

Morro Bay Waterfront Master Plan

City of Morro Bay
Waterfront Master Plan
Advisory Committee
December 4, 2025



Agenda

- **Community Development Director Update**
- **November 18th Workshop Debrief**
- **Market Analysis**
- **Transportation Background Report**

*Community
Development
Director Update*



Workshop #1 Debrief



Workshop #1 Overview

- Key themes of workshop input
- WMPAC member impressions
- Input for future workshops?



Join us for the
**Morro Bay Waterfront Master Plan
Community Workshop!**

Help shape the
future of the Morro
Bay waterfront!

Where

Veterans Memorial Building
209 Surf St, Morro Bay, CA

When

Tuesday, November 18, 2025
6:00 pm - 8:00 pm



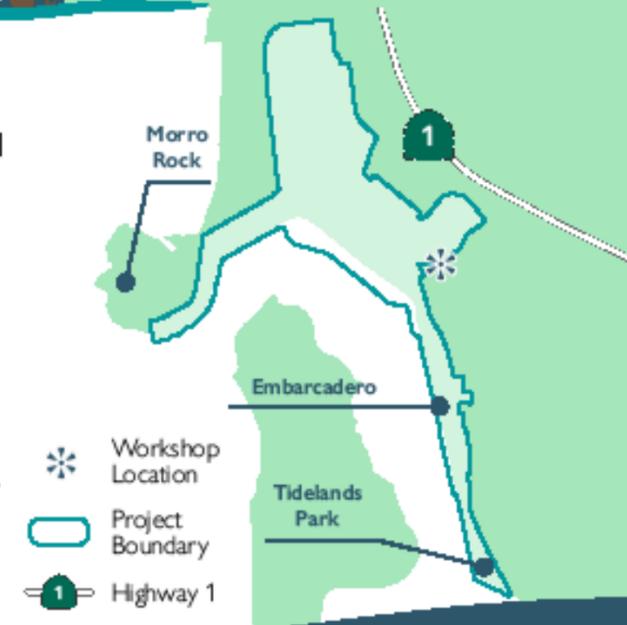
Kids Activities & Refreshments!

The City of Morro Bay is updating its vision for future land use, circulation, environmental protection, and infrastructure along the waterfront – and wants to hear from you!

Join us to:

- Learn more about the plan,
- Provide input on what the waterfront is today, and
- Review the 1996 Waterfront Master Plan.

An opening presentation will be given at 6:00 pm, followed by an open house to engage with the team.



Scan the QR code or go to <https://www.morrobayca.gov/1116/Waterfront-Master-Plan> to learn more about the project!

Questions? Please contact Airlin Singewald
E-mail: asingewald@morrobayca.gov Phone: 805-772-6291



Workshop #1



Market Analysis



PURPOSE OF MARKET SCAN

This market scan will support the Waterfront Master Plan process by informing a vision for future uses on the waterfront that **leverage the strengths of Morro Bay's character and economy** while aligning with the city's economic development policies and goals.



MARKET SCAN PROCESS

The market scan includes three sections that together analyze Morro Bay's economy and market to inform opportunities for future demand at the waterfront.



Demographics

How have demographics and socioeconomics in Morro Bay shifted over the years?



Industry

Which industries are driving economic growth in the city and can be compatible with future uses on the waterfront?



Real Estate

How are certain uses performing in the city today and what opportunities does this present for the waterfront?

Analysis of future demand for potential uses that can catalyze further activation on the waterfront, while aligning with Morro Bay's character, strengths, and goals.

STAKEHOLDER INTERVIEW SUMMARY

Stakeholder interviews yielded concerns on regulatory, development, and maintenance challenges, in addition to presenting ideas around how to improve the waterfront experience and drive activity.

Public Maintenance and Improvements

- Waterfront infrastructure such as launch ramps, piers, and mooring fields are in disrepair
- The Embarcadero should be beautified, cleaned up, lit after dark, and have public restrooms
- Driving and pedestrian infrastructure could be improved and better connected to downtown

Private Development and Maintenance Challenges

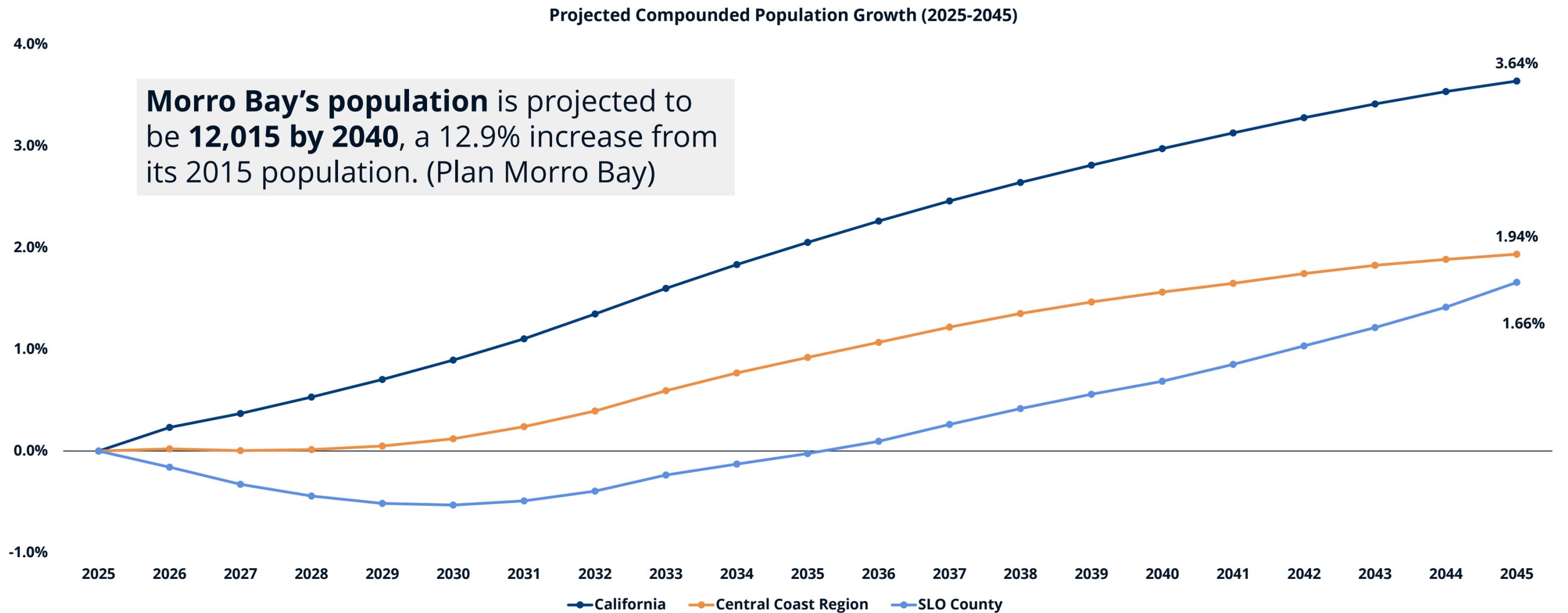
- Regulations from the City, Tidelands Trust, and Coastal Commission are costly, burdensome, and unpredictable
- Environmental resilience needs make waterfront development and maintenance expensive
- The City could better incentivize and support leaseholder development and maintenance

Visitor Attraction Strategy

- Offer experiential tourism tied to the commercial fishing industry
- Revitalize events and festivals
- Expand water-based activities
- Build a conference center and higher-end hotel and retail
- Expand the Maritime Museum and add other attractions

POPULATION PROJECTIONS

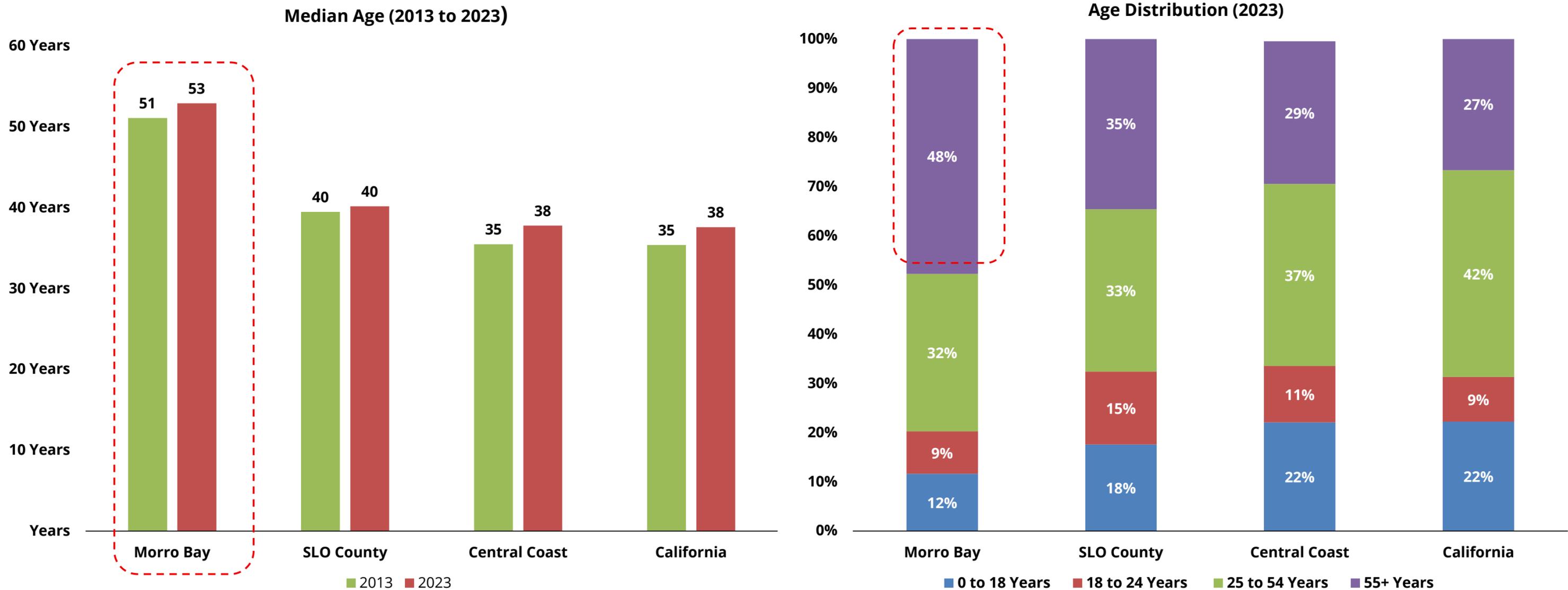
California's strong projected population growth through 2045 contrasts with San Luis Obispo County's projected population decline followed by a more moderate recovery, while Morro Bay is expected to see some population growth.



Source: State of California Department of Finance Demographic Research Unit, Plan Morro Bay

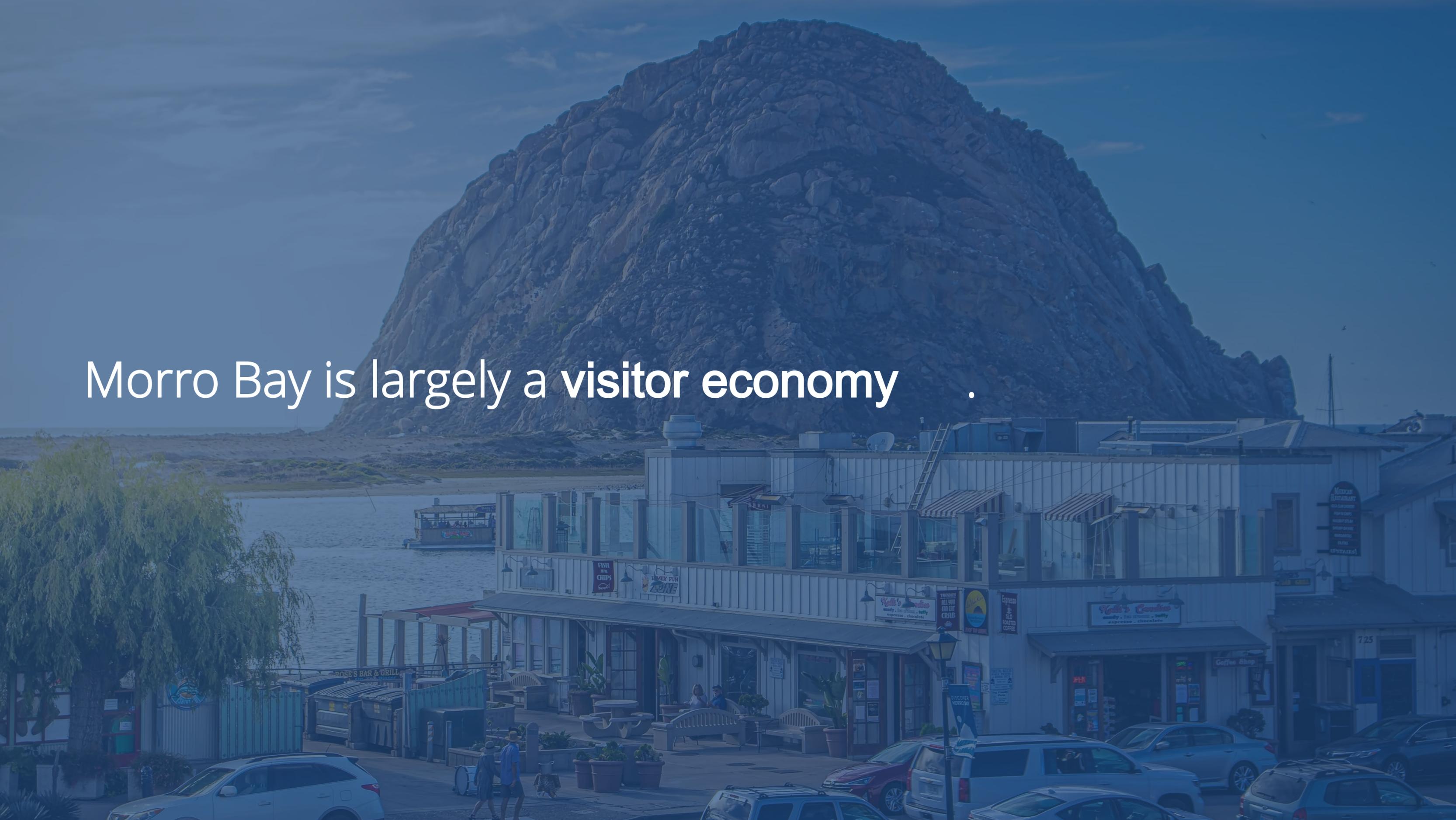
MEDIAN AGE AND AGE DISTRIBUTION

The median age of a Morro Bay resident is significantly higher than the median age statewide, with 48% of Morro Bay residents being older than 55 in 2023.



Source: U.S. Census ACS 5-Year Data

Morro Bay is largely a **visitor economy** .

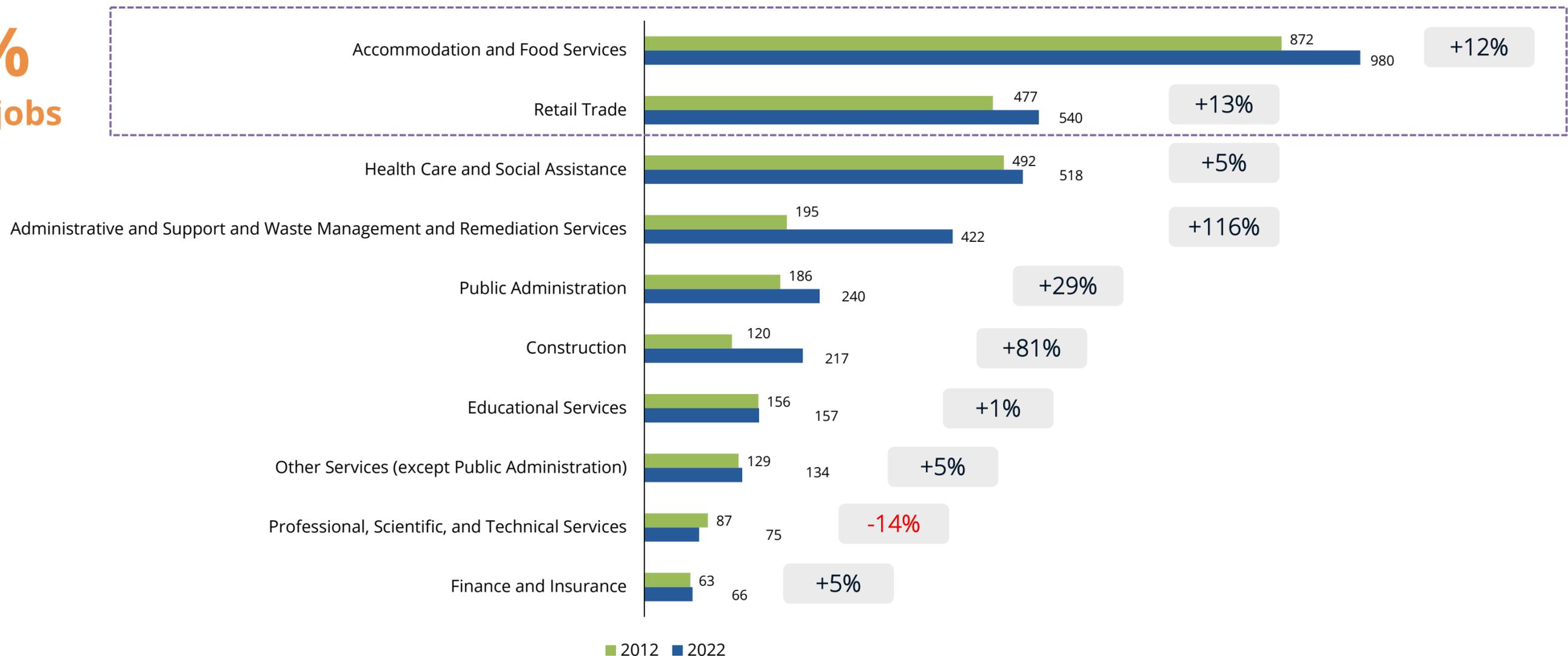


TOP TEN INDUSTRIES IN MORRO BAY

Accommodation and Food Services as well as Retail Trade are the largest industries in Morro Bay and have both increased in the last ten years, reflecting Morro Bay's strength as a tourist destination.

Job Change in Morro Bay's Ten Biggest Industries by Jobs (2012 to 2022)

42%
of total jobs



Source: U.S. Census Longitudinal Employer-Household Dynamics Data

COMMERCIAL FISHING TODAY

Commercial Fishing in Morro Bay has experienced a sharp decline since 2014.

Due to challenges faced by fisheries across the state and especially because of the decrease in Dungeness crab harvesting, commercial fishing in **Morro Bay** has faced a steep decline.

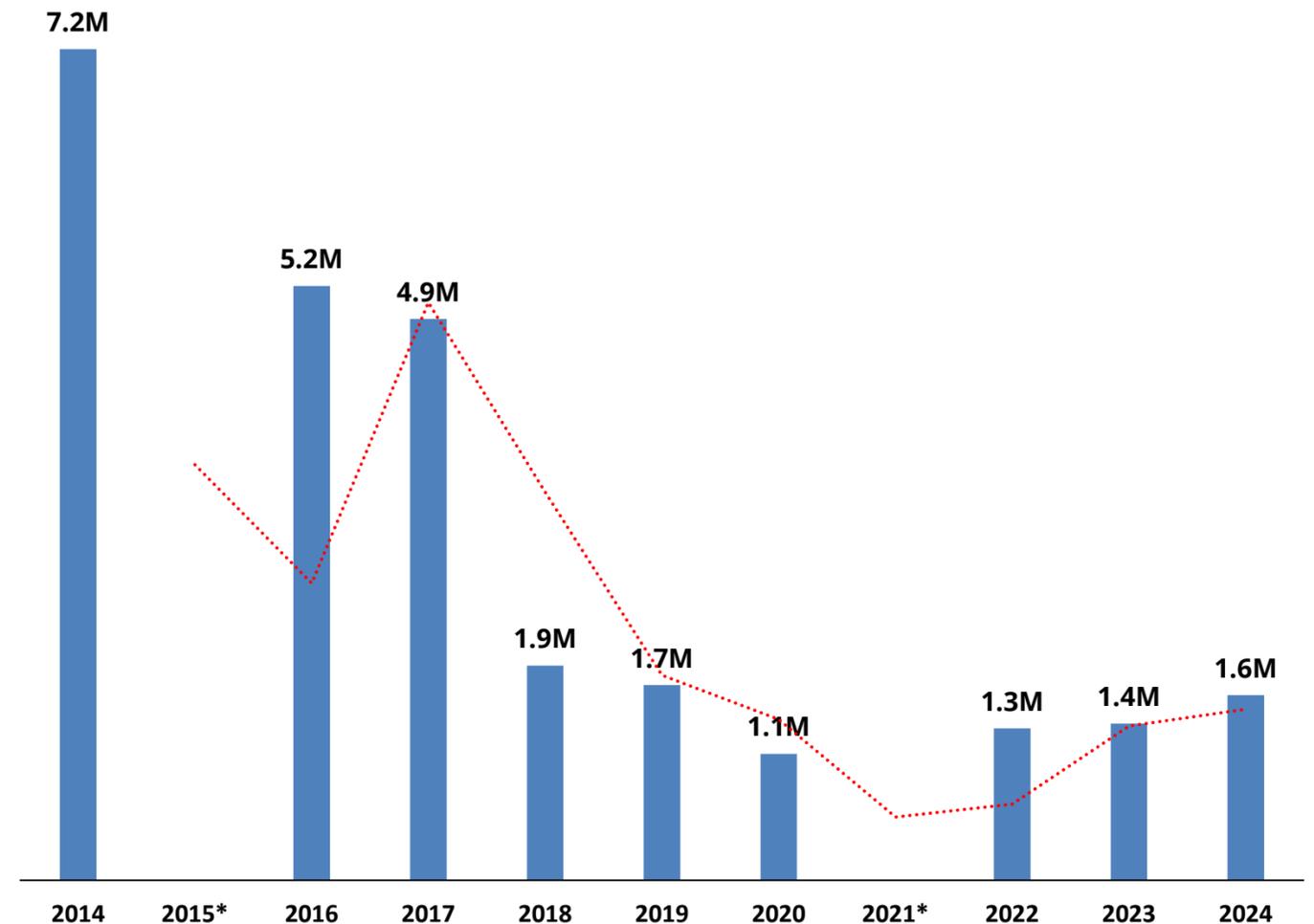


Dungeness crab harvesting (San Luis Obispo Tribune)

Source: California Department of Fish and Wildlife; "The Rise and Fall of Commercial Fishing in Morro Bay," 2019, Historical Society of Morro Bay
*No data is available for 2015

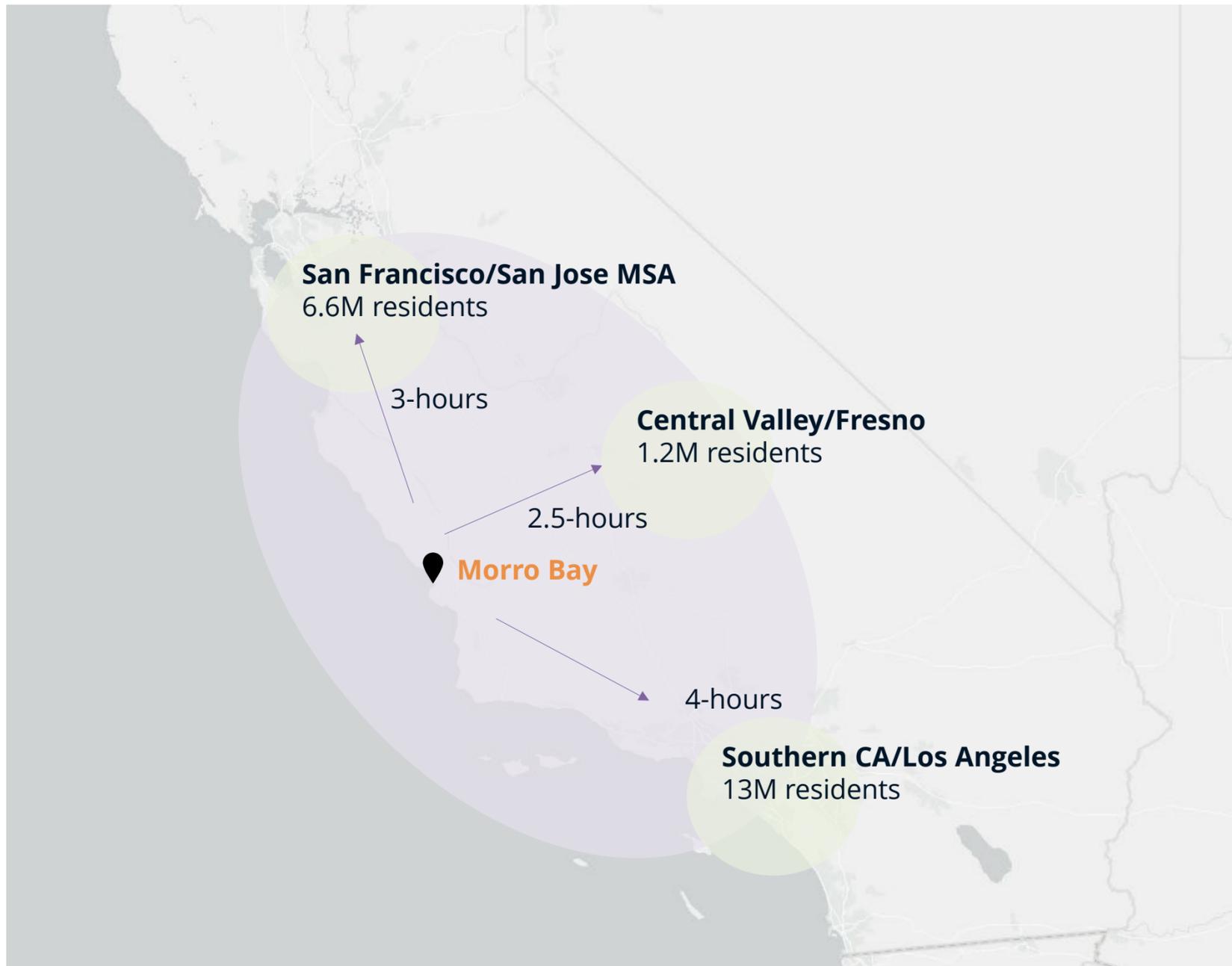
Commercial fishing landings in Morro Bay have **decreased by nearly 80%**.

Total Commercial Fishing Landings in Morro Bay (lbs) (2014-2024)



POTENTIAL VISITOR SEGMENTS

There are three major population centers and over 20 million California residents within a four-hour drive of Morro Bay, providing the city with a massive pool of potential visitors across a range of demographics.



760K Annual Visitors to Morro Bay (2024)



21 M Estimated Visitor Capture Market

~**4%** of Estimated Visitor Capture Market (Today)

+1% increase in visitor capture (Future potential)

~**1 M** Future Annual Visitors to Morro Bay

TAX REVENUE COMPARED TO PEER CITIES

Compared to peer cities, Morro Bay has the highest sales tax revenue per capita but relatively low TOT revenue, reaffirming the strength of its retail sector and indicating potential for growth in hospitality.



TOT per capita:

\$420

\$760

\$1,890

\$1,020

\$75

Sales and Use Tax per capita:

\$690

\$290

\$480

\$540*

\$440

Population (2024):

10,600

11,300

8,000

29,000

109,800

Source: City of Morro Bay FY 2025-26 Operating and Capital Budget; FY 2024-25 City of Half Moon Bay Annual Budget – Adopted; Pismo Beach Fiscal Year 2025 Financial Status Report; City of Monterey 2025-26 Adopted Budget; City of Ventura Adopted Budget FY 2025

PEER CITY HOTEL MIX

Compared to most peer cities, Morro Bay's hotel mix features a significantly higher proportion of Economy and Upper Midscale properties and less Upscale/Luxury properties.

	Economy		Midscale		Upper Midscale		Upscale/Luxury	
	Properties	Rooms	Properties	Rooms	Properties	Rooms	Properties	Rooms
Morro Bay	17	464 (46%)	6	136 (13%)	10	331 (33%)	4	87 (9%)
Half Moon Bay	1	12 (13%)	0	0 (0%)	1	52 (57%)	3	28 (30%)
Monterey	28	957 (20%)	15	607 (13%)	9	462 (10%)	16	2,779 (58%)
Pismo Beach	5	363 (17%)	8	236 (11%)	4	265 (12%)	14	1,263 (59%)
Ventura	8	1,581 (33%)	26	599 (12%)	11	1,087 (22%)	11	1,575 (33%)

Source: HR&A analysis of CoStar data

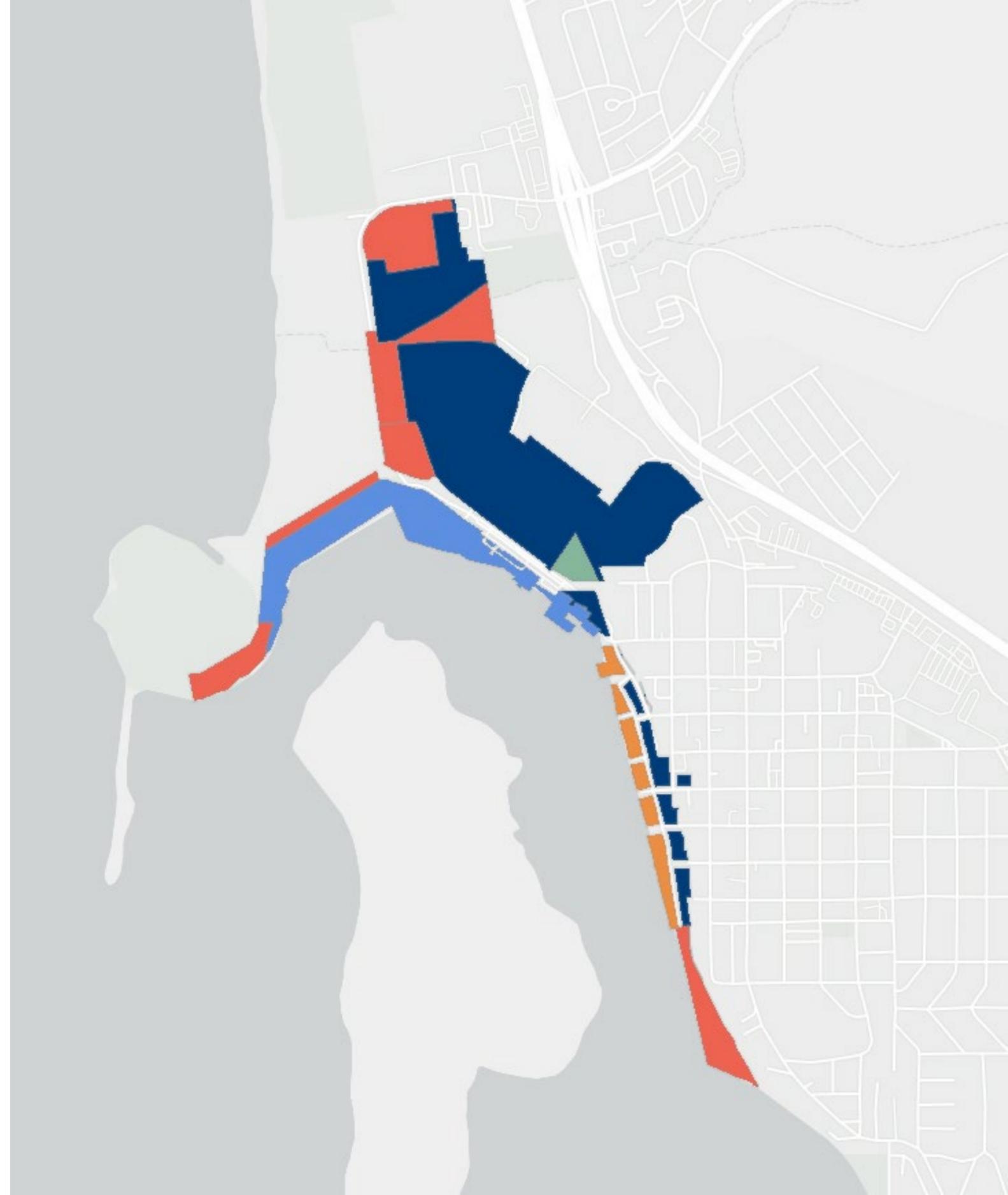
MIX OF WATERFRONT USES

The waterfront study area is a mix of commercial and recreational land uses that support the visitor experience along with the commercial fishing industry.

USE	ACRES*	SHARE
Visitor Serving Commercial	101	29%
Open Space / Recreation	214	63%
Commercial / Recreational Fishing	21	6%
Mixed Uses (Harbor)	0.1	0%
Public/Institutional	2	0%

Source: Land use data from the City of Morro Bay

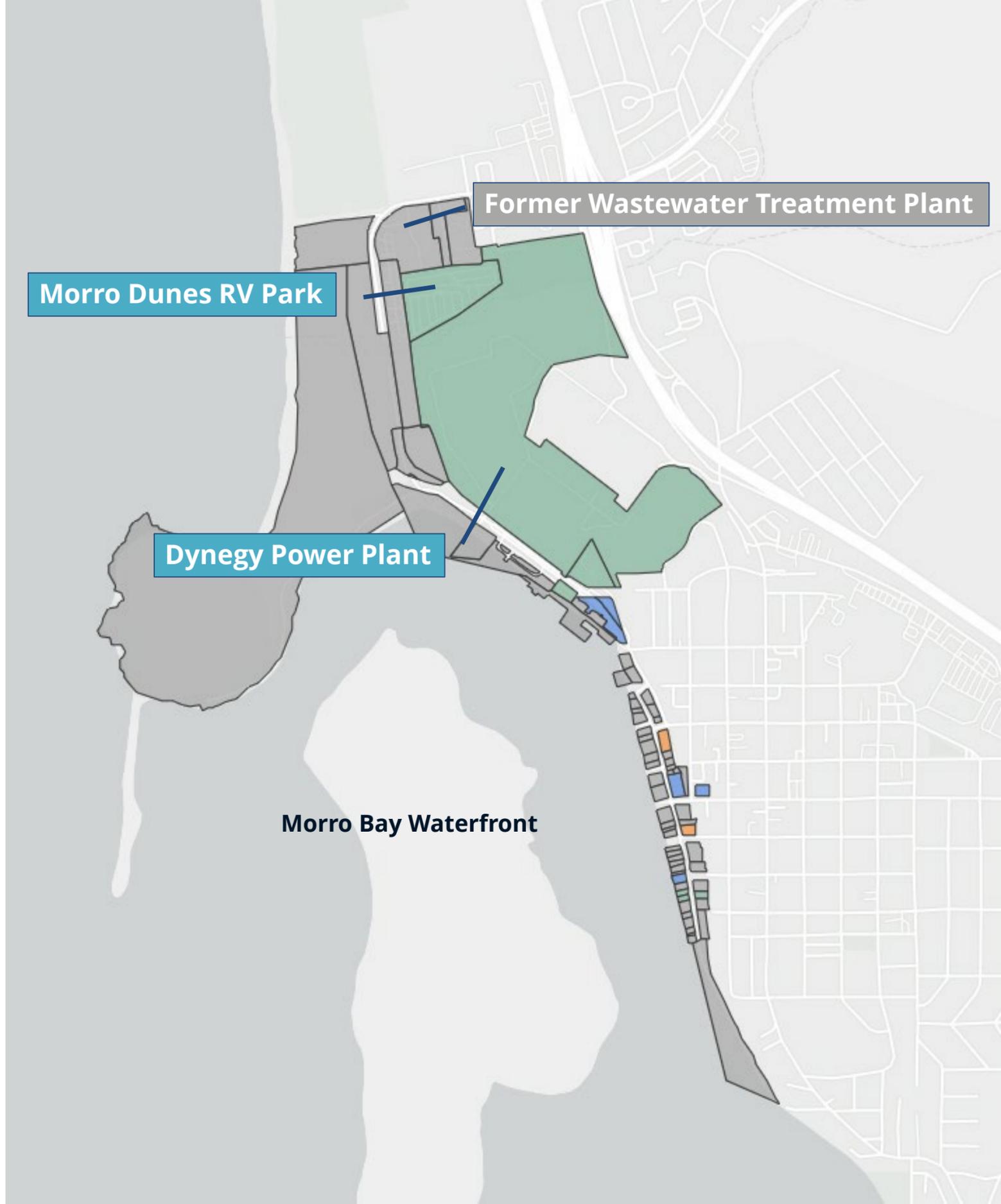
*Based on available parcel data and to be confirmed by City.



POTENTIAL OPPORTUNITY SITES

There are several vacant and underutilized sites along the waterfront area, both large and small, that could be positioned for redevelopment and support more activity at the waterfront.

USE	ACRES	SHARE
Vacant	1	>0%
Parking Lot	3	1%
Opportunity Sites*	104	39%



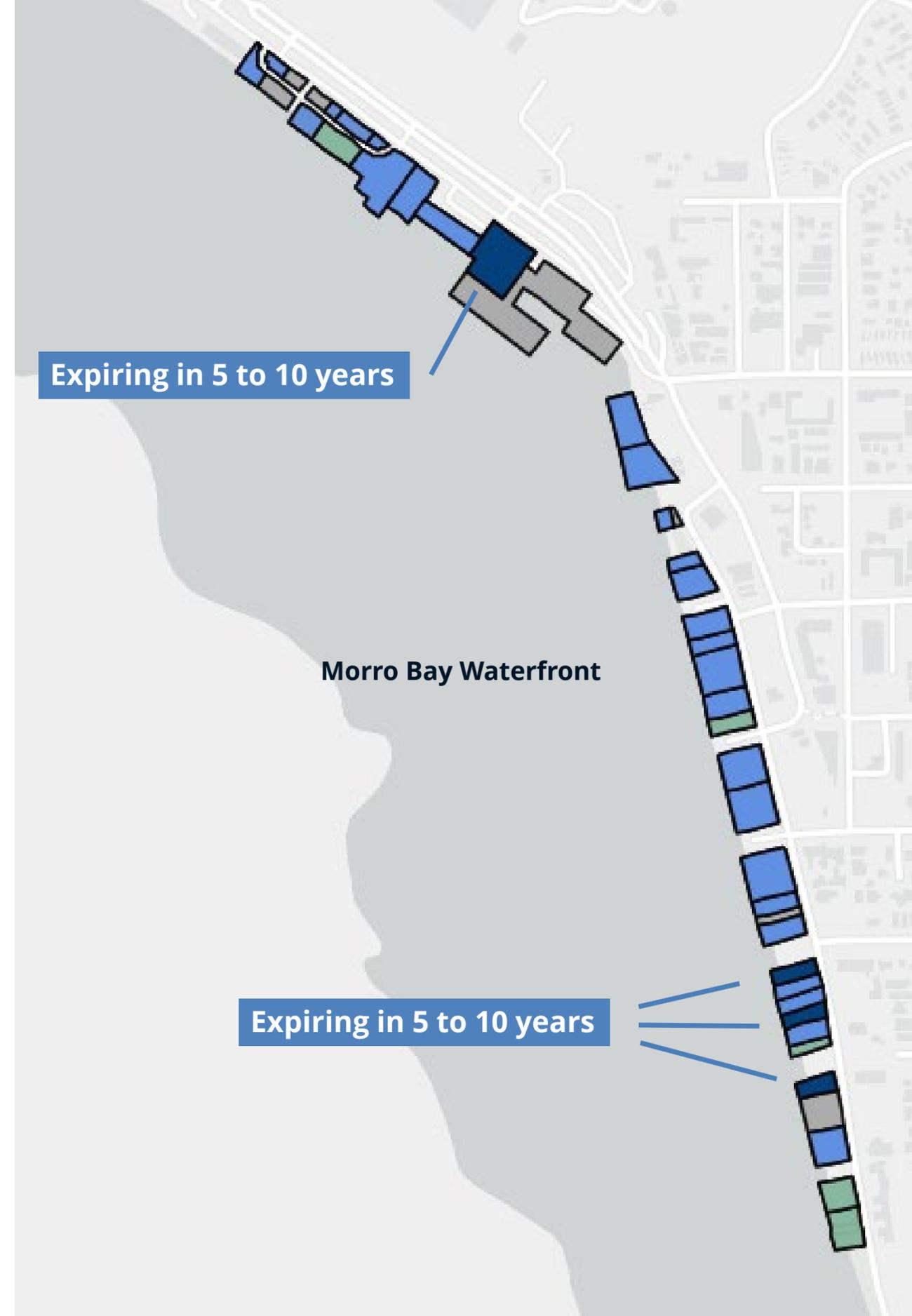
Source: Parcel data from the City of Morro Bay

*Opportunity Sites are non-vacant but underutilized sites with redevelopment potential

CITY LEASE PROPERTIES

Of the over 30 active waterfront leases, 4 expire in the next ten years, offering an opportunity to redevelop up to 11% of the total leased area.

Expiration	Leases	Acres	Area Share
5 to 10 Years	4	1.02	9%
10+ Years	23	5.94	50%
Pending	5	0.95	8%
Unknown	Unknown	3.86	33%



REAL ESTATE SCAN KEY TAKEAWAYS

- Across all uses, the city and waterfront **experienced very little new construction**, leading to tight markets with very low vacancy rates and increasing rents, particularly for retail and multifamily.
- **Hotel offerings in the city and along the waterfront remain limited**, with need for a broader diversity of hotel offerings that can support a growing tourism industry.
- **Morro Bay's waterfront has a strong retail presence but lacks having a variety of retail experiences**, such as fine dining and boutique shopping, that can support attracting new visitor segments.
- In the next 10 years, there are a few waterfront leases set to expire, **creating opportunities for redevelopment** that align the future vision for the waterfront.
- **Development on the waterfront can be difficult and expensive** due to regulatory, environmental, and maintenance challenges.

Strengths

- Established visitor economy that can continue to drive economic growth
- Array of existing recreational and other assets
- Prime location in the Central Coast Region
- Strategic redevelopment sites along or nearby the waterfront
- Proximity to a younger visitor base and talent pool

Challenges

- Less developed as a visitor “destination” brand
- Limited capacity of overnight visitor amenities
- Rising construction and development costs
- Existing regulatory and land use constraints along the waterfront
- Fragmented leases and ownership make it difficult to curate future development



The **future success of the waterfront** relies on generating demand to support future market and visitor-serving uses.

Goals for Future Uses



Build on Morro Bay's flourishing tourism industry while aligning with the city's desired level of growth.



Diversify visitor base to the waterfront, across price points and age groups. Capitalize on the robust wine country visitor segment and other un-tapped segments



Creatively work within the constraints of Measure D to develop new uses that synergize with the fishing industry.



Take advantage of lease expirations to assemble available parcels and develop a new, larger-scale waterfront use.

Potential Uses

Experiential Retail and F&B

Pop-up retail shops, boutique clothing stores, food hall, wine tasting, beer garden, fine dining establishments

Industry as Tourism

Commercial fishing tourism, a larger seafood market, water-based tours and recreation

Recreation and Entertainment

Pocket parks, destination playground, event space, pickleball courts

Day-time Worker Uses

Conference center

Activation and Events

Street festivals and markets, flexible event spaces

Education

Immersive museum oriented toward youth, commercial fishing, or marine biology; research facility

Market Analysis

● Discussion Questions

- How can Morro Bay (and the waterfront) strengthen its brand in the region and distinguish itself from regional peers?
- How should the waterfront plan support the tradeoffs between growing its existing visitor base versus attracting new visitor segments?
- Where do you see opportunities for future development to support the commercial fishing industry and fishing-related tourism experiences?
- Fragmented parcels and small parcel sizes are a challenge. Do you have thoughts on parcel consolidation as leases expire?
- Which types of visitor-serving uses most align with the desires of Morro Bay's existing residents?

*Transportation
Background
Report*



Transportation Background Report

- Traffic volumes

- Higher on weekends
- Some congestion during peak periods

2025 Waterfront Master Plan Counts				
Road	Data Collection Location	Weekday ADT	Weekend ADT	
Embarcadero Rd	North of Beach St	6,900	10,800	
Embarcadero Rd	North of Pacific St	2,800	5,500	
Embarcadero Rd	South of Marina St	3,200	5,100	
Atascadero Rd	West of Highway 1 Southbound Ramps	3,500	3,600	
Beach St	East of Embarcadero Rd	7,000	6,600	
Harbor St	West of Market Ave	2,000	3,000	
Pacific St	East of Embarcadero Rd	1,800	2,500	
Marina St	East of Embarcadero Rd	1,700	2,300	

ADT = Average Daily Traffic.

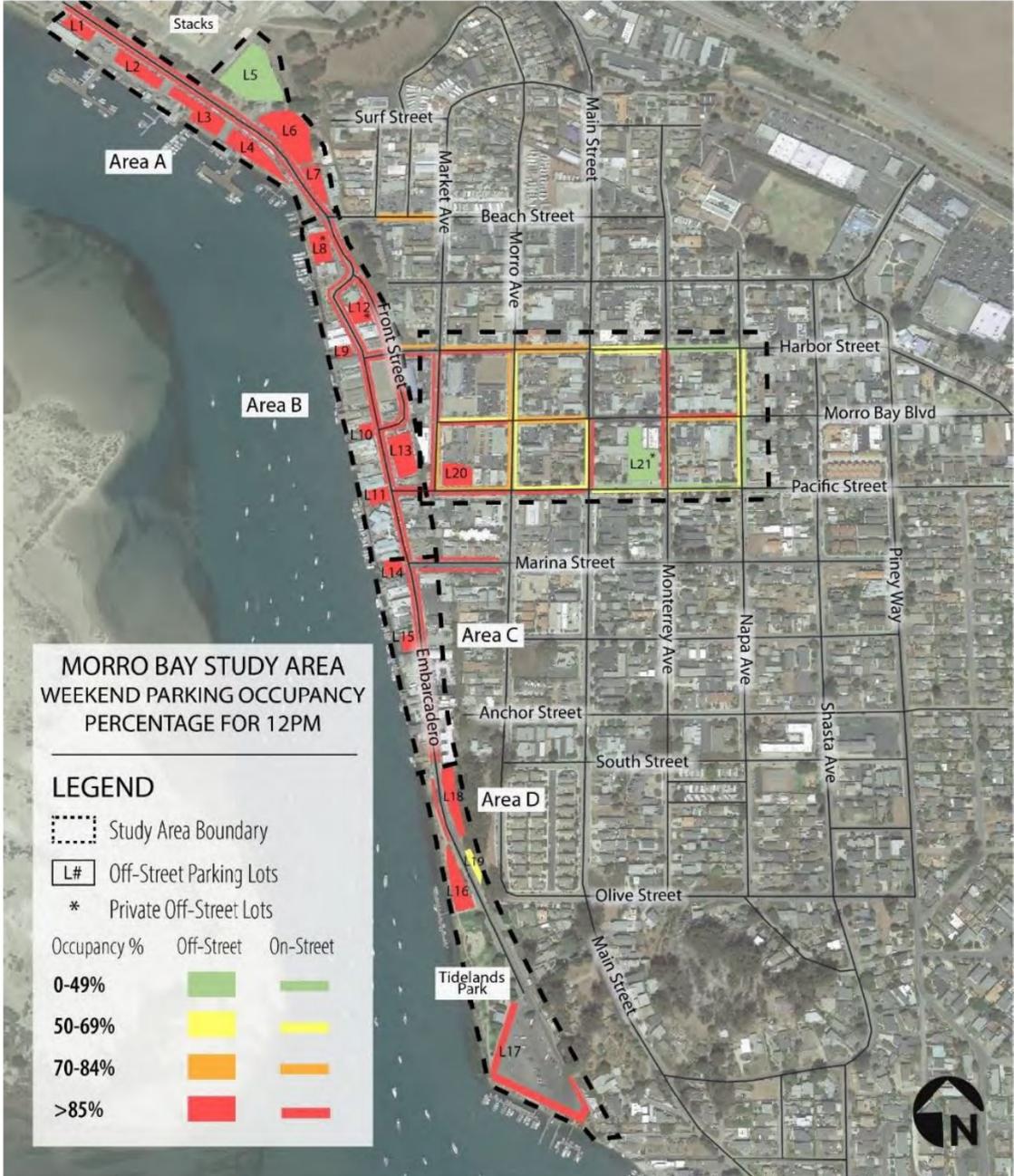


Transportation Background Report

- **Parking**

- Fully occupied during busiest periods
- Spaces are available within 2-3 blocks

ES-Figure 2: Summer Weekend Peak Parking Demand - Noon



Source: Aerial Image – Google Earth Professional, 2020, Graphic – Walker Consultants, 2020

Transportation Background Report

- Bicycle/pedestrian access

- Morro Creek Bridge is heavily used
- Harborwalk has key discontinuities
- Embarcadero sidewalks often crowded



Transportation Background Report

● Safety

- Morro Creek Bridge is heavily used
- Harborwalk has key discontinuities
- Embarcadero sidewalks often crowded

Transportation Background Report

● Discussion Questions

- What are the primary transportation-related issues you see in the plan area?
 - Traffic congestion
 - Parking availability
 - Pedestrian connectivity
 - Bicycle connectivity
 - Transportation safety
 - Commercial fishing and goods loading
 - Other?
- Is WMPAC interested in increasing sidewalk widths by removing on-street parking or converting a portion of Embarcadero Road to 1-way?

Thank You

