



# CITY OF MORRO BAY CITY COUNCIL AGENDA

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*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.*

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**Special Meeting – Tuesday, June 25, 2019  
Veterans Memorial Hall - 4:00 P.M.  
209 Surf St., Morro Bay, CA**

ESTABLISH QUORUM AND CALL TO ORDER

PUBLIC COMMENT FOR ITEMS ON THE AGENDA

SPECIAL MEETING AGENDA ITEM:

I. STUDY SESSION

REVENUE ENHANCEMENT OPTIONS; (CITY MANAGER/FINANCE)

**RECOMMENDATION:** Council receive staff presentation and provide direction, as necessary.

ADJOURN

DATED: June 21, 2019

John Headding, Mayor

**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.**

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AGENDA NO: I

MEETING DATE: June 25, 2019

# Staff Report

**TO:** Mayor and City Council

**DATE:** June 17, 2019

**FROM:** Scott Collins, City Manager  
Jennifer Callaway, Finance Director

**SUBJECT:** Revenue Enhancement Options

## RECOMMENDATION

Council receive staff presentation and provide direction, as necessary.

## DISCUSSION

Staff's update of the ten-year forecast for the fiscal year (FY) 2019/20 Proposed Budget cautions that unless significant expenditure reductions occur or new revenues are identified, the City will have to use one-time reserve funds to maintain current service levels in the City's General Fund and Harbor enterprise fund. The ten-year financial update is provided in attachment I and the major revenue and expense category assumptions are provided as attachment II. Based on the most recent ten-year update, the City is facing a structurally imbalanced budget. The forecast shows that by FY 2028/29 the City will be facing net expenditures over revenues of \$1.8 million a year with cumulative, year-over-year, negative cash balance in excess of \$9 million. With approximately \$3.4 million in emergency reserves available to help off-set this \$9 million negative cash balance, the City will not be sustainable into the future and have sufficient revenues to support expenditures at the current service level.

While use of reserves or one-time funds is appropriate for some circumstances, as a multi-year budget balancing mechanism, it is not a viable solution. And, that approach does not comply with the City's Long-Term Financial Planning Policy, recently adopted by the City Council and states as follows:

*"Long-term structural balance is the goal of long-term financial planning at the City. Should the long-term forecasting and analysis show that the City is not structurally balanced over the ten-year projection period; staff would then make recommendations, for City Council consideration, on how the plan can be brought into balance within three-years."*

Not only does the ten-year update reflect an unbalanced budget in the out-years, the forecast demonstrates that the FY 2019/20 proposed budget was balanced through defunding of the City's internal service funds – not a recommended solution for on-going balancing efforts in future years. While the FY 2019/20 forecast includes COLA increases as per the negotiated labor agreements, the primary cause of this shortfall is employee pension and health costs outpacing revenues. These increases are outside the City's control and significantly threaten our ability to maintain current service levels and accumulate funds for much needed infrastructure, capital, vehicle and equipment

Prepared By:   JC  

Dept Review:   JC  

City Manager Review:   SC  

City Attorney Review:

investments. Provision of core City services, like law enforcement, emergency response, park maintenance, recreation, planning and inspections, code enforcement and maintenance of critical infrastructure (streets, roads, parks, City facilities) directly impact the quality of life in our community.

There are two primary areas for the Council to consider in order to realign the forecast and obtain a long-term structurally balanced budget to allow the City to maintain these core services and infrastructure –

- 1) CalPERS pension paydowns which result in significant long-term savings, although increase short-term expenditures, and
- 2) identification and consideration of new revenues.

During the May 28, 2019 Council Budget Study Session, staff outlined a series of revenue options for the Council to consider and provide direction to staff on areas of most interest. During this discussion, Council identified Paid Parking, Sale or Lease of City owned property, Sales Tax Measure and Assessment District options for the Harbor/Tidelands Trust area. Staff has completed preliminary analysis of these items and provided detail below for Council consideration and further direction.

## **REVENUE OPTIONS**

### **Paid Parking**

There are many City owned parking lots and on-street parking spaces available for visitors, residents and business owners to utilize. Currently, parking is not paid, generally not restricted, and where restricted not enforced. Council could direct staff to analyze paid parking options, ideal locations, implementation, cost, estimated revenue that the City would realize and potential enforcement plans. Depending on locations selected, this could be a revenue option to benefit the General Fund and/or Harbor District.

Typically, revenues generated from paid parking are used exclusively to cover the costs of the parking program. The major costs include personnel to manage and enforce parking; equipment, such as parking meters, and vehicles that are used to conduct enforcement; and maintenance of the parking facilities. Some parking districts also use parking revenue to bond against to develop parking structures. Beyond those costs, some districts use parking revenues to support adjacent infrastructure improvements, such as sidewalks and roads contained within the parking district.

The primary purpose for engaging in paid parking is to better manage parking in impacted areas, not to generate revenue for general City purposes. Parking management, when executed effectively as evidenced in other cities, encourages greater turnover in highest impacted areas. In retail and visitor serving areas, turnover helps generating greater economic activity. The further away from the impacted area one travels, the lower the cost for parking should be.

With that in mind, the suggested next steps are to determine which areas in the City are experiencing parking impacts (and at what times) and develop a plan for City Council review. It should be noted that the Coastal Commission would also need to approve paid parking in the waterfront area. The Coastal Commission has approved paid parking in other coastal cities, but typically, only if those cities have demonstrated the need through data and if those cities provide free parking in some areas to facilitate coastal access. Staff intends to reach out to parking management vendors to see if they can provide free or low-cost options to evaluate our parking demand issues and develop options for paid parking in impacted areas.

### **Sale or Lease of Property**

The City of Morro Bay currently owns approximately 215 acres of real property in 72 parcels. Included in the 72 parcels are six parcels outside the City's corporate boundary. This does not include any of the City's Rights of Way or easements. Rights of Way and easements are only for the public use as long as they are needed for that purpose. Except in the case of fee owned Rights of Way, should the public's rights be abandoned or vacated, they revert back to the underlying property owner. As can

be seen on Attachment 3, 16 parcels have been identified to have some immediate development/redevelopment potential, four of which are already in the process of being sold.

The 16 parcels identified that have potential for sale/lease are identified below and will be discussed in further detail during the study session. Several of these sites have existing uses taking place on them and with user groups, so any consideration of those properties should include outreach to the users groups to obtain their input. Should Council be interested in pursuing the sale or lease of any of these properties listed below, staff would obtain a market analysis to assess either sale or lease value.

- Bike Park at Little Morro Creek Road
- 460 Bonita Street (Fire Station)
- Teen Center – Atascadero Rd
- Parking Lot – Next to Lemos (being sold to the Water/Sewer Funds for the WRF project)
- Market Ave (Parking Lots, Residential Rental, Maintenance Shop)
- 555 Harbor Street (City Hall)
- 570 Dunes Street (Residential Rental)
- 985 Shasta (Vacant Residential/Temporary Park – proposed site for bocce ball and greenhouse)
- 955 Shasta (Public Works and Community Development)
- Well Sites (Owned by Enterprise Fund)

#### **Sales Tax - Subject to Voter Approval**

Local agencies may impose taxes, subject to voter approval, using a variety of methods. Pursuant to Proposition 218, these taxes are classified as either "general" or "special."

Whether the ballot measure requires a simple majority (50% + 1 vote) or a super majority (two-thirds of those voting in the affirmative) depends upon the ballot language and whether the question is placed upon the ballot as a general tax increase or a special tax increase.

A "general tax" may be used for any public purpose. The funds are fully discretionary and may be deposited into the General Fund. A majority vote (50%+ 1) of the electorate is required to impose, increase, or extend a general tax.

A "special tax" is a tax imposed for a specific purpose. For example, some cities dedicate tax revenues for the payment of law enforcement or street maintenance costs rather than using the taxes for the general operations of government. A two-thirds majority of voters is required to impose, increase, or extend a tax for a specific purpose. Special tax revenues must be accounted for in a separate fund.

General taxes may only be put on the ballot at the same general election when the City Council election is held, unless the Council unanimously finds that there is an urgent need to impose the tax measure. Upon such unanimous declaration, the general tax measure may be put before the voters at a special election. Special taxes may be placed before the electorate at any time, either during a general election or in a special election.

California has many special taxing jurisdictions (districts), which are funded by a transaction (sales) and use tax rate that is added to the standard statewide rate of 7.25%. Morro Bay's current tax rate is 7.75%, including a 0.5% sales tax add on known as Measure Q. The tax rates for these districts range from 0.10% to 1.0% per district. In some areas, there is more than one district tax in effect (Capitola, El Cajon, El Cerrito, Eureka, Ft Bragg, Nevada Town, Placerville, Santa Rosa, Sebastopol and Woodland). In others, there is no district tax in effect. The City of Morro Bay has a one-half cent sales tax, Measure Q, already in place. While passed as a general tax measure, the funds are used

for pavement work and public safety.

A Sales Tax increase may be imposed at a rate of 0.25% or a multiple thereof. The ordinance proposing the tax must be approved by majority vote of the voters in the city if the tax is for general purposes or two-thirds vote of all members of the governing body if the tax is for a specific purpose. The maximum combined rate of transactions and use taxes in any location may not exceed 2%.

Sales and Use taxes are imposed on the total retail price of any tangible personal property. A portion of the tax is a State tax and a portion is locally imposed. The City receives 1% of the 7.25% sales tax plus 0.5% for the transaction and use tax from Measure Q. Distribution of sales and use taxes is shown below:



*Rates effective January 1, 2017 after the expiration of the 0.25% Proposition 30 temporary rate. In addition to the base, statewide rate of 7.25 percent, local voters may authorize additional "transactions and use tax" rates. These additional rates raise the total effective rate to as much as 9.75% in some locations.*

With an additional 0.50% add-on the City is estimated to generate approximately \$1,000,000 in additional sales tax revenue annually.

A review of sales tax rates for California cities reveal that 24.8% of cities (169) have a sales tax rate at or below the current sales tax rate in Morro Bay (7.75%) while 65.2% are higher (316). Based on discussions with several other cities in the County thus far, many are having similar conversations related to revenue generation topics and exploring sales tax options for the November 2020 election.

### **Harbor Assessment District – Subject to 2/3rds Voter Approval**

As discussed during the May 28<sup>th</sup> study session, the Harbor Enterprise Fund is especially in need of a revenue surge to assist with millions of dollars in unfunded capital and infrastructure needs. The updated Harbor Fund ten-year forecast is provided as Attachment 4 for reference. Based on this review during the May 29<sup>th</sup> study session, Council directed staff to evaluate a Harbor Assessment District. There are several options for forming a Harbor Assessment District. Most important to note, however, is no matter the option chosen, it would require a special vote (2/3rds voter's approval required). The most common funding mechanism for harbor districts in California is a parcel tax. The Harbor District can be an overlay of the City of Morro Bay or could extend its boundaries outside the City's jurisdiction to include Los Osos and Cayucos for instance. Under a Morro Bay specific overlay district scenario, only the voters of Morro Bay would determine the outcome of the vote. If that were approved, City Council would serve as the Board of the Morro Bay specific Harbor Assessment District. If the proposed District boundaries were extended to include Morro Bay and areas beyond

our borders, the voters in all those areas subject to the District would also determine the outcome of the vote. A Commission, and not the City Council, that represents the various areas included in the Assessment District would oversee the District (as is done for Port San Luis).

There are pros and cons for either option. The Morro Bay community would maintain great control with a Morro Bay specific Harbor District compared to one that extends beyond our borders. However, a region-wide Harbor District could generate significantly more revenue compared to a Morro Bay specific district. For example, a flat parcel tax for Morro Bay only of \$100 per parcel would generate approximately \$550,000 per year. A parcel tax could also be implemented based on a property's assessed value, for example \$10 per \$100,000 of assessed value. Regardless of the structure of the parcel tax, a Morro Bay specific Harbor Assessment District would maintain local control but generate significantly less revenue than an extended boundary. Community Polling, as outlined with respect to the sales tax measure, would help determine the level of support for the establishment of a Harbor Assessment District.

### **RECOMMENDED NEXT STEPS**

If Council would like to move forward with either a sales tax initiative and/or an assessment district option for the Harbor area, staff recommends that Council direct staff to obtain quotes for a consultant to assist with community polling and outreach regarding both a Sales Tax Measure and Assessment District for the Harbor area. Consultants are utilized to assist with drafting polling questions and completing community polling so the Council and staff can better assess the support for a tax measure or assessment district and the type of measure that would be recommended, i.e. general or specific in nature. Consultant costs are estimated to cost between \$40,000 and \$50,000 depending on the scope of services and level of involvement sought at this time. The cost of this is unbudgeted in the FY 2019/20 adopted budget and would be funded from new revenues received during the fiscal year related to cannabis tax and/or fee increases that may result from a newly adopted fee schedule (Study Session scheduled for July 9, 2019 to discuss the new fee study update results).

Staff also recommends that the Council establish an Ad Hoc Citizen Committee with two Council Members and three Morro Bay residents to work with staff to study the issues, seek public input (including a community survey), and report back to Council with a recommendation and drafted ballot language, if any. Staff's recommended timeline is as follows:

August 2019 – Members of Ad Hoc Committee selected, and polling consultant selected.

September – October 2019 – Community Polling

November 2019 – Citizen Committee presents report, recommendation and if any, draft ballot language to Council.

December 2019 – Further consideration by City Council of draft language for ballot measures and authorizing Ordinances and Council Resolution.

February/March 2020 – Approval of City Council Resolution placing revenue measure on November 2020 election.

Any initiative passing with a vote of the electorate would begin to generate additional revenue for the City in January 2021.

### **CONCLUSION**

The City's long-term structural budget imbalance and inability to consistently fund infrastructure needs throughout the City coupled with looming increased pension and health care costs warrant the need for reliable, ongoing sources of funds to maintain service levels and fund infrastructure needs such as street improvements, building maintenance, etc. Based on Council's discussion during the

May 28, 2019 study session, a review of potential new revenue options, Council felt that a review and serious consideration of paid parking, sale or lease of City owned property, sales tax measure and assessment district for the Harbor District (Tidelands Trust area) were warranted to begin to develop an action plan to generate additional funds to help alleviate the structural imbalance of the City's budget. Therefore, staff recommends the following:

1. Establish an Ad Hoc Citizen Committee with two Council members and three Morro Bay residents to conduct the exploration of the funding options identified above;
2. Appoint two Council members to the newly formed Ad Hoc Citizen Committee and initiate a recruitment for the resident members of the Committee with the intention of interviewing and selecting members at or before the August 13, 2019 City Council meeting.
3. Seek Consultant services for community polling.

#### **ATTACHMENTS**

1. Ten-Year Forecast
2. Major Revenue and Expense Assumptions for the Forecast
3. Listing of City Owned Property
4. Harbor Enterprise Fund Ten-Year Forecast

## City of Morro Bay Budget Forecast (\$ in 000)

<b>General Fund</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>
Property Tax	\$4,405	\$4,537	\$4,697	\$4,881	\$5,072	\$5,230	\$5,394	\$5,447	\$5,503	\$5,558	\$5,614
Sales Tax	2,012	2,166	2,192	2,208	2,191	2,175	2,188	2,208	2,247	2,282	2,328
TOT	3,531	3,567	3,602	3,639	3,675	3,712	3,749	3,786	3,824	3,862	3,901
Other Revenue	3,159	3,166	3,014	3,038	3,071	3,106	3,141	3,156	3,213	3,256	3,299
Transfers	1,256	1,405	1,648	1,670	1,692	1,715	1,738	1,738	1,738	1,763	1,789
Total Revenue	14,363	14,840	15,153	15,436	15,702	15,937	16,209	16,336	16,525	16,722	16,931
Personnel	10,376	11,050	11,338	11,657	11,934	12,158	12,363	12,651	12,963	13,301	13,669
Other O&M	3,474	3,349	3,685	3,761	3,839	3,919	4,000	4,117	4,202	4,287	4,353
Transfers/Svc Adds	513	437	634	647	660	674	713	728	743	733	749
Future Budget Cuts	0	0	0	0	0	0	0	0	0	0	0
Total Expenditures	14,363	14,836	15,656	16,064	16,433	16,750	17,076	17,496	17,907	18,322	18,771
Net Annual	0	4	(504)	(629)	(731)	(813)	(866)	(1,160)	(1,382)	(1,600)	(1,840)
Beginning Balance	38	39	43	(460)	(1,089)	(1,820)	(2,633)	(3,500)	(4,660)	(6,042)	(7,642)
Cash Adjustments	0	0	0	0	0	0	0	0	0	0	0
Ending Balance	39	43	(460)	(1,089)	(1,820)	(2,633)	(3,500)	(4,660)	(6,042)	(7,642)	(9,482)
<b>Emergency Reserve</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>
Revenue	\$236	\$95	\$79	\$80	\$80	\$25	\$25	\$25	\$25	\$25	\$25
Transfers Out	225	0	0	0	0	0	0	0	0	0	0
Net Annual	11	95	79	80	80	25	25	25	25	25	25
Cash Adjustments	0	0	0	0	0	0	0	0	0	0	0
Beginning Balance	2,927	2,938	3,034	3,113	3,192	3,272	3,297	3,322	3,347	3,372	3,397
Ending Balance	2,938	3,034	3,113	3,192	3,272	3,297	3,322	3,347	3,372	3,397	3,422
<b>Total GF+ER Balance</b>	<b>2,977</b>	<b>3,077</b>	<b>2,652</b>	<b>2,103</b>	<b>1,452</b>	<b>664</b>	<b>(178)</b>	<b>(1,314)</b>	<b>(2,670)</b>	<b>(4,245)</b>	<b>(6,060)</b>
<b>% of GF Exp</b>	<b>20.7%</b>	<b>20.7%</b>	<b>16.9%</b>	<b>13.1%</b>	<b>8.8%</b>	<b>4.0%</b>	<b>-1.0%</b>	<b>-7.5%</b>	<b>-14.9%</b>	<b>-23.2%</b>	<b>-32.3%</b>

	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>AVG</u>
<b>Revenues</b>											
Property Tax	SLO County	3.53%	3.93%	3.90%	3.12%	3.12%	0.98%	1.20%	1.01%	1.01%	2.42%
Sales Tax	HDL Estimate	1.21%	0.75%	-0.76%	-0.76%	0.63%	0.92%	1.76%	1.54%	2.00%	0.81%
TOT	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Business License	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	3.00%	2.00%	2.10%
<b>Expenditures</b>											
Salary	2% or 3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.00%
Pension	8.75%	11.42%	11.58%	8.60%	5.81%	4.76%	8.10%	8.22%	8.34%	8.45%	8.40%
Other Benefits	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
<b>Transfers</b>											
Vehicle	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Technology	\$ 345,970	\$ 368,599	\$ 381,607	\$ 395,005	\$ 408,805	\$ 423,020	\$ 437,660	\$ 452,740	\$ 468,272	\$ 484,270	
Facilities	\$ 10,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	
Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TBID	\$ 60,000	\$ 180,496	\$ 187,701	\$ 194,978	\$ 202,328	\$ 209,751	\$ 217,248	\$ 224,821	\$ 232,469	\$ 240,194	
Economic Development	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	
Fire Equip	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 50,000	\$ 50,000	

City Owned Properties

APN	Site Address	City	Owner	Current Use
073-131-009			CITY OF MORRO BAY	Chorro Valley Wells
073-131-010			CITY OF MORRO BAY	Chorro Valley Wells
073-131-017			CITY OF MORRO BAY	Chorro Valley Wells
066-280-025	555 HARBOR ST	MORRO BAY	CITY OF MORRO BAY	City Hall, PW, CD and Parking
068-168-022			CITY OF MORRO BAY	Future Lift Station
066-280-024	625 HARBOR ST	MORRO BAY	CITY OF MORRO BAY	Library, Chamber Bldg and Parking Lot
066-321-026	714 EMBARCADERO	MORRO BAY	CITY OF MORRO BAY	Market Plaza
066-321-027	781 MARKET AVE	MORRO BAY	CITY OF MORRO BAY	Market Plaza
066-321-028	781 MARKET AVE	MORRO BAY	CITY OF MORRO BAY	Market Plaza
068-262-042	460 BONITA ST	MORRO BAY	MORRO DEL MAR FIRE DISTRICT	North Fire Station
066-280-018	901 MORRO BAY BLVD	MORRO BAY	CITY OF MORRO BAY	PD Annex and Parking
066-065-012	570 DUNES ST	MORRO BAY	CITY OF MORRO BAY	Rental House
065-182-005	231 ATASCADERO RD	MORRO BAY	CITY OF MORRO BAY	Teen Center
068-183-021	LITTLE MORRO CREEK RD	MORRO BAY	CITY OF MORRO BAY	Temp Bike Park
066-065-003	985 SHASTA AVE	MORRO BAY	CITY OF MORRO BAY	Temp Park
068-159-016	DOWNING AVE	MORRO BAY	CITY OF MORRO BAY	Vacant Residential/Future Frontage Rd
065-082-020	TORO LN	MORRO BAY	CITY OF MORRO BAY	
065-149-026			CITY OF MORRO BAY	
065-386-005	HIGHWAY 1	MORRO BAY	CITY OF MORRO BAY	
065-386-016	HIGHWAY 1	MORRO BAY	CITY OF MORRO BAY	
066-025-001	MAIN ST	MORRO BAY	CITY OF MORRO BAY	
066-031-001	FRNT AVE	MORRO BAY	CITY OF MORRO BAY	
066-033-003	1001 EMBARCADERO	MORRO BAY	CITY OF MORRO BAY	
066-071-034			CITY OF MORRO BAY	
066-071-035	715 HARBOR ST	MORRO BAY	MORRO BAY FIRE DISTRICT	
066-071-035	715 HARBOR ST	MORRO BAY	MORRO BAY FIRE DISTRICT	
066-074-001	734 HARBOR ST	MORRO BAY	CITY OF MORRO BAY	
066-075-007	870 MORRO BAY BLVD	MORRO BAY	CITY OF MORRO BAY	
066-075-021	850 MORRO BAY BLVD	MORRO BAY	CITY OF MORRO BAY	
066-112-007	781 MARKET AVE	MORRO BAY	CITY OF MORRO BAY	
066-137-001	501 EMBARCADERO	MORRO BAY	CITY OF MORRO BAY	
066-172-002			CITY OF MORRO BAY	
066-184-001			CITY OF MORRO BAY	
066-187-006			CITY OF MORRO BAY	
066-207-008	KINGS AVE	MORRO BAY	CITY OF MORRO BAY	
066-221-001			CITY OF MORRO BAY	
066-225-027			CITY OF MORRO BAY	
066-225-028			CITY OF MORRO BAY	
066-251-014			CITY OF MORRO BAY	
066-280-023	1001 KENNEDY WAY	MORRO BAY	CITY OF MORRO BAY	
066-321-007			CITY OF MORRO BAY	
066-321-008	EMBARCADERO ST	MORRO BAY	CITY OF MORRO BAY	
066-321-025	MARKET AVE	MORRO BAY	CITY OF MORRO BAY	
066-322-001	901 EMBARCADERO	MORRO BAY	CITY OF MORRO BAY	
066-331-019	209 SURF ST	MORRO BAY	CITY OF MORRO BAY	
066-331-028	1700 EMBARCADERO	MORRO BAY	CITY OF MORRO BAY	
066-331-032	1281 EMBARCADERO	MORRO BAY	CITY OF MORRO BAY	
066-331-038	EMBARCADERO	MORRO BAY	CITY OF MORRO BAY	
066-331-041	1200 EMBARCADERO	MORRO BAY	CITY OF MORRO BAY	
066-332-008	HIGHWAY 1	MORRO BAY	CITY OF MORRO BAY	
066-371-004	BAY BLVD	MORRO BAY	CITY OF MORRO BAY	
066-391-010	BAYSHORE DR	MORRO BAY	CITY OF MORRO BAY	
066-401-001			CITY OF MORRO BAY	
066-461-003	EMBARCADERO	MORRO BAY	CITY OF MORRO BAY	
066-461-004	EMBARCADERO	MORRO BAY	CITY OF MORRO BAY	
066-461-005	EMBARCADERO	MORRO BAY	CITY OF MORRO BAY	
066-461-007	EMBARCADERO	MORRO BAY	CITY OF MORRO BAY	
066-461-008	EMBARCADERO	MORRO BAY	CITY OF MORRO BAY	
066-461-009	T PIER	MORRO BAY	CITY OF MORRO BAY	
066-461-011			CITY OF MORRO BAY	
066-461-012	EMBARCADERO	MORRO BAY	CITY OF MORRO BAY	

City Owned Properties

APN	Site Address	City	Owner	Current Use
066-461-013	EMBARCADERO	MORRO BAY	CITY OF MORRO BAY	
068-251-001			CITY OF MORRO BAY	
068-258-010			MORRO DEL MAR WATER DISTRICT	
068-291-010			MORRO DEL MAR WATER DISTRICT	
068-321-012			CITY OF MORRO BAY	
068-371-002	HWY 41 HOLW	MORRO BAY	CITY OF MORRO BAY	
068-401-002			CITY OF MORRO BAY	
073-075-001	BLANCA ST		CITY OF MORRO BAY	

	For Consideration for Lease or Sale
	Already in Process
	Not Recommended

## City of Morro Bay Harbor Funds Budget Forecast (\$ in 000)

(\$ in 000)

<b>Operations</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>
Harbor Leases	\$1,532	\$1,615	\$1,647	\$1,680	\$1,713	\$1,748	\$1,783	\$1,818	\$1,855	\$1,892	\$1,929
Other Fees	373	336	342	349	355	361	368	374	381	388	395
Grants	22	28	29	29	30	30	31	32	32	33	33
Other Revenue	46	32	33	34	34	35	36	36	37	38	38
Transfers In	5	0	0	0	0	0	0	0	0	0	0
Total Revenue	1,978	2,011	2,051	2,091	2,132	2,174	2,217	2,260	2,305	2,350	2,397
Personnel	1,052	1,060	1,116	1,151	1,178	1,197	1,213	1,257	1,265	1,274	1,255
Other O&M	377	487	496	506	516	527	537	548	559	570	582
Debt Service	135	135	135	0	0	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0	0	0	0	0	0
Transfers Out	497	310	316	322	329	335	342	349	356	363	370
Total Expenditures	2,062	1,991	2,063	1,980	2,023	2,059	2,092	2,154	2,180	2,207	2,207
Net Annual	(83)	20	(13)	111	109	115	124	106	125	144	190
Cash Adjustments	0	0	0	0	0	0	0	0	0	0	0
Beginning Balance	(5)	(89)	(69)	(81)	30	138	253	377	484	609	752
Ending Balance	(89)	(69)	(81)	30	138	253	377	484	609	752	942

<b>Equipment</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>
Revenue	\$28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfers Out	28	0	0	0	0	0	0	0	0	0	0
Net Annual	0	0	0	0	0	0	0	0	0	0	0
Cash Adjustments	0	0	0	0	0	0	0	0	0	0	0
Beginning Balance	56	56	57	57	58	58	58	59	59	60	60
Ending Balance	56	57	57	58	58	58	59	59	60	60	61

## City of Morro Bay Harbor Funds Budget Forecast (\$ in 000)

(\$ in 000)

<b>Accumulation</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>
Other Revenue	\$75	\$3	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1
Transfers In-Harbor	168	0	0	0	0	0	0	0	0	0	0
Total Revenue	243	3	1	1	1	1	1	(0)	1	1	1
Expenditures/Tfr Out	43	412	0	0	0	0	0	0	0	0	0
Net Annual	200	(409)	1	1	1	1	1	1	1	1	1
Cash Adjustments	0	0	0	0	0	0	0	0	0	0	0
Beginning Balance	367	567	158	159	159	160	161	162	163	163	164
Ending Balance	567	158	159	159	160	161	162	163	163	164	165