



AGENDA NO: CS-1

MEETING DATE: August 27, 2019

**AGENDA CORRESPONDENCE
RECEIVED BY THE CITY COUNCIL FOR
PUBLIC REVIEW PRIOR TO THE MEETING**

Dana Swanson

From: Aaron Ochs [REDACTED]
Sent: Friday, August 23, 2019 8:38 AM
To: Council
Subject: 8/27 Agenda Correspondence - CS-1

Council and staff,

Yesterday, I read the complaint by Connected that was filed against the City. While it's probably best for the city to not publicly comment on pending litigation, I have a few suggestions going forward.

At a future City Council meeting, I think it would be important to discuss the medical marijuana dispensary permit process that took place. I don't think the aggrieved party, in this particular case, understood the nature of the scoring process from application to interview scoring.

I'm also aware CalCoastNews published a story about the complaint. They indicate the decision-making process was somehow linked to campaign contributions made by Mr. Dayspring to Councilmember Addis and Mayor Heading's campaigns. I think it's important to publicly clarify the point that neither Addis nor Heading were part of that process.

The potential issue here is that the cannabis industry may not want to participate with the City of Morro Bay. We'd benefit significantly from their tax revenue. The best way to preserve our relationship with the industry is to clarify and be candid when necessary.

Aaron Ochs
[REDACTED]



AGENDA NO: A-1

MEETING DATE: August 27, 2019

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Dana Swanson

From: betty winholtz [REDACTED]
Sent: Friday, August 23, 2019 8:28 AM
To: John Headding; Robert Davis; Marlys McPherson; Jeffrey Heller; Dawn Addis
Cc: Dana Swanson
Subject: city council agenda item a-1

Dear City Council:

I would like my comment corrected in the official minutes for agenda item C-4 of the City Council Meeting on July 9, 2019. I listed 2 distinct points. The second point is accurately summarized as stated in the proposed minutes:

"Betty Winholtz, Morro Bay, felt it was inappropriate to charge water/ sewer for the improvements and suggested the entire cost come out of the General Fund." (page 5 of Minutes)

However, my first point which stated, "do not take on the fear of another place and bring it here" is not reflected in the proposed summary. In other words, I said: do not do it. If you print only 1/2 of my comment, it makes it sound like I support the idea. I clearly do not. Please add, "She was against the project."

Sincerely,
Betty



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**AGENDA CORRESPONDENCE
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Dana Swanson

From: Bayfront Inn [REDACTED]
Sent: Monday, August 26, 2019 1:25 PM
To: Scott Collins; Council; John Heading
Cc: Jennifer Little; TBID
Subject: including VRBO and RV into the TBID

Dear City Manager, Mayor, and Council Members;

It is necessary to bundle all overnight stay options that pay TOT into the TBID to level the playing field.

When you total the bedroom count for the VRBOs(to include Airbnb's) and the RV spaces, you will find that they represent upwards of 75% of the total hotel rooms.

Consider which overnight stay option is the best source of overall income for our city. Hotel/Motel Guests spend more money on our streets.

Except for the limited hotel/motel rooms that offer kitchenettes, hotel guests eat an average of 2 1/2 meals per day in our restaurants. These guests don't want to sit in their rooms, they want to walk our streets and spend some money they saved for their vacation.

Tourists that book VRBOs do so to "save" money on food expenditures, to walk our streets, but to enjoy the home they rented.

TBID funds are for the purpose of Marketing Morro Bay for overnight stays. The VRBOs and RV space renters are attracted to Morro Bay because of the efforts of the TBID marketing team.

The playing field must be leveled.

It is not required that a Hotel/Motel have a minimum stay - same for the VRBO.

It is not required that a Hotel/Motel offer food - same for the VRBO.

Hotel/Motel permitted businesses pay 10% TOT, 1% County BID, and 3% TBID.

VRBOs and RVs pay 10% TOT, 1% County BID, and 0% TBID.

Hotels are Permitted. They are easy to spot and located in the proper Visitor Services Zone.

VRBOs are not all Permitted and NOT located in the proper Visitor Services Zone.

Hotels/Motels are mandated to pay their 14% described above on all fees collected.

VRBOs and RVs charge an application fee and a separate cleaning fee. Here's an example:

This is information from a random vrbo....

\$229.00 x 2 nights

\$458.00

Cleaning Fee

\$105.00

Service Fee

\$63.00

Tax

\$78.82

I implore you to consider what is best for our City's earnings and vote to include all overall stay options into the TBID to pay the same rate.

Jayne Behman
Bayfront Inn
805-772-5607

Dana Swanson

From: Paula Radke [REDACTED]
Sent: Monday, August 26, 2019 3:10 PM
To: Dana Swanson
Cc: John Heading
Subject: Please ad to the correspondence for the 8/27 meeting

Taxing Vacation Rentals

Shouldn't we involve the community to decide if we want vacation rentals before we start taxing them? I agree that if we as a community decide we want them, they should be taxed equally with the hotels. Not more not less. But it has not been decided if we want them.

Please don't (again) put the horse before the cart. Let's get this decided first.

Paula Radke

[REDACTED]

[REDACTED]

August 26, 2019

Dear Mayor,
Dear Council Members:

We realize that the City Council is trying to increase revenues to provide essential services, but forcing the RV parks into the TBID will likely be counterproductive.

The TBID board relentlessly claims: "The RV parks benefit from destination marketing." However, for the 5 Morro Bay RV parks that would be assessed (based on 2018/19 TOT receipts), the cost of destination marketing far outweighs the benefits and weakens our competitive position.

1. Unlike hotels, RV parks have high occupancy rates, which obviate the necessity and effectiveness of destination marketing.

- Our occupancy rates were sufficiently high before the TBID.
- We never needed booking engines such as Expedia, Hotels.com, etc.
- Our business has been less cyclical than the hotel industry, even during recessions.
- Our TOT receipt growth since the recession has been driven by the economy and record boom in RV sales--not destination marketing (see attached chart from the Wall Street Journal)
- The 5 RV parks in town are easy to find, as compared to 40 hotels and 250 vacation rentals. Minimal marketing required.
- If we would have needed more marketing to fill our parks, then we would have done so ourselves.

2. The TBID will jeopardize our occupancy rates and TOT receipts because of the 14% (perhaps 14.5%) rate disadvantage it creates.

- Private RV parks in unincorporated areas of the county are exempt from TOT, Visit Slo Cal TMD, and CBID assessments.
- State parks, county-owned parks and federal parks are also exempt.
- 8 (soon 9) of our closest competitors totaling about 450 (soon 600) spaces are exempt. In all, 27 out of 37 parks in the county are exempt.
- **We have built up a clientele over the years by charging reasonable rates. RV CUSTOMERS WILL NOTICE THE EVER-INCREASING RATE DISPARITY AND CHOOSE TO TAKE THEIR BUSINESS TO NON-ASSESSED PARKS.**

3. Visit Slo Cal's RV destination marketing efforts are more than enough.

- 10 parks currently pay into the Visit Slo Cal TMD, including the 5 in Morro Bay. We have collectively paid in hundreds of thousands of dollars into the TMD. Additional TBID efforts will be overkill and wasteful (see attached ad). It's hard to believe that a Morro Bay TBID will provide an additional benefit.

4. We are out-numbered, out-voted, and out-staffed by the hotels

- We only have 7% of the vote when it comes to the assessment.
- 40 hotels have 79% of the vote and can force us to join.
- Hotels can prevail on every issue.
- We are thinly staffed. Knowing the five parks, we will have difficulty to even fill a board seat and to muster the resources to work with TBID programs.

We can't help but feel that we are being strong-armed by the hotel industry. The TBID board's recent 5-0 vote to assess all RV parks and VRs at 3% is a case in point. The result did not reflect the input from the board's outreach efforts. For example, the RV parks suggested a membership model, which was never discussed by the board.

The TBID, under the guise of equity, has been trying to corral us into the assessment several times over the past 10 years. However, we see little equity in an assessment that hurts us more than it helps.

Sincerely,

Bay Pines Travel Trailer Park
Arlene Orman

Cypress RV & MH Park
Andrew Hampp

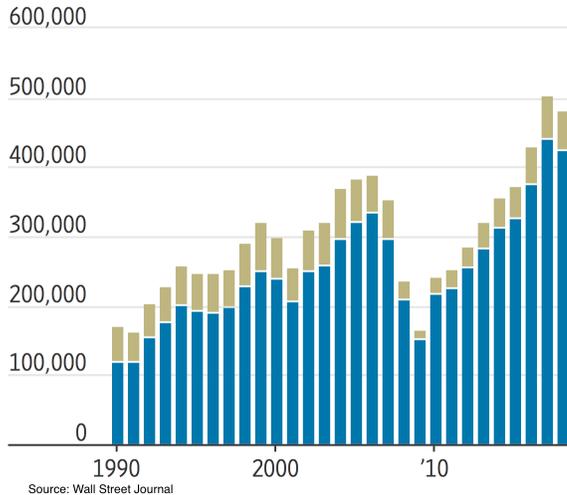
Morro Dunes RV Park
Doug Claassen

Morro Strand RV Park
Lawrence Guesno

RV unit sales rather than destination marketing have driven our post-recession growth.

Nationwide RV unit sales by type

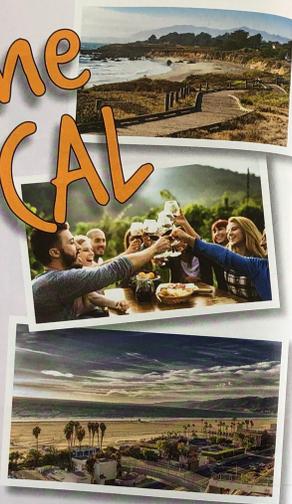
■ Travel trailers ■ Motor homes



Source: Wall Street Journal

Visit Slo Cal's destination marketing efforts are already more than enough. This ad appears in Trailer Life and Camp-California directories.

Welcome to SLO CAL



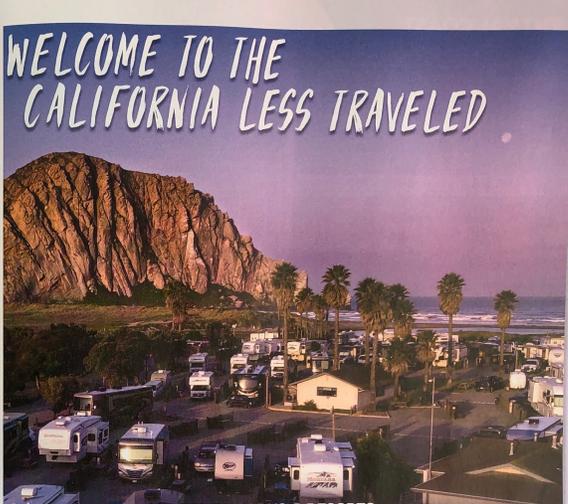
A place where slow will set you free. San Luis Obispo County (SLO CAL) is as California as it gets – from mountain trails to sandy beaches, city culture to casual wine country – all in one easily-traveled area! Here, you'll discover a pace that will allow you to find your natural rhythm and catch up with the things that matter most to you.

SLO CAL is home to multiple wine regions with over 250 wineries and 40 different grape varieties! In addition to wine, craft beer, cider and distilleries pepper the communities and lands of SLO CAL. Designated wine trails and clustered tasting rooms make it easy to plan a wine-filled itinerary for a quick afternoon or long weekend of tasting. The uncrowded roads and absolutely stunning scenery enhance the experience, working a playful magic that encourages visitors to relax and delight in their travels.

Slow means taking the time to sip and savor. A vibrant agricultural and wine scene pairs perfectly with SLO CAL's unique handcrafted goods and food – including lavender, olive oils, avocados, cheese and cocktail mixers. Local farms and producers deliver their goods fresh to 13 year-round farmers markets and to the tables of SLO CAL's incredible restaurants. A wide array of farm stands, retailers and U-pick orchards connect you to the region's agricultural roots and allow you to take these fresh (and downright delicious) foods on the go.

Highway 1 is California's original road trip and this famous byway is ready to feel your wheels in SLO CAL. These views of prime Pacific coastline are prized, loved and highly photographed by locals and visitors alike. From Ragged Point in the north to Nipomo in the south, an overwhelming amount of activities exist. Stop off and gaze at bellowing elephant seals or for a slice of Oliveberry pie. From hiking to art gallery hopping and the majestic Hearst Castle, your Highway 1 itinerary will be full of iconic memories.

WELCOME TO THE CALIFORNIA LESS TRAVELED



SLO CAL RV PARKS & RESORTS.

Hit the road and discover a world that's just your speed in San Luis Obispo County

<p>PISMO BEACH Holiday RV Park 800.272.3672 - HolidayRVPark.org Pismo Coast Village RV Resort 888.782.3224 - PismoCoastVillage.com</p> <p>GROVER BEACH Le Sage Riviera RV Park 805.489.5506 - LeSageRiviera.com</p> <p>PASO ROBLES Cava Robles 844.641.5093 - CavaRoblesResort.com Wine Country RV Resort 866.550.2117 - SunRVResorts.com</p>	<p>MORRO BAY Bay Pines Travel Trailer Park 805.772.3223 - BayPinesRV.net Harborview RV Park 805.470.9929 - HarborviewRVPark.com Morro Dunes RV Park 805.772.2722 - MorroDunes.com Morro Strand RV Park 805.772.8232 - MorroStrandRVPark.com Silver City Resort 805.772.7478 - SilverCityMorroBay.com</p>
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Dana Swanson

From: Sean Green [REDACTED]
Sent: Tuesday, August 27, 2019 9:22 AM
To: Council
Cc: Dana Swanson
Subject: T 8/27/19 Agenda Correspondence: Item C-1

Council,

While I appreciate city employees Scott Collins and Jennifer Little's attempt to bridge budget gaps through increased taxation (as evidenced by their co-written staff report), please note that in the 30+ TBID meetings I've attended since 2016, never once has a non-hotel entity publicly supported the 3% tax proposal you see before you. Should Council accept staff's recommendation as written, you will be doing so solely on behalf of hotels and acknowledging that years of consistent public comment plays no role in the decision-making process.

Respectfully submitted,

Sean Green
Morro Bay, CA



AGENDA NO: C-3

MEETING DATE: August 27, 2019

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Dana Swanson

From: betty winholtz [REDACTED]
Sent: Friday, August 23, 2019 8:29 AM
To: John Headding; Robert Davis; Marlys McPherson; Jeffrey Heller; Dawn Addis
Cc: Dana Swanson
Subject: city council agenda item c-3

Dear City Council:

Specific direction from City Council on three occasions for staff to return with suggested language changes does not appear in this document. Instead of submitting relevant sections only, the document is copied in total with no strike out/added language to consider. It appears Staff threw the job back to Council in spite of your previous direction.

Sincerely,
Betty Winholtz