



AGENDA NO: I

MEETING DATE: June 9, 2021

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

From: [Abby Adams](#)
To: [Council](#)
Subject: Plans for removal of 3 stacks
Date: Monday, June 7, 2021 11:33:41 AM

Dear Members of the Morro Bay City Council:

We are elated with the news that the power plant's three stacks and large building may soon be removed. When we bought our home at 1295 Clarabelle Drive in 2017, we assumed that since the power plant was no longer in use that the buildings would eventually be coming down and the beautiful view of our glorious rock restored.

We strongly support the plans for removal.

Thank you for your hard work on this issue, as well as other planning for the quality of life, energy use, and addressing environmental concerns for residents of Morro Bay.

Abigail J. Adams
Richard K. Moore
[REDACTED] [REDACTED] [REDACTED]
Morro Bay, CA 93442

Dana Swanson

From: Sean Green [REDACTED]
Sent: Wednesday, June 09, 2021 12:22 PM
To: Council
Cc: Scott Collins; CityClerk
Subject: 6/9/21 Special Agenda Item I: MB's past and future with Vistra

Council and staff,

I appreciate the work that has been done mostly behind closed doors between City representatives and Vistra Corp, but tomorrow's surprise meeting has likely caught most of your residents off guard. For the sake of transparency, please consider discussing these major legal developments at length, in an open public forum, with far more advanced warning, similar to the time and space given to the general plan, before making one of the most important decisions in our city's history at an unscheduled special meeting. At the very least, for the average Morro Bay citizen and business owner who will be affected by Vistra's actions for decades to come, please take a little more time to consider and publicly address the questions below:

1. How and why was the WRF pipeline project allowed to move forward without first legally acquiring the easements needed to construct it?
2. To what extent has the city's decision to begin the WRF pipeline construction project without first acquiring the necessary easements impacted the city's ability to negotiate with Vistra on future land use, development, demolition, and hazardous waste mitigation?
3. Do the soon-to-be-acquired WRF easements from Vistra allow above-ground land use by way of pedestrian and bike pathways? If not, how much more would Morro Bay have to pay (because it might be worth it)?
4. Not many city residents likely know that the City of Morro Bay is in line to acquire the power plant land for \$1 should we let Vistra's role lapse over the next decade. What is the currently appraised value of the land (absent mitigation costs), what is the current estimate for mitigation, and how might an alternative future to staff's recommendation play out if the City were to assume ownership of the parcel one day?
5. Does Vistra's pledge to demolish the power plant (subject to \$3M penalty if not completed by 2028) include mitigation of 100% of hazardous waste by 2028 as well?
6. Vistra Corp currently has \$23B in assets on its balance sheet. Doesn't it seem likely they just cut a check to Morro Bay in 2028 for \$3M (\$2.1M present value) to remove the property encumbrance, retain ownership of the property, and leave Morro Bay with just barely enough to fund a month or two of our 2028-29 operating budget?
7. Does Vistra's pledge to demolish the power plant automatically include our famous stacks without opportunity for public input from those who'd like the stacks to remain?
8. Today's decision in no way commits the City to allow Vistra's planned battery facility to be constructed 10' higher than that allowed by code (as they have initially proposed), is that correct?

I understand that some city matters are appropriate for closed-doored or other special meetings, but it does seem like so much of our city's future on the current Vistra property has been discussed and decided upon by just a handful of city agents without much public disclosure or input. Residents want to know the hows and whys of these decisions; one special meeting with almost no public outreach or comment does not seem to match the magnitude of this pending decision, even if the result is ultimately unaffected.

Thank you for your consideration, and best wishes.

Sean Green
Morro Bay, CA



June 9, 2021

RE: Special Meeting Agenda Item I.

Honorable Mayor and City Council,

Staff has done an excellent job in the staff report providing context for the community on this very complex opportunity site that Vistra Energy owns within the city limits.

Our comments to the council on this item call back to our work in 2020 on permit processing. It is important to establish that commercial project investors of any size are a numbers-oriented group. They make important investment decisions and judge the likelihood of success on a project based on data, estimated financial return, and a "risk" assessment. Put another way, perceived and quantified "risk" is a dominant factor in the investment decision-making process.

While Vistra is a large company, the Chamber proposes that any investor or developer seeks as much certainty as possible to make an investment of *any* size to manifest *any* project. Removing barriers and setting the table for investment is key.

The MOU before you this evening appears to crack open the doors of possibility on this unique and privately owned 107-acre property. It is our hope, once you have deliberated and moved forward, that you will continue to implement the Chamber's recommendations on permit process improvement and streamlining in equal measure with your community engagement and outreach.

Thank you,

A handwritten signature in black ink, appearing to read "Erica Crawford".

Erica Crawford
President/CEO
Morro Bay Chamber of Commerce

Dana Swanson

From: betty winholtz [REDACTED]
Sent: Wednesday, June 09, 2021 1:09 PM
To: John Headding; Robert Davis; Jeffrey Heller; Dawn Addis; Laurel Barton
Cc: Dana Swanson; Scott Collins
Subject: special meeting

Dear City Council:

Unlike previous Memorandums of Understanding (MOU), this MOU is binding. While Council has seen it many times in closed session, this is the first opportunity the community has had a chance to know of it and read it. Council is making a long lasting commitment without allowing for real consideration by the public to ponder the effects. I would encourage you to make this an introductory meeting for the public to absorb what the consequences are rather than vote on approving it today.

An immediate detail that stands out is the minimal amount of money, \$3 million, Council is exchanging for giving up rights to the 100+ acres for \$1 in 12 years. When the Council negotiated with the power plant owner over the outfall lease 20 years ago, it settled for hundreds of thousands of dollars while other places were getting millions of dollars. I'm concerned whether this is being played out again. Also, the money isn't payable for 7 years until 2028.

While the Staff Report states that it is cheaper to tear down the building rather than repurpose, no financial figures are given for the public to review.

A red flag is this statement, "it is believed Vistra's proposed battery project is not substantially inhibited by the PG&E deed restriction and contamination issues, as it is an industrial use." The Staff Report states that while the MOU is not about the battery storage proposal, it is " a primary impetus for Vista to pursue the City's release of the \$1 Option." This is a red flag because the environmental study is yet to happen (EIR) and compliance with the the CA Coastal ACT is yet to be done.

To be frank, an "Agreement [that] Provides Opportunity for Community Outreach and Engagement" does not ring sincere. What has a "robust outreach effort" looked like in Morro Bay? 85 signatures from neighbors telling the Council there will be significant parking issues at Hwy 41/Atascadero/ Seaview and its ignored; 100 people writing and speaking regarding camping on the Embarcadero and its ignored. Your words do not inspire confidence.

Sincerely,
Betty Winholtz