



**AGENDA NO: CS-2**

**MEETING DATE: May 12, 2020**

**AGENDA CORRESPONDENCE  
RECEIVED BY THE CITY COUNCIL  
FOLLOWING POSTING OF THE AGENDA IS ATTACHED  
FOR PUBLIC REVIEW PRIOR TO THE MEETING**

May 12, 2020

Letter RE: 801 Embarcadero Lease – Libertine Brewing Co.

Dear Council Members;

I've been thinking about my leasehold at 801 Embarcadero for a time now. Even before this virus hit, I had notified Scott, in planning that I didn't want to move forward with another proposal for a project. As many of you know I've had numerous plans in front of the city over the past 5 years at a cost of hundreds of thousands of dollars. I'm at a stage of my work career being 73 years old where another plan just is not attractive. So when my tenant notified me that he could not pay rent for April, and is still not able to pay. I realized then, that the best course for all involved was to contact you about the possibility of me assigning back my lease to the City now instead of when the lease expires this September.

Here are the reasons:

With me out of the way, the City would be able to contact my tenant, The Libertine Brewing Co. to see if there is a way to keep him in the space when businesses reopen.

Since the City has currently allowed for temporary suspension of lease payments this assignment would allow the City a chance for renegotiation with him to possibly recapture past rents and to create cash flow for the future. My chances of recapturing past rents to pay lease payments to the City is frankly slim. Unlike the City I have nothing to offer him past the lease term ending in a couple of months. All I can possibly see is a series of three way lawsuits which as we know...no one wins.

When I sold him my business in 2015, he was paying me a lease payment of \$9,600 a month. This covered my lease payment to MB, and my bank payment for all the improvements I had made to the business. For the past two year extension of the lease, I dropped his lease to half (bank note was paid off) that amount, \$4,800 so I could cover my payment to the City, Insurance, Property taxes and recoup some of my losses to date in planning, etc.

So he is accustomed to paying the \$4,800 of which the City receives \$2,333.33 monthly. Any deal with him, say forbearance for past rents with him would make continuing the same payment of \$4,800 attractive. This would be a Win/Win for both parties. At the time of my assignment of this lease, I would want a release clause for any past obligation or future ones stemming from the lease. This, I believe would be a Win/Win for the City and for me.

I look forward to your response to this proposal.

Thank You,

Burt Caldwell

## Dana Swanson

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**From:** Sean Green [REDACTED]  
**Sent:** Tuesday, May 12, 2020 11:03 AM  
**To:** Scott Collins; Eric Endersby; Council  
**Cc:** Jennifer Callaway; CityClerk  
**Subject:** 5/12/20 Council Closed Session Item CS-2  
**Attachments:** Lateral Bayside Access Map.pdf

Council and Staff,

According to the Microsoft Word document the City uses to manage hundreds of thousands of dollars of waterfront lease agreements, 801 Embarcadero's lease ended in September of 2018, at which point an RFP could've—and probably should've—been posted, as one successfully was for 833 Embarcadero next door. Looking back through eleven years of frustrating Council agenda and minutes to see how and why no redevelopment plans for the Libertine space ever came to fruition despite plenty of time, effort, capacity, and public interest, it seems that cutting our losses and opening this highly coveted parcel up to new applicants upon lease end was—and remains—in the City's best interest.

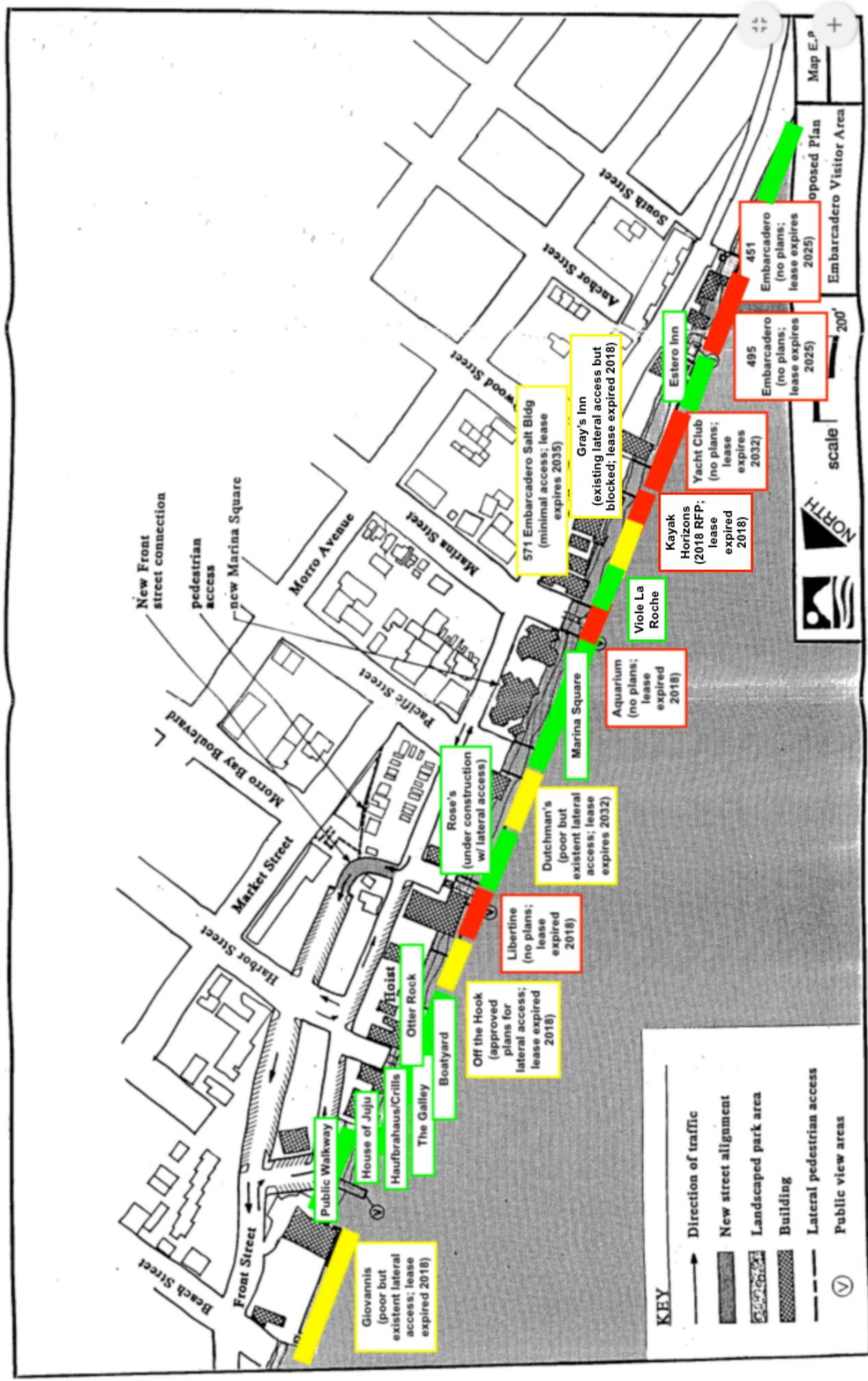
801 Embarcadero represents one of only a handful of obstacles preventing the completion of the oft-dreamed-about bayside lateral access pedestrian pathway; as it stands, it's the only parcel between Harbor Hut and the Aquarium with no lateral access or plans to create any. 801 Embarcadero is also a key component of Centennial Parkway's future—a future that was last discussed publicly during two separate 2016 Council meetings, almost four years ago now, that featured blueprints, renderings, and public presentations impressive enough to get resident hopes up, only to prove yet again to be another costly false start for everyone involved.

I love the Libertine and hope it remains part of Morro Bay's future, but the City must seek to turn this underutilized space into so much more. An expired lease was—and remains—the right time to do so.

Sincerely,

Sean Green  
Morro Bay, CA

Attachments:  
[Waterfront lease agreements \(PDF\)](#)  
Lateral bayside access map (image)



New Front street connection  
pedestrian access  
new Marina Square

Giovannis (poor but existent lateral access; lease expired 2018)

Public Walkway

House of Juju

Haufbrahaus/Crills

The Gallery

Boatyard

Off the Hook (approved plans for lateral access; lease expired 2018)

Libertine (no plans; lease expired 2018)

Dutchman's (poor but existent lateral access; lease expires 2032)

Rose's (under construction w/ lateral access)

Marina Square

Aquarium (no plans; lease expired 2018)

ViOLE La Roche

Kayak Horizons (2018 RFP; lease expired 2018)

Yacht Club (no plans; lease expires 2032)

Gray's Inn (existing lateral access but blocked; lease expired 2018)

571 Embarcadero Salt Bldg (minimal access; lease expires 2035)

Estero Inn

495 Embarcadero (no plans; lease expires 2025)

451 Embarcadero (no plans; lease expires 2025)

- KEY**
- Direction of traffic
  - ▬ New street alignment
  - ▨ Landscaped park area
  - ▩ Building
  - - - Lateral pedestrian access
  - ⊙ Public view areas

scale 200'



Proposed Plan  
Embarcadero Visitor Area

Map E.P.



**AGENDA NO: CS-4**

**MEETING DATE: May 12, 2020**

**AGENDA CORRESPONDENCE  
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FOR PUBLIC REVIEW PRIOR TO THE MEETING**

**Dana Swanson**

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**From:** betty winholtz [REDACTED]  
**Sent:** Tuesday, May 12, 2020 7:15 AM  
**To:** John Headding; Robert Davis; Marlys McPherson; Jeffrey Heller; Dawn Addis  
**Cc:** Dana Swanson; Scott Collins  
**Subject:** Closed session

Dear City Council:

Is it to be assumed from this closed session agenda item, that the City engaged in development on property it does not own for the WRF? When will this item be brought to open session?

Sincerely,  
Betty Winholtz

CS-4 CONFERENCE WITH REAL PROPERTY NEGOTIATOR –GOVERNMENT CODE SECTION 54956.8Property:Assessor Parcel No. 068-411-007 Property Negotiators:Dan Shepard et al Agency Negotiators:Scott Collins, City Manager; Rob Livick, City Engineer; Eric Casares, WRF Program Manager and Chris Neumeyer, City Attorney Under Negotiation:Price and Terms of Payment