

MINUTES - MORRO BAY CITY COUNCIL
CLOSED SESSION – JANUARY 24, 2012
CITY HALL CONFERENCE ROOM - 5:00 P.M.

AGENDA NO: A-1

MEETING DATE: 02/28/2012

Mayor Yates called the meeting to order at 5:00 p.m.

PRESENT:	William Yates	Mayor
	Carla Borchard	Councilmember
	Nancy Johnson	Councilmember
	George Leage	Councilmember
	Noah Smukler	Councilmember
STAFF:	Andrea Lueker	City Manager
	Robert Schultz	City Attorney

CLOSED SESSION

Mayor Yates adjourned the meeting to Closed Session.

Mayor Yates 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 as to two (2) parcels.

- **Property: Lease Site 110/110W-112/112W; 1185 Embarcadero**
Negotiating Parties: GAFCO and City of Morro Bay
Negotiations: Lease Terms and Conditions
- **Property: 3300 Panorama Drive**
Negotiating Parties: US General Services Administration and City of Morro Bay
Negotiations: Purchase and Sale

The meeting adjourned at 5:50pm.

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

PRESENT:	William Yates	Mayor
	Carla Borchard	Councilmember
	Nancy Johnson	Councilmember
	George Leage	Councilmember
	Noah Smukler	Councilmember
STAFF:	Andrea Lueker	City Manager
	Robert Schultz	City Attorney
	Jamie Boucher	City Clerk
	Eric Endersby	Harbor Operations Manager
	Rob Livick	Public Services Director
	Tim Olivas	Police Chief
	Mike Pond	Fire Chief
	Susan Slayton	Administrative Services Director
	Joe Woods	Recreation & Parks Director
	Kathleen Wold	Planning Manager
	Janeen Burlingame	Management Analyst

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 Shultz reported that City Council met in Closed Session and no reportable action under the Brown Act was taken.

PUBLIC COMMENT

Elena Ramos-Peffly, owner of Toes-in-the-Sand Weddings, provided the City local business report. Home of the first ever Morro Bay/Central Coast destination beach wedding business, they provide the location, the officiant, the professional photographer, and the floral decorations paired up with themed packages you can select and design. In addition, they will perform traditional denominational ceremonies, non-denominational ceremonies as well as commitment ceremonies. They encourage people to visit their website – www.toesinthesandweddings.com to learn more.

Robert Davis let us know that SLOCOG put out its annual call for unmet bicycle and pedestrian needs. The Morro Bay Citizens Bike Committee responded by compiling their own list of local unmet needs and he wants to highlight some here tonight. They include the need for the completion of the new Bicycle and Pedestrian Plan so that grant funds can be

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made available through the application process, if they can be of any assistance to help move the plan along, they'd be happy to do that; Safe Routes to School Class 2 bike routes at and around San Jacinto and Del Mar School; a Class 1 multi-use trail at the Dynegy Power Plant connecting the Embarcadero through the Power Plant up to Main Street; and, replacing the 6 metal bollards at Main Street and Cloisters with something more flexible.

Craig Schmidt announced that the Chamber has put together a tool kit to aid businesses which convey the City of Morro Bay as being business friendly, as well as promotes the green building incentive program. He also spoke on Item D-4 (Facade Improvement Program Concept) in hopes that Council will consider reactivating the Facade Improvement Program. The Chamber of Commerce Installation Banquet was held the previous week and he wanted to recognize the following: City's Living Treasure was Mike Dominguez; City's Business of the Year was Pacific Dance Center; and, Citizen of the Year was Janice Peters. All winners exemplify what it means to live in and support a community like Morro Bay.

Jamie Irons is excited to see Item A-4 (Approving the Application for Grant Funds for Sustainable Communities Planning Grant and Incentives Program) being brought forward as it shows the importance of moving forward with our General Plan. He had questions regarding Item D-5 (Proposed Moratorium on the Payment of Development Impact Fees on Residential Development) and the fee reductions: has the 50% reduction in fees in 2006 been successful? And the 5 year period for waiving this – where did we come up with the 5 years? Is that based on the \$500,000 figure in the staff report? If so, maybe consider a price versus saying 5 years.

Roger Ewing spoke on Item D-2 (Roundabout Concept at Highway 41 and Main Street). He stands in opposition to its placement and in fact had thought this had been put to bed years ago. He feels the area is too small to safely put a roundabout in. He also feels that this time and money could be put to use at San Jacinto and Main Street. He also spoke on Item D-5 regarding the Proposed Moratorium on the Payment of Development Impact Fees for Residential Development. He stressed that there needs to be fairness and a sense of community and that to consider waiving these fees goes against that philosophy. He was concerned that this reduction wouldn't be fair to those applicants who have previously been in and paid the impact fees as compared to those who may come in after the fees are reduced and as such, don't have to pay.

John Barta spoke on Item A-3 (2011 Annual Water Report). The report highlighted the fact that the City has a variety of sources for water and complimented both the City and residents alike on their very low rate of consumption which compares favorably with anywhere in the State. He also noticed that the rate of water loss is down to the 5% range which is also far below the State average. He also felt that the City would be doing the right thing by reducing the impact fees for residential development. And finally, please take a look at the exact words with the sign issue and make sure you agree with it.

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Betty Winholtz spoke on agenda item D-5 (Proposed Moratorium on the Payment of Development Impact Fees for Residential Development) feeling that these proposed reductions would not help the City with their revenues. Regarding Item D-2 (Roundabout Concept at Highway 41 and Main Street), she remembers that the high school and their administration was against the idea and hopes that if the decision is made to move forward in concept, that the high school is consulted from the beginning. She also feels that, Councilmember Borchard is not being consistent in her decision making processes and votes on important issues.

Nikita Van Nordstram stated that she is here to back Councilmember Johnson up with her Facade Improvement Program and thinks it could also use an additional City incentive program because she feels the people have money to improve their business, they just choose not to. She encouraged Council and staff to contact the Dana Point Director of Tourism as they are going through some of the same problems we are going through.

Mayor Yates closed the hearing for public comment.

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 CITY COUNCIL MINUTES FOR THE REGULAR MEETING OF JANUARY 10, 2012; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA CALLING A PRIMARY MUNICIPAL ELECTION TO BE HELD ON TUESDAY, JUNE 5, 2012 FOR THE PURPOSE OF ELECTING CERTAIN OFFICERS OF SAID CITY; AND REQUESTING THE BOARD OF SUPERVISORS OF SAN LUIS OBISPO COUNTY TO CONSOLIDATE SAID ELECTION WITH THE CONSOLIDATED DISTRICTS ELECTION TO BE HELD IN THE COUNTY ON TUESDAY, JUNE 5, 2012; AND OTHER ELECTION MATTERS AS REQUIRED BY LAW; (ADMINISTRATION)

RECOMMENDATION: Adopt Resolution No. 07-12.

A-3 2011 ANNUAL WATER REPORT; (PUBLIC SERVICES)

RECOMMENDATION: Adopt Resolution No. 08-12.

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A-4 RESOLUTION OF THE CITY COUNCIL BY THE CITY OF MORRO BAY, CALIFORNIA APPROVING THE APPLICATION FOR GRANT FUNDS FOR THE SUSTAINABLE COMMUNITIES PLANNING GRANT AND INCENTIVES PROGRAM FOR UPDATES TO THE GENERAL PLAN AND LOCAL COAST PLAN UNDER THE SAFE DRINKING WATER, WATER QUALITY AND SUPPLY, FLOOD CONTROL, RIVER AND COASTAL PROTECTION BOND ACT OF 2006 (PROPOSITION 84)

RECOMMENDATION: Adopt Resolution No. 09-12.

Councilmember Johnson pulled Item A-1 from the Consent Calendar.

MOTION: Councilmember Borchard moved the City Council approve the Consent Calendar with the exception of Item A-1. The motion was seconded by Mayor Yates and carried unanimously. (5-0)

A-1 APPROVAL OF CITY COUNCIL MINUTES FOR THE REGULAR MEETING OF JANUARY 10, 2012; (ADMINISTRATION)

Councilmember Johnson asked that the motion made be corrected so that it read "...and Public Services Department for **rewrite**."

MOTION: Councilmember Johnson moved the City Council approve Item A-1 of the Consent Calendar with the stated correction. The motion was seconded by Councilmember Borchard and carried unanimously. (5-0)

Mayor Yates called for a break at 7:04 p.m.; the meeting resumed at 7:19 p.m.

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

B-1 RESOLUTION NO. 05-12 AUTHORIZING SUBMISSION OF RURAL TRANSIT FUND GRANT APPLICATIONS; (PUBLIC SERVICES)

Management Analyst, Janeen Burlingame presented her staff report on this item.

Mayor Yates opened the hearing for public comment; seeing no one wishing to speak, Mayor Yates closed hearing for public comment.

MOTION: Councilmember Borchard moved the City Council adopt Resolution 05-12 authorizing submission of Rural Transit Fund grant applications for the following projects: Triennial Performance Audit and purchase of a vehicle for a volunteer Community Bus program for initiation of service in 2012. The

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motion was seconded by Councilmember Smukler and carried unanimously.
(5-0)

C. UNFINISHED BUSINESS – None.

D. NEW BUSINESS

D-1 RESOLUTION NO 06-12 ADOPTING THE MID-YEAR BUDGET
AMENDMENTS; (ADMINISTRATIVE SERVICES)

City Manager Andrea Lueker presented the staff report requesting the budget amendments as presented.

Barbara Spagnola, spokesperson for the Measure Q Committee, presented their report of 2010/2011 fiscal year activities.

Mayor Yates has a tremendous amount of respect for Chief Olivas as well as Sheriff Parkinson but has no respect for the Drug Task Force of last year. He believes that if we want to be a part of this task force, it should be brought back to Council as a separate item. He is fine with the request made by the Recreation & Parks Department. He also complimented staff for staying within their budgets.

Councilmember Smukler thanked the Measure Q Committee for all their hard work. He too has concerns with the drug task force expenditure and feels that if we want to have a discussion, it should be as a full discussion at the full budget review.

Councilmember Leage agrees with Mayor Yates's comments.

Councilmember Johnson noted that the TOT is up 5.1% over this time last year and that plan check and building inspection fees were down \$22,000; she too appreciated the work of the Measure Q Committee.

Councilmember Borchard is in full support of spending the \$10,000 for the task force as it had always been in the budget until we had to make cuts a few years ago.

Chief Tim Olivas gave a synopsis of his request of the \$10,000 as a 6 month commitment to the newly formed County Narcotics and Gang Task Force. He stressed that this is a new task force that is in no way associated with the State's Narcotics Task Force, which as of January 2012, no longer exists. The County run task force will be locally managed and if we choose not to join, then it could hurt us as an agency in the short and long term as we wouldn't be able to ask them for assistance with narcotics or gang enforcement.

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Councilmember Borchard asked if there would be an opt-out clause and if not, could one be placed into the contract.

Councilmember Smukler, acknowledging that there could be an opt-out clause, is willing to go along with the current mid-year funding request with the stipulation that it would be looked at in depth when the new fiscal year budget is presented.

MOTION: Councilmember Borchard moved the City Council adopt Resolution 06-12 authorizing the budget amendments as submitted by staff. The motion was seconded by Councilmember Johnson and carried 3-2 with Mayor Yates and Councilmember Leage voting no.

D-2 DISCUSSION OF INTERSECTION IMPROVEMENTS AT HIGHWAY 41 AND MAIN STREET – ROUNDABOUT CONCEPT; (PUBLIC SERVICES)

Public Services Director Rob Livick presented his staff report to Council. Back in 2003, staff was near the completion of a draft design report in the environmental process for a Roundabout at Highway 41 and Main Street. Due to funding concerns at the local and state level, that application was pulled from consideration and money was shifted to the Roundabout at Quintana and Morro Bay Blvd. To date, the intersection still has similar if not greater problems. We have applied and received recommendation from the SLOCOG Board for \$113,000 in Regional Service Transportation Funds which would move this project along to take another look at the alternatives and finalize the environmental document as well as make us ready for when additional monies might become available. The two (2) options being looked at are signalization and a Roundabout.

Councilmember Smukler was concerned about the high school and the pedestrian traffic versus the heavy vehicle traffic. He is in favor of pursuing the monies to review the concept as long as signalization was looked at as well, especially given the amount of time that has elapsed since the concept was brought forward years ago. He also stressed his desire to engage the high school earlier than later as part of this step forward.

Councilmember Leage is surprised that to date, there hasn't been a terrible accident at that intersection. Both the vehicle and pedestrian traffic at that location is so dangerous. He feels that something has to be done.

Mayor Yates definitely thinks the Roundabout is something to look into; and he agrees that reaching out to the high school needs to happen and in fact would be more than happy to reach out to them.

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Councilmember Johnson agrees that we need to do something with that corner and hopes to start discussions to look into the matter. Not sure if a signal is the answer either as that could lead to a waste of gasoline with cars idling for extended periods of time.

Councilmember Borchard is not in support of a RoundaBout concept there. With additional RV's, as well as the tractor trailers and school busses she doesn't feel it is safe. She would be more supportive of signalization of some kind. She loves the current Roundabout but that one doesn't feed into as many streets as one would at Highway 41 and Main Street.

MOTION: Councilmember Johnson moved the City Council look at a range of alternatives for intersection improvements at Highway 41 and Main Street and bring forward the one that's best. The motion was seconded by Councilmember Smukler and carried unanimously. (5-0)

D-3 INFORMATION ON SEXUAL REGISTRANTS WITHIN THE COMMUNITY
AND HOW JESSICA'S LAW RESTRICTS WHERE NEWLY RELEASED
OFFENDERS CAN RESIDE; (POLICE)

Police Chief Olivas gave a short presentation on the status of the living restrictions of registered sex offenders who may reside or attempt to reside in our community. Chief Olivas stressed that as of November 7, 2006, with the passing of Jessica's Law (Proposition 83), registered sex offenders are banned from residing within 2000 feet of a school or park where children congregate. This restriction was further modified when, in a court decision, the law now applies to all prisoners or registrants paroled after Proposition 83 was enacted which was February 10, 2010, irregardless of when the crime(s) were committed. Chief Olivas further went on to say that based on the City's linear orientation, there is only a very small section of the City totaling approximately 9 blocks located on the south/east edge of the City, that is not impacted by Jessica's Law.

This item was informational only, no action was taken.

D-4 DISCUSSION OF REACTIVATING THE DOWNTOWN FAÇADE
IMPROVEMENT PROGRAM CONCEPT; (COUNCILMEMBER/PUBLIC
SERVICES)

Public Services Director Rob Livick gave a short presentation on the status and history of the Downtown Facade Improvement Program.

Councilmember Johnson has spoken to the Chamber of Commerce and several local merchants and found that many of them are interested in resurrecting the program. She feels we should be using all the tools available to us in order to allow them to grow and prosper. To date, we have established a moratorium on impact fees which has not as of yet been taken advantage of. She feels we need to act immediately on the following ideas: we need to get a letter written and signed by the Mayor to both property and business owners to let them know

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we've initiated 3 programs to encourage them to invest in their buildings, their businesses and our City – we have already eliminated parking requirements in North Morro Bay for merchants who want to expand or change their use; there is a moratorium on impact fees which she feels should be extended by another year as part of their action tonight; and, the Facade program, which should include a City guaranteed low interest rate loan, waive permit fees and should last 3 years. New and improved business in our City will improve our sales tax revenues and allow us to be able to shop locally.

Councilmember Borchard is appreciative of staff continuing to provide Council with redevelopment strategies to bring forward to help the community.

Councilmember Leage thinks it's a great idea. Was curious if there was a geographical boundary to this proposal?

Councilmember Smukler thanked Councilmember Johnson for bringing this forward and questioned whether or not bike racks can fit into the definition of facade improvement? Also whether or not historical marking and signage might fit into the definition? And finally, would the extension of the moratorium of the commercial impact fees be folded into this request or would it be kept separate?

MOTION: Councilmember Johnson moved the City Council approve a Facade Improvement Program of up to a total of \$100,000 to assist business owners in upgrading the appearance of their store fronts by providing low interest loans of up to \$25,000 each through the bank, hopefully Rabobank, against City guaranteed funds. In addition, within 30 days, staff is to write and send a letter to both business and property owners advising them of the program. The motion was seconded by Councilmember Leage and carried unanimously. (5-0)

D-5 DISCUSSION OF A PROPOSED MORATORIUM ON THE PAYMENT OF DEVELOPMENT IMPACT FEES FOR RESIDENTIAL DEVELOPMENT; (PUBLIC SERVICES)

Planning Manager Kathleen Wold presented her staff report on the proposed moratorium on the payment of development impact fees for residential development and in their deliberations, request that Council weigh the benefits to the development community against the loss of revenue to determine if the benefits outweigh the costs.

Councilmember Leage is in support of the moratorium as he is interested in stimulating business, spurring on construction and getting people back to work. If we don't get building going around here then many of our local businesses will go under.

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William Yates is also in support of the moratorium as he feels this will put many, many more people back to work which in turn spurs the economy.

Councilmember Johnson totally understands the prospect of building and getting people back to work however the difference she sees is that with commercial impact fees, the commercial businesses bring in more sales tax and more business.

Councilmember Smukler feels this is too arbitrary as we don't have enough good information/data to make an informed decision. To say we will pick a number – 5 years – and do away with the funds that pay for some of our most important services and infrastructure is of great concern to him. He feels it is a very risky and even an extreme move which he cannot support.

Mayor Yates agrees that it is a gamble, there is the chance of a cost of \$100,000/year, but if it is successful, we will be able to make it up.

Councilmember Borchard agrees it's a very challenging time for the construction industry in our City. Part is the cost of the impact fees, but that isn't all of it; the entire cost to build, all factor into it. Her concern isn't about this as much as it is that someone can walk into the department, get fees but find out later that there are going to be additional fees that they weren't aware of up front. She doesn't feel she can support the item as it is presented at this juncture.

As there was no majority support for the item, no action was taken.

E. DECLARATION OF FUTURE AGENDA ITEMS

Councilmember Borchard requests staff look into paperless agendas and computerized programs; Councilmember Johnson and Councilmember Smukler concurred.

Councilmember Johnson requested extending the moratorium of commercial property impact fees for one more year; Councilmember Borchard, Councilmember Leage and Mayor Yates concurred.

ADJOURNMENT

The meeting adjourned at 8:43p.m.

Recorded by:

Jamie Boucher
City Clerk