$1,241.20

Lot Number	County Assessor's Parcel Number	Annual Assessment
92	065-388-047	\$1,241.20
93	065-388-048	\$1,241.20
94	065-388-049	\$1,241.20
95	065-388-050	\$1,241.20
96	065-388-051	\$1,241.20
97	065-388-052	\$1,241.20
98	065-388-053	\$1,241.20
99	065-388-054	\$1,241.20
100	065-388-055	\$1,241.20
101	065-388-056	\$1,241.20
102	065-388-057	\$1,241.20
103	065-388-058	\$1,241.20
104	065-388-059	\$1,241.20
105	065-388-060	\$1,241.20
106	065-388-061	\$1,241.20
107	065-388-062	\$1,241.20
108	065-388-063	\$1,241.20
109	065-388-064	\$1,241.20
110	065-388-065	\$1,241.20
111	065-388-066	\$1,241.20
112	065-388-067	\$1,241.20
113	065-388-068	\$1,241.20
114	065-388-069	\$1,241.20
115	065-388-070	\$1,241.20

Lot Number	County Assessor's Parcel Number	Annual Assessment
116	065-388-071	\$1,241.20
117	065-388-072	\$1,241.20
118	065-388-073	\$1,241.20
119	065-388-074	\$1,241.20
120	065-388-075	\$1,241.20
121	065-386-005	0
122 (Parcel 1)	065-386-016	0
123 (Parcel 2)	065-386-017 065-386-018 065-386-019 065-386-012 065-386-013 065-386-014 065-386-010	0
124	065-386-015	0

Attachment D

CLOISTERS LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT

DISTRICT BOUNDARY DIAGRAM

The boundary diagrams for the District have previously been submitted to the City Clerk in the format required under the 1972 Act and, by reference, are hereby made part of this Report. The boundary diagrams are available for inspection at the office of the City Clerk during normal business hours. The following diagram provides an overview of the District.





AGENDA NO: C-4

MEETING DATE: May 14, 2019

Staff Report

TO: Honorable Mayor and City Council **DATE:** May 7, 2019

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

SUBJECT: Adoption of Resolution No. 34-19 Approving the Engineer’s Report and Declaring the Intent to Levy the Annual Assessment for the North Point Natural Area Landscaping and Lighting Maintenance Assessment District

RECOMMENDATION

Staff recommends City Council adopt Resolution No. 34-19 approving the Engineer’s Report and declaring the intent to levy the annual assessment for maintenance of the North Point Natural Area.

FISCAL IMPACT

Based on the Engineer’s Report, which estimates the annual costs of maintaining the North Point Natural Area for the upcoming fiscal year, the fiscal impact is estimated at \$5,645. Those costs will be offset by the collection of an assessment for the same amount from the parcel owners in the North Point Subdivision.

The original formation of the assessment district in 1996 set the fixed assessment of \$564.50 per parcel or \$5,645 for the entire North Point Landscape Lighting Maintenance Assessment District. In 1997, the Consumer Price Index (CPI) was 160 and today (3/2018) the CPI is at 271. But, due to increased efficiencies, staff has been able to maintain the natural area with expenses not exceeding the assessment, while also increasing the accumulation fund for future capital and major maintenance needs.

SUMMARY

On April 9, 2019 City Council adopted Resolution No. 24-19, which initiated the proceedings to levy the annual assessment to fund the maintenance of the North Point Natural Area. Additionally, staff was directed to have an Engineer’s Report prepared, detailing the estimated annual assessment for the parcel owners for fiscal year 2019/20. Upon adoption of Resolution No. 34-19, the next and final step in the annual levy of assessment process is the public hearing after which the City Council orders the levy of assessment.

BACKGROUND/DISCUSSION

As part of the annual assessment process, staff is required to provide an Engineer’s Report, which is an estimate of costs for maintenance of the North Point Natural Area. The cost estimates are based on the maintenance standards currently adhered to in existing parks within Morro Bay and included in the Flat Rate Manual for Parks Maintenance, as well as maintenance costs from the current fiscal year. The estimate for maintenance of the North Point Natural Area is \$5,645, including a \$760 set aside for the accumulation fund, or \$564.50 per parcel for fiscal year 2019/20.

Prepared By: <u>RL</u>	Dept. Review: <u>RL</u>
City Manager Review: <u>SC</u>	City Attorney Review: _____

Personnel costs, as well as supplies and services, have risen significantly in the last several years. However, due to the small acreage, natural landscaping and little irrigation in the North Point Natural Area, the assessment amount collected is currently adequate to cover the costs of maintenance.

CONCLUSION

The process for the annual levy of assessment for the North Point Natural Area Landscaping and Lighting Maintenance Assessment District requires the City Council to receive the Engineer's Report, approve and/or modify the report and adopt a Resolution of Intention. The Resolution of Intention gives notice of the time, date and place for a public hearing by the City Council on the issue of the levy of assessment. The public hearing has been set for the Regular City Council meeting on June 25, 2019, in the Veteran's Memorial Building, at which all interested parties will be afforded the opportunity to be heard either through written or oral communication. Upon completion of the public hearing on June 25, 2019, the City Council may adopt the resolution ordering the levy of the annual assessment.

ATTACHMENTS

1. Draft Resolution No. 34-19
2. North Point Landscaping and Lighting Maintenance Assessment District Engineer's Report

RESOLUTION NO. 34-19

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
APPROVING THE ENGINEER'S REPORT AND DECLARING
THE CITY'S INTENTION TO LEVY THE ANNUAL ASSESSMENT FOR THE
MAINTENANCE OF THE NORTH POINT NATURAL AREA LANDSCAPING AND LIGHTING
MAINTENANCE ASSESSMENT DISTRICT PURSUANT TO THE "LANDSCAPING AND
LIGHTING ACT OF 1972" (STREETS AND HIGHWAYS SECTIONS 22500 *ET SEQ.*)**

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

WHEREAS, all property owners of the North Point subdivision requested the City of Morro Bay form a maintenance assessment district to fund the maintenance of the North Point Natural Area; and

WHEREAS, the Landscaping and Lighting Act of 1972, commencing with Streets and Highways Code section 22500 (the "Act") enables the City to form assessment districts for the purpose of maintaining public improvements; and

WHEREAS, pursuant to Section 22623 of the Act, the City Engineer has filed in the Office of the City Clerk, and submitted for review to the City Council, a report entitled "Engineers Report North Point Natural Area Landscaping and Lighting Maintenance Assessment," dated May 7, 2019, prepared in accordance with Article 4 of the Act, commencing with Section 22565 (the "Engineer's Report"); and

WHEREAS, pursuant to Section 22608.2 of the Act, the subdivider was required by City ordinance to install improvements for which an assessment district was required in order to assure continued and uninterrupted maintenance of the North Point Natural Area; and

WHEREAS, pursuant to the intent of Article XIII, Section 4, of the California Constitution, the property owners have elected to form the North Point Natural Area Landscaping and Lighting Maintenance Assessment District.

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

Section 1. The City Council approves the Engineer's Report.

Section 2. It is the intent of the Council to order the annual levy and collection of assessments for the North Point Natural Area Landscaping and Lighting Maintenance Assessment District generally located as shown in Exhibit "A" attached hereto at a public hearing to be held at the Regular City Council meeting on June 25, 2019 in the Veteran's Memorial Building, 209 Surf Street, Morro Bay, CA.

Section 3. The improvements to be maintained at the North Point Natural Area are specified in the Engineer's Report dated May 7, 2019 which is hereby approved.

Section 4. The assessment upon assessable lots within the district is proposed to total \$5,645 or \$564.50 per assessable parcel for fiscal year 2019/20.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held this 14th of May 2019 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

JOHN HEADDING, Mayor

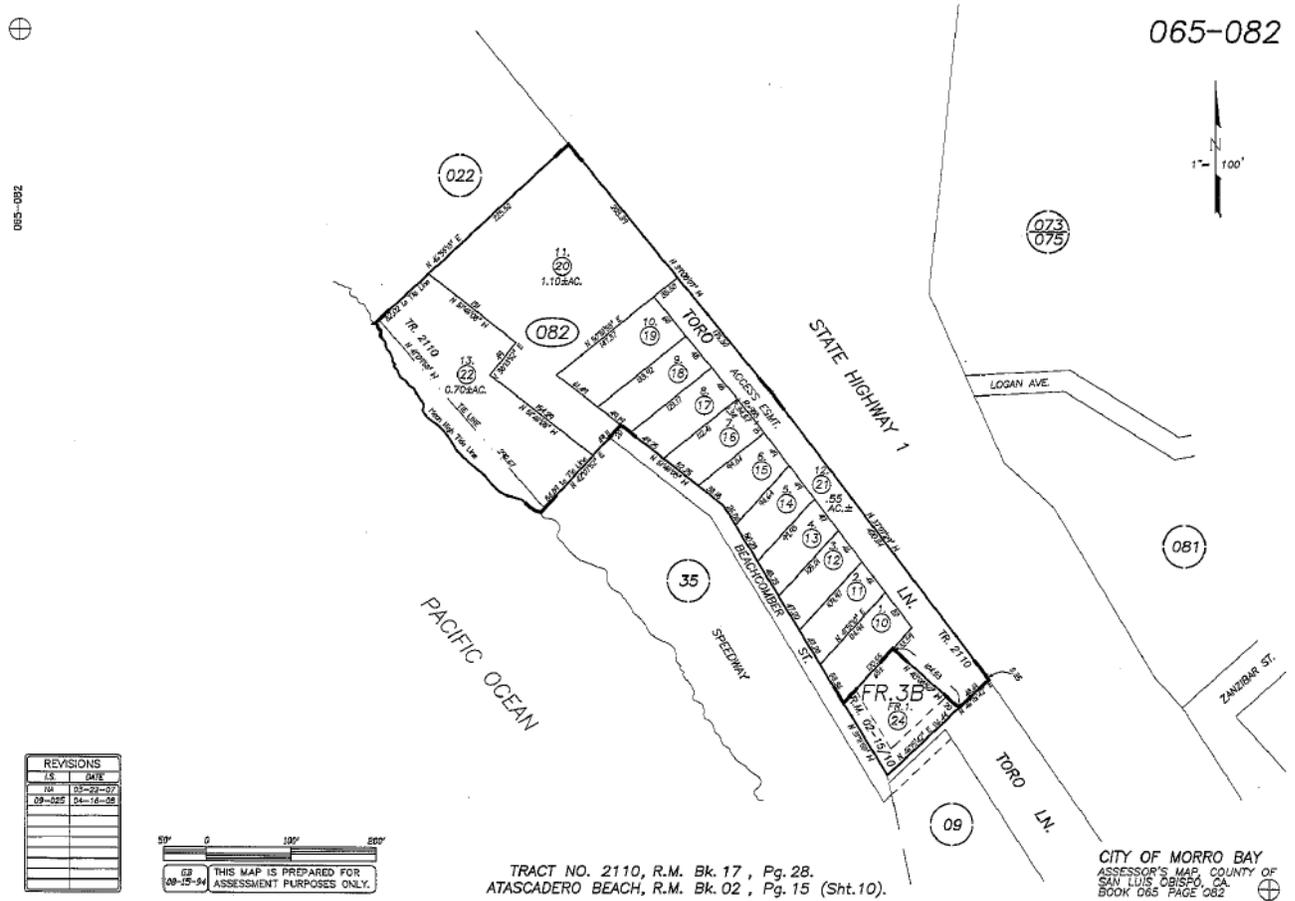
ATTEST:

DANA SWANSON, City Clerk

EXHIBIT A

DISTRICT BOUNDARY DIAGRAM

The boundary diagrams for the District have previously been submitted to the City Clerk in the format required under the Act and, by reference are hereby made part of this Report. The boundary diagrams are available for inspection at the office of the City Clerk during normal business hours. The following diagram provides an overview of the District.





CITY OF MORRO BAY

**NORTH POINT NATURAL AREA
LANDSCAPING AND LIGHTING
MAINTENANCE ASSESSMENT DISTRICT**

2019/2020 ENGINEER'S ANNUAL LEVY REPORT

May 7, 2019

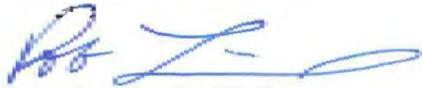
AFFIDAVIT FOR 2019/20 ENGINEER'S ANNUAL LEVY REPORT

CITY OF MORRO BAY

**NORTH POINT NATURAL AREA
LANDSCAPING AND LIGHTING
MAINTENANCE ASSESSMENT DISTRICT**

This report describes the proposed maintenance, improvements, budgets, zone of benefit and assessments to be levied on parcels of land within the North Point Natural Area Landscaping and Lighting Maintenance Assessment District for the fiscal year 2019/20, as the same existed at the time of the passage of the Resolution of Intention. Reference is hereby made to the San Luis Obispo County Assessor's maps for a detailed description of the lines and dimensions of parcels within the District. The undersigned respectfully submits the enclosed Report as directed by the City Council and, to the best of my knowledge, information, belief, the report, the assessments and diagrams have been prepared and computed in pursuant to the Landscaping and Lighting Act of 1972.

Dated this 7th of May, 2018



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



Table of Contents

	<u>Page</u>
I. Overview	1
A. Introduction	
B. Assessment History and Current Legislation	
II. Description of the District	2
A. Improvements Authorized by the 1972 Act	
B. Maintenance Items	
III. Method of Apportionment	3
A. General	
B. Benefit Analysis	
C. Maintenance Tasks	
D. Maintenance Costs	
E. Apportionment of Assessment	
 Detailed Maintenance Task List	 Attachment A
 District Budget – Fiscal Year 2019/20	 Attachment B
 Parcel/Assessment Table	 Attachment C
 District Boundary Diagram	 Attachment D

I. Overview

A Introduction

The City Council of the City of Morro Bay (hereafter referred to as “City”), County of San Luis Obispo, State of California, previously formed and has levied and collected annual assessments for the district designated as:

NORTH POINT NATURAL AREA LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT

(hereafter referred to as “District”) pursuant to the provisions of the Landscaping and Lighting Act of 1972, being Part 2 of Division 15 of the California Streets and Highways Code, commencing with Section 22500 (hereafter referred to as the “1972 Act”), and in compliance with the provisions of the California State Constitution Articles XIIC and XIID (hereafter referred to as the “Constitution” or “Proposition 218”).

This Report has been prepared in accordance with Chapter 1, Article 4 (commencing with Section 22565) of the 1972 Act and describes the District and changes to the District including: territories annexed; modifications to the improvements or organization; and the proposed budgets and assessments applicable for fiscal year 2019/20.

History

As a condition of approval for Tract No. 2110, the North Point subdivision, the developers were required to offer to the City for dedication Lot 11 of the subdivision for park purposes, and to construct improvements on Lot 11 including a paved parking area, a stairway providing access to the beach, benches, landscaping and irrigation, lighting, and other improvements. The subdivision was also conditioned to provide maintenance of the park by establishing an assessment district. Lot 11 of Tract No. 2110 is identified as the North Point Natural Area.

B Assessment History and Current Legislation

In November 1996, California voters approved Proposition 218 that established specific requirements for the ongoing imposition of taxes, assessments and fees. The provisions of the Proposition are now contained in the California Constitutional Articles XIIC and XIID. All assessments described in this Report and approved by the City Council are prepared in accordance with the 1972 Act and in compliance with these provisions of the Constitution.

Pursuant to the Article XIID Section 5 of the Constitution, certain existing assessments were exempt from the substantive and procedural requirements of the Article XIID Section 4, and property owner balloting is not required until such time that a new or increased assessment is proposed. Specifically, the City determined that the annual assessments originally established for the North Point were imposed in accordance with a consent and waiver as part of the original development approval for the properties within these areas. As such, pursuant to Article XIID Section 5b, all the property owners approved the existing District assessments at the time the assessments were created (originally imposed pursuant to a 100% landowner petition). Therefore, the pre-existing assessments (the maximum assessment rates adopted prior to the passage of Proposition 218) for this district is exempt from the procedural requirements Article XIID Section 4. However, any new or increased assessment for the North Point Natural Area shall comply with

both the substantive and procedural requirements of Article XIID Section 4 before such assessments are imposed.

II. Description of the District

A. Improvements Authorized by the 1972 Act

As applicable or may be applicable to this proposed District, the 1972 Act defines improvements to mean one or any combination of the following:

- The installation or planting of landscaping.
- The installation or construction of statuary, fountains, and other ornamental structures and facilities
- The installation or construction of public lighting facilities.
- The installation or construction of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof, including, but not limited to, grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls, sidewalks, or paving, or water, irrigation, drainage, or electrical facilities.
- The maintenance or servicing, or both, of any of the foregoing.
- The acquisition of any existing improvement otherwise authorized pursuant to this section.

Incidental expenses associated with the improvements including, but not limited to:

- The cost of preparation of the report, including plans, specifications, estimates, diagram, and assessment;
- The costs of printing, advertising, and the publishing, posting and mailing of notices;
- Compensation payable to the County for collection of assessments;
- Compensation of any engineer or attorney employed to render services;
- Any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements;
- Any expenses incidental to the issuance of bonds or notes pursuant to Section 22662.5.
- Costs associated with any elections held for the approval of a new or increased assessment.

The 1972 Act defines "Maintain" or "maintenance" to mean furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of any improvement, including:

- Repair, removal, or replacement of all or any part of any improvement.
- Providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury.
- The removal of trimmings, rubbish, debris, and other solid waste.
- The cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti.

B. Maintenance Items

A list of maintenance tasks required to maintain the North Point Natural Area in acceptable condition for public use was developed by the City Recreation and Parks Department based on maintenance standards established for existing parks within the City.

III. Method of Apportionment

A General

This section of the Engineer's Report includes an explanation of the special benefits to be derived from the installation, maintenance and servicing of the improvements and the methodology used to apportion the total assessment to properties within the District.

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements which include the construction, maintenance and servicing of public lights, landscaping and appurtenant facilities. The 1972 Act further requires that the cost of these improvements be levied according to benefit rather than assessed value:

“The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements.”

The proceeds from the District are used to fund the maintenance and upkeep of public resources within the North Point development project for the special benefit of the properties located within the project. The continued maintenance and upkeep of these important items is a distinct and special benefit to properties within the District.

B. Benefit Analysis

Each of the proposed improvements, the associated costs and assessments have been carefully reviewed, identified and allocated based on special benefit pursuant to the provisions of the Constitution and 1972 Act. The improvements associated with the District have been identified as necessary, required and/or desired for the orderly development of the properties within the District to their full potential, consistent with the proposed development plans and applicable portions of the City General Plan and Local Coastal Plan as identified previously in this report. As such, these improvements would be necessary and required of individual property owners for the development of such properties, and the ongoing operation, servicing and maintenance of these improvements would be the financial obligation of those properties. Therefore, the improvements and the annual costs of ensuring the maintenance and operation of the improvements are of direct and special benefit to the properties. The method of apportionment (method of assessment) is based on the premise that each assessed parcel within the District receives special benefit from various improvements provided by the District. The desirability and security of properties is enhanced by the presence of local improvements in close proximity to those properties. The special benefits associated with landscaped improvements are specifically:

- Enhanced desirability of properties through association with the improvements.
- Improved aesthetic appeal of properties providing a positive representation of the area.
- Enhanced adaptation of the urban environment within the natural environment from adequate open space and landscaping.

C. Maintenance Tasks

A list of maintenance tasks required to maintain the North Point Natural Area in acceptable

condition for public use was developed by the Public Works Department based on maintenance standards established for existing parks within the City and is included in this report as Attachment A.

D. Maintenance Costs

The estimated annual cost of maintaining the North Point Natural Area was originally developed by the Recreation and Parks Department based on the tasks required and the City's Flat Rate Manual for Parks Maintenance. Annual maintenance is currently provided through contract services and is supplemented by City Public Works staff. Assessment district costs include labor, utilities, insurance, engineering services and depreciation/reserves. The annual cost of maintenance, including any reserves, for the 2018/19 fiscal year is estimated to be \$24,000, including reserve. The cost estimate is included in this report as Attachment B.

The original formation of the assessment district in 1996 set the fixed assessment of \$564.50 per parcel or \$5,645 for the entire North Point Landscape Lighting Maintenance Assessment District. In 1997, the Consumer Price Index (CPI) was 160 and today (3/2019) the CPI is at 271. Therefore, what was \$5,645 as the required amount to maintain North Point natural area in 1997 is \$3,333 in today's dollars.

E. Apportionment of Assessment

The total assessment for the District is apportioned to each of the ten residential lots equally. Lot 11, the North Point Natural Area; Lot 12, a private street; and Lot 13, an open space parcel to be granted to the State of California; are not assessed. Individual assessments are listed in Attachment C.

Attachment A

NORTH POINT NATURAL AREA LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT MAINTENANCE TASKS

Routine Maintenance Tasks

- Review for vandalism/repair
- Pick-up - paper
- trash
- cigarette butts
- Empty - trash cans
- Clean - benches
- beach access stairway
- bike rack
- lights
- planting hillside, erosion

Weekly or as needed

- Blow paths, parking lot
- Monthly or as needed
- Check trees
- Check/repair sprinkler system
- Trim trees and bushes as needed
- Critical parts inspections

Annually or as needed

- Paint beach access stairway, public access signage
- New plantings (replacement)
- General safety inspection
- Annual tree pruning
- Remove graffiti
- Mow open space
- Pest/gopher control
- Trim and spray paths
- Repair public access signage

Attachment B

NORTH POINT NATURAL AREA LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT

NAME: North Point Natural Area Landscaping and Lighting Maintenance Assessment District

DIAGRAM: Attached

PLANS AND SPECIFICATIONS: For a detailed description of the improvements, refer to the plans and specifications for Tract 2110 on file in the office of the City Engineer. No bonds or notes will be issued for this Maintenance Assessment District.

ESTIMATED COST OF MAINTENANCE: The following outlines the estimated budget for the maintenance of the North Point Natural Area for fiscal year 2019/20.

TOTAL ASSESSMENT:	\$5,645.00
PER PARCEL YEARLY ASSESSMENT (10 parcels)	\$564.50
RESERVE BALANCE (March 2019)	~\$24,500.00

City of Morro Bay			FY 19-20 Budget Worksheet				
G/L Account Number	Account Description	2017 Actual Amount	2018 Actual Amount	2019 Actual Amount As of 3/5/19	2019 Amended Budget	2020 Level 1	
Fund: 500 - Assessment Districts							
REVENUES							
Department: 6162 - North Point Park							
300-Rev Taxes - Revenues From Taxes							
500-6162 3018	Property Tax Special Assess	5,645.0000	5,645.0000	3,672.2500	5,645.0000	5,645.0000	
Account Classification Total: 300-Rev Taxes - Revenues From Taxes		\$5,645.00	\$5,645.00	\$3,672.25	\$5,645.00	\$5,645.00	
Department Total: 6162 - North Point Park		\$5,645.00	\$5,645.00	\$3,672.25	\$5,645.00	\$5,645.00	
EXPENSES							
Department: 6162 - North Point Park							
10-Personnel - Personnel Services							
500-6162 4910	Employer Paid Benefits	292.9000	481.0500	637.2400	0.0000		
500-6162 4911	Pension Normal Cost	0.0000	0.0000	70.6500	0.0000		
500-6162 4999	Labor Costs Applied	848.2200	1,923.3800	1,020.5500	1,841.0000	4,200.0000	
Account Classification Total: 10-Personnel - Personnel Services		\$1,141.12	\$2,404.43	\$1,728.44	\$1,841.00	\$4,200.00	
60-Supplies - Supplies							
500-6162 5199	Miscellaneous Operating Supplies	0.0000	142.7700	0.0000	0.0000	500.0000	
500-6162 5501	Grounds Maintenance Supplies	0.0000	796.2300	97.1400	300.0000	500.0000	
Account Classification Total: 60-Supplies - Supplies		\$0.00	\$939.00	\$97.14	\$300.00	\$1,000.00	
70-Services - Services							
500-6162 6300	Utilities	3,126.8500	2,920.9000	231.8500	2,100.0000		
500-6162 6305	Disposal	0.0000	0.0000	1,397.5800	0.0000		
Account Classification Total: 70-Services - Services		\$3,126.85	\$2,920.90	\$1,629.43	\$2,100.00	\$0.00	
Department Total: 6162 - North Point Park		\$4,267.97	\$6,264.33	\$3,455.01	\$4,241.00	\$5,200.00	
EXPENSES Total		\$4,267.97	\$6,264.33	\$3,455.01	\$4,241.00	\$5,200.00	

Note: Labor Cost Applied includes \$645 to GF for Cost Allocation

Attachment C

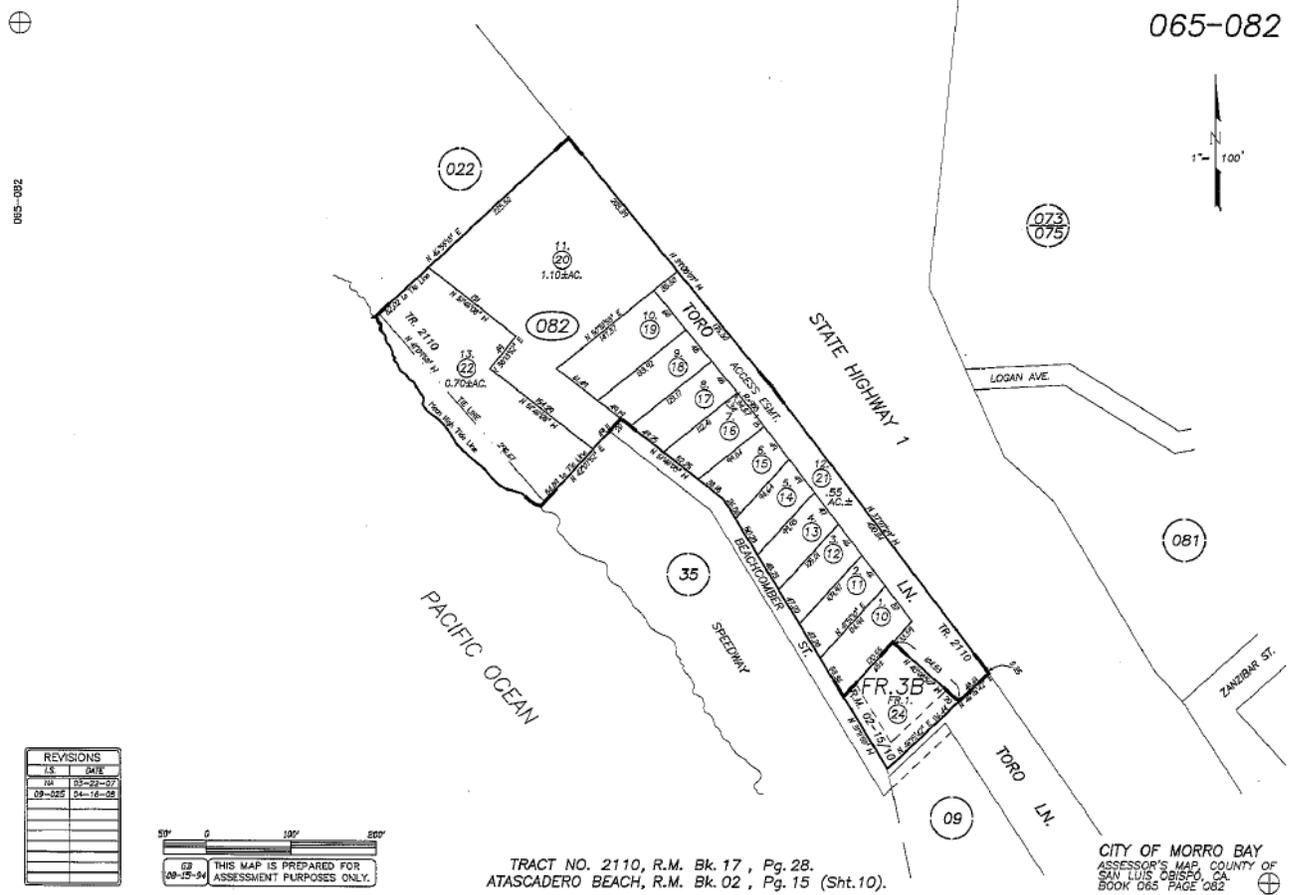
PARCEL/ASSESSMENT TABLE

Lot Number	County Assessor's Parcel Number	Annual Assessment
1	065-082-10	\$564.50
2	065-082-11	\$564.50
3	065-082-12	\$564.50
4	065-082-13	\$564.50
5	065-082-14	\$564.50
6	065-082-15	\$564.50
7	065-082-16	\$564.50
8	065-082-17	\$564.50
9	065-082-18	\$564.50
10	065-082-19	\$564.50
11	065-082-20	\$ 0.00
12	065-082-21	\$ 0.00
13	065-082-22	\$ 0.00

Attachment D

DISTRICT BOUNDARY DIAGRAM

The boundary diagrams for the District have previously been submitted to the City Clerk in the format required under the Act and, by reference are hereby made part of this Report. The boundary diagrams are available for inspection at the office of the City Clerk during normal business hours. The following diagram provides an overview of the District.



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Staff Report

TO: Honorable Mayor and City Council **DATE:** May 7, 2019

FROM: Dana Swanson, City Clerk / Human Resources Manager

SUBJECT: Adoption of Ordinance No. 622 Authorizing an Amendment to the California Public Employees' Retirement System Contract to Implement Cost Sharing and Adoption of Resolution No. 35-19 Approving a 1% Salary Increase for Local Police Members in the Morro Bay Peace Officers Association

RECOMMENDATION **Council**

1. Adopt by title only, with further reading waived, Ordinance No. 622 Authorizing an Amendment to the Contract between the City of Morro Bay and the Board of Administration of the California Public Employees' Retirement System (CalPERS) Implementing Section 20516 (Employees Sharing Additional Cost) to provide employee cost sharing of 1% for local police members in the Morro Bay Peace Officers Association (MB POA) for Fiscal Year 2018/19 (FY2018/19) and authorize the Mayor to execute the contract amendment; and,
2. Adopt Resolution No. 35-19 approving a 1% salary increase for those affected employees as agreed in the Successor Memorandum of Understanding (MOU) with the MB POA for the period July 1, 2018 – June 30, 2020, effective June 15, 2019.

ALTERNATIVES

No alternatives are being recommended.

FISCAL IMPACT

The estimated fiscal impact for a full fiscal year is \$7,000; however, cost sharing will not be in effect for the full fiscal year so impact for the remainder of this fiscal year would be minimal. Impacts would be up to \$7,000 for FY 2019/20.

BACKGROUND/SUMMARY

Ordinance No. 622 was introduced for first reading at the April 23, 2019 Council meeting. Additional information related to Ordinance No. 622 can be found in the April 23 staff report Item C-4 - <http://morrobayca.gov/Archive.aspx?ADID=5014>.

The City's current contract with CalPERS provides that all employees pay the full employee share toward their retirement benefit. That contribution percentage differs based on whether they are classic unit members (Tier 1 and Tier 2) or PEPRA unit members (Tier 3). During the most recent contract negotiations between the City and the MB POA, an agreement was reached whereby its police members would contribute 1% of salary toward the City's share of their retirement benefits. That agreement was approved by the Council at its September 11, 2018, meeting by the adoption of Resolution No. 70-18 approving a Successor Memorandum of Understanding (MOU) with the MB

POA for the period July 1, 2018 – June 30, 2020.

In addition to a 2% Cost of Living Adjustment (COLA) increase to base salaries for FY 2018/19, the City agreed in the MOU to provide an additional 1% COLA increase to base salaries for all unit classifications effective the first full payroll period after City Council approval of a CalPERS contract amendment implementing the following cost sharing for Fiscal Year 2018/19:

Effective the first full payroll period after City Council approval of a CalPERS Contract Amendment pursuant to Government Code section 20516, cost sharing shall take place as follows for classic members (Tier 1 & Tier 2) and PEPRA members (Tier 3), respectively:

- a. CalPERS classic Unit members (Tier 1 & Tier 2) shall pay 9% as employee contribution, plus an additional 1% as employee cost sharing, for a total employee contribution of 10%.
- b. CalPERS PEPRA Unit members (Tier 3: also referred to as CalPERS “new members”) shall pay one half of total normal cost as an employee contribution, which CalPERS considers to be 12%, plus an additional 1% as employee cost sharing, for a total employee contribution of 13%.

At its April 9, 2019, meeting, the City Council adopted Resolution No. 25-19 declaring its intent to amend its contract with CalPERS to implement cost sharing (Attachment 2). An amendment to the contract that changes the employees’ rate of contribution requires a secret ballot election among the employees affected. The MB POA conducted a secret ballot election from April 2 – 14, 2019 and a majority of the members voted in favor of the proposed plan. At its April 23, 2019, meeting, Ordinance No. 622 was introduced for first reading and will take effect 30 days after its adoption. Resolution No. 35-19 provides the agreed 1% salary increase for only for those local police members in the MBPOA to offset the 1% employee cost sharing arrangement.

CONCLUSION

Staff recommends the Council adopt by title only, with further reading waived, Ordinance No. 622 Authorizing an Amendment to the contract between the City and the Board of Administration of the California Public Employees’ Retirement System (CalPERS) to provide employees sharing additional cost of 1% for and Resolution No. 35-19 approving a 1% salary increase for local police members in the Morro Bay Peace Officers Association (MB POA) for FY 2018/19 as agreed in the Successor Memorandum of Understanding approved by the City Council on September 11, 2018.

ATTACHMENTS

- 1) Ordinance No. 622
- 2) Resolution No. 35-19

ORDINANCE NO. 622

**AN ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE
CITY OF MORRO BAY AND THE BOARD OF ADMINISTRATION OF THE
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
IMPLEMENTING SECTION 20516 (EMPLOYEES SHARING ADDITIONAL COST) FOR
LOCAL POLICE MEMBERS IN THE MORRO BAY PEACE OFFICERS ASSOCIATION**

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

**THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA DOES HEREBY
FIND AND ORDAIN AS FOLLOWS:**

SECTION 1. CONTRACT AMENDMENT. That an amendment to the contract between the City Council of the City of Morro Bay and the Board of Administration, California Public Employees' Retirement System is hereby authorized, a copy of said amendment being attached hereto, marked Exhibit, and by such reference made a part hereof as though herein set out in full.

SECTION 2. EXECUTION. The Mayor of the City Council is hereby authorized, empowered, and directed to execute said amendment for and on behalf of said Agency, with the effective date of the amendment being June 15, 2019.

SECTION 3. EFFECTIVE DATE. This Ordinance shall be in full force and take effect 30 days after the date of its adoption, and prior to the expiration of 10 days from the passage thereof shall be published at least once in the New Times SLO, a newspaper of general circulation, published and circulated in San Luis Obispo County and thenceforth and thereafter the same shall be in full force and effect.

SECTION 4. CERTIFICATION. The City Clerk shall certify to the adoption of this ordinance, and shall cause the same to be posted and codified in the manner required by law.

INTRODUCED at a regular meeting of the City Council held on the 23rd day of April 2019, by motion of Council Member Addis and seconded by Council Member Davis.

PASSED AND ADOPTED on the 14th day of May 2019, by the following vote:

AYES:
NOES:
ABSENT:

JOHN HEADDING, Mayor

ATTEST:

DANA SWANSON, City Clerk

APPROVED AS TO FORM:

CHRIS F. NEUMEYER, City Attorney

STATE OF CALIFORNIA)
COUNTY OF SAN LUIS OBISPO)
CITY OF MORRO BAY)

I, Dana Swanson, CITY CLERK OF THE CITY OF MORRO BAY, DO HEREBY CERTIFY that the foregoing Ordinance Number 622 was duly adopted by the City Council of the City of Morro Bay at a regular meeting of said Council on the 14th day of May, 2019, and that it was so adopted by the following vote:

AYES:
NOES:
ABSENT:

City Clerk, Dana Swanson



EXHIBIT

California
Public Employees' Retirement System

AMENDMENT TO CONTRACT

**Between the
Board of Administration
California Public Employees' Retirement System
and the
City Council
City of Morro Bay**

The Board of Administration, California Public Employees' Retirement System, hereinafter referred to as Board, and the governing body of the above public agency, hereinafter referred to as Public Agency, having entered into a contract effective July 1, 1965, and witnessed June 1, 1965, and as amended effective August 15, 1981, November 19, 1983, January 7, 1989, June 24, 1989, June 22, 1991, June 10, 1994, June 9, 1998, October 17, 1998, April 13, 2000, June 22, 2002, September 13, 2002, June 21, 2003, September 27, 2003, July 1, 2006, June 2, 2007, May 31, 2008, March 19, 2011, September 17, 2011 and December 10, 2011 which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 17 are hereby stricken from said contract as executed effective December 10, 2011, and hereby replaced by the following paragraphs numbered 1 through 19 inclusive:
1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 55 for classic local miscellaneous members entering membership in the miscellaneous classification on or prior December 10, 2011, age 60 for classic local miscellaneous members entering membership in the miscellaneous classification after December 10, 2011, age 62 for new local miscellaneous members, age 50 for classic local fire members entering membership in the fire classification on or prior to March 19, 2011, and for those classic local police members entering membership in the police classification on or prior to September 17, 2011; age 55 for classic local fire members entering

PLEASE DO NOT SIGN "EXHIBIT ONLY"

membership for the first time in the fire classification after March 19, 2011 and for those classic local police members entering membership for the first time in police classification after September 17, 2011 and age 57 for new local safety members.

2. Public Agency shall participate in the Public Employees' Retirement System from and after July 1, 1965 making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except those, which by express provisions thereof, apply only on the election of a contracting agency.
3. Public Agency agrees to indemnify, defend and hold harmless the California Public Employees' Retirement System (CalPERS) and its trustees, agents and employees, the CalPERS Board of Administration, and the California Public Employees' Retirement Fund from any claims, demands, actions, losses, liabilities, damages, judgments, expenses and costs, including but not limited to interest, penalties and attorney fees that may arise as a result of any of the following:
 - (a) Public Agency's election to provide retirement benefits, provisions or formulas under this Contract that are different than the retirement benefits, provisions or formulas provided under the Public Agency's prior non-CalPERS retirement program.
 - (b) Any dispute, disagreement, claim, or proceeding (including without limitation arbitration, administrative hearing, or litigation) between Public Agency and its employees (or their representatives) which relates to Public Agency's election to amend this Contract to provide retirement benefits, provisions or formulas that are different than such employees' existing retirement benefits, provisions or formulas.
 - (c) Public Agency's agreement with a third party other than CalPERS to provide retirement benefits, provisions, or formulas that are different than the retirement benefits, provisions or formulas provided under this Contract and provided for under the California Public Employees' Retirement Law.
4. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:
 - a. Local Fire Fighters (herein referred to as local safety members);
 - b. Local Police Officers (herein referred to as local safety members);
 - c. Employees other than local safety members (herein referred to as local miscellaneous members).

5. In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:
 - a. **ELECTED OFFICIALS;**
 - b. **APPOINTIVE COMMISSIONS; AND**
 - c. **PERSONS COMPENSATED ON AN HOURLY BASIS.**
6. This contract shall be a continuation of the benefits of the contract of the Morro Bay Fire District, hereinafter referred to as "Former Agency", pursuant to Section 20508 of the Government Code, Former Agency having ceased to exist and succeeded by Public Agency on July 1, 1965. Public Agency, by this contract, assumes the accumulated contributions and assets derived therefrom and liability for prior and current service under Former Agency's contract with respect to the Former Agency's employees. Legislation repealed Section 20508, Statutes of 1949, effective January 1, 1988.
7. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local miscellaneous member in employment before and not on or after September 27, 2003 shall be determined in accordance with Section 21354 of said Retirement Law (2% at age 55 Full).
8. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local miscellaneous member in employment on or after September 27, 2003 and not entering membership for the first time in the miscellaneous classification after December 10, 2011 shall be determined in accordance with Section 21354.5 of said Retirement Law (2.7% at age 55 Full)..
9. The percentage of final compensation to be provided for each year of credited current service as a classic local miscellaneous member entering membership for the first time in the miscellaneous classification after December 10, 2011 shall be determined in accordance with Section 21353 of said Retirement Law (2% at age 60 Full).
10. The percentage of final compensation to be provided for each year of credited prior and current service as a new local miscellaneous member shall be determined in accordance with Section 7522.20 of said Retirement Law (2% at age 62 Full).
11. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local fire member entering membership in the fire classification on or prior to March 19, 2011 and for those classic local police members entering membership in the police classification on or prior to September 17, 2011 shall be determined in accordance with Section 21362.2 of said Retirement Law (3% at age 50 Full).

12. The percentage of final compensation to be provided for each year of credited current service as a classic local fire member entering membership for the first time in the fire classification after March 19, 2011 and for those classic local police members entering membership for the first time in the police classification after September 17, 2011 shall be determined in accordance with Section 21363.1 of said Retirement Law (3% at age 55 Full).
13. The percentage of final compensation to be provided for each year of credited prior and current service as a new local safety member shall be determined in accordance with Section 7522.25(d) of said Retirement Law (2.7% at age 57 Full).
14. Public Agency elected and elects to be subject to the following optional provisions:
 - a. Section 20965 (Credit for Unused Sick Leave).
 - b. Section 20042 (One-Year Final Compensation) for classic local fire members entering membership on or prior to March 19, 2011; those classic local police members entering membership on or prior to September 17, 2011 and for those classic local miscellaneous members entering membership on or prior to December 10, 2011.
 - c. Section 21024 (Military Service Credit as Public Service) for local miscellaneous members and local police members only.
 - d. Section 21574 (Fourth Level of 1959 Survivor Benefits).
 - e. Section 20423 ("Local Safety Member" shall include Harbor or Port Police Officers as described in Government Code Section 20423).
 - f. Section 21027 (Military Service Credit for Retired Persons) for local police members only.
 - g. Section 20475 (Different Level of Benefits). Section 21363.1 (3% @ 55 Full formula) and Section 20037 (Three-Year Final Compensation) are applicable to classic local fire members entering membership for the first time with this agency in the fire classification after March 19, 2011.

Section 21363.1 (3% @ 55 Full formula) and Section 20037 (Three-Year Final Compensation) are applicable to classic local police members entering membership for the first time with this agency in the police classification after September 17, 2011.

Section 21353 (2% @ 60 Full formula) and Section 20037 (Three-Year Final Compensation) are applicable to classic local miscellaneous members entering membership for the first time with this agency in the miscellaneous classification after December 10, 2011.

h. Section 20516 (Employees Sharing Additional Cost)

From and after the effective date of this amendment to contracts, 1% for local police members in the Morro Bay Peace Officers Association.

The portion of the employer's contribution that the member agrees to contribute from his or her compensation, over and above the member's normal contribution ("Cost Sharing Percentage"), shall not exceed the Employer Normal Cost Rate, as that rate is defined in the CalPERS Actuarial Valuation for the relevant fiscal year. If the Cost Sharing Percentage will exceed the relevant Employer Normal Cost Rate, the Cost Sharing Percentage shall automatically be reduced to an amount equal to, and not to exceed, the Employer Normal Cost Rate for the relevant fiscal year.

15. Public Agency, in accordance with Government Code Section 20790, ceased to be an "employer" for purposes of Section 20834 effective on August 15, 1981. Accumulated contributions of Public Agency shall be fixed and determined as provided in Government Code Section 20834, and accumulated contributions thereafter shall be held by the Board as provided in Government Code Section 20834.
16. Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members and local safety members of said Retirement System.
17. Public Agency shall also contribute to said Retirement System as follows:
 - a. Contributions required per covered member on account of the 1959 Survivor Benefits provided under Section 21574 of said Retirement Law. (Subject to annual change.) In addition, all assets and liabilities of Public Agency and its employees shall be pooled in a single account, based on term insurance rates, for survivors of all local miscellaneous members and local safety members.
 - b. A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.
 - c. A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.

18. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.
19. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

B. This amendment shall be effective on the _____ day of _____, _____.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

CITY COUNCIL
CITY OF MORRO BAY

BY _____
ARNITA PAIGE, CHIEF
PENSION CONTRACTS AND PREFUNDING
PROGRAMS DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
PRESIDING OFFICER

Witness Date

Attest:

Clerk

RESOLUTION NO. 35-19

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
APPROVING THE FISCAL YEAR 2018-2019 SALARY SCHEDULE; AND
RESCINDING RESOLUTION NO. 96-18**

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

WHEREAS, The California Public Employees' Retirement System (CalPERS), has requested all CalPERS employers list their compensation levels on one document, approved and adopted by the governing body, in accordance with Title 2, California code of Regulations (CCR), section 570.5, and meeting all of the following requirements thereof:

1. Has been duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meetings laws;
2. Identifies the position title for every employee position;
3. Shows the pay rate for each identified position, which may be stated as a single amount or as multiple amounts within a range;
4. Indicates the time base, including, but not limited to, whether the time base is hourly, daily, bi-weekly, monthly, bi-monthly, or annually;
5. Is posted as the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's internet website;
6. Indicates an effective date and date of any revisions;
7. Is retained by the employer and available for public inspection for not less than five years; and
8. Does not reference another document in lieu of disclosing the pay rate; and

WHEREAS, Council adopted Resolution No. 96-18 on November 29, 2018 to approve the Fiscal Year 2018-19 Salary Schedule; and

WHEREAS, the Council has authorized an Amendment to the CalPERS Retirement System Contract to implement employee cost sharing of 1% for the local police members in the Morro Bay Peace Officers (MB POA) in exchange for a 1% salary increase for those affected employees as agreed in the Successor Memorandum of Understanding with the MB POA for the fiscal year 2018/19; and

WHEREAS, the formal approval of the pay schedules requires that they are duly approved

and adopted by the City Council, such as 2 CCR 570.5 regulation requires the adoption of the Salary Schedule for Fiscal Year 2018-19, incorporated in Exhibit A attached hereto; and

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

1. Resolution No. 96-18 is hereby rescinded; and
2. The Combined Salary Schedules, attached hereto as Exhibit A, are hereby approved and adopted.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 14th day of May, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

JOHN HEADDING, Mayor

ATTEST:

DANA SWANSON, City Clerk

CITY OF MORRO BAY
 COMBINED SALARY SCHEDULE
 FISCAL YEAR 2018-19

TITLE	GROUP	STEP 1 Annual	STEP 2 Annual	STEP 3 Annual	STEP 4 Annual	STEP 5 Annual	STEP 6 Annual
ACCOUNT CLERK IN-TRAINING	S	31,824	33,415	35,086	36,840	38,682	
ACCOUNT CLERK I	S	38,474	40,398	42,418	44,538	46,765	
CONSOLIDATED MAINTENANCE WRK I	S	38,474	40,398	42,418	44,538	46,765	
OFFICE ASST. III	S	38,474	40,398	42,418	44,538	46,765	
OFFICE ASST. IV	S	41,596	43,676	45,860	48,153	50,560	
ACCOUNT CLERK II	S	43,215	45,376	47,645	50,027	52,528	
CONSOLIDATED MAINTENANCE WRK II	S	43,215	45,376	47,645	50,027	52,528	
PERMIT TECHNICIAN	S	44,258	46,470	48,794	51,234	53,795	
ACCOUNT CLERK III	S	46,284	48,598	51,028	53,580	56,259	
CONSOLIDATED MAINTENANCE WRK III	S	46,284	48,598	51,028	53,580	56,259	
ADMINISTRATIVE TECHNICIAN	S	47,102	49,457	51,930	54,526	57,253	
PERMIT TECHNICIAN - CERTIFIED	S	47,102	49,457	51,930	54,526	57,253	
SUPPORT SERVICES TECHNICIAN	S	47,102	49,457	51,930	54,526	57,253	
PROPERTY EVIDENCE CLERK	S	47,102	49,457	51,930	54,526	57,253	
MECHANIC	S	48,609	51,039	53,591	56,270	59,084	
RECREATION COORDINATOR	S	48,609	51,039	53,591	56,270	59,084	
HUMAN RESOURCES ANALYST I	C	53,618	56,299	59,114	62,070	65,173	
SUPPORT SERVICES COORDINATOR	C	53,618	56,299	59,114	62,070	65,173	
HARBOR PATROL OFFICER	S	53,703	56,389	59,208	62,168	65,277	
CONSOLIDATED MAINT LW	S	53,858	56,551	59,379	62,348	65,465	
ENGINEERING TECHNICIAN III	S	55,057	57,810	60,700	63,735	66,922	
RECREATION SUPERVISOR	S	55,057	57,810	60,700	63,735	66,922	
UTILITY OPERATOR	S	55,142	57,899	60,794	63,833	67,025	
ASSISTANT PLANNER	S	55,400	58,170	61,079	64,133	67,339	
BUILDING INSPECTOR	S	57,613	60,494	63,519	66,694	70,029	
EXECUTIVE ASSISTANT/DEPUTY CLERK	C	57,613	60,494	63,519	66,694	70,029	
FIREFIGHTER	F	57,907	60,802	63,842	67,034	70,386	
UTILITY OPERATOR MC (MULTIPLE CERT)	S	59,002	61,952	65,050	68,302	71,717	
SENIOR ACCOUNTING TECHNICIAN	C	59,890	62,884	66,028	69,330	72,796	

POLICE SUPPORT SERVICES MANAGER	M	59,890	62,884	66,028	69,330	72,796	
HARBOR BUSINESS COORD	S	59,970	62,968	66,117	69,422	72,894	
POLICE OFFICER	P	63,242	66,404	69,724	73,210	76,871	80,714 *
HARBOR PATROL SUPERVISOR	S	63,257	66,420	69,741	73,228	76,890	
FIRE ENGINEER	F	63,307	66,473	69,796	73,286	76,950	
ENGINEERING TECHNICIAN IV	S	64,476	67,699	71,084	74,639	78,371	
ASSISTANT ENGINEER	S	64,476	67,699	71,084	74,639	78,371	
ASSOCIATE PLANNER	S	64,476	67,699	71,084	74,639	78,371	
BUILDING INSPECTOR/PLANS EXAMINER	S	64,476	67,699	71,084	74,639	78,371	
CONSOLIDATED MAINT FIELD SUPV	S	64,476	67,699	71,084	74,639	78,371	
HUMAN RESOURCES ANALYST II	C	64,476	67,699	71,084	74,639	78,371	
LEAD UTILITY OPERATOR	S	65,765	69,053	72,505	76,131	79,937	
MANAGEMENT ANALYST	M	65,836	69,128	72,584	76,213	80,024	
POLICE DETECTIVE	P	66,405	69,725	73,211	76,872	80,715	84,751 *
POLICE SCHOOL RESOURCE OFFICER	P	66,405	69,725	73,211	76,872	80,715	84,751 *
POLICE SENIOR OFFICER	P	66,405	69,725	73,211	76,872	80,715	84,751 *
POLICE CORPORAL	P	67,021	70,372	73,891	77,585	81,464	85,538 *
FIRE CAPTAIN	F	72,772	76,410	80,231	84,242	88,455	
ASSOCIATE CIVIL ENGINEER	S	74,146	77,853	81,746	85,833	90,125	
WASTEWATER SYSTEMS SUPV	S	74,146	77,853	81,746	85,833	90,125	
BUDGET/ACCOUNTING MANAGER	M	76,992	80,841	84,883	89,127	93,584	
CONSOLIDATED MAINTENANCE SUPT	M	76,992	80,841	84,883	89,127	93,584	
ENVIRONMENTAL PROGRAMS MANAGER	M	76,992	80,841	84,883	89,127	93,584	
INFORMATION SERVICES TECHNICIAN	M	76,992	80,841	84,883	89,127	93,584	
RECREATION SERVICES MANAGER	M	76,992	80,841	84,883	89,127	93,584	
SENIOR PLANNER	M	76,992	80,841	84,883	89,127	93,584	
TOURISM MANAGER	M	76,992	80,841	84,883	89,127	93,584	
POLICE SERGEANT	P	78,870	82,813	86,954	91,302	95,867	100,660 *
PLANNING MANAGER	M	84,693	88,927	93,374	98,042	102,945	
SENIOR CIVIL ENGINEER	M	84,693	88,927	93,374	98,042	102,945	
FIRE MARSHAL	F	86,386	90,706	95,241	100,003	105,003	
CITY CLERK/HR MANAGER	M	98,630	103,561	108,739	114,176	119,885	
COMMUNITY DEVELOPMENT MANAGER	M	99,812	104,802	110,043	115,545	121,322	
UTILITY DIVISION MANAGER	M	99,812	104,802	110,043	115,545	121,322	
POLICE COMMANDER	M	112,058	117,661	123,544	129,722	136,208	
DEPUTY CITY MANAGER	E	122,339	128,455	134,878	141,622	148,703	
COMMUNITY DEVELOPMENT DIRECTOR	E	122,339	128,455	134,878	141,622	148,703	

FINANCE DIRECTOR	E	122,339	128,455	134,878	141,622	148,703	
PUBLIC WORKS DIRECTOR	E	126,901	133,246	139,908	146,903	154,249	
ADMINISTRATIVE SERVICES DIRECTOR	E	126,901	133,246	139,908	146,903	154,249	
HARBOR DIRECTOR	E	129,268	135,731	142,518	149,643	157,126	sworn
FIRE CHIEF	E	129,268	135,731	142,518	149,643	157,126	sworn
POLICE CHIEF	E	129,268	135,731	142,518	149,643	157,126	sworn
ASSISTANT CITY MANAGER	E	131,912	138,508	145,433	152,705	160,340	
CITY MANAGER	E	171,044	175,320	179,703	184,195	188,800	

Updated 5/8/19

Effective FY 6/15/2019

AGENDA NO: C-6

MEETING DATE: May 14, 2019

Staff Report

TO: Honorable Mayor and City Council

DATE: May 8, 2019

FROM: Scott Collins, City Manager

SUBJECT: Options to Enhance Communication and Engagement with the Community

This item was continued from the April 23, 2019 City Council Meeting.

Staff Report

TO: Honorable Mayor and City Council **DATE:** April 18, 2019
FROM: Scott Collins, City Manager
SUBJECT: Options to Enhance Communication and Engagement with the Community

RECOMMENDATION

City Council review options to enhance communication and engagement with the community and provide direction as appropriate.

ALTERNATIVES

None.

FISCAL IMPACT

Some communication and engagement options have associated costs. The options are outlined in the "discussion" section of this report and include cost estimates in the description.

BACKGROUND

At the January 22, 2019, regular City Council meeting, Council directed staff to develop a list of potential options to enhance communication and engagement with the community and bring it back for Council review and consideration. As was discussed at that meeting, under future agenda items, the Council is seeking ways to better inform the community of City programs, policies and the decision-making process, but also, just as important, the Council is seeking ways to enhance engagement opportunities for community members and groups.

The main goals - of robust communications and vigorous public engagement - are to ensure the public is informed, and that the community informs the City, about City functions and decision-making process. For the sake of simplicity for this report, communication is defined as one-way, where information is being shared from the City to the community. Engagement is defined as public input back to the City and two-way dialogue, where input is shared by community members with the City, and can include back and forth discussion where ideas are exchanged. Both forms are necessary for the effective functioning of the local government and local democracy. An informed community helps hold the City accountable and also understands the important role the City plays in the community's well-being. An engaged community helps lead to City decisions regarding goals, policies, programs and services, and a budget that reflect the community's needs and desires.

Currently, the City communicates and engages the community in a variety of ways, which are listed below in bullet point format. Though the list may not capture all current efforts underway, it does provide a sense of how the City currently communicates and engages with the community:

Communication – (where information is shared, typically one-way – City to the community)

- City website
- Water Reclamation Facility (WRF) website
- Tourism website
- City Manager Newsletter
- OpenGov – online financial transparency tool
- E-notification for official City meetings and news updates
- Social media – Facebook and Twitter accounts
- Press releases and responses to media inquiries

Engagement – (Where input is provided by community members and typically, but not always, involves two-way communication.)

- City meetings (Council, Advisory Boards) – public comment and responses to public comment
- Polco – new online community input portal
- Email and phone call responses to community members
- Office hours – City staff has hosted these in the past, typically related to a specific issue, and some Councilmembers past and present hold regular office hours for community members to meet with them
- Business walks and forums – City staff and Councilmembers participate in the monthly business walk with the Chamber of Commerce (part of the 4MB program), where business owners throughout the four major business corridors are engaged to discuss the current business climate
- Day to day interactions City staff and Councilmembers have with community members.

New Efforts in Development Stage – There are several new communication and engagement efforts under development, that will be launching this year. Those are listed below and described as either communication or engagement.

- Police Citizen Academy (engagement) – Launching toward the end of summer 2019. This effort will inform participants about the Police Department operations, administration, budget and policies.
- Police Citizen Advisory Committee (engagement) – Launching at the beginning of summer 2019, this will be an on-going committee of residents from a diverse set of backgrounds who will regularly meet with the Chief of Police to discuss operations, policies and community policing among other important topics.
- Neighborhood Cop Program (engagement) – Launching later this year, extends the community policing model into the neighborhoods, with police officers dedicated to certain areas of the City. This will help build relations between PD and community, and problem-solve safety issues.
- City Online App (engagement) – Within the next month or so the City will be rolling out a replacement to the “QAlert” “Customer engagement” application. The City of Morro Bay is replacing QAlert with CitySourced. CitySourced will have both a web based and smartphone application that will be available at the iTunes and android stores. The Web based App will link through the City’s webpage. As with QAlert citizens and visitors will be able to submit maintenance requests and issues through the system. The reason for the change is compatibility with the City’s new Asset Management/Maintenance/Permitting Tracking application, CityWorks.

DISCUSSION

While the City does communicate and engage regularly with the community in a variety of ways, there are alternatives and other options to consider that inform the community, encourage engagement

understand community concerns, and incorporate community ideas into the City decision-making process.

Listed below are options for City Council consideration regarding communication and community engagement. Each option includes a description, as well as potential level of effort required and associated costs (estimates) to implement that option. An important factor to keep in mind when reviewing the options and potentially selecting new initiatives to pursue is that City resources, financial and staffing, are limited. Staff recommends the number of new initiatives the City can take on and successfully implement, along with existing efforts, should be viewed through that lens.

- **City Hall to You** – Once a year or semi-annually host a forum in different parts of the community. The forum provides an opportunity for community members to talk with each City department, receive important updates, ask questions of City leaders, and engage one-on-one with City staff and Councilmembers. The purpose of this option is to go where the community is, and not require them to come to the City. This engagement option is a significant staff intensive effort, and costs are likely in the \$2K-\$5K range for advertising, materials, and room rentals.
- **Citywide Citizen Academy** – Like the Police Citizen Academy, but for the entire City. Participants would learn about City operations, governance, budget, etc. Many cities do this to help educate community members about the City and develop the next generation of advisory board/commission members, and even further educate Council members in some cases. This engagement option is staff intensive, and costs are likely in the \$2K-\$3K range for materials.
- **Information Kiosks/Suggestion Box** – The idea is to place information kiosks in major trafficked areas in different parts of the City. The Kiosks would display information about upcoming meetings and City matters and provide a suggestion box. This communication effort serves to reach people where they are, and particularly those who don't typically review the City website or receive notifications about upcoming City meetings. This communication option has some staff time requirements (in terms of installation, and inserting new information regularly) and costs are anywhere from \$2K - \$15K depending upon the quality and number of kiosks to be installed.
- **Routine Office Hours** – This idea is to hold regular office hours at City Hall or other locations as deemed appropriate. Regular times would be arranged for community members to meet with staff, and with Councilmembers (on an individual basis to avoid Brown Act conflicts) to discuss general City business. This engagement option would have a moderate impact on staff resources, but minimal financial costs.
- **Neighborhood Block Party** – This idea is to hold an annual block party either in one section of the City or the entire City. This provides an opportunity for neighbors to get to know one another, and for City staff and Councilmembers to also meet people where they are at, for a more informal, relaxed discussion. Typically, cities help provide logistics and permitting for the parties, and a community organization coordinates the outreach with the neighborhoods. This could build off the Neighborhood Cop program that is being developed by the Police Department. It would be a staff intensive effort, and costs range from \$5K-\$10K depending upon the size of the event.
- **Communication/Engagement Assessment** – During the 2018 Goal setting process, the City Council discussed conducting an assessment of current communication and engagement efforts. Assessments are typically conducted by third-party experts who can provide an objective and impartial analysis of existing efforts and outline a plan to make

improvements. Assessments do impact staff time and are typically in the \$25K to \$30K range to complete.

- **Create Council Sub-committee** – City Council may also consider forming a sub-committee to review communication/engagement efforts. This would have a minor impact on staff and there are no associated costs.
- **Communication/Engagement Training** – Provide training to City staff and Councilmembers on communication and community engagement training. The cost and impacts on staff are dependent upon the number and type of trainings pursued.
- **Revise City Manager Update at Council Meetings** – The City Manager would provide regular updates to the Council and community that include discussion of hot topics in the community and/or frequently asked questions. There could also be informal information session held prior to Council meetings to delve further into hot topics. There is no cost to this, and very minimal impact on staff.
- **More Ad Hoc Committees** – Engage residents more in important City topics through creation of more ad hoc committees, similar to the Blue Ribbon Commission for the WRF project and the Lease Management Policy Review committee. The impact on staff could be significant depending upon the number and duration of the various committees. If the committee(s) required paid facilitators the costs could be significant as well.
- **Other options?** There are certainly many other ideas that could be pursued to enhance communications and engagement. This list provided above serves to start the conversation.

Below is a summary of the options described above, in a table format.

Option	Level of Effort	Estimated Cost
City Hall to You	Significant	\$2,000 - \$5,000
Citizen Academy	Significant	\$2,000 - \$3,000
Information Kiosks	Moderate	\$2,000 - \$15,000
Office Hours	Moderate	\$1,000
Neighborhood Block Party	Significant	\$5,000 - \$10,000
Assessment of Efforts	Moderate	\$25,000 - \$30,000
Trainings	Minor/Moderate	Unknown
City Manager Updates	Minor	None
Ad Hoc Committees	Moderate/Significant	Unknown
Council Sub-committee	Minor	None

These options should serve as the start of a discussion for City Council. If there are particular options that Council has consensus on, staff would recommend that more research and development be pursued before launching. Staff would bring it back to City Council for final approval before implementing the new initiatives, or staff could work through a Council sub-committee to finalize the elements of the initiative, and then move forward should Council desire to create one.

ATTACHMENT

None.