

# City of Morro Bay

## City Council Agenda

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### *Mission Statement*

*The City of Morro Bay is dedicated to the preservation and enhancement of the quality of life. The City shall be committed to this purpose and will provide a level of municipal service and safety consistent with and responsive to the needs of the public.*

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**REGULAR MEETING – OCTOBER 12, 2009**

**CLOSED SESSION – OCTOBER 12, 2009  
CITY HALL CONFERENCE ROOM - 5:00 P.M.  
595 HARBOR ST., MORRO BAY, CA**

**CS-1 GOVERNMENT CODE SECTION 54957.6; CONFERENCE WITH LABOR NEGOTIATOR.** Conference with the City's Designated Representative, for the purpose of reviewing the City's position regarding the terms and compensation paid to employees groups and giving instructions to the Designated Representative.

**CS-2 GOVERNMENT CODE SECTION 54956.8; REAL PROPERTY TRANSACTIONS:** Instructing City's real property negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease of real property.

Property: 781 Market Street and the Corner of Pacific Street and Market Street.  
Negotiating Parties: George Salwasser and the City of Morro Bay.

Negotiations: Purchase and Sale Conditions.

**IT IS NOTED THAT THE CONTENTS OF CLOSED SESSION MEETINGS  
ARE CONFIDENTIAL AND EXEMPT FROM DISCLOSURE.**

**PUBLIC SESSION – OCTOBER 12, 2009  
VETERANS MEMORIAL HALL - 6:00 P.M.  
209 SURF ST., MORRO BAY, CA**

ESTABLISH QUORUM AND CALL TO ORDER  
MOMENT OF SILENCE  
PLEDGE OF ALLEGIANCE  
MAYOR AND COUNCILMEMBERS ANNOUNCEMENTS & PRESENTATIONS  
CLOSED SESSION REPORT

PUBLIC COMMENT PERIOD - Members of the audience wishing to address the Council on City business matters (other than Public Hearing items under Section B) may do so at this time.

To increase the effectiveness of the Public Comment Period, the following rules shall be followed:

- When recognized by the Mayor, please come forward to the podium and state your name and address for the record. Comments are to be limited to three minutes.
- All remarks shall 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.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk, (805) 772-6205. Notification 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

A. CONSENT CALENDAR

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 REGULAR CITY COUNCIL MEETING ON SEPTEMBER 14, 2009; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

B-1 PUBLIC HEARING PURSUANT TO RESOLUTION 51-09 REGARDING CITY'S INTENTION TO SELL THE CITY-OWNED PROPERTY AT THE NORTHEAST CORNER OF MARKET AVENUE AND PACIFIC STREET AND THE CITY-OWNED PROPERTY AT 781 MARKET STREET IN MORRO BAY, CALIFORNIA; (CITY ATTORNEY)

**RECOMMENDATION: Authorize staff to seek bids to sell the real property located at the Northeast corner of Market Avenue and Pacific Street and at 781 Market Street.**

B-2 RESOLUTION TO APPROVE A BUSINESS LICENSE APPLICATION FOR AN ARCADE IN CONFORMANCE WITH MORRO BAY MUNICIPAL CODE 5.04.330 AT 725 EMBARCADERO ROAD; (ADMINISTRATION)

**RECOMMENDATION: Adopt Resolution No. 53-09.**

C. UNFINISHED BUSINESS

C-1 CONTINUED CONSIDERATION OF THE CITY'S CO-SPONSORSHIP OF EVENTS; (RECREATION & PARKS)

**RECOMMENDATION: Discuss and direct staff accordingly.**

C-2 MANDATORY WATER CONSERVATION MEASURES; (PUBLIC SERVICES)

**RECOMMENDATION: Receive report for information and file.**

D. NEW BUSINESS

D-1 REPORT ON ALCOHOL BEVERAGE CONTROL LICENSE MODIFICATION REQUEST BY THE BUOY BAR LOCATED AT 2940 MAIN STREET; (ADMINISTRATION)

**RECOMMENDATION: Discuss the request made by the owners of the Buoy Bar, the impacts on surrounding residences, and make a recommendation to the Alcohol Beverage Control Board.**

D-2 APPROVAL OF RESOLUTION 52-09 OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA APPROVING THE APPLICATION FOR GRANT FUNDS FOR THE PER CAPITA GRANT PROGRAM UNDER THE CALIFORNIA CLEAN WATER, CLEAN AIR, SAFE NEIGHBORHOODS, AND COASTAL PROTECTION ACT OF 2002 FOR IMPROVEMENTS TO LILA KEISER PARK; (RECREATION & PARKS)

**RECOMMENDATION: Adopt Resolution No. 52-09.**

D-3 RECOMMENDATION FOR USE OF PARK IN LIEU FUNDS TO CONTRIBUTE TO THE COMPLETION OF AN AQUATICS CENTER FEASIBILITY STUDY SPONSORED BY THE COMMUNITY GROUP, THE POOL AT MORRO BAY; (RECREATION & PARKS)

**RECOMMENDATION: Approve the use of \$15,000 of Park-in-lieu funds for the completion of Phase 2 of the Aquatics Center Feasibility Study sponsored by the non-profit community group, “The Pool at Morro Bay”.**

E. DECLARATION OF FUTURE AGENDA ITEMS

F. ADJOURNMENT

**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 772-6200 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 THAT REASONABLE ARRANGEMENTS CAN BE MADE TO PROVIDE ACCESSIBILITY TO THE MEETING.**

MINUTES - MORRO BAY CITY COUNCIL  
CLOSED SESSION – SEPTEMBER 14, 2009  
CITY HALL CONFERENCE ROOM - 5:00 P.M.

Mayor Peters called the meeting to order at 5:15 p.m.

PRESENT:	Janice Peters	Mayor
	Carla Borchard	Councilmember
	Rick Grantham	Councilmember
	Noah Smukler	Councilmember
	Betty Winholtz	Councilmember

STAFF:	Andrea Lueker	City Manager
	Robert Schultz	City Attorney

CLOSED SESSION

MOTION: Councilmember Borchard moved the meeting be adjourned to Closed Session. The motion was seconded by Councilmember Winholtz and unanimously carried. (5-0)

Mayor Peters read the Closed Session Statement.

**CS-1 GOVERNMENT CODE SECTION 54956.8; REAL PROPERTY TRANSACTIONS:** Instructing City's real property negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease of real property.

Negotiating Parties: City Tidelands Trust Leaseholders and the City of Morro Bay.  
Negotiations: Lease Terms and Conditions.

The meeting adjourned to Closed Session at 5:00 p.m. and returned to regular session at 5:50 p.m.

MOTION: Mayor Peters moved the meeting be adjourned. The motion was seconded by Councilmember Grantham and unanimously carried. (5-0)

The meeting adjourned at 5:50 p.m.

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – SEPTEMBER 14, 2009  
VETERANS MEMORIAL HALL - 6:00 P.M.

Mayor Peters called the meeting to order at 6:00 p.m.

PRESENT:	Janice Peters	Mayor
	Carla Borchard	Councilmember
	Rick Grantham	Councilmember
	Noah Smukler	Councilmember
	Betty Winholtz	Councilmember
STAFF:	Andrea Lueker	City Manager
	Robert Schultz	City Attorney
	Jamie Boucher	Deputy City Clerk
	Rick Algert	Harbor Director
	Bruce Ambo	Public Services Director
	Janeen Burlingame	Management Analyst
	John DeRohan	Police Chief
	Mike Pond	Fire Chief
	Susan Slayton	Administrative Services Director
	Joe Woods	Recreation & Parks Director

ESTABLISH QUORUM AND CALL TO ORDER

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

MAYOR AND COUNCIL MEMBERS REPORTS, ANNOUNCEMENTS &  
PRESENTATIONS

CLOSED SESSION REPORT - City Attorney Robert Schultz reported the City Council met in Closed Session, and no reportable action under the Brown Act was taken.

PUBLIC COMMENT

Jane Wilzbach encouraged the adoption of pets locally through Adopt-a-Pet, which is held at Spencers Market on Thursdays and Lemos Ranch every second week on Fridays.

Keith Taylor gave an update on Phase II of the Fire Department.

Claire Grantham announced on September 23<sup>rd</sup> the County Health Department and the City of Morro Bay Fire Department would be holding a drill to simulate an influenza outbreak and assess its ability to respond to a pandemic or other public health emergency. There will also be a free flu immunization clinic from 7:00 a.m. – 10:00 a.m. and 3:00 p.m. - 7:00 p.m. at the Morro Bay Fire Department.

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REGULAR MEETING – SEPTEMBER 14, 2009

Melody DeMeritt addressed Item D-2 (Consideration of Placing a Measure on the Ballot to Change the Mayoral Term from Two Years to Four Years) and Item D-3 (Discussion on Placing the Primary Election Process on the Ballot) in terms of access to government and democracy. She said she supports placing the primary election process on the General Election ballot in November, which will give the citizens a second primary election process to experience and see what the pulse of the people is after this second election process. Ms. DeMeritt stated she supports the mayoral term be changed to a four year term and be shared by all council members annually as it is in other cities.

Holly Sletland, Environmental Center of San Luis Obispo, encouraged volunteers come out for Coastal Clean-Up Day on Saturday, September 19<sup>th</sup> where clean-up will take place at Morro Rock, Morro Strand and the dog beach north of the strand.

Joan Peterson announced the San Luis Obispo Bicycle Club would host its 38<sup>th</sup> Annual Lighthouse Bike Ride for Charities on September 26<sup>th</sup>, which route would be between Highway One between Cuesta College and Piedras Blancas. She said this is one of two annual fundraisers of the Bike Club that raises money for scholarships for local high schools and colleges throughout the County and to support local charities.

Lynda Merrill expressed support for the City Council's vote at the Morro Bay/Cayucos Sanitary District JPA Meeting to continue with the sewer treatment plant proposal and environmental impact report. She expressed support for the following agenda items: Item A-4 (Proclamation Declaring September 27-October 3, 2009 as Sea Otter Awareness Week); Item D-1 (Discussion on Mayor and Council Term Limits); D-2 (Consideration of Placing a Measure on the Ballot to Change the Mayoral Term from Two Years to Four Years); and D-3 (Discussion on Placing the Primary Election Process on the Ballot). Ms. Merrill addressed the lack of health care in the nation.

Bill Martony addressed Item D-2 and noted the Board of Supervisors rotate the Chair's position. He also addressed Item C-1 (Designation of Preferred Proposal for Lease Site 96/96W Located at 945 Embarcadero - Whale's Tail Restaurant) and said the City Council might consider this lease site to accommodate working boats.

Jack McCurdy stated the State Water Board's Once Through Cooling Regulations are the result of a Second Circuit Federal Appellate Court decision in January 2007, which requires the use of the best technology available for all power plants on the coastline and which in effect means no once-through cooling. He said in reviewing the staff reports as well as the regulations, he found them to be unenforceable without dates certain by which the court decision will be complied with and once through cooling will end. Mr. McCurdy stated the Dynegy contract with Southern California Edison that produces electricity expires in 2011 and "that plant is not needed" after that date for grid reliability.

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John Barta addressed Items D-1, D-2, and D-3 on the agenda. He said under the current system, voters choose from a wide selection of candidates in the primary election, and then vote from the best of the candidates in the general election. Mr. Barta stated what is proposed tonight is taking away the choice of the voters. He also addressed Item C-2 (Consideration to Surplus 1985 Trolley) and requested the Council not sell the trolley.

Dorothy Cutter stated she supports repealing Measure S-06 and placing the primary election on the ballot. She also said she supports rotating the Mayor's seat as they do in Atascadero and Grover Beach. Ms. Cutter supports changing the mayoral term from two years to a four-year term.

Jane Heath stated she understands the chief justification of Measure S-06 was to have more candidates to choose for the elected offices in Morro Bay, which was achieved, but unfortunately at a high cost to the City and the candidates who ran in two elections. She referred to AB1121 sponsored by Assemblyman Davis that got within one vote to becoming law that would have allowed general law cities to do rank choice balloting. Ms. Heath urged the City Council to request staff to look into this pilot program or consider adopting spending limits to allow all to participate.

Hank Roth remembered Molly the Trolley as what was used for Caroling Cop Cars.

Mayor Peters closed the hearing for public comment.

Mayor Peters called for a break at 7:15 p.m.; the meeting resumed at 7:25 p.m.

A. CONSENT CALENDAR

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 REGULAR CITY COUNCIL MEETING OF AUGUST 24, 2009; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-2 AUTHORIZATION TO FILE NOTICE OF COMPLETION FOR MORRO BAY BOULEVARD AND QUINTANA ROAD INTERSECTION IMPROVEMENT PROJECT; (PUBLIC SERVICES)

**RECOMMENDATION: Authorize staff to file the Notice of Completion for the Morro Bay Boulevard/Quintana Road Intersection Improvement Project.**

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A-3 ADOPTION OF ORDINANCE NO. 552 REQUIRING THE FIRE CHIEF TO DESIGNATE VERY HIGH FIRE HAZARD SEVERITY ZONES AND THE BUILDING OFFICIAL TO ENFORCE THE REQUIREMENTS OF CHAPTER 7A AND CHAPTER 47, TITLE 24 CALIFORNIA CODE OF REGULATIONS; (FIRE)

**RECOMMENDATION: Adopt Ordinance No. 552.**

A-4 PROCLAMATION DECLARING SEPTEMBER 27-OCTOBER 3, 2009 AS SEA OTTER AWARENESS WEEK; (ADMINISTRATION)

**RECOMMENDATION: Adopt Proclamation.**

Councilmember Winholtz pulled Item A-2 from the Consent Calendar.

**MOTION:** Mayor Peters moved the City Council approve Items A-1, A-3 and A-4 of the Consent Calendar. The motion was seconded by Councilmember Winholtz and carried unanimously. (5-0)

A-2 AUTHORIZATION TO FILE NOTICE OF COMPLETION FOR MORRO BAY BOULEVARD AND QUINTANA ROAD INTERSECTION IMPROVEMENT PROJECT; (PUBLIC SERVICES)

Councilmember Winholtz requested to make two separate motions on this item : 1) the Notice of Completion for Morro Bay Boulevard and Quintana Road Intersection Improvement Project; and 2) authorization for the transfer of funds from the various accounts listed in the staff report to the subject Capital Project. She said she supports the Notice of Completion; however, she expressed her concern with the transfer of funds.

**MOTION:** Councilmember Winholtz moved the City Council approve the Notice of Completion for Morro Bay Boulevard and Quintana Road Intersection Improvement Project. The motion was seconded by Councilmember Borchard and carried unanimously. (5-0)

**MOTION:** Councilmember Borchard moved the City Council authorize the transfer of funds from the various accounts listed in the staff report to the subject Capital Project. The motion was seconded by Mayor Peters and carried with Councilmember Winholtz voting no. (4-1)

MINUTES - MORRO BAY CITY COUNCIL  
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B. PUBLIC HEARINGS, REPORTS & APPEARANCES

B-1 APPROVAL OF RESOLUTION DETAILING STRATEGIES TO PREVENT AND REDUCE VACANCIES ON THE EMBARCADERO AND STIMULATE BUSINESS; (HARBOR)

Harbor Director Rick Algert stated the City manages approximately 40 commercial ground leases on the Embarcadero subject to the Tidelands trust granting legislation. Some of these are water only leases in front of the privately owned properties south of Tidelands Park. This year the City has received a lot of input from tenants and sub-tenants in the mid-Embarcadero area that vacancies in the City's properties are spiraling out of control and the City master lease rents were a part of the problem. The City Master Lease format has sophisticated language regarding rental terms as is appropriate with such long term leases. There is a minimum annual rent which is set at 8% of the value of the underlying City property vs. a percentage of gross sales rent. Minimum annual rentals are adjusted each year based on Consumer Price Index (CPI) changes, and the City anticipates this year's CPI will be the first significant downward adjustment seen in recent history. Minimum rents are also adjusted every five years based on reappraisal or 75% of the total rent paid over the previous five years, whichever is higher. Mid-Embarcadero City Lease Site businesses and tenants are suffering through a major recession and down business cycle with current significant vacancies and the potential of increasing vacancies. Prolonged vacancies on City properties would harm the overall City business environment and further reduce City Tidelands lease rents. Mr. Algert recommended the City Council adopt Resolution No. 47-09 authorizing strategies for reducing vacancies on City Tidelands properties.

Mayor Peters opened the hearing for public comment.

Israel Dominguez, Director of Business and Economic Development at Cuesta College, stated he favored concepts 1 and 2 in the staff report and encouraged the City Council also pay close attention to concept 7. He said if the City follows these strategies it would mitigate any further business closures and any negative impact on tourism.

Stan Trapp, Owner of Marina Square, agreed he also favored concepts 1, 2 and 7 in the staff report. He noted that without the approval of these concepts, there would be an impact to approximately 50 employees employed throughout the businesses at Marina Square.

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Bill Martony stated by reducing rents now would help more businesses to remain open and help generate money into the General Fund from tax revenues, as opposed to having empty storefronts. He said instead of taking six months to study these strategies to stimulate business, he recommended the City implement something sooner rather than later.

Mayor Peters closed the public comment hearing.

Councilmember Smukler stated he supports concept 1 and prefers a monthly adjustment to give the City flexibility and minimal impact and return some support to the businesses. He said he has questions with concept 2 with the visitor serving opportunities. Councilmember Smukler referred to concept 3 and said he supports a retroactive adjustment of the CPI and removing that increase. He said concept 4 is the most intriguing to him and would like to be aggressive with this program and give some flexibility to some of the master leaseholders. Councilmember Smukler stated being that concept 7 would reduce the appraised value from 8% to 6% he would have to consider this as a phase 2 approach.

Councilmember Borchard stated she supports concept 1 and prefers the quarterly rent payment over a monthly payment. She said she would support concept 2 only if the non-retail business is located in a second floor retail space, without a time limit. Councilmember Borchard stated she agrees with concept 3 in deferring the CPI for one year. She said she supports concept 4 requesting staff provide more detailed information on a program on how it would be implemented and how it would support the master tenants and be passed down to the tenants that are in the buildings. Councilmember Borchard stated she would like to phase in the other programs as they come along.

Councilmember Winholtz stated she is hearing a consensus on concepts 1, 3 and 4, which are the quarterly rent, the freeze of the CPI just for this year, and allowing tenants to work with staff on a vacancy reduction plan. She said she is not supportive of concept 2 because it is counterproductive to get someone in for a short period of time, but more importantly because it is a Visitor-Serving zoned area and would not be applicable with the Coastal Commission or the City's zoning ordinance.

Councilmember Grantham stated he agrees with Councilmember Borchard's comments, the only difference is on concept 1, he would agree with monthly rent only if there is an amount equal to one month's rent in an impound account; otherwise, he would go with quarterly rent. He said he met with the Administrative Services Director Susan Slayton on concepts 4, 5, 6, and 7 who expressed concern about the consequences to the City, which he agreed. Councilmember Grantham referred to concept 7 and said the City should consider more remedies down the road, and also should consider the 6% at the duration of the year.

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Mayor Peters referred to concept 1, and noted it appears there is a consensus on quarterly rent. She said due to the economy, she supports allowing non-retail business within the City's zoning restrictions in a second floor retail space. Mayor Peters stated there is a consensus on concept 3 suspending the CPI for this fiscal year. She said she agrees on concept 4 in that the City is open to suggestions and it should be a community effort to increase the City's business viability. Mayor Peters stated she agrees on concept 7, to give the Harbor Department an additional \$100,000 per year cut would stifle them.

MOTION: Councilmember Winholtz moved the City Council direct staff to return to the City Council with a Resolution as amended by Council. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

**B-2 DISCUSSION ON STATE WATER RESOURCES CONTROL BOARD ONCE-THROUGH COOLING STATEWIDE POLICY; (CITY ATTORNEY)**

City Attorney Robert Schultz stated the State Water Board has issued a notice of public hearing to receive comments on the proposed Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling. The hearing has been scheduled for September 16, 2009 in Sacramento, and final comments must be submitted by September 30, 2009. The proposed Policy establishes technology-based standards to implement the Federal Clean Water Act Section 316(b) and reduce the harmful effects associated with cooling water intake structures on marine and estuarine life. The proposed policy would apply to the 19 existing power plants (including Morro Bay) that currently have the ability to withdraw over 15 billion gallons per day from the State's coastal and estuarine waters using a single-pass system, also known as once-through cooling. According to the State Water Board staff, the intent of the proposed Policy is to protect marine and estuarine life from the impacts of once-through cooling without disrupting the critical needs of the State's electrical generation and transmission system. This latest Board draft continues to require the phase-out of once-through cooling systems in existing plants, despite a recent U.S. Supreme Court decision permitting regulators to compare the costs of replacing the systems against the environmental and other benefits resulting from such replacements. Mr. Schultz stated he is looking for direction on whether he should attend the September 16<sup>th</sup> meeting in Sacramento, noting that being present would allow for a better understanding of the Policy.

Mayor Peters opened the hearing for public comment; there was no comment, and Mayor Peters closed the public comment hearing.

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Councilmember Winholtz stated she prefer the City Attorney not attend the September 16<sup>th</sup> hearing because this is Dynegy's issue at this point, and the City can still make its comments in its letter. She said she is sensitive to the City Attorney's time and does not see that it is in the City's best interest that he attends this hearing.

Councilmember Grantham stated this is too important of an issue for this community to not have representation at this hearing. He said there is money in the budget and he supports his attendance.

Councilmember Smukler stated there are a lot of details that will be coming out of this hearing, and he is supportive of the City Attorney attending this hearing.

Councilmember Borchard stated she is supportive of the City Attorney's attendance at this hearing and would appreciate the opportunity of receiving the information. She said attending these meetings gives the City the resources of knowing who the stakeholders are and the connections the City can make and can prove to be an opportunity the City does not want to miss.

Mayor Peters stated she also supports the City Attorney attend this hearing.

Councilmember Winholtz stated she would like to ensure that if asked at this hearing what the City's position is on this Policy, that the City Attorney should put a date on that opinion, because it is a vote of a past City Council. Since that date, there has been new technology and she does not know that this Council would make that same decision today.

MOTION: Mayor Peters moved the City Council direct the City Attorney to attend the September 16, 2009 hearing on the proposed Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling. The motion was seconded by Councilmember Grantham and carried with Councilmember Winholtz voting no. (4-1)

C. UNFINISHED BUSINESS

C-1 DESIGNATION OF PREFERRED PROPOSAL FOR LEASE SITE 96/96W  
LOCATED AT 945 EMBARCADERO - WHALE'S TAIL RESTAURANT;  
(HARBOR)

Harbor Director Rick Algert stated on April 27, 2009 the City Council authorized release of a Request for Proposals (RFP) for Redevelopment of Lease Site 96/96W located at 945 Embarcadero. The RFP was released May 22, 2009 with a submittal deadline of July 21, 2009. On August 20, 2009, a Selection Panel interviewed the proposers and rated their

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proposals based on maximization of public benefits in the proposed project; the proposing party's potential to bring the project to completion; proposed operations for the interim period as permits are obtained, to successfully operate on the lease sites; and, experience and ability to operate on the lease site and on financial capability. The Van Beurden Proposal was rated number 1 of 3. Mr. Van Beurden plans to open a new restaurant in the Whale's Tail space for the interim period while he is obtaining permits and approval for remodeling of the building. Mr. Algert recommended the City Council adopt Resolution No. 48-09 authorizing Stan Van Beurden to apply for development permits on City Lease Site 96/96W located at 945 Embarcadero.

**MOTION:** Councilmember Borchard moved the City Council adopt Resolution No. 48-09 authorizing Stan Van Beurden to apply for development permits on City Lease Site 96/96W located at 945 Embarcadero. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

**C-2 CONSIDERATION TO SURPLUS 1985 TROLLEY; (PUBLIC SERVICES)**

Management Analyst Janeen Burlingame stated the City's Parking Management Plan was adopted in October 2007 and included a recommendation to add a third route dedicated to the Waterfront. The Council adopted the Parking Management Plan and directed staff to purchase a new trolley for the third route while using the 1985 trolley for the 2008 season until the new trolley procurement was completed at which time the new trolley would replace the 1985 trolley to operate the third route. The City received a Proposition 1B State grant to purchase a new trolley as directed by Council. The City piggy-backed on a San Luis Obispo City trolley purchase contract to acquire the new trolley. In April 2009, the new trolley was delivered to the City and placed into service for the 2009 season. The 1985 trolley has over 238,423 miles, is not ADA compliant and is beyond the FTA's criteria for useful life. The vehicle was intended to become surplus property and be sold when the replacement trolley went into service; however, the City Council in May 2009 requested staff bring back an item at a later date to discuss disposition. Ms. Burlingame recommended the City Council authorize the surplus and sale of the 1985 trolley.

Council discussed and asked questions of staff about the sale of the trolley. Councilmember Borchard, Councilmember Smukler and Councilmember Winholtz were supportive of selling it; and, Councilmember Grantham and Mayor Peters were in favor of keeping it.

**MOTION:** Councilmember Winholtz moved the City Council direct staff to sell the 1985 trolley and place the money in the General Fund. The motion was seconded by Councilmember Smukler.

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Councilmember Smukler stated he supports the concept of continued use of the trolleys for special events and community-based events. He requested the review of the FTA requirements on an interim basis to continue some sort of charter. Councilmember Smukler also requested staff offer the 1985 trolley to the local company and advise them that the price is negotiable, in order to keep it in the community and available to the City for a couple of uses per year.

VOTE: The motion carried with Councilmember Grantham and Mayor Peters voting no. (3-2)

D. NEW BUSINESS

D-1 DISCUSSION ON MAYOR AND COUNCIL TERM LIMITS; (COUNCIL)

Councilmember Winholtz proposed the following Ordinance be placed as an initiative on the November 2010 General Election ballot:

“Limitation of Terms. Neither the Mayor nor any member of the Council shall serve in the same office for more than two (2) consecutive terms in succession; provided, however, that any time in office resulting from a partial term which is less than one-half (1/2) the length of a full term for that office, shall not be considered.”

Councilmember Winholtz stated the language for this Ordinance is modified from the Charter of the City of San Luis Obispo. It is clear, concise, and flexible. It allows the possibility of an elected official to hold non-consecutive terms, and also addresses partial terms.

MOTION: Councilmember Winholtz moved the City Council direct staff to return to the City Council with ballot language to place Mayor and Council Term Limits on the November 2010 General Election ballot.

The motion failed for lack of a second.

No further action was taken on this item.

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D-2 CONSIDERATION OF PLACING A MEASURE ON THE BALLOT TO  
CHANGE THE MAYORAL TERM FROM TWO YEARS TO FOUR YEARS;  
(CITY ATTORNEY)

City Attorney Robert Schultz stated on November 5, 1974, the required number of qualified voters in the City of Morro Bay voted in favor of Measure “Q”, codified as Morro Bay Municipal Code Section 2.06.020, which states: The term of office of the Mayor shall be for two years. He recommended the City Council discuss this issue and direct staff accordingly.

No action was taken on this item.

D-3 DISCUSSION ON PLACING THE PRIMARY ELECTION PROCESS ON THE  
BALLOT; (COUNCIL)

Councilmember Winholtz stated in November 2006, Measure S-06 was placed on the General Election ballot and won with 58.8% of the votes. This caused the City of Morro Bay to have a Primary Election for Mayor and Council seats. Measure S-06 can only be repealed by a vote of the people. The previous City Council discussed whether to put an initiative on the ballot to ask the voters whether or not they want to rescind the use of a primary election in selecting council members and mayor. It was concluded that voters should experience the impact of having a full cycle election with both primary and general elections before voting on whether to continue with utilizing a primary or return to the original method of having only a general election. Placing an initiative on the November 2010 General Election ballot would allow people to express if they wish for the primary process to continue. Councilmember Winholtz recommended the City Council place an initiative on the General Election ballot in November 2010 that calls for a repeal of Measure S-06.

MOTION: Councilmember Winholtz moved the City Council direct the City Attorney to prepare language to place an initiative on the General Election ballot in November 2010 that calls for a repeal of Measure S-06. The motion was seconded by Councilmember Smukler and failed with Councilmember Borchard, Councilmember Grantham and Mayor Peters voting no. (2-3)

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – SEPTEMBER 14, 2009

E. DECLARATION OF FUTURE AGENDA ITEMS

Councilmember Smukler requested to agendize a discussion on election policies and procedures to include spending limits; Council concurred.

Councilmember Borchard requested to agendize a discussion on enacting a land use ordinance regulating big box stores; Councilmember Winholtz and Councilmember Smukler concurred.

Councilmember Grantham requested to agendize a discussion on guidelines for concerts in parks near residential areas; Councilmember Borchard and Councilmember Winholtz concurred.

Councilmember Winholtz requested to agendize a workshop on CEQA implementation guidelines within the next 6 months perhaps at the next joint meeting with the Planning Commission, and she would like to invite the Cayucos Sanitary District; Councilmember Borchard concurred.

Councilmember Winholtz requested to agendize a discussion on the definition of what a heritage tree is. Councilmember Smukler stated his Committee has plans to address this, but their focus is on the Arbor Day celebration.

ADJOURNMENT

The meeting adjourned at 10:12 p.m.

Recorded by:

Jamie Boucher  
Deputy City Clerk



no longer a need for this property. It is suggested that the City Council determine that this property is vacant, and has no potential to be developed as a City facility.

Government Code section 37421 allows for the sale of any City-owned building and/or property by adoption of a resolution of intention to sell City property. Pursuant to section 37421, the City Council adopted Resolution 51-09 of its intention to sell the real property at the Northeast Corner of Market Avenue and Pacific Street and at 781 Market Street.

The purpose of this Public Hearing is to allow for any person to protest the proposed sale. The protest may be written and delivered to the clerk of the legislative body or made orally at the meeting considering the final action. (Government Code section 37424.) If the City receives any protests, the City Council may overrule the protests by a four-fifths vote of its members, and may proceed with the sale.

If the City Council authorizes Staff to seek bids, Staff will do so. If any bids are received, they will be brought to the City Council in closed session to instruct the real property negotiator. If negotiations are successful, any final sale will have to be approved in open session.

**CONCLUSION:**

Authorize Staff to seek bids for the sale of real property located at the Northeast Corner of Market Avenue and Pacific Street and at 781 Market Street, Morro Bay, California.



AGENDA NO: B-2

MEETING DATE: 10/12/09

## Staff Report

**TO:** Honorable Mayor and City Council

**DATE:** October 6, 2009

**FROM:** Andrea K. Lueker, City Manager

**SUBJECT:** Resolution to Approve a Business License Application for an Arcade in Conformance with Morro Bay Municipal Code 5.04.330 at 725 Embarcadero Road

**RECOMMENDATION:**

Staff recommends the City Council approve Resolution No. 53-09 approving a business license application for an arcade located at 725 Embarcadero Road.

**MOTION:** I move that the City Council approve Resolution No. 53-09 approving a Business License application for Rose's Landing "Family Fun Zone" arcade located at 725 Embarcadero with the following conditions:

1. Interior lighting within the premises shall be adequate enough to allow clean view of the interior of the establishment from the exterior doorway.
2. No furniture shall be placed in the premises that would encourage loitering
3. The hours of operation shall be limited to 11:00 a.m. to 10:00 p.m.
4. There must be at least one approved manager on location at Rose's Landing who will have the responsibility of supervising the arcade. The approved manager(s) must have their fingerprints and background investigation completed by the Police Department as required by the Municipal Code Section 5.05.330 prior to assuming those duties.
5. A closed circuit television/security camera monitoring system will be installed and operation at all times during business hours. Such system will consist of a minimum amount of cameras to adequately cover the premises.

**FISCAL IMPACT:**

Not applicable.

Prepared By: _____	Dept Review: _____
City Manager Review: _____	
City Attorney Review: _____	

**BACKGROUND:**

Pursuant to Morro Bay Municipal Code Section 5.04.330, the application for a business license for an arcade (among other businesses such as a carnival, circus and pawnbroker) shall be presented to the Chief of Police for his findings and recommendations prior to the issuance of a business license. The application shall then be submitted to the City Council for action before the license is issued.

**DISCUSSION**

The City of Morro Bay received a business license request from Mr. Redican for a family fun arcade to establish a “family fun zone” video arcade at 725 Embarcadero. Pursuant to the Municipal Code, approval of the business license application for this type of business is required by the City Council in a public hearing setting.

Commander Olivas conducted a review of the business license application, met with Mr. Redican and toured the proposed location of the arcade. Attached is a memorandum provided by the Chief of Police with a synopsis of the recommended conditions on the business license.

u.w.council.staff report 10 09 redican arcade

**RESOLUTION NO. 53-09**

**A RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF MORRO BAY  
APPROVING A BUSINESS LICENSE APPLICATION FOR AN ARCADE  
IN CONFORMANCE WITH MORRO BAY MUNICIPAL CODE 5.04.330  
AT 725 EMBARCADERO ROAD**

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

**WHEREAS**, Doug Redican applied for a business license for a “Family Fun Zone” video arcade located at 725 Embarcadero; and

**WHEREAS**, pursuant to the Morro Bay Municipal Code, the license application shall be submitted to the City Council for its action and that the Police Chief shall cause to have taken, fingerprints of all business supervisors and employees of the arcade and to prepare a confidential background investigation to be assessed in a report to the City Council; and

**WHEREAS**, after review by the Police Department, the following conditions are recommended:

1. Interior lighting within the premises shall be adequate enough to allow clean view of the interior of the establishment from the exterior doorway.
2. No furniture shall be placed in the premises that would encourage loitering
3. The hours of operation shall be limited to 11:00 a.m. to 10:00 p.m.
4. There must be at least one approved manager on location at Rose’s Landing who will have the responsibility of supervising the arcade. The approved manager(s) must have their fingerprints and background investigation completed by the Police Department as required by the Municipal Code Section 5.05.330 prior to assuming those duties.
5. A closed circuit television/security camera monitoring system will be installed and operation at all times during business hours. Such system will consist of a minimum amount of cameras to adequately cover the premises.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Morro Bay that a business license, with the above conditions, is approved for the Rose’s Landing Family Fun Zone arcade located at 725 Embarcadero.

Resolution No. 53-09

Page Two

**BE IT FURTHER RESOLVED** by the City Council of the City of Morro Bay that this action supports new business in Morro Bay and is in conformance with the goals set by the Morro Bay City Council during their goal-setting workshop held in February 2009, specifically “develop ways to retain existing businesses and attract new ones”.

**PASSED AND ADOPTED** by the City Council of the City of Morro Bay at a regular meeting thereof held this 12<sup>th</sup> day of October 2009 by the following roll call vote:

**AYES:**

**NOES:**

**ABSENT:**

\_\_\_\_\_  
**JANICE PETERS, MAYOR**

**ATTEST:**

\_\_\_\_\_  
**BRIDGETT BAUER, CITY CLERK**



The City's co-sponsorship currently includes two special events: the Morro Bay Winter Bird Festival and the Teach Foundation Telethon Fundraiser. Both events were approved by the City Administrator and are well beyond 10 years in existence. The City Council has requested the Recreation and Parks Commission (RPC) to review the current policy and recommend any improvements such as guidelines for qualifications, application review procedures, and event logistics. Through discussion, the RPC has agreed on the desire to continue with a co-sponsorship program, and the need to qualify requesting agencies based on various criteria. Information received from the requesting agency's application for co-sponsorship should be reviewed and approved by the RPC and Recreation and Parks Director.

**BACKGROUND/ DISCUSSION:**

After reviewing the staff report on August 10, 2009, Council directed staff to review the co-sponsorship program with the RPC, and return with recommendations. The RPC met on September 3, 2009, as well as October 1, 2009 to review and discuss the current co-sponsorship program. Minutes from the September 3, 2009 meeting are attached for your review.

The RPC agreed on the desire to continue with a co-sponsorship program and have formulated the attached application for Council's review and consideration. Staff feels that groups requesting co-sponsorship must meet the minimum of criteria consisting of the following:

- (1) Event is off-season, meaning between November 1 through April 30;
- (2) Event is multi-day, or one day with financial return to the City.
- (3) Requesting party is a nonprofit organization.

Furthermore, staff feels co-sponsored events should be reviewed on an annual basis along with their re-submittal of a Facility Use Application. Additionally, current co-sponsored events would need to reapply under any new policies or procedures which may be adopted.

**CONCLUSION**

The City of Morro Bay has had some long term co-sponsorship arrangements that at this point would benefit from being reviewed and an overriding policy established by the City Council. This will enable City staff to equally and consistently relay the policy to requesting user groups.



**AGENDA NO: C-1**

**MEETING DATE: 10/1/2009**

## Staff Report

**TO: Recreation and Parks Commission      DATE: 10/1/2009**  
**FROM: Joe Woods, Recreation and Parks Director**  
**SUBJECT: Continued Discussion and Recommendation of the City Co-Sponsorship Program for Special Events.**

**RECOMMENDATION:**

The RPC discuss and forward to City Council recommended policies and/or procedures for future co- sponsorship of events as well as the continuation of the existing co-sponsorship agreements.

**FISCAL IMPACT:**

The financial impact would vary depending on the availability of a co-sponsorship program and the conditions stated within each agreement. Specific details on the financial impact, related to current co-sponsored events, are stated in the attached August 10, 2009 Staff Report addressed to City Council, titled "Consideration of the City's Co-Sponsorship of Events".

**SUMMARY:**

The City's co-sponsorship currently includes two special events: the Morro Bay Winter Bird Festival and the Teach Foundation Telethon Fundraiser. Both events were approved by the City Administrator. The City Council is requesting the RPC review the current policy and recommend any improvements such as guidelines for qualifications, application review procedures, and event logistics. Through discussion the RPC may find other elements worthy of inclusion in a co-sponsorship program.

<b>Prepared By:</b> _____	<b>Dept Review:</b> _____
<b>City Manager Review:</b> _____	
<b>City Attorney Review:</b> _____	

**BACKGROUND:**

From time to time Staff has been requested by outside organizations to waive fees for special events they intend to host. Staff has routinely directed those requesting organizations to City Council, who have the sole authority to waive fees. At their regular meeting of August 10, 2009 Council reviewed the current co-sponsored special events and a new request from the Morro Bay Photo Expo. The staff report and minutes of that meeting are attached for your review. Council has directed Staff to present the co-sponsorship program to the RPC for review, with the expectations of returning to Council with recommendations on proceeding with co-sponsoring special events.

On September 3, 2009, the RPC reviewed and discussed the current co-sponsorship program as directed by City Council. During the discussion, there was consensus among the commission that all were in favor of continuing a co-sponsorship program to some degree. The minutes of the September 3, 2009 RPC meeting are in tonight's packet for review and approval.

Commissioner Mahan made a motion which outlined three criteria to be included in the review process. The criteria to be included would be:

- (1) Is the event off-season? November 1 through April 30;
- (2) Is the event multi-day, or one day with financial return to the City?
- (3) Is the requesting party a nonprofit organization?

These recommendations are included in the attached draft version of a possible co-sponsorship request form.

**DISCUSSION:**

Co-sponsorship of events is of interest to the RPC, and guidelines and procedures must be established to ensure consistent application of the policy. The information regarding a specific special event would be captured in the facility use application, but may require more specific questions and the creation of a co-sponsorship request form may be most efficient. Staff has included a draft request form which includes the three desired criteria from the RPC, as well as additional questions/criteria for discussion.

**REQUEST CONSIDERATION FOR  
CITY CO-SPONSORSHIP**

**PLEASE COMPLETE THIS FORM AND SUBMIT WITH YOUR EVENT APPLICATION**

**(To be attached to Permit Application – Retain in City files)**

Name and Address of requesting Organization:

\_\_\_\_\_

Non-Profit \_\_\_\_ Resident \_\_\_\_ Non-Resident \_\_\_\_ Profit \_\_\_\_

If Non-Profit, please provide tax exempt # \_\_\_\_\_

Contact Person: \_\_\_\_\_ Daytime Phone: \_\_\_\_\_  
(Authorized to sign all documents)

Event Date(s): \_\_\_\_\_ Time: (include setup and take down) \_\_\_\_\_

Location(s): \_\_\_\_\_

Detailed Description of Event: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Why is your group requesting City Co-Sponsorship? \_\_\_\_\_

\_\_\_\_\_

What are your group's expectations of a City Co-Sponsorship? \_\_\_\_\_

How does the City benefit from Co-Sponsoring your event? \_\_\_\_\_

Describe the type of Vendors/Exhibitors/Concessionaires? \_\_\_\_\_

Describe any food service to be provided at the event: \_\_\_\_\_

Caterer? \_\_\_\_ Alcohol Beverages Served? \_\_\_\_ Sold? \_\_\_\_

List Entertainment Activities?

On Site: \_\_\_\_\_

Off Site: \_\_\_\_\_

Is the event schedule between November 1 thru April 30? \_\_\_\_\_

Will the event be offered more than one day?

Total Attendance (per day) including all participants, spectators, guests, exhibitors, performers, entertainers, volunteers and employees:

**Day 1** \_\_\_\_\_ **Day 2** \_\_\_\_\_ **Day 3** \_\_\_\_\_ **Day 4** \_\_\_\_\_ **Day 5** \_\_\_\_\_

Who is the target audience for the event? \_\_\_\_\_

Will the event be advertising for participants from outside the San Luis Obispo County? \_\_\_

Will the event be advertising for participants from outside the State of California? \_\_\_

----- City Review -----

Possible Checklist of required submittal:

Department Head review: \_\_\_\_\_

City Manager review: \_\_\_\_\_

RPC/Council review: \_\_\_\_\_

And/or

Department Head approval: \_\_\_\_\_

City Manager approval: \_\_\_\_\_

RPC/Council approval: \_\_\_\_\_



AGENDA NO:

MEETING DATE: 09/03/2009

## Staff Report

**TO: Recreation and Parks Commission      DATE: 09/03/2009**  
**FROM: Joe Woods, Recreation and Parks Director**  
**SUBJECT: Discussion and Recommendation of the City Co-Sponsorship Program for Special Events.**

### **RECOMMENDATION:**

Staff recommends the Recreation and Parks Commission discuss and recommend to City Council policies or procedures for future co-sponsorship of events as well as the continuation of the existing co-sponsorship agreements.

### **FISCAL IMPACT:**

The financial impact would vary with each co-sponsorship agreement. Some events require less city services therefore the impact is less. Some events require more time, or days, which increases the invoiced amount based on quantity of usage. Factors such as time, space, and available resources have direct and indirect financial impacts on the general fund. The most direct impact would be reducing the invoiced amount based on direct fees and not nonprofit rates. All current agreements use direct cost rates.

### **SUMMARY:**

The City's co-sponsorship currently includes two special events: the Morro Bay Winter Bird Festival and the Teach Foundation Telethon Fundraiser. Both events were approved by the City Administrator and are well beyond 10 years in existence. The City Council is requesting the RPC review the current policy and recommend any improvements such as guidelines for qualifications, application review procedures, and event logistics. Through discussion the RPC may find other elements worthy of inclusion in a co-sponsorship program.

### **BACKGROUND:**

Approval of co-sponsoring a special event has been and still is the authority of the City Manager. Staff is aware of three specific events that have been included in co-sponsorship:

The Morro Bay Winter Bird Festival, the Morro Bay Jazz Festival, and the Teach Foundation Telethon Fundraiser. Each special event had an agreement with the City and conditions varied.

From time to time staff has been requested by outside organizations to waive fees for special events they intend to host. Staff has routinely directed those requesting organizations to City Council, who have the sole authority to waive fees. At their regular meeting of August 10, 2009 Council reviewed the current co-sponsored special events and a new request from the Morro Bay Photo Expo. The staff report and minutes of that meeting are attached for your review.

**DISCUSSION:**

A co-sponsorship program could be beneficial to the City of Morro Bay, local residents and businesses, and visitors, if the conditions of the program created opportunity for parties to meet their expectations of the special event. Having special events co-sponsored by the City allows groups to allocate more of the generated funds back into the special event budget for future events.

The City of Morro Bay could realize a benefit by direct payments and through indirect revenue streams. Direct payments would come from invoiced fees based on the master fee schedule. Those indirect revenue accounts could be the Transient Occupancy Tax and or Sales Tax. When special events occur in the city of Morro Bay certain economical factors could be used to calculate the estimated revenues generated in relationship to the planned special event. When special events occur over multiple days, requiring lodging and meals for participants, the indirect revenue streams benefit proportionally.

When organizations are not co-sponsored, they are required to submit a Facility Use Application. The rental of City facilities is regulated by Department policy and the City's Master Fee Schedule, both of which were recently reviewed by the Commission.

If the co-sponsorship of events is of interest, then guidelines and procedures must be established. The information regarding a specific special event would be captured in the facility use application, but may require more specific questions and the creation of a co-sponsorship request form may be most efficient. The request form could have a series of questions which funnel potential co-sponsored events through the eligibility criteria into either an agreement or a denial.



AGENDA NO:

MEETING DATE:

## Staff Report

**TO: Honorable Mayor and City Council                      DATE: August 10, 2009**  
**FROM: Joseph M. Woods, Recreation and Parks Director**  
**SUBJECT: Consideration of the City's Co-sponsorship of Events**

### **RECOMMENDATION:**

Staff recommends the City Council consider one of the three options in regard to the future co-sponsorship of events as well as the continuation of the existing co-sponsorship agreements.

**Option 1 - MOTION: I move that the City Council send this issue to the Recreation and Parks Commission for review and a recommendation returning it to the City Council by September.**

**Option 2 - MOTION: I move that the City Council approve the City's co-sponsorship of events with the following conditions (include conditions).**

**Option 3 - MOTION: I move that the City Council no longer support the City's co-sponsorship of events.**

### **FISCAL IMPACT:**

There is a fiscal impact to the City with the co-sponsorship of events as the rental fees received are reduced down to direct costs for services. In turn, the City does receive some marketing benefits from the events as well as indirect revenues via sales tax and possibly transient occupancy tax.

### **SUMMARY:**

In the mid-1990's the City Administrator approved the co-sponsorship of three events held in City Facilities. Those events included the Morro Bay Winter Bird Festival, the Morro Bay Jazz Festival and the Teach Foundation Telethon Fundraiser. The co-sponsorship "conditions" varied from event to event. At one time, the City had the ability to extend their liability coverage to other non-City events which was a significant contribution to new and sometimes fledgling events. It is important to note this practice was changed in mid-2000 with the City no longer able to extend their liability coverage to other events. The initial thought with co-sponsorship was to help start annual events and attract visitors to Morro Bay during the slower months of the year. There has been success with the Morro Bay

Winter Bird Festival as the event attracts visitors from out of the area, during the winter months, and for multiple night stays.

Currently, the Winter Bird Festival and the Teach Foundation Telethon Fundraiser are the only two events that continue to be co-sponsored by the City. The City also co-sponsored the Morro Bay Jazz Festival for one or two years, but the event did not continue. In recent months the City has received two additional requests for co-sponsorship of events including the Dahlia Daze event, which was not approved by the City Council and the Morro Bay Photo Expo (request attached). It is important to note these co-sponsorship arrangements pertain to outside agencies holding events in City of Morro Bay facilities versus an event such as the Rock to Pier Run which is a City event run by City staff.

In consideration of the May 2008 Management Partners Report, the February 2009 Goal Setting Workshop and based on the current economic conditions, City staff felt it important to bring forward the existing co-sponsorships for discussion. Staff is asking City Council to make a determination on the continuation and the possibility of co-sponsoring additional events, which will include a subsidy (direct revenue lost) from the City.

**DISCUSSION:**

When co-sponsorship agreements initially began, the City provided:

1. Liability coverage for the events
2. Decreased facility rental fee – charging only direct room rental rates
3. Staffing for set-up, tear-down

The City in turn received:

1. Listing as a co-sponsor for the event on all promotional items, press releases, posters, radio and TV spots, etc.
2. Advertising banners at the events

Over the years, the co-sponsorship benefits diminished with the groups now required to provide their own liability insurance, rental fees charged include the direct cost of all the facilities used and full costs for any staffing assigned to the event including set-up and tear down. As a point of discussion, with the following events, if the City were to continue with the current practice in the co-sponsorship, the cost difference for the event would be as follows:

**Morro Bay Photo Expo-2009**

Normal costs for the event (non-profit rate):	\$1,359.00
Costs for the event with co-sponsorship:	\$ 513.50
Difference	<b>\$ 845.50</b>

**Morro Bay Winter Bird Festival-2009**

Normal costs for the event (non-profit rate):	\$3,530.00
Costs for the event with co-sponsorship:	\$1,025.25
Difference	<b>\$2,504.75</b>

**Morro Bay Dahlia Daze-2009**

Normal costs for the event (non-profit rate): \$228.00  
Costs for the event with co-sponsorship: \$100.50  
Difference **\$127.50**

In their consideration, the City Council may want to consider co-sponsorship of newly established events/first time events that are multi-day and likely to encourage an overnight stay in Morro Bay and thus positively affecting the transient occupancy tax and sales tax revenues.

**CONCLUSION**

The City of Morro Bay has had some long term co-sponsorship arrangements that at this point would benefit from being reviewed and an overriding policy established by the City Council. This will enable City staff to equally and consistently relay the policy to requesting user groups.



AGENDA NO: C-2

MEETING DATE: October 12, 2009

# Staff Report

**TO:** Honorable Mayor and City Council

**DATE:** October 7, 2009

**FROM:** Bruce Ambo, Public Services Director

**SUBJECT:** Mandatory Water Conservation Requirements

**RECOMMENDATION:**

It is recommended that the City Council receive and file this report.

**MOTION:** I move that the City Council receive and file this report.

**FISCAL IMPACT:**

There is no fiscal impact associated with receiving and filing this report. The costs of noticing, reproducing water conservation brochures, mailing and disseminating the information to the community were approximately \$9,000 and were funded from the Water Fund.

**BACKGROUND/SUMMARY:**

On September 28, the City Council declared a water emergency on the effective date of October 19, with the pending State Water Project shutdown (November 1 and potentially extending to November 21). Mandatory Water Conservation Requirements are codified in the municipal code, as well as the authority of the Public Services Director to enforce these requirements to best conserve water during this period. This reports transmits the informational materials used to education the community and promote water conservation.

**DISCUSSION:**

The Public Services Department – Utilities Division newsletter “Water and Wastewater News” (Attachment 1) was sent to every postal address and location within the community with information on primarily the mandatory conservation program, but also has other important utilities. A separate community wide mailing will include the actual “Mandatory Water Conservation Measures” (Attachment 2). Notices and handouts have also been distributed for display at all City departments with public counters (Attachment 3). All restaurants, hotels and businesses related to serving visitor’s water will be distributed half page flyers to hand out to

**Prepared By:** \_\_\_\_\_

**Dept Review:**\_\_\_\_\_

**City Manager Review:** \_\_\_\_\_

**City Attorney Review:** \_\_\_\_\_

patrons stating the City's mandatory water conservation measures are in effect (Attachment 4). The City's website also has a considerable amount of the information on water conservation and the mandatory measures, as well as public service announcements which are currently being run on local government television (Channel 20).



AGENDA NO: D-1

MEETING DATE: October 12, 2009

## Staff Report

**TO:** Mayor and Council **DATE:** September 30, 2009  
**FROM:** John DeRohan, Police Chief  
**SUBJECT:** Report on Alcohol Beverage Control (ABC) License Modification Request by the Buoy Bar

### **RECOMMENDATION:**

Discuss the request by the owners of the Buoy Bar, the impacts on surrounding residences and make a recommendation to the ABC Board.

**ALTERNATE MOTION #1:** I move that the City Council file no written objection to the Buoy Bar's request for modifications to their ABC license that include:

1. **Modification of Current Condition #1** which would allow the sales, service and consumption of alcoholic beverages to be permitted between 6:00AM and 2:00AM.
2. **Modification of Current Condition #2** would allow permitting live entertainment, acoustic instruments only with minor amplification, no louder than the existing jukebox. Music would end by 9:00PM.
3. **Removal of Current Condition #5** which would no longer require at least one (1) uniformed security guard between the hours of 9:00PM and the time the bar closes every day of the week the premises is open for business and that all security guards be licensed by the Department of Consumer Affairs.

**ALTERNATE MOTION #2:** I move that the City Council file a written objection to the ABC Board opposing the request by the Buoy Bar to modify their ABC license and recommend continuance with the existing ABC license conditions.

**ALTERNATE MOTION #3:** I move that the City Council file a written objection to the ABC Board opposing the request by the Buoy Bar to modify their ABC license but recommend a compromise on the conditions and make the following recommendations to the to the ABC Board...(include your recommendations)

Prepared By: \_\_\_\_\_ Dept Review: \_\_\_\_\_  
City Manager Review: \_\_\_\_\_  
City Attorney Review: \_\_\_\_\_

**FISCAL IMPACT:**

None

**SUMMARY:**

The owners of the Buoy Bar, Brian and Nancy Rozario are requesting that three conditions to their current ABC license be modified:

1. Current Condition #1 requires that sales, service and consumption of alcoholic beverages shall be permitted only between the hours of 6:00AM and 1:00AM each day of the week.

The owners are requesting this condition be modified to allow the sales, service and consumption of alcoholic beverages to be permitted between 6:00AM and 2:00AM.

2. Current Condition #2 (this was also a previous condition with the previous owners) states that there shall be no live entertainment of any type permitted on the premises at any time.

The owners are requesting this condition be modified to permit live entertainment, only acoustic instruments with minor amplification no louder than the existing jukebox, and this live entertainment will be stopped by 9:00PM.

3. Current Condition #5 states that the licensee shall provide at least one (1) uniformed security guard between the hours of 9:00PM and the time the bar closes every day of the week the premises is open for business. All security guards will be licensed by the Department of Consumer Affairs.

The owners are requesting that this condition be eliminated.

**BACKGROUND:**

In August of 2008, Brian and Nancy Rozario purchased the Buoy Bar from Neighborhood Bar Concept, Inc. Prior to the sale of this bar, the Police Department experienced a high volume of calls for service at the Buoy Bar as well as numerous complaints from the surrounding residents. The ABC Board suspended the ABC license of the bar in 2007 for thirty days due to numerous violations. Even after the suspension was over, the Police Department continued to have problems at the Buoy Bar and the ABC Board issued additional warnings to the owners. The Police Department continued to receive complaints from the surrounding neighbors due to the noise and the bar not abiding by the conditions on their ABC license. The Buoy Bar is in a unique location in that it is surrounded by a residential neighborhood.

During the purchase negotiations of the bar, Brian and Nancy Rozario had meetings with the Police Chief and agents from ABC. Due to the history of the bar and the previous problems, additional conditions to the ABC license (Attachment1) were mutually agreed upon by the new owners in addition to the conditions already in existence. These included:

- #1. Sales, service and consumption of alcoholic beverages shall be permitted only between the hours of 6:00AM and 1:00AM each day of the week. The previous conditions allowed the sales, service and consumption until 2:00AM each day.
- #3. There shall be no dancing permitted on the premises at any time.
- #5. Licensee(s) shall provide at least one (1) uniformed security guard between the hours of 9:00PM and the time the bar closes every day of the week the premises is open for business. All security guards will be licensed by the Department of Consumer Affairs.

The new owners were informed by the ABC Board that they had the ability to petition for modification of these conditions after one year in existence or at the time they applied for a different ABC permit that included the serving of food. It has now been approximately one year since the new owners took control of the bar and they are exercising their right to request a modification of the ABC conditions. The ABC Board has notified the City of the request by the Rosarios and the City Council must respond back to the ABC Board by October 15, 2009 (30 days from the date of the ABC notice) if they choose to file a written objection or response to the modification/removal of the conditions (Attachment 2).

**DISCUSSION:**

Mr. and Mrs. Rozario and a Buoy Bar employee met with the Police Chief, City Manager and Police Commander a few months ago to discuss above listed modifications of 3 of the ABC Board conditions on their license. The ABC Board suggested they meet with the Chief to discuss their requests prior to submitting their official request to ABC Board.

Mr. Rozario believes he has made great strides to “clean up” the Buoy Bar since becoming the owner. He stated that he was in the process of installing a new recorded security camera system to include exterior cameras of his parking lot and the street area. His intent is to deter any criminal activity or noise issues in his parking lot. He believes that his efforts are the reason the bar is no longer a burden on the Police Department and some of the neighbors concur with this. Other neighbors believe that in conjunction with the Rozario’s efforts, the additional ABC Board restrictions mentioned above have contributed to the “cleaning up” of the bar.

Since that meeting, the Police Chief received a petition signed by several neighbors surrounding the Buoy Bar supporting the Rozario’s request to modify the three conditions. The Police Chief has also received four (4) letters from surrounding residents opposing the Rozario’s request and insisting the existing ABC Board conditions remain. The Police Chief also has had subsequent meetings with Mr. Rozario and has spoken with a couple of the surrounding neighbors with opposing views. During a meeting on July 22, 2009 with Mr. Rosario, he mentioned that his busiest days were Thursday, Friday and Saturday and asked for some relief for those days. A compromise to propose to the ABC Board was discussed that Mr. Rosario initially agreed to at the meeting. This compromise was as follows:

- Regarding the request to modify Condition #1: The compromise would be to allow the bar to extend its hours of operation until 2:00AM on Thursday, Friday and Saturday nights. Sunday through Wednesday would continue the existing closing time of 1:00AM.
- Regarding the request to modify Condition #2 –No objection to this request but further define it to allow acoustic instruments only as live entertainment, no percussion or non acoustic instruments. The sound will not be audible beyond the area under control of the licensee(s) and the live entertainment will stop by 9:00PM.
- Regarding the request to modify Condition #5 – The compromise would be to require a uniformed, licensed security guard on Thursday, Friday and Saturday nights and eliminate the requirement for a licensed, uniformed security guard Sunday through Wednesday nights.

The following day, the Police Chief received a phone call from Mr. Rosario who said he spoke to his attorney and is no longer willing to the compromise discussed earlier, nor willing to consider any other compromises. He stated he was pursuing his original request for modifications (Attachment 3).

The Police Department has experienced a reduction in calls for service at the Buoy Bar during the past year as compared to previous years. Between September 1, 2008 and September 29, 2009, there were nine (11) disturbance incidents at the bar. Disturbance incidents include fights, loud noise, verbal arguments, disorderly bar patrons, etc. Of those eleven, only one complaint was called in by a nearby resident complaining of a noisy crowd outside. Six were reported by the bar employee(s) asking for assistance from the police. Two were calls after-the-fact by victims of a threat and a battery, and two were discovered by officers on patrol driving by. One major incident occurred recently at the bar on September 19, 2009 in which a suspect punched Mr. Rosario the Bar Owner in the face causing injuries sending Mr. Rosario to the hospital. The suspect was ultimately arrested. Mr. Rosario was in a security guard uniform at the time and information obtained by the Police Department indicated that Mr. Rosario was filling in as security that evening due to the required licensed, uniformed security guard being ill. Mr. Rosario filling in as a security guard would constitute a violation of the ABC conditions. This information has been referred to the ABC Board.

**CONCLUSION:**

Depending on the motion made by Council, comments will be forwarded to the ABC Board for their consideration if so desired. Any modifications to the ABC license of the Buoy Bar rest solely with the ABC Board.

**BEFORE THE  
DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL  
OF THE STATE OF CALIFORNIA**

**In the Matter of the Application of:**

Brian ROZARIO  
Nancy Nagano ROZARIO  
DBA: Buoy  
2940 Main Street  
Morro Bay, CA 93442-1411

**File:** 48-468875

**Reg:**

**PETITION FOR  
CONDITIONAL  
LICENSE**

For issuance of an On-Sale General Public Premises License

Under the Alcoholic Beverage Control Act

**WHEREAS**, petitioner(s) has/have filed an application for the issuance of the above-referred-to license(s) for the above-mentioned premises; and,

**WHEREAS**, the Morro Bay Police Department has provided the Department with substantial evidence of an identifiable problem which exists at the premises or in its immediate vicinity; and

**WHEREAS**, transfer of the existing unrestricted license would be contrary to public welfare and morals;

**WHEREAS**, pursuant to Business and Professions Code Section 23800 (e) the Department may grant a license transfer where the transfer with condition will mitigate problems identified by the local governing body or its designee; and,

**WHEREAS**, petitioner stipulates that by reason of the existence of substantial evidence of identifiable problems at the premises or its immediate vicinity, grounds exists for denial of said license transfer; and,

**WHEREAS**, the proposed premises and/or parking lot, operated in conjunction therewith, are located within 100 feet of residence(s).

**WHEREAS**, issuance of the applied-for license without the below-described conditions would interfere with the quiet enjoyment of the property by nearby residents and constitute grounds for the denial of the application under the provisions of Rule 61.4, of Chapter 1, Title 4, of the California Code of Regulations, and;

**WHEREAS**, the issuance of an unrestricted license would be contrary to public welfare or morals;

**NOW THEREFORE**, the undersigned petitioner(s) do/does hereby petition for a conditional license as follows, to-wit:

1. Sales, service and consumption of alcoholic beverages shall be permitted only between the hours of 6:00 AM and 1:00 AM each day of the week.
2. There shall be no live entertainment of any type permitted on the premises at any time.
3. There shall be no dancing permitted on the premises at any time.

4. Entertainment provided shall not be audible beyond the area under control of the licensee(s) as defined on the ABC-257 dated 7/14/08.
5. Licensee(s) shall provide at least one (1) uniformed security guard between the hours of 9:00 PM and the time the bar closes every day of the week the premises is open for business. All security guards will be licensed by the Department of Consumer Affairs.
6. The main entrance door on the South side of the premises shall be kept closed after 9:00 PM daily, except in cases of emergency, to permit deliveries, and for normal patron ingress and egress. The door on the East side of the premises shall be kept closed after 9:00 PM daily, except in cases of emergency, to permit deliveries, and for normal patron ingress and egress. Said doors not to consist solely of a screen or ventilated security door.
7. No pay phone will be maintained outside the licensed premises on property under the control of the licensee(s) as depicted on the ABC-257 dated 7/14/08.
8. The licensee(s) shall not permit patrons to use the outside areas on the South and East sides of the premises as a smoking area.
9. The sale of alcoholic beverages for consumption off the premises is prohibited.
10. No alcoholic beverages shall be consumed on any property adjacent to the licensed premises under the control of the licensee(s).
11. Any graffiti painted or marked upon the premises or any adjacent areas under the control of the licensee(s) shall be removed or painted over within forty-eight (48) hours of being applied.
12. Licensee(s) shall be responsible for maintaining free of litter the area adjacent to the premises over which they have control.

This petition for conditional license is made pursuant to the provisions of Sections 23800 through 23805 of the Business and Professions Code and will be carried forward in any transfer at the applicant-premises.

Petitioner(s) agree(s) to retain a copy of this petition on the premises at all times and will be prepared to produce it immediately upon the request of any peace officer.

The petitioner(s) understand(s) that any violation of the foregoing condition(s) shall be grounds for the suspension or revocation of the license(s).

DATED THIS 26 DAY OF AUGUST, 2008.

  
BRIAN ROZARIO  
Applicant/Petitioner

## Business and Professions Code 23803

23803. The department, upon its own motion or upon the petition of a licensee or a transferee who has filed an application for the transfer of the license, if it is satisfied that the grounds which caused the imposition of the conditions no longer exist, shall order their removal or modification, provided written notice is given to the local governing body of the area in which the premises are located. The local governing body has 30 days to file written objections to the removal or modification of any condition. The department may not remove or modify any condition to which an objection has been filed without holding a hearing as provided in Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

Any petition for the removal or modification of a condition pursuant to this section shall be accompanied by a fee of one hundred dollars (\$100).

**DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL**

3220 S. Higuera Street  
Suite 233  
San Luis Obispo, CA 93401  
(805) 543-7183  
(805) 543-3814 FAX



RECEIVED

SEP 21 2009

ADMINISTRATIVE OFFICE  
CITY OF MORRO BAY

September 15, 2009

**Morro Bay City Council**  
**595 Harbor**  
**Morro Bay, CA 93442**

Certified Mail

Return Receipt Requested

Re: ROZAROI, Brian  
Dba: Buoy  
2940 Main St.  
Morro Bay, CA 93442-1411  
File #: 48-468875

Dear Council Members,

This is to inform you pursuant to Section 23803 of the Business and Professions Code which became effective January 1, 1998, the department is required to notify local governing bodies of any petition to remove or modify any conditions on an alcoholic beverage license.

Please be advised that ROZAROI, Brian has petitioned the Department to remove or modify certain conditions on his alcoholic beverage license. I have enclosed the following items for your information and consideration:

1. A copy of Section 23803 of the Business and Professions Code
2. A copy of the existing Petition for conditional License, which contains the license conditions, and the grounds for their original imposition.
3. A copy of the licensee's letter, describing the conditions the licensee is seeking to remove or modify.

According to the provisions of Section 23803 BPC, you have thirty (30) days to file a written objection to the modification/removal of these conditions. If you have any questions or need any additional assistance in this matter, please do not hesitate to contact me at (805) 541-7143.

Sincerely,

Matthew J. Austin  
Licensing Representative II

cc: City Manager,  
City Attorney

Police Chief

**THE BUOY**  
2940 Main Street  
Morro Bay, CA 93442  
Tel: 805-772-7000 Fax: 805-772-3705

August 17, 2009

To  
Department Of Alcoholic Beverage Control  
City Of Morro Bay

From.  
Brian Rozario & Nancy N. Rozario  
2940 Main Street.  
Morro Bay, CA 93442

**FILE: 48-468875**

**RE: REQUEST TO CHANGE THE FOLLOWING CONDITIONS**

**Condition # 1**

Request to permit sales, service and consumption of alcoholic beverage between the hours of 6:00 AM and 2:00 AM each day of the week.

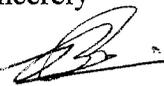
**Condition # 2**

Request to permit live entertainment, only acoustic with solo speaker, no amplifier. Sound will be no louder than existing jukebox.

**Condition # 5**

Request to waive Licensed uniformed security guard.

Sincerely



Brian Rozario  
2940 Main Street  
Morro Bay, CA 93442

RECEIVED  
AUG 17 2009  
Dept. of Alcoholic Beverage Control  
San Luis Obispo



**DISCUSSION:**

In 2002, the City of Morro Bay received a 2002 Bond Act (Proposition 40) Per Capita Block Grant. Our contract has a remaining balance of \$70,000. This balance amount is unallocated at this time. In order to utilize this remaining balance, the City of Morro Bay must submit a project application for review and approval. The first step in this process is the adoption of a Resolution dedicating the City's commitment to the project, which includes improvements to Lila Keiser Park.

Staff has evaluated the current conditions at Lila Keiser Park, and has formulated a project which meets multiple City objectives. The objectives would be to provide a safe place for the community to recreate, as well as to attract and maintain positive revenue streams. The project would include the replacement of bleachers at both West and East fields, the replacement of the scoreboard on the East field, additional fencing at both fields, and possibly some parking lot improvements. Staff feels that the available funds would satisfy the financial demand brought about by the above project improvements.

Staff has included the August correspondence from the Office of Grants for Local Services for your review.

**CONCLUSION:**

Staff recognizes the efforts previously demonstrated to capture the \$220,000 Block Grant, and feel it is in the best interest of the City to request the remaining unallocated balance for the use of the improvements to Lila Keiser Park.

**RESOLUTION NO. 52-09**

**RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF MORRO BAY, CALIFORNIA  
APPROVING THE APPLICATION FOR GRANT FUNDS FOR THE PER CAPITA  
GRANT PROGRAM UNDER THE CALIFORNIA CLEAN WATER, CLEAN AIR, SAFE  
NEIGHBORHOODS, AND COASTAL PROTECTION ACT OF 2002  
FOR IMPROVEMENTS TO LILA KEISER PARK**

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

**WHEREAS**, the people of the State of California have enacted the Per Capita Grant Program which provides funds for the acquisition and development of neighborhood, community, and regional parks and recreation land and facilities; and

**WHEREAS**, the California Department of Parks and Recreation has been delegated the responsibility for the administration of the grant program, setting up necessary procedures; and

**WHEREAS**, said procedures established by the California Department of Parks and Recreation require the Applicant's Governing Body to certify by resolution the approval of the Applicant to apply for the Per Capita Allocation; and

**WHEREAS**, the Applicant will enter into a Contract with the State of California;

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Morro Bay, California, that the City Council of the City of Morro Bay hereby:

1. Approves the filing of an Application for the local assistance fund from the Per Capita Grant Program under the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002; and
2. Certifies that the Applicant has or will have sufficient funds to operate and maintain the Project(s); and
3. Certifies that the Applicant has reviewed, understands and agrees to the General Provisions contained in the Contract shown in the Procedural Guide; and
4. Appoints the Recreation and Parks Director as agent to conduct all negotiations, execute and submit all documents including, but not limited to Applications, agreements, payment requests and so on, which may be necessary for the completion of Project(s).

**PASSED AND ADOPTED** by the City Council of the City of Morro Bay at a regular meeting thereof held on the 12th day of October, 2009 on the following vote:

AYES:  
NOES:  
ABSENT:

\_\_\_\_\_  
Janice Peters, Mayor

ATTEST:

\_\_\_\_\_  
Bridgett Bauer, City Clerk



AGENDA NO: D-3

MEETING DATE: 10/12/2009

# Staff Report

**TO: Honorable Mayor and City Council**

**DATE: 10/12/2009**

**FROM: Joseph M. Woods, Recreation and Parks Director**

**SUBJECT: Recommendation for Use of Park in Lieu Funds to Contribute to the Completion of an Aquatics Center Feasibility Study Sponsored by the community group, The Pool at Morro Bay.**

**RECOMMENDATION:**

Staff recommends the City Council approve the use of \$15,000 of Park in Lieu funds for the completion of Phase 2 of the Aquatics Center Feasibility Study sponsored by the non-profit community group, "The Pool at Morro Bay".

**FISCAL IMPACT:**

Up to \$15,000 financial impact of Park in Lieu funds; however, no financial impact would be realized by the General Fund. With this commitment, there will be approximately \$58,000 in the Park In Lieu fund.

**SUMMARY:**

In the attempt to reestablish a community pool in Morro Bay, the San Luis Coastal Unified School District, City of Morro Bay, County of San Luis Obispo, and The Morro Bay Community Pool Foundation (a community based nonprofit organization) met to establish a strategic plan. It was agreed that the Morro Bay Community Pool Foundation would be responsible for funding and completing a feasibility study prior to any other action taking place. After this strategic planning meeting, a second community-based nonprofit organization, The Pool at Morro Bay, was established, and has taken the responsibility to complete the feasibility study. This group has sufficient funds to complete the first phase of the feasibility study and is requesting support from the City of Morro Bay to complete the second phase.

Prepared By: \_\_\_\_\_

Dept Review: JMW

City Manager Review: \_\_\_\_\_

City Attorney Review: \_\_\_\_\_

**BACKGROUND:**

The idea and desire to have a community pool dates back to the incorporation of the City of Morro Bay. Through resources available at the time a community pool was built at the Morro Bay High School and was jointly used by the District and the City. In 1998 the pool was closed. The District's attempt to build a new pool in 2000 failed due to budget issues. The current direction includes a collaborative effort to establish an Aquatics Center. The organizations involved are: San Luis Coastal Unified School District, City of Morro Bay, County of San Luis Obispo, The Morro Bay Community Pool Foundation, and The Pool at Morro Bay.

**DISCUSSION:**

City Council reviewed a request from the Morro Bay Community Pool Foundation for partnership in the pursuit of an Aquatics Center. At the regular scheduled City Council meeting of November 10, 2008, the City Council unanimously agreed to adopt Resolution 77-08, which supports this community group in their goal of providing an aquatics center in conjunction with the County, School District, and the City of Morro Bay. Shortly after, staff met with the project principles and developed an initial strategy, before long term planning would be addressed. The initial strategy consists of two parts, a loose knit Memorandum of Understanding (MOU) and a feasibility study. The MOU between San Luis Coastal Unified School District, City of Morro Bay, County of San Luis Obispo, and The Morro Bay Community Pool Foundation would identify each principles obligations and conditions of participation. A feasibility study would be outsourced and the Foundation agreed to raise the funds necessary to complete a feasibility study for the proposed community aquatics center.

During the last eight months the dynamics of the Morro Bay Community Pool Foundation have changed and that group has split into two groups. The Morro Bay Community Pool Foundation (MBCPF) and The Pool at Morro Bay (TPAMB). MBCPF is actively working on current pool opportunities to satisfy the perceived need of the Estero Bay Community. The TPAMB is actively fundraising to contract with a third-party to develop a feasibility study for the aquatics center. Both organizations seem to be communicating and efforts are not being duplicated. All parties involved agree the feasibility study is the next task and must be completed before any other resources are allocated.

The efforts of fundraising for the feasibility study have brought The Pool at Morro Bay requesting financial support to augment the current organizational financial contributions. The use of Park in Lieu funds for a feasibility study, is believed to satisfy requirements of the Quimby Act, and would directly address the City's intent, outlined in Resolution 77-08, to support the efforts in providing the community with an aquatic center project. Phase I of the study consists of a phone survey of residents ranging from San Simeon to San Luis Obispo, and will be completely funded by The Pool in Morro Bay.

**CONCLUSION:**

The completion of a feasibility study is an essential part of the initial effort to provide the Estero Bay community with an Aquatics Center. The allocation of Park in Lieu funds would contribute to the success of that endeavor. The Recreation and Parks Commission recommends the City Council allocate \$15,000 of Park in Lieu funds to support the second phase of the pool feasibility study.