

City of Morro Bay

City Council Agenda

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.

SPECIAL MEETING – JUNE 12, 2012

BUDGET HEARING

**VETERANS MEMORIAL HALL - 4:00 P.M.
209 SURF ST., MORRO BAY, CA**

PRESENTATION OF FISCAL YEAR 2012/13 OPERATING BUDGETS

RECOMMENDATION: Review and Discuss the FY 2012/13 operating budgets.

**PUBLIC SESSION – JUNE 12, 2012
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 CITY COUNCIL MINUTES FOR THE REGULAR MEETING OF MAY 22, 2012; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 AMENDMENT NO. 2 TO THE LEASE AGREEMENT FOR LEASE SITE 82-85/82W-85W, ROSE'S LANDING, LOCATED AT 725 EMBARCADERO,

BETWEEN THE CITY OF MORRO BAY AND 725 EMBARCADERO LLC;
(CITY ATTORNEY)

RECOMMENDATION: Adopt Resolution No. 28-12.

A-3 ZONING TEXT AMENDMENT #A00-014 MODIFYING SECTION 17.44.020.1 PROVIDING SPECIFIC REGULATIONS AS TO WHEN ADDITIONAL ONSITE PARKING WILL BE REQUIRED FOR EXISTING COMMERCIAL BUILDING(S) CONVERTING FROM ONE USE TO ANOTHER WITHOUT NEW CONSTRUCTION OR NEW ADDITIONS, FOR THE MAPPED SPECIFIC NORTH MAIN STREET COMMERCIAL AREA; (PUBLIC SERVICES)

RECOMMENDATION: Adopt Ordinance No. 578.

A-4 UPDATE ON TRANSIT ISSUES REGARDING REGIONAL TRANSIT AUTHORITY NORTH COAST ROUTE CHANGES, ESTERO BAY TRANSIT PROPOSAL AND FY 2010/2011 TRANSPORTATION DEVELOPMENT ACT AUDIT; (PUBLIC SERVICES)

RECOMMENDATION: Receive and file the update.

A-5 ADOPT RESOLUTION NO. 26-12 APPROVING SUBMISSION OF PROPOSITION 1B PUBLIC TRANSPORTATION MODERNIZATION, IMPROVEMENT AND SERVICE ENHANCEMENT ACCOUNT GRANT APPLICATION; (PUBLIC SERVICES)

RECOMMENDATION: Adopt Resolution 26-12.

A-6 EXECUTION OF A GRANT AGREEMENT WITH THE NATIONAL FISH AND WILDLIFE FOUNDATION FOR FISHING COMMUNITY SUSTAINABILITY PLANNING AND DEVELOPMENT; (ADMINISTRATION/HARBOR)

RECOMMENDATION: Execute the attached grant agreement with the National Fish and Wildlife Foundation (NFWF).

A-7 SOUTHERN CALIFORNIA GAS COMPANY – ADVANCED METER PROJECT; (PUBLIC SERVICES)

RECOMMENDATION: Receive and file this information.

A-8 RESOLUTION PROHIBITING STREET WORK BETWEEN MEMORIAL DAY AND LABOR DAY; (CITY COUNCIL)

RECOMMENDATION: Adopt Resolution 27-12.

B. PUBLIC HEARINGS, REPORTS & APPEARANCES - NONE

C. UNFINISHED BUSINESS

C-1 STATUS OF PROJECT NO. MB-2012-S2: 2012, STREET REHABILITATION PROGRAM; (PUBLIC SERVICES)

RECOMMENDATION: Review this update and defer work on commercial streets until after Labor Day and direct staff to negotiate extra work from the contractor, in-lieu of imposing liquidated damages.

C-2 CONTINUED DISCUSSION OF INFORMATIONAL SIGNS/KIOSKS TO ENHANCE VISABILITY OF SPORTFISHING OPERATIONS AND OTHER WATER-RELATED BUSINESSES ON THE MORRO BAY WATERFRONT; (HARBOR)

RECOMMENDATION: Review the Harbor Advisory Board's input /recommendations and provide staff direction.

D. NEW BUSINESS

D-1 AUTHORIZATION FOR THE CITY TO FILE AN APPLICATION WITH THE FEDERAL COMMUNICATIONS COMMISSION FOR A LOW POWER FM (LPFM) RADIO STATION LICENSE; (CITY ATTORNEY)

RECOMMENDATION: Authorize the City to file an Application with the Federal Communications Commission (FCC) for a local "Low Power FM" (LPFM) radio station.

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 772-6205 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.



AGENDA NO:

MEETING DATE: 06/12/12

Staff Report

TO: Honorable Mayor and City Council DATE: June 5, 2012

FROM: Susan Slayton, Administrative Services Director

SUBJECT: Presentation of Fiscal Year 2012/13 Operating Budgets

RECOMMENDATION:

Staff recommends the City Council review and discuss the FY 2012/13 operating budgets.

FISCAL IMPACT:

The FY 2012/13 budget is balanced in all funds.

SUMMARY:

The 2012/13 budget document has been provided to Council and posted on the website. This budget workshop is being held to allow Council to review and discuss the budget. All amendments that Council makes to the budget will be included in the final document, which will be brought back to Council, along with a Resolution for adoption, at the June 26, 2012 meeting.

Prepared By: SS

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

MINUTES - MORRO BAY CITY COUNCIL
CLOSED SESSION – MAY 22, 2012
CITY HALL CONFERENCE ROOM - 5:00 P.M.

AGENDA NO: A-1

MEETING DATE: 06/12/2012

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
	Jamie Boucher	City Clerk
	Eric Endersby	Harbor Director

CLOSED SESSION

Mayor Yates adjourned the meeting to Closed Session.

Mayor Yates read the Closed Session Statement.

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

CS-2 GOVERNMENT CODE SECTION 54957; PERSONNEL ISSUES
Discussions regarding Personnel Issues including two (2) public employees regarding evaluation, specifically the City Manager and the City Attorney.

CS-3 GOVERNMENT CODE SECTION 54956.8; 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 one parcel.

- **Property: DeGarimore Central Coast Marine Fuel & Ice Lease Site 101.5W/105.2**
Negotiating Parties: DeGarimore and City of Morro Bay
Negotiations: Lease Terms and Conditions

The meeting adjourned at 5:55pm.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – MAY 22, 2012

VETERAN’S MEMORIAL HALL – 6:00P.M.

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
	Rob Livick	Public Services Director
	Mike Pond	Fire Chief
	Mike Lewis	Interim Police Chief
	Eric Endersby	Harbor Operations Manager
	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 Shultz reported that City Council met in Closed Session and no reportable action under the Brown Act was taken.

PUBLIC COMMENT

Paul Gilliland owns Associated Pacific Contractors, a home grown business for the last 30+ years. Associated Pacific has a unique niche in the marketplace as they perform waterfront and marine construction activities between Santa Cruz and San Diego. Associated Pacific offers expertise in a broad range of technical areas. They are excited about the upcoming dredging contract they have with the City.

Joey Ricano, Director of the California Ocean Outfall Group, stated he had serious reservations about awarding a contract for the dredging project as dredging can be done on a maintenance basis only. Since the area hasn’t been dredged in over 63 years, he doesn’t feel this is a maintenance project. He also feels this will violate the Marine Protected Area.

Amit Patel, owner/operator of the Day’s Inn and former Community Promotions Member spoke in support of the Morro Bay TBID in their attempts to market Morro Bay. Since the inception of the TBID there have been positive changes. He hopes that Council will continue to support and fully fund the request of Morro Bay Tourism Bureau. Please don’t cut the efforts off just as business is starting to rebound.

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Susan Heinaman feels that it wouldn't be prudent for the City to "put all our eggs in one basket" by fully investing in the MBTBID program and instead feels it would be much smarter to fund the Economic Development Program managed by the Chamber as well as work on updating the General Plan. The current CEO of the Chamber has all the qualifications and education to undertake the Economic Development Program. Tourism, Economic Development and becoming competitive in the grant market will take Morro Bay beyond just being a "one trick pony".

Susan Macdonell, Manager at MV Transportation, advertised that the Trolley Season is here. They will operate Friday thru Monday during the summer months. Morro Bay Transit is also offering Free Bus Rider Training classes for seniors. The next one is being held on Wednesday, May 23rd at 1pm at the Senior Center. She also cautioned Morro Bay drivers to please be more careful when driving.

Keith Taylor continued his fundraising efforts on behalf of the Morro Bay Reserve Firefighter program. The Friends of the Firefighters are selling bricks and stones that will be placed in front of the new residential quarters of the Fire Department. All monies raised go to the Stuart Reed Foundation to help with Paramedic and State Firefighter training.

Michelle Arete spoke representing 200 residents and petition signers keeping an eye on 3390 Main Street, the Medina project. It seems that there are many discrepancies to include the issuance of a coastal development permit for a larger sized house than was authorized by the Planning Commission and the City Council. She requests staff closely monitor the project through the entire planning process.

Sharon Moore spoke on Item C-1, Discussion on Local Sportfishing Businesses, hoping Council would approve the concept of the advertising kiosks that she and the Harbor Department are working towards. She feels they would be beneficial for tourists looking for things to do and is looking forward to continuing to work on this concept with the Harbor Department.

Bob Swain read a letter from John Weiss who spoke on behalf of the Chamber taking control of the Economic Development Program as a strong economy is vital to our City's growth.

Jonathan Robbins spoke out against the article written by the New Times about the condemnation of an individual proprietorship as well as a condemnation of Morro Bay. He suggested that those that were as bothered by the article on the Morro Bay Aquarium to expect a written apology and if not, have the boxes of New Times removed from our streets.

Janice Peters spoke on item D-1, the Allocation of the Community Promotions Committee Monies. She stated that we are still in the midst of financial difficulties and we need to look at economic development as part of a solution. The current CEO of the Chamber of Commerce has expertise in economic development. She urged the Community Promotions Committee monies be used to organize an Economic Development Program as we can't depend solely on tourism.

David Nelson let Council know that based on a news report he heard that evening, Dynegy would be closing in 2013 and wondered what the Council was going to do. He supports cleaning

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the area up and tearing the plant down in short time in order to ensure a safer and healthier Estuary. Regarding redevelopment, he urged Council restart the New Futures Committee as that was a very cooperative group.

Susan Stewart stressed that the Economic Development Program concept isn't about saving the Chamber of Commerce; it's about enhancing Morro Bay and ramping up our business community for the benefit of locals and tourists. A strong community has many legs to stand on. We need a concurrent focus on the town and need the sanction and support of the City Council to bring this concept to fruition.

Christine Johnson provided an update on the Morro Bay 4th stating that there would be an Amp Surf Clinic, a Skateboard Race, a Bike Parade, Opening Ceremonies, and Live Music. There would also be a food court throughout the day. She thanked Stax for their fundraising raffle and thanked the Dutchman for sponsoring the bike parade. Regarding the Economic Development Plan, she stressed the word "and" – you can have both tourism and strong economic development.

Betty Winholtz spoke on Item A-4, Approval of Amendment to the Lease Agreement to the Harbor Hut Lease Site, stating she has physical concerns that the \$150,000 in improvements shouldn't equate to an extension of 10 years. She also has planning issue concerns as Municipal Code 17.36.020, doesn't address the PD overlay zone and doesn't justify an addition to a non-conforming business north of Beach Street. She also feels that Measure D doesn't allow this. Regarding Item B-2, the Introduction and First Reading of Ordinance 578, in the "Whereas's" it states that it's important to have "...clear, consistent and easy..." if these sentences are added and she suggests that it is not clear, and it is not consistent. She also objects to the Environmental and Negative Dec document as it relates to air quality and green-house gasses. And finally, regarding her post card mailing, it was personally mailed by her and personally paid for by her; she could not and did not talk to any candidate(s) about it.

Dan Reddell, for the last 11 years, has been trying to build his home on the back slope of Cerrito Peak in Morro Bay. He has been opposed by Betty Winholtz and feels she is also trying to steal his land by suing him for a "quiet title action" which asks the judge to give her non-profit organization their land without any compensation back. She is also asking the judge to stop the City from granting any more Coastal Development Permits which could have the effect of citizens no longer being able to add any square footage to their homes or businesses. He feels it could result in a virtual shutdown of the Planning Department. He also went on to say that he is asking to build "on" the slope of Cerrito Peak, not "atop" Cerrito Peak and that the Salinian Indian Tribe have publicly supported him building his home at this site. He is fearful that Betty Winholtz is determined to stop things from happening in Morro Bay. He went on to say he supported a balanced approach to City government and encouraged residents to elect either Bill Yates or Carla Borchard for Mayor and Joan Solu and Jim Hayes for Council.

Garry Johnson spoke on the mailer sent out by Betty Winholtz as well as what he feels is the one-sidedness of the local newspapers' coverage of Morro Bay's candidates. He wanted to clear up some misconceptions that has been seen in print. He spoke on The Tribune's candidate

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endorsements and the fallacies he feels were omitted. He also gave his endorsement for Ms. Borchard for Mayor and Ms. Solu for Council for the upcoming election.

John Barta spoke out against The Tribune as he feels they used to be part of our community and now he feels they have no connection to our community. He asked that people don't listen to their voting recommendations as they are not in tune with the needs of our City.

Mayor Yates closed the public comment period.

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 MAY 8, 2012; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 AWARD OF CONTRACT TO ASSOCIATED PACIFIC CONSTRUCTORS OF MORRO BAY FOR THE PROJECT NO. MB-2012-H1: STATE PARK MARINA MAINTENANCE DREDGING PROJECT; (HARBOR)

RECOMMENDATION: Adopt Resolution.

A-3 REQUEST TO APPROVE A RESPONSE TO THE GRAND JURY REGARDING CITY EMPLOYEE VACATION AND SICK LEAVE ACCUMULATION PAY; (ADMINISTRATION)

RECOMMENDATION: Approve and send attached response letter to the Presiding Judge of SLO County Superior Court and the Grand Jury.

A-4 REQUEST FOR APPROVAL OF AMENDMENT #2 TO THE LEASE AGREEMENT FOR LEASE SITE 122-123/122W-123W (HARBOR HUT, 1205 EMBARCADERO); (CITY ATTORNEY)

RECOMMENDATION: Adopt Resolution 21-12 for Lease Site 122-123/122W-123W approving Amendment # 2 to the lease to extend the term 10 years.

A-5 REQUEST TO APPROVE A RESPONSE TO THE GRAND JURY REGARDING CITIZEN COMPLAINTS AND INTERNAL AFFAIRS INVESTIGATIONS; (CITY ATTORNEY)

RECOMMENDATION: Approve and send attached response letter to the Presiding Judge of SLO County Superior Court and the Grand Jury.

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Councilmember Smukler pulled Items A-2, A-3 and A-5 and Mayor Yates pulled Item A-4 from the Consent Calendar.

MOTION: Councilmember Johnson moved the City Council approve Item A-1 of the Consent Calendar. The motion was seconded by Councilmember Smukler and carried unanimously 5-0.

A-2 AWARD OF CONTRACT TO ASSOCIATED PACIFIC CONSTRUCTORS OF MORRO BAY FOR THE PROJECT NO. MB-2012-H1: STATE PARK MARINA MAINTENANCE DREDGING PROJECT; (HARBOR)

Councilmember Smukler pulled Item A-2 requesting the City Attorney respond to public comment. City Attorney Rob Schultz responded that the Coastal Commission has determined that it is in compliance and all agencies who have reviewed the project have also approved it.

MOTION: Councilmember Smukler moved the City Council approve Item A-2 of the Consent Calendar. The motion was seconded by Councilmember Borchard and carried unanimously 5-0.

A-3 REQUEST TO APPROVE A RESPONSE TO THE GRAND JURY REGARDING CITY EMPLOYEE VACATION AND SICK LEAVE ACCUMULATION PAY; (ADMINISTRATION)

Councilmember Smukler pulled Item A-3 stating that he wished they had been provided a red-lined version of the letter. He also wanted staff to ensure Council that they would be provided an annual report on employee vacation and sick leave accruals.

MOTION: Councilmember Smukler moved the City Council approve Item A-3 of the Consent Calendar. The motion was seconded by Councilmember Borchard and carried unanimously 5-0.

A-5 REQUEST TO APPROVE A RESPONSE TO THE GRAND JURY REGARDING CITIZEN COMPLAINTS AND INTERNAL AFFAIRS INVESTIGATIONS; (CITY ATTORNEY)

Councilmember Smukler pulled Item A-5 stating that he went on-line to try and find the form and couldn't find it. Interim Police Chief Mike Lewis stated that it is there. In addition, the department will also take complaints over the phone as well as in person. Councilmember Smukler hoped that the form be placed on the front page of the department's webpage.

MOTION: Councilmember Smukler moved the City Council approve Item A-5 of the Consent Calendar. The motion was seconded by Councilmember Leage and carried unanimously 5-0.

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A-4 REQUEST FOR APPROVAL OF AMENDMENT #2 TO THE LEASE AGREEMENT FOR LEASE SITE 122-123/122W-123W (HARBOR HUT, 1205 EMBARCADERO); (CITY ATTORNEY)

Mayor Yates pulled Item A-4 so that Councilmember Leage can step down due to a conflict of interest.

MOTION: Councilmember Johnson moved the City Council approve Item A-4 of the Consent Calendar. The motion was seconded by Mayor Yates and carried 4-0-1 with Councilmember Leage abstaining.

Councilmember Smukler followed up with a discussion point regarding the fact that the Harbor Hut is located in the Measure D area and because he doesn't feel that this project is endangering fishing interests, he is willing to move forward with it. He also asked the City Attorney if the \$150,000 investment in exchange for a 10 year extension is consistent with our current practices to which the City Attorney replied that it was.

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

B-1 RESOLUTION NO. 25-12 DECLARING THE INTENTION TO CONTINUE THE PROGRAM AND ASSESSMENTS FOR THE 2012/13 FISCAL YEAR FOR THE MORRO BAY TOURISM BUSINESS IMPROVEMENT DISTRICT (MBTBID); (ADMINISTRATIVE SERVICES)

City Manager, Andrea Lueker presented the staff report requesting Council hold a public hearing, record testimony for/against the continuation of the MBTBID and adopt/reject/amend Resolution 25-12 declaring the City's intention to continue the program and assessments for the 2012/13 fiscal year.

Mayor Yates opened the hearing for public comment.

Janice Peters applauded TBID's work but also stressed that there are still holes to be fixed/filled. She requested that TBID ask hoteliers not to increase rates on holiday and special event weekends; she requested that the quality and cleanliness of rooms be looked at (a self-review); and she requested that rooms with handicapped access be taken a look at to ensure that they were indeed accessible.

John Meyers, a MBTBID Board Member stated that they have been working on self-assessments based on trip advisor studies and are working towards the points that Ms. Peters brought up. He also asked Council to consider a TOT Re-Investment Program that would assist hoteliers in upgrading their hotels.

Susan Stewart urged the Council approve Resolution 25-12 declaring the intention to continue the program and assessments for the 2012/13 MBTBID as we are clearly seeing results. She also thinks it's important to get the 501(c)6 formed as well as hire a Tourism Director by the beginning of summer season. Is concerned that we have seen cost overruns and thinks that having a paid manager able to monitor expenses more closely should help.

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Mayor Yates closed the hearing for public comment.

Councilmember Smukler requested a timeline for getting the non-profit status. City Attorney Schultz stated that the Articles of Incorporation have been filed; the Bylaws are being worked on and will be given to the Council and the MBTBID in June for their review. The TBID will continue to function as an advisory board until then. Councilmember Smukler then spoke to the correspondence received from a hotelier in the north end which stated that some areas are not receiving the same benefits of the assessment as others in the City. City Attorney Schultz responded that those hoteliers need to become more a part of the process and felt it best to wait for the new Tourism Bureau to be put together before addressing the issue. It would take an amendment to the current Ordinance if a change were to be made.

Councilmember Johnson concurred with Councilmember Smukler's comments.

Councilmember Borchard spoke on the letter Council received from Mr. Gromley regarding the benefits he feels he isn't receiving. She would like to earmark the North end motels for conversation when we start adding vacation rentals into the MBTBID.

MOTION: Councilmember Borchard moved for adoption of Resolution 25-12 declaring the intention to continue the program and assessments for the 2012/13 fiscal year for the Morro Bay Tourism Business Improvement District. The motion was seconded by Councilmember Smukler and passed unanimously 5-0.

B-2 INTRODUCTION AND 1ST READING OF THE ORDINANCE 578 AMENDING MODIFYING SECTION 17.44.020.1 PROVIDING SPECIFIC REGULATIONS AS TO WHEN ADDITIONAL ONSITE PARKING WILL BE REQUIRED FOR EXISTING COMMERCIAL BUILDING(S) CONVERTING FROM ONE USE TO ANOTHER WITHOUT NEW CONSTRUCTION OR NEW ADDITIONS, FOR THE MAPPED SPECIFIC NORTH MAIN STREET COMMERCIAL AREA; (PUBLIC SERVICES)

Public Services Director Rob Livick presented the staff report. At the December 13, 2010 Council meeting, it was requested that staff provide a report on the status of parking in the North Main Street area to include options for modifications or amendments to City requirements. Based on the request, staff provided various options to Council for their consideration. The proposed amendment went to Planning Commission on April 18, 2012 who gave a favorable recommendation by Resolution 19-12. The change to the existing Ordinance would provide that "Except in the North Main Street Commercial parking Area (as defined) as codified at the end of this chapter where all changes in uses including more intense uses not including new construction or new additions will not be required to provide additional onsite parking." A Negative Declaration was prepared, it was properly noticed, and is now before Council for their consideration.

Mayor Yates opened the hearing for public comment; seeing none, the public hearing was closed.

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Councilmember Borchard thanked staff; it was her goal to offer relief to some of the North Main Street businesses with parking issues. This also works into the ongoing efforts to review the Zoning Ordinance and Local Coastal and General Plan update which takes a long time. She hopes this will help in the interim.

Councilmember Johnson is happy to see that we are making progress on this issue as it has been a very long and difficult process. She sees this as a help to those businesses in North Morro Bay.

Councilmember Smukler is in support of this as it encourages renovations of existing structures. He would still like to see stronger language. He would like to see the word “commercial” added as follows: “...chapter where all changes in **commercial** uses including...”

MOTION: Councilmember Borchard moved for approval of Ordinance No. 578 by number and title only with the inclusion of the word “**commercial**” in the last sentence. The motion was seconded by Councilmember Smukler and passed unanimously 5-0.

C. UNFINISHED BUSINESS

C-1 DISCUSSION ON LOCAL SPORTFISHING BUSINESSES; (HARBOR)

Harbor Director Eric Endersby presented the staff report stating that he was given direction to meet with the local sportfishing businesses to come to some general consensus regarding potential areas where a common “co-op” or other joint advertising and/or informational area could be established to promote the sportfishing industry. After discussions, the idea to install two kiosks, one near the South T-Pier and one near the giant chessboard were proposed. Staff is looking for Council support to carry this forward. Staff also requested that this concept be vetted through the Harbor Advisory Board before coming back to Council.

Councilmember Smukler wondered if the Harbor Department would be willing to include the Chamber in their further discussions to which Harbor Director Endersby said yes.

Councilmember Johnson felt it was important to send this to the Harbor Advisory Board in an effort to come up with a plan. Thinks it’s a good idea to include the Chamber in the discussions.

Councilmember Borchard also feels it’s appropriate to send this concept to the Harbor Advisory Board as well as work with the Chamber. It would also be good to include other coastal dependent businesses that might benefit from the kiosk concept

Mayor Yates stated that this is all great but feels there is some urgency and this all seems too slow of a process. He hopes it would be possible to do something temporarily that would help the sportfishing industry now, while other discussions are ongoing.

Councilmember Smukler questioned whether or not Sharon Moore (Virg’s) was comfortable with adding additional water dependent activities to this concept to which she said, yes – down the road. He then asked if Council attempted to encompass all of this now, would that take too much time to which she responded, yes.

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Councilmember Johnson requested a guesstimate as to the permit requirements for something like this. Public Services Director Livick said that we could possibly issue a temporary use permit with a defined timeline which could happen in less than a month.

There was no action taken as Harbor Director Endersby has clear direction to meet with the stakeholders, take this item to the Harbor Advisory Board and then, based on their direction, look to requesting a temporary use permit for the site(s).

D. NEW BUSINESS

D-1 PRESENTATIONS ON ALLOCATION OF 2012/13 AVAILABLE COMMUNITY PROMOTIONS COMMITTEE MONIES; (ADMINISTRATION)

City Manager Andrea Lueker presented her staff report, asking Council to listen to the presentations from John Meyers, Morro Bay TBID and Craig Schmidt, the Morro Bay Chamber of Commerce whose organizations are both looking to receive funding from the unallocated Community Promotions Committee monies. The MBTBID is requesting the funds for ongoing advertising and promotional efforts and the Chamber of Commerce is hoping to develop an Economic Development Program.

John Meyers presented a proposed budget and 5-year plan incorporating the available Community Promotions monies in an effort to show Council how they would be utilized. The Board feels that this funding will be critical to their ongoing advertising and promotional efforts into the future, and in fact is especially critical in starting the new Tourism Bureau. Any reduction in funding would reduce advertising, media and event support which would have a corresponding negative impact to business in Morro Bay.

Craig Schmidt, CEO of the Morro Bay Chamber of Commerce presented their proposal for a comprehensive Economic Development Program. The proposal focused on five key areas: Business Retention and Expansion, Business Recruitment, Entrepreneurial Development, Community Development, and Consensus Building. Establishing a healthy business climate not only assists businesses currently in the community but sets an appealing stage to recruit new businesses. This program is based on the utilization of the unallocated Community Promotions Committee monies.

Councilmember Smukler feels it's important to make the statement that we support the Economic Development Program with 100% of the available funds and is hopeful that other Councilmembers will do the same. He feels we need to diversify our support and is excited about this opportunity.

Councilmember Leage stated that both sides are looking for one thing – tourists; if we build up the economy, tourists will come and if we advertise, tourists will come. He believes the first thing we need to do is promote our town and is against weakening our promotion efforts at this time. While he wants to see the Chamber succeed, right now we need to make sure the promotion monies are used properly.

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Mayor Yates agrees with Councilmember Leage conceptually but agrees with Councilmember Smukler in practicality. It has to do with bringing in jobs. He is sorry that both groups haven't gotten together and/or can't get together to come to a mutual compromise.

Councilmember Johnson agrees with Councilmember Leage. She is also in full support of Economic Development. She doesn't feel Council can give away money until she sees the budget and we hold the budget hearings. She also wishes that the two groups could start talking more and begin working better together.

Councilmember Borchard has a problem with the inclusion of the Community Development request of \$36,000 found in the Economic Development Plan as she thinks those should be City functions. She is in support of financially supporting staffing efforts and the other requests but doesn't see justification for the Community Development monies. She did state that if the Community Development portion of the Economic Development Plan monies became available, that could be allocated to the MBTBID and there will also be additional monies that the TOT is bringing in that can be discussed at the upcoming Budget Hearing.

Councilmember Johnson agreed that the Community Development section monies should be removed and they should just concentrate on business development. She liked the 5-year plan that the TBID proposed showing that the amount of money requested from the City decreasing each year. She thinks the Chamber should go back and look for other ways to bring in money. She would like to see the \$36,000 in requested for Community Development monies allocated to the MBTBID. She would also like to see both groups look at their budgets and come back with trimmed down requests as well as generate ideas to bring in additional monies.

Councilmember Smukler submits that the Chamber is the right forum for the Community Development project funds as we currently have no one working towards these efforts and feels the Chamber would be the perfect vehicle for it. And as far as General Fund monies go, economic development is a much better use of those funds than promotions and marketing.

Councilmember Borchard stands by her statements and hopes that there will be an opportunity to be able to monitor the progress of the Economic Development Plan via goals and benchmarks.

There was no action taken on this item; a request was made to both groups to come back with revised and trimmed down proposals to the Budget Hearing at 4pm on June 12th.

D-2 UPDATE ON PAVING PROJECT NO. MB2012-S2, 2012 STREET REHABILITATION PROGRAM AND DISCUSSION OF PAVING SCHEDULE; (PUBLIC SERVICES)

Public Services Director Rob Livick presented the status report on the street rehabilitation project that was to include work on Main Street from Highway 1 to Quintana Place and the Embarcadero; from Beach Street to Coleman Drive/Power Plant Driveway with all work to be completed by Memorial Day.

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Mayor Yates is dismayed with the project manager at the lack of communication. He doesn't understand how they aren't in breach of contract if it states all work on Main Street and Quintana will be done by May 25th.

Councilmember Johnson is frustrated as Council is being accused of not following through with promises and isn't sure how much faith she can place in this contractor. But also wants to see the streets paved and this is the City's only option. She would like to see us move ahead with Main Street and the residential areas so we can hopefully get this thing going.

Mayor Yates feels we should pull the contract and put it back out to bid, to begin after Labor Day. He feels that this company is totally untrustworthy as the contract specifically states that all work on Main Street and the Embarcadero must be completed by May 25th. He is also angry that any road construction might be done between Memorial Day and Labor Day which goes against the Resolution he had passed back in 2003.

Councilmember Borchard stated that while cancelling the contract would feel great, it wouldn't get us any closer to getting the streets paved. She would like to see Main Street section done by June 4th and then take the residential streets and the Embarcadero after summer.

Councilmember Leage is upset at himself for not keeping better track of what was going on. He also agrees with Mayor Yates that no road construction on Main Street should take place from Memorial Day to Labor Day. He feels that if they aren't able to begin construction by June 4th then we should pull the plug.

Councilmember Smukler wants Council to ensure that we cover ourselves as well as put ourselves in a place to receive the most in liquidated damages. Let's work on getting it done but make sure we aren't missing an opportunity to take advantage of this situation. Don't want to get caught having any of this work done during the highest tourist season time.

City Attorney Rob Schultz stated that it is his position that the contractor will be in default if the work on Main Street and the Embarcadero is not completed by May 25th and that the liquidated damages provision would begin to accrue from that point. Question is, do you want to complete the work now or do you want to wait until after Labor Day? And in what sequence would you like it to get done?

Councilmember Leage suggested that the City has a drop dead start date as well. For the purposes of discussion, Mayor Yates threw out June 20th as the last possible date for any commercial street work. Councilmember Smukler wants to strengthen that, based on upcoming special events. There is the Oyster Festival on June 16th which will bring in many tourists. June 13th sounds like a better date to stand by as June 14th is Morro Bay High School's Graduation.

MOTION: Mayor Yates moved to direct staff to give the contractor until June 13th to finish the work on Main Street and the Embarcadero and if not able to, then they will be told not to do work in those 2 commercial areas until given further direction by Council. The motion was seconded by Councilmember Johnson and passed unanimously 5-0.

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Staff will bring back a status report to the next City Council meeting.

E. DECLARATION OF FUTURE AGENDA ITEMS

Councilmember Johnson requested an agenda item requiring major projects presented to Council have a time-line for completion when they are first presented; all Councilmembers concurred.

Councilmember Johnson requested an agenda item to discuss the need for an official volunteer position as a Volunteer Community Services Coordinator; Mayor Yates and Councilmember Borchard concurred.

Councilmember Borchard requested an agenda item to look at consideration of forming a separate Cloister Advisory Board so they could manage their own maintenance work; Mayor Yates and Councilmember Johnson concurred.

Councilmember Smukler requested a discussion on the City taking the lead role in filing the Morro Bay Radio application to the FCC; Mayor Yates and Councilmember Borchard concurred.

Mayor Yates requested an item strengthening the City's current Resolution regarding roadwork maintenance between Memorial Day and Labor Day; Councilmember Johnson concurred and Mayor Yates stated he would bring the item forward.

ADJOURNMENT

The meeting adjourned at 10:42 p.m.

Recorded by:

Jamie Boucher
City Clerk



AGENDA NO. A-2

MEETING DATE: June 12, 2012

Staff Report

TO: Honorable Mayor and City Council

DATE: June 5, 2012

FROM: Robert Schultz, City Attorney

SUBJECT: Amendment No. 2 to the Lease Agreement for Lease Site 82-85/82W-85W, Rose's Landing, Located at 725 Embarcadero, Between the City of Morro Bay and 725 Embarcadero LLC

RECOMMENDATION

Staff recommends the City Council adopt Resolution No. 28-12 approving Amendment No. 2 to the Lease Agreement for Lease Site 82-85/82W-85W, located at 725 Embarcadero, between the City of Morro Bay and 725 Embarcadero LLC.

FISCAL IMPACT

There will be no direct reduction in lease revenues from the amount of percent gross rent on this Lease Site for FY 12/13 because the proposed amendment only delays a scheduled increase. Harbor Department staff has already projected flat lease revenues for FY 12/13.

BACKGROUND

In 2003, the City and the lease holder of 725 Embarcadero LLC (Rose's Landing) entered into Lease Amendment No. 1 whereby three more years were added to the 40-year lease term to account for unforeseen permitting and construction delays encountered since the lease was first entered into in 2002 by the leaseholder and approximately \$1.5 million in improvements were begun. Based on the original lease terms and timeline, the percent gross for retail sales is set to go from 3% to 5% beginning in July, 2012. The July 2012 date was predicated on the original 2002 lease start date.

DISCUSSION

Earlier this year the lease owner engaged staff and inquired about delaying for one more year the increase in the retail sales percent gross, based on the construction delays he encountered when he began his project and the loss of time that the lease site had without being "open for business."

Since the July, 2012 date for the increase was predicated on the original 2002 lease start date and construction schedule, and that delays that were beyond the control of the lease owner, staff agrees that a one-year delay of the percent gross rent increase is warranted.

CONCLUSION

Staff recommends that the City Council adopt Resolution No. 28-12 authorizing the Mayor to execute Amendment No. 2 to the Lease Agreement for Lease Site 82-85/82W-85W between the City of Morro Bay and 725 Embarcadero LLC.

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

RESOLUTION NO. 28-12

**APPROVAL OF AMENDMENT NO. 2
TO THE LEASE AGREEMENT FOR LEASE SITE 82-85/82W-85W,
LOCATED AT 725 EMBARCADERO, BETWEEN THE
CITY OF MORRO BAY AND 725 EMBARCADERO LLC**

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

WHEREAS, the City of Morro Bay is the lessor of certain property on the Morro Bay waterfront described as Lease Site 82-85/82W-85W, located at 725 Embarcadero; and,

WHEREAS, 725 Embarcadero, LLC is the lessee of said property; and,

WHEREAS, the original lease agreement entered into provided that the percent gross for retail sales would increase from 3% to 5% beginning in July 2012; and

WHEREAS, the increase in percentage for retail sales was predicated on an original 2002 lease start date; and

WHEREAS, delays in the opening and the poor economy have caused the tenant to request the City to delay the percent gross for retail sales to increase from 3% to 5% beginning in July 2013; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay that Amendment No. 2 to the Lease Agreement for Lease Site 82-85/82W-85W between the City of Morro Bay and 725 Embarcadero LLC is hereby approved and that the Mayor is hereby authorized to execute said Amendment No. 2.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting held thereof on the 12th day of June 2012, by the following vote:

AYES:

NOES:

ABSENT:

WILLIAM YATES, MAYOR

JAMIE BOUCHER, CITY CLERK

AMENDMENT #2 TO LEASE FOR LEASE SITE 82-85/82W-85W

This amendment #2 ("Amendment") to the lease for Lease Site 82-85/82W-85W dated February 20, 2002 and described in the memorandum of lease recorded on May 2002 is entered into on June 12, 2012 by and between the City of Morro Bay, a municipal corporation of the State of California, hereinafter called "City" and 725 Embarcadero LLC, a California limited liability company, hereinafter called "Tenant".

Tenant and City shall provide for the amendment of Lease as follows:

SECTION 2.04 SECTION A. PERCENTAGE RENT – Delete Existing Language and replace with the following:

SECTION 2.04 SECTION A. PERCENTAGE RENT.

A. Commencing on July 1, 2003 and continuing until June 30, 2013, in addition to the Minimum Rent, TENANT agrees to pay to CITY at the time and in the manner hereinafter specified, as additional Rent for the use and occupancy of the Premises, a sum equal to five percent (5%) of TENANT'S Gross Sales attributable to food and beverage sales from the first floor bar and three percent (3%) of all other gross sales, hereinafter defined, less the amount of the Minimum Rent paid pursuant to this Lease (the "Percentage Rent").

Commencing on July 1, 2013 and continuing until the termination date of this lease, TENANT agrees to pay to CITY at the time and in the manner hereinafter specified, as addition rent for the use and occupancy of the premises, a sum equal to five percent (5%) of all TENANT's Gross Sales, except those attributable to the second floor table service restaurant (both food and Beverage) which shall be three percent (3%) of all TENANT's gross sales as hereinafter defined, less the amount of Minimum Rent paid for the fiscal year pursuant to this lease.

All other provisions of the lease shall remain in full force and effect.

In witness hereof the parties hereto have executed this Amendment #2 as of the date written above.

CITY OF MORRO BAY

TENANT – 725 EMBARCADERO LLC.

William Yates, Mayor

Doug Redican

Andrea Lueker, City Manager

APPROVED AS TO FORM

ATTEST:

Robert Schultz, City Attorney

Jamie Boucher, City Clerk



AGENDA NO: A-3

MEETING DATE: June 12, 2012

Staff Report

TO: Honorable Mayor and City Council **DATE:** June 4, 2012

FROM: Kathleen Wold, Planning and Building Manager

SUBJECT: Zoning Text Amendment #A00-014 Modifying Section 17.44.020.1 Providing Specific Regulations as to when Additional Onsite Parking will be Required for Existing Commercial Building(s) Converting from One Use to Another Without New Construction or New Additions, for the Mapped Specific North Main Street Commercial Area.

RECOMMENDATION:

Staff recommends that the City Council adopt Ordinance No. 578.

SUMMARY:

Ordinance No. 578 was introduced at the Council meeting held on May 22, 2012. Tonight Ordinance No. 578 will be adopted after the second reading. Ordinance No. 578 will become effective on the 31st day after its passage.

ATTACHMENTS

Ordinance No. 578

Prepared By: KW

Dept Review: RL

City Manager Review: _____

City Attorney Review: _____

ORDINANCE NO. 578

**AN ORDINANCE OF THE CITY OF MORRO BAY ANNOUNCING FINDINGS AND
ADOPTING AMENDMENTS TO TITLE 17 OF THE MUNICIPAL CODE AMENDING
SECTION 17.44.020.1**

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

Case No. A00-014 (Local Coastal Plan/Zoning Ordinance Amendment)

WHEREAS, it is the purpose of the Zoning Ordinance of the City of Morro Bay to establish a precise and detailed plan for the use of land in the City based on the General Plan; and

WHEREAS, the proposed amendment will provide specific regulations as to when additional onsite parking will be required for existing commercial building(s) converting from one use to another without new construction or new additions for the mapped specific North Main Street Commercial Area; and

WHEREAS, it is important to have clear, consistent, easy to use regulations within the Zoning Ordinance; and

WHEREAS, the Planning Commission of the City of Morro Bay, on April 18, 2012 after a duly noticed PUBLIC HEARING, did forward a recommendation, by adoption of Planning Commission Resolution #19-12 that the City Council amend Title 17 (Zoning Ordinance) Section 17.44.020.1 "Facilities Required"; and

WHEREAS, on May 22, 2012, the City Council of the City of Morro Bay did hold a duly noticed PUBLIC HEARING to consider the amendment regulating parking in the specific North Main Street Commercial Area; and

WHEREAS, the City Council finds that a Negative Declaration was prepared to evaluate the environmental impacts of the proposed ordinance amendments, and determined that no significant impacts would result from the adoption of these amendments; and

WHEREAS, following the PUBLIC HEARING, and upon consideration of the testimony of all persons, both written and oral, the City Council accepted the Planning Commission recommendation and approved the following amendment:

17.44.020 PARKING FACILITIES

A. Off-Street Parking — General Requirements

1. Facilities Required

For every structure erected or enlarged, and for all land devoted to a new use, and for any structure or land changed to a more intensive use that would require the provision of more

Based on the following findings:

1. The proposed Zoning Ordinance Amendments will not be injurious or detrimental to the health, safety, comfort, general welfare or well being of the persons residing or working in the neighborhood.
2. That the proposed amendment is in general conformance with the City's General Plan and Local Coastal Plan.

NOW, THEREFORE BE IT ORDAINED, by the City Council of the City of Morro Bay, California, as follows:

SECTION 1: Title 17 of Morro Bay Municipal Code (Zoning Ordinance) is amended as contained in this Ordinance and made a part of this ordinance:

SECTION 2: To implement the amendment adopted herein, the City Council of the City of Morro Bay, California, hereby directs as follows:

1. That the above recitations are true and correct and constitute the findings of the Council in this matter; and
2. The City Council of the City of Morro Bay hereby finds that the Local Coastal Program Implementation Program (Zoning Ordinance) Amendments are in compliance with the intent, objectives, and all applicable policies and provisions of the California Coastal Act; and
3. Pursuant to Section 17.64.080 No amendment to Title 17 shall be legally effective in the coastal zone until the amendment is certified by the Coastal Commission.

INTRODUCED at the regular meeting of the City Council held on May 22, 2012 by motion of Councilmember Borchard and seconded by Councilmember Smukler.

PASSED, APPROVED, AND ADOPTED, by the City Council of the City of Morro Bay, on the day of _____, _____ by the following vote to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

William Yates, Mayor
City of Morro Bay

Jamie Boucher, City Clerk
City of Morro Bay

APPROVED AS TO FORM:

ROBERT W. SCHULTZ, Esq.
City Attorney



AGENDA NO: A-4

MEETING DATE: June 12, 2012

Staff Report

TO: Honorable Mayor and Council **DATE:** June 5, 2012

FROM: Janeen Burlingame, Management Analyst

SUBJECT: Update on Transit Issues Regarding Regional Transit Authority North Coast Route Changes, Estero Bay Transit Proposal and FY 2010/2011 Transportation Development Act Audit

RECOMMENDATION:

Staff recommends the City Council receive and file the update.

BACKGROUND/DISCUSSION:

The Transit Efficiencies Group was initiated in 2009 at the direction of San Luis Obispo Council of Government (SLOCOG) Board to its staff to see if there could be cost savings/efficiencies identified through better coordination or consolidation of transit functions/services. The group broke down into service regions and began meeting to discuss issues specific to each area.

For the North Coast region, numerous meetings have occurred over the past several years with different transit concepts being developed that the PWAB and Council have reviewed, identified deficiencies in and provided direction to continue working with the SLOCOG and Regional Transit Authority (RTA) staff on a revised concept for consideration.

At the March 13 City Council meeting, where Council was considering the latest revised Estero Bay Transit proposal, staff was directed to return the matter to the PWAB for review and recommendation before bringing it back since the Board had not completed its review due to questions raised at the February 16 Board meeting regarding the City's farebox ratio in the FY 2010/2011 Transportation Development Act audit and its potential impact on future transit funding.

On March 29, staff received notice from the RTA regarding proposed changes it was planning to make to several routes throughout the county effective June 10, 2012 (see Attachment 1). On May 2 the RTA approved the proposed changes and RTA staff is now finalizing the route time schedules. With regard to the north coast route changes, the most significant change, aside from eliminating unproductive runs or portions of runs, will be to restore hourly service between Los Osos and Morro Bay at City Park.

On May 3, staff received a letter from the SLOCOG regarding the RTA Board approved transit changes along the north coast and its impact on the Estero Bay Transit proposal that was scheduled to come to the PWAB at this meeting for consideration and recommendation to the Council. The City Manager recently sent a letter of response regarding some of the items noted in the SLOCOG letter (see Attachment 2 for both letters).

Prepared By: J. Burlingame

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

Restoration of hourly service between Los Osos and Morro Bay fills a service gap that was created last summer when the RTA eliminated hourly connections between the two communities and added service from Los Osos to San Luis Obispo via Los Osos Valley Road. As such, the proposed Estero Bay Transit service concept is no longer applicable according to the SLOCOG and no longer warranted for consideration by the City.

RTA Routes Changes and Impact to Morro Bay Transit Route Schedule

Staff has reviewed and discussed with RTA staff the proposed changes to the RTA north coast routes to determine if the City would need to make adjustments to the Morro Bay Transit route schedule in order to provide timely connections with RTA routes at City Park. Given the current arrival and departure times listed for Routes 12 (to/from San Luis Obispo) and 15 (to/from San Simeon), no changes to the Morro Bay Transit route schedule will need to be made at this time.

The City will continue working with RTA to improve coordination of services where needed and continue to participate in regional promotional campaigns, such as the Summer Youth program where all youths can ride fixed route service for free during the summer, that are designed to increase transit awareness and encourage new users to begin riding the bus.

Transportation Development Act (TDA) Audit and Farebox Ratio

At the February 16 PWAB meeting, questions were raised regarding the farebox ratio submitted to the SLOCOG in the annual FY 2010/2011 TDA audit as the number differed from what the SLOCOG staff had anticipated it to be based on operational information submitted on a quarterly basis.

The FY 2010/2011 audit was the first time the City calculated the farebox ratio with all transit services together (Morro Bay Transit and Trolley), yielding a blended ratio rather than calculating them separately as had been done in the past. This was done as all transit services are combined in the Transit Fund and are in one budget, the annual Controller's Report to the State reports combines revenue and expenditures for all local transit services, the Triennial Performance Audit reviews all local transit services, the Short Range Transit Plan updated every five years includes all local transit services, and the annual TDA audit reports combined local transit revenue and expenditures. Blending is allowed by TDA law and is done by other jurisdictions in the county in their audits.

After the PWAB meeting, staff met with SLOCOG staff to discuss the farebox ratio. The end result was a revision to the audit note relating to the farebox ratio calculation after an adjustment was made to the allowed non-fare revenue that could be included as revenue for the calculation according to TDA law. The result was a revised farebox ratio of 10.52%. The State requirement to continue receiving certain TDA funds is 10% and as such, the City is in compliance.

Public Works Advisory Board

The Public Works Advisory Board (PWAB) reviewed this item at its May 23, 2012 meeting. There was discussion regarding the new RTA schedule and the City interaction with the regional system for rider connections, disagreement with the potential cost savings noted in the SLOCOG letter due to cost overhead allocations, and farebox ratio relating to requirements placed on the City to honor regional and senior VIP passes that do not receive full fare recovery and how that might impact the ability to maintain the 10% State requirement.

CONCLUSION:

Due to the RTA north coast route changes effective June 10, the proposed Estero Bay Transit service concept is no longer applicable according to the SLOCOG and no longer warranted for consideration by the City. As such, the work with the Transit Efficiencies Group in relation to consideration of consolidating north coast transit services is at a close. However, as mentioned previously, the City will continue working with RTA pertaining to the other Transit Efficiencies Group effort to improve coordination of services where needed and will continue monitoring route scheduling at City Park for its connections between the local and regional transit services.

The City will continue its efforts to reduce expenditures and increase revenues for Morro Bay Transit to make it more efficient and effective. Attachment 3 details Morro Bay Transit ridership and farebox increases between the first and second year of operation that are related to changes made during the current fiscal year regarding improved coordination with RTA buses at City Park after their route schedule changes last summer, increased local advertising, and installation of bus stop signs and route display cases.

Recommended Service Improvements March 28, 2012

In addition to a \$4 pass price increase (regular RTA and Regional 31-day passes and \$2 increase to discount passes), RTA staff proposes service changes presented below.

Public Meetings are being held March 28-April 5. Please see attached press releases and schedules for public meeting dates. The public is encouraged to comment through the month of April. After receiving input, staff will seek final RTA Board approval on May 2, 2012.

If approved, the changes will take effect on June 10, 2012.

RTA proposes the following general recommendations based on customer feedback:

1. Increase Express Bus Service: Ridership during peak times on commute routes on routes 9, 10 & 12 continue to be at or exceeding seat capacity. A priority is adding extra capacity in order to minimize the number of standees on longer trips on Route #9, which includes highway service on the Cuesta Grade, and Route #10 with highway service from San Luis Obispo to Pismo Beach & Arroyo Grande. Staff expects demand and crowding to further increase as gas prices continue to rise sharply. Service options are limited by the shortage of forty-foot buses available for peak times.

RTA believes existing resources are available to add the following scheduled trips:

- a. Increase Route #10 express trips: One extra ROUND-TRIP on Route #10 (between Halcyon P&R, Pismo & and downtown only). **Target 7:50am arrival** downtown and **4:15pm departure** from downtown.
- b. One extra northbound afternoon express trip on Route #9 (from the Government Center to Las Tablas Park & Ride only). **Target: 4pm departure.**

RTA will add a tripper bus (not on the schedule) on the heavily used morning southbound Route #9 between Atascadero and downtown when a vehicle and driver are available. Route #14's between SLO and Cuesta will continue to run at peak times.

2. Improve the on-time performance of southbound Route #9 by slightly altering the departure schedules.
3. Facilitate connections between Route #10 and South County Area Transit routes.
4. Reinstate hourly weekday service between Los Osos and Morro Bay.
5. Increase Saturday service span, including one additional round-trip; current ridership per hour meets or exceeds weekday service averages.

Further details are provided on the following pages.

Recommendations by Route:

Extra (5th) Saturday trip on all Routes (9, 10, 12 & 15)

Saturday ridership is strong, with over 20 riders per hour on RTA Routes #9 & #10, and it is also high between Los Osos, Morro Bay and San Luis Obispo. In order to meet increased demand and improve weekend service, staff proposes adding an extra Saturday round-trip system-wide. A proposed Saturday schedule with two options is attached – public input by Saturday riders, or potential Saturday riders, is needed to determine the preferred of the two alternatives.

North County Region: Route #9

1. Add a new express trip in the afternoon (Northbound): Approximate 4pm departure from the Government Center.
2. Earlier southbound departure time at first point in Paso Robles (and San Miguel) by 5 minutes to allow for ensured connections between routes and more recovery time.
3. Two- to four- minute modifications to some stop times (Las Tablas SB and at Capistrano NB).
4. Limit the number of bus stops thru Atascadero (not all local stops will be served – RTA will discontinue serving the El Camino Real @ Adobe Plaza (NB) and the Coco's Restaurant (SB), and also El Camino Real @ Avenida Maria (NB) and Patria Circle (SB)).
5. Route change in Paso Robles (using 4th Street to Pine instead of Spring to 8th – no published passenger stops would be impacted).

South County Region: Route #10

1. Need to speed service through SLO City to reach Pismo Outlets on time for SCAT transfers. This will be facilitated by the following:
 - a. Serving fewer designated bus stops along Higuera. Specifically, only the following stops would be served: S. Higuera @ Suburban (NB & SB), S. Higuera @ Margarita/DMV (NB & SB), Higuera @ South (NB & SB), Higuera @ Nipomo (SB) and Marsh @ Broad (NB).
 - b. Eliminating service on Route #10 along South Street & Santa Barbara Street. The updated route would operate along S. Higuera SB and Marsh NB. RTA's Amtrak stop is proposed be discontinued, as well as Meadow Park and stops along South Street. SLO Transit Routes #4 and #5 connect all of these stops to the downtown transit stops. An RTA stop would be placed on S. Higuera @ South Street, a very close alternate to South @ Beebee stops.
2. Two- to four-minute time adjustments at stops in Santa Maria and Nipomo.

North Coast Region: See attached DRAFT Timetables

1. Los Osos (former Route #11 Monday-Friday): Realignment of RTA schedule to increase service back to hourly between Los Osos and Morro Bay. SLO, Cuesta, Morro Bay and Los Osos would be served on a single Route #12.
2. Continued LOVR service, but during peak commute times only.
3. **Eliminate the following unproductive runs or portions of runs:**
 - a. Express Route 11x from Los Osos to Morro Bay & Cal Poly has low ridership and is redundant with other services. There is alternative service within 15 minutes of this trip that provide similar service, except for the small number of passengers that regularly travel to and from Cal Poly to Morro Bay and the north Coast. These passengers will either have to walk or bike to/from Santa Rosa (about 20 minutes) or connect through downtown on RTA Route #9 or SLO Transit. The express route from Los Osos to Cal Poly (via LOVR & Foothill) will continue to operate.
 - b. Route #14 (Monday-Friday): SLO to Cuesta College: Eliminate the Cal Poly portion of this service.
 - c. Route #12 (Monday-Friday): Add extra evening trip from Cuesta College to downtown SLO (approx: 8:18pm pick up @ Cuesta, arriving at the Government Center at 8:29pm), allowing students to make transfer connections to the last trip on Routes #9 and #10.
 - d. Route #15 (Monday-Friday): The following changes would be implemented in in Morro Bay, Cayucos, Cambria & San Simeon:
 - i. Time change on the mid-day run from Morro Bay to Cambria.
 - ii. Operation of a smaller bus that will be capable of serving the San Simeon Campground & Old San Simeon (new stops).
 - iii. To address safety issues of the unprotected left turn onto Highway 1 NB in Cayucos, a route modification is proposed; the route will go right on Cayucos Drive (with controlled access to Highway #1 NB). The NB Ocean Blvd @ Cayucos bus stop (Cass House across from the Pier) will no longer be served and an alternate stop will be placed nearby along Cayucos Drive.

Attachment 1

- e. SLO- Morro Bay, Los Osos, Cayucos, Cambria & San Simeon on weekends (currently covered by a single Route #15), as follows:
 - i. RTA will make weekend service similar to Monday-Friday service by running two separate routes – Route #12 from San Luis Obispo to Morro Bay and Los Osos, and Route #15 between Morro Bay and Hearst Castle. This will reduce the travel time from the North Coast to downtown San Luis Obispo AND allow for a smaller bus to be used from Morro Bay north (on the weekends as during the week, allowing service to San Simeon Campground and Old San Simeon).
 - ii. **Eliminate two unproductive Sunday trips.** Match remaining 3 trips to regular system-wide Sunday schedules. (Five trips on Saturday will continue, with system-wide connections on all routes).
 - iii. Cambria Trolley Service may be reinstated for some days during the summer (funding availability and commitment from Cambria is still being confirmed).

Route #12 Southbound
Morro Bay towards Cuesta & SLO

Route #12 Northbound
SLO & Cuesta towards Morro Bay

Monday
thru
Friday

MB(depart)	San Luis Obispo	
	Cuesta	GC (arrive)
7:08	7:17	7:30
8:08	8:17	8:30
9:08	9:17	9:30
10:08	10:17	10:30
11:08	11:17	11:30
12:08	12:17	12:30
1:08	1:17	1:30
2:08	2:17	2:30
3:08	3:17	3:30
4:08	4:17	4:30
5:08	5:17	5:30
6:08	6:17	6:30
7:08	7:17	7:30
8:08	8:17	8:30

new!

GC(depart)	Cuesta	MB(arr)
6:33	6:46	6:58
7:33	7:46	7:58
8:33	8:46	8:58
9:33	9:46	9:58
10:33	10:46	10:58
11:33	11:46	11:58
12:33	12:46	12:58
1:33	1:46	1:58
2:33	2:46	2:58
3:33	3:46	3:58
4:33	4:46	4:58
5:33	5:46	5:58
6:33	6:46	6:58
7:33	7:46	7:58
8:33	8:46	8:58

Bus continues to Los Osos.

Bold times indicate p.m.

Saturday*	9:08	Call	9:27		9:33	9:46	9:58
	12:08	Call	12:27		12:33	12:46	12:58
	1:08	Call	1:27		1:33	1:46	1:58
	4:08	Call	4:27		4:33	4:46	4:58
	7:08	Call	7:27		7:33	7:46	7:58
Sunday	9:08	Call	9:27		9:33	9:46	9:58
	1:08	Call	1:27		1:33	1:46	1:58
	5:08	Call	5:27		5:33	5:46	5:58

Bus continues to Los Osos.

Bus continues to Los Osos.

Bold times indicate p.m.

* Saturday Schedule is assuming GC Departure times of 9:33, 12:33pm, 1:33pm, 4:33pm and 7:33pm

Sunday GC Schedule is the same as current: 9:33, 1:33pm and 5:33pm

Attachment 1

Route #15: San Simeon towards Morro Bay. Connect to Route #12 for Cuesta and SLO

							Connect to Route #12 in Morro Bay towards SLO:		
		Hearst Castle	San Simeon	Cambria Burton @ Main	Cayucos Ocean	Morro Bay Park (arrive)	MB(depart)	San Luis Obispo	
								Cuesta	GC (arrive)
Monday thru Friday	START	6:05	6:17	6:40	6:55	transfer	7:08	7:17	7:30
	8:00	8:05	8:17	8:40	8:55	transfer	9:08	9:17	9:30
	11:00	11:05	11:17	11:40	11:55	transfer	12:08	12:17	12:30
	2:00	2:05	2:17	2:40	2:55	transfer	3:08	3:17	3:30
	5:00	5:05	5:17	5:40	5:55	transfer	6:08	6:17	6:30
SATURDAY*	start	8:05	8:17	8:40	8:55	transfer	9:08	Call	9:27
	11:00	11:05	11:17	11:40	11:55	transfer	12:08	Call	12:27
	12:00	12:05	12:17	12:40	12:55	transfer	1:08	Call	1:27
	3:00	3:05	3:17	3:40	3:55	transfer	4:08	Call	4:27
	6:00	6:05	6:17	6:40	6:55	transfer	7:08	Call	7:27
SUNDAY	START	8:05	8:17	8:40	8:55	transfer	9:08	Call	9:27
	12:00	12:05	12:17	12:40	12:55	transfer	1:08	Call	1:27
	4:00	4:05	4:17	4:40	4:55	transfer	5:08	Call	5:27

Bold times indicate p.m.

SLO/Cuesta (via Route #12) & Route #15 Morro Bay toward San Simeon

				Connect from Route #12 to #15 in Morro Bay					
		GC(depart)	Cuesta	MB(arr)	Morro Bay Park (depart)	Cayucos Cayucos Dr.	Cambria Burton @ Main	San Simeon	Hearst Castle
Monday thru Friday	6:33	6:46	6:58	transfer	7:02	7:14	7:34	7:47	7:54
	9:33	9:46	9:58	transfer	10:02	10:14	10:34	10:47	10:54
	11:33	11:46	11:58	transfer	12:02	12:14	12:34	12:47	12:54
	2:33	2:46	2:58	transfer	3:02	3:14	3:34	3:47	3:54
	5:33	5:46	5:58	transfer	6:02	6:14	6:34	6:47	END
SATURDAY*	9:33	9:46	9:58	transfer	10:02	10:14	10:34	10:47	10:54
	12:33	12:46	12:58	transfer	1:02	1:14	1:34	1:47	1:54
	1:33	1:46	1:58	transfer	2:02	2:14	2:34	2:47	2:54
	4:33	4:46	4:58	transfer	5:02	5:14	5:34	5:47	END
	7:33	7:46	7:58	transfer	8:02	8:14	8:34	8:47	end
SUNDAY	9:33	9:46	9:58	transfer	10:02	10:14	10:34	10:47	10:54
	1:33	1:46	1:58	transfer	2:02	2:14	2:34	2:47	2:54
	5:33	5:46	5:58	transfer	6:02	6:14	6:34	6:47	end

Bold times indicate p.m.

* Saturday Schedule is assuming GC Departure times of 9:33, 12:33pm, 1:33pm, 4:33pm and 7:33pm

Sunday GC Schedule is the same as current: 9:33, 1:33pm and 5:33pm

Attachment 1

Route #12: San Luis Obispo, Cuesta College and Morro Bay Towards Los Osc

	GC (dpt)	Cuesta	MB arrive		MB depart to Los Osos	Los Osos			
						Ralphs	2nd	Ralphs/P.O.	
Monday thru Friday						6:40	6:49	6:56	
	6:33	6:46	6:58	Layover	7:28	7:40	7:49	7:56	
	7:33	7:46	7:58	Layover	8:28	8:40	8:49	8:56	
	8:33	8:46	8:58	Layover	9:28	9:40	9:49	9:56	
	9:33	9:46	9:58	Layover	10:28	10:40	10:49	10:56	
	10:33	10:46	10:58	Layover	11:28	11:40	11:49	11:56	
	11:33	11:46	11:58	Layover	12:28	12:40	12:49	12:56	
	12:33	12:46	12:58	direct	12:58	1:10	1:19	1:26	
	1:33	1:46	1:58	direct	1:58	2:10	2:19	2:26	
	2:33	2:46	2:58	direct	2:58	3:10	3:19	3:26	
	3:33	3:46	3:58	direct	3:58	4:10	4:19	4:26	
	4:33	4:46	4:58	direct	4:58	5:10	5:19	5:26	
	12X	5:20	Cal Poly 5:30	-	-	5:46	5:56	6:04	
		5:33	5:46	5:58	direct	5:58	6:10	6:19	6:26
		6:33	6:46	6:58	direct	6:58	7:10	7:19	7:26
		7:33	7:46	7:58	direct	-	-	-	-
	-	-	-	-	-	-	-	-	
	8:33	8:46	8:58	direct	8:58	9:10	9:19	9:26 end	
Saturday*	9:33	9:46	9:58	direct	9:58	10:10	10:19	10:26	
	12:33	12:46	12:58	direct	12:58	1:10	1:19	1:26	
	1:33	1:46	1:58	direct	1:58	2:10	2:19	2:26	
	4:33	4:46	4:58	direct	4:58	5:10	5:19	5:26	
	7:33	7:46	7:58	direct	7:58	8:10	8:19	8:26	
Sunday	9:33	9:46	9:58	direct	9:58	10:10	10:19	10:26	
	1:33	1:46	1:58	direct	1:58	2:10	2:19	2:26	
	5:33	5:46	5:58	direct	5:58	6:10	6:19	6:26	

* Saturday Schedule is assuming GC Departure times of 9:33, 12:33, 1:33, 4:33 and 7:33

Bold times indicate p.m.

Monday
thru
Friday
only

LOVR Express: (11x)	Madonna Plaza	S. Higuera at Suburban		Los Osos: Ralphs		
	4:05	4:15	-	4:45	-	-
	5:05	5:15	-	5:45	-	-

San Luis Obispo Council of Governments



Ronald L. DeCarli - Executive Director

Regional Transportation Planning Agency
Metropolitan Planning Organization
Rideshare Program / Census Data Affiliate
Service Authority for Freeways and Expressways

Arroyo Grande
Atascadero
Grover Beach
Morro Bay
Paso Robles
Pismo Beach
San Luis Obispo
San Luis Obispo County

May 3rd, 2012

Ms. Andrea Lueker, City Manager
City of Morro Bay
City Hall-595 Harbor Street
Morro Bay, CA 93442

Re: Follow up to Estero Bay Transit Proposal and other Near-Term Actions

Dear Ms. Lueker,

Andrea

The purpose of this letter is to address some of the recent developments for the Regional Transit Authority (RTA) services and the interrelationship with Morro Bay Transit. The service concept that we proposed and advocated over the last two years is no longer applicable, since the transit need(s) will be accommodated by the regional system. Also, the City's fiscal audit requires clarification, and it appears RTA/MB Transit connections at the Morro Bay City Park will again require schedule modification.

Regional Transit Service Changes - As you may be aware, the Regional Transit Authority has recommended and on May 2nd their Board approved a proposal to modify its' services related to the Estero Bay communities. One of the key changes is to reinstate hourly service between Los Osos and Morro Bay effective June 10, 2012. This service change effectively fills a service gap and nullifies the need for any local Morro Bay Transit connections to Los Osos. In other words, there is no longer a need for Morro Bay Transit to provide those connections since RTA has decided to provide that service on its own.

The RTA was receiving pressure from its riders to fill this gap. Without timely action from Morro Bay, RTA modified the service and addressed the need. This is a "lost opportunity" for the City of Morro Bay to provide a more efficient transit service. The chance for Morro Bay to leverage its local fixed route service with the County, or regionally-funded connection is gone for the short-term. We support RTA's plan to fill that service gap between Morro Bay and Los Osos. We anticipate ridership and revenue will increase.

In our opinion, the timeframe required in which to gain the City's support (over 2 years) has simply forced RTA to move forward. The County of SLO has saved nearly \$300,000 between FY 11/12 and FY 12/13 due to its consolidated service contract through RTA. In the end, the \$70,000 cost-savings we identified for Morro Bay is no longer available.

Fiscal Audit Changes - We have requested your staff re-submit the City's FY 2010/11 TDA Fiscal Audit to SLOCOG for review so we can ensure consistency with the adopted Transportation Development Act (TDA) guidelines of June 2011. We allow the use of a blended farebox ratio, but it is crucial that the City's auditor applies only "eligible operating revenues" for the derivation of the annual farebox recovery ratio. As discussed with your staff, parking in lieu fees are not eligible. Based on the numbers submitted, it appears that your overall blended farebox recovery is 10%, with a farebox recovery of 4% for the fixed-route deviation Morro Bay Transit and 32% for the Trolley. Per state law, we are not authorized to release your 4th quarter claim for reimbursement until we have received this fiscal audit as modified and are confident that it has been prepared in a satisfactory manner in compliance with the Transportation Development Act guidelines.

Schedule Coordination and Other issues We suggest the City adjust the Morro Bay Transit time points at City Park to ensure timely connections with the new RTA service North Coast schedules, discussed at the RTAC meeting. The current City timetable will no longer be in synch with the new RTA timetables. In particular the City contractor, MV Transportation, should allow more time at that transfer point in order to ensure all connections can be made at the Park. The current timetable is too tight and the Morro Bay Transit vehicle leaves the Park too early to enable use of its service by connecting passengers, whenever they wish to ride Morro Bay Transit after leaving an RTA bus, whether it originates from San Luis Obispo, Los Osos or Cambria. SLOCOG puts emphasis on the provision of timed-transfers at key nodes along the regional network and takes those schedule coordination factors into account when allocating discretionary "RTA integration" dollars under the State Transit Assistance program (action to be taken in October 2012).

We also suggest the City consider a base fare increase from \$1.25 to 1.50 to align the Morro Bay Transit local fixed-route fare with the one-zone cash fare on the RTA system. SLOCOG recommends that the City give this option serious consideration in view of the very low farebox recovery ratio for the Morro Bay Transit service on its own (less than 5% or below half of the state mandate). While we support the use of a blended farebox ratio, it is a not good policy to use one successful service (the Morro Bay Trolley) as a substitute for a poor performing service, which we believe not sustainable in its current form.

Due to the upcoming Route 12 schedule re-alignment (June 10, if approved), we feel it is important for us to communicate the above points in writing instead of pushing the opportunity for discussion at the later date.

If you should have any questions or concerns, please do not hesitate to contact Eliane Wilson on my staff at 781-5711.

Sincerely,



Ronald L. De Carli
Executive Director

City of Morro Bay

Morro Bay, CA 93442

(805) 772-6200



May 29, 2012

Mr. Ron De Carli
Executive Director, SLOCOG
1114 Marsh Street
San Luis Obispo, CA 93401

Dear Mr. De Carli,

Thank you for your letter dated May 3, 2012 regarding the recent transit developments for the Regional Transit Authority (RTA) services and the resulting impact to the Estero Bay Transit proposal and interrelationship with Morro Bay Transit as well as the FY 2010/2011 Transportation Development Act annual audit. After reading your correspondence, I believe it necessary to respond to several points/comments made in your letter even though the Estero Bay Transit concept proposal, as you state, is no longer applicable and therefore no longer warranted for consideration by the City.

As you are aware, the City of Morro Bay, SLOCOG and RTA have been working together over the past 2 years to see if there could be any cost savings/efficiencies identified through better coordination or consolidation of transit functions/services for the north coast. During that time several transit concepts were developed for consideration, resulting in further refinements needing to be made to address service level deficiencies. The City has been very clear when reviewing proposed concepts that the City Council was not willing to accept a lower level of transit service or be able to provide additional funds to retain existing service levels. The City has worked with SLOCOG and RTA staff to find alternatives and I am disappointed you indicate that "without timely action from Morro Bay, RTA modified the service and addressed the need". The efforts of the past few years have been a "back and forth" with each agency participating equally and this point was not reached solely due to delays from the City of Morro Bay.

The cost savings your letter identifies is not a figure that the City of Morro Bay staff agrees with due to the interpretation of our cost allocation program. In terms of the Fiscal Audit changes, City staff has been discussing this issue with your staff since the February 2012 Public Works Advisory Board meeting and your staff is keenly aware the City has been working with our auditor to amend the audit note regarding the fare box ratio to reflect all applicable "eligible operating revenues". This past week your office was provided a copy of the amended audit.

In reviewing the section of your letter regarding schedule changes to meet other timetables, we were already aware of the RTA proposed service changes to its north coast routes and Ms. Burlingame has

ADMINISTRATION
595 Harbor Street

ADMINISTRATIVE SERVICES
595 Harbor Street

FIRE DEPT.
715 Harbor Street

PUBLIC SERVICES
955 Shasta Avenue

HARBOR DEPT.
1275 Embarcadero Road

CITY ATTORNEY
595 Harbor Street

POLICE DEPT.
850 Morro Bay Boulevard

RECREATION & PARKS
1001 Kennedy Way

been in contact with RTA staff regarding these changes to determine if they would result in the need for modification to Morro Bay Transit's route schedule to continue providing timely connections with RTA buses at City Park. After discussion with RTA staff, it has been determined that no changes to Morro Bay Transit timing will need to occur at this time, however; we will continue monitoring connections to ensure the transit system in Morro Bay continues to provide a workable schedule for our residents.

In closing, the City of Morro Bay's goal is to provide a usable and affordable transit system for Morro Bay residents. I believe we have made significant progress in the last 2 years and we continue to strive to make further improvements. We have made this progress, even in light of changing from our 33 year-old demand-response service to a new deviated fixed-route system. In reading your letter, I was disappointed in its tone and do not think it is indicative of the cooperative working relationship that I believed us to have. Lastly, the City will continue to work with RTA in coordinating connectivity between the regional and local services, and as we have in the past and will remain in the future, be open to discussions on future opportunities.

Sincerely,



Andrea K. Lueker
City Manager

cc Morro Bay Mayor and City Council
Public Works Advisory Board Members
Rob Livick, Public Services Director
Janeen Burlingame, Management Analyst

Attachment 3

Morro Bay Transit – Comparison from Prior Year Through April

	Total Riders		Fixed Rt		CAR		Riders/Day		Farebox	
	FY 11/12	FY 10/11	FY 11/12	FY 10/11	FY 11/12	FY 10/11	FY 10/11	FY 10/11	FY 11/12	FY 10/11
July	1,115	838	1,015	724	100	114	56	40	\$821	\$898
August	1,421	889	1,276	803	145	86	62	40	\$1,051	\$841
September	2,372	1,144	1,171	1,032	169	112	113	54	\$1,085	\$917
October*	2,399	1,122	1,232	1,014	153	108	114	53	\$814	\$1,508
November	1,531	1,146	1,365	1,043	166	103	81	60	\$1,063	\$678
December	1,463	1,128	1,294	1,034	169	94	70	54	\$953	\$785
January	1,296	940	1,192	828	104	112	65	47	\$836	\$760
February	1,251	893	1,128	763	123	130	66	50	\$860	\$763
March	1,500	1,117	1,343	953	157	164	68	49	\$1,013	\$927
April	1,522	1,037	1,395	916	127	121	72	49	\$1,048	\$863
Total	15,870	10,254	12,411	9,110	1,413	1,144	77	50	\$9,543	\$8,939
% Change from Prior Yr	55%		36%		24%		55%		7%	

Note: Farebox percentage increase is not as high as ridership increase due to SLOCOG requirement to honor Regional passes which we receive a partial fare reimbursement for (approx. 60%) and Senior VIP pass for which we do not receive any fare reimbursement.



AGENDA NO: A-5

MEETING DATE: June 12, 2012

Staff Report

TO: Honorable Mayor and Council

DATE: June 5, 2012

FROM: Janeen Burlingame, Management Analyst

SUBJECT: Adopt Resolution No. 26-12 Approving Submission of Proposition 1B Public Transportation Modernization, Improvement and Service Enhancement Account Grant Application

RECOMMENDATION:

Staff recommends the City Council adopt Resolution No. 26-12 approving submission of a Proposition 1B Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) grant application for a transit vehicle replacement project.

FISCAL IMPACT:

There is no fiscal impact to the general fund to apply for the Prop 1B PTMISEA grant. The grant request is for the City's FY 2010/2011 Local Operator share allocation of \$10,618 for the project. The total cost for the transit vehicle replacement is estimated at \$73,000. The remaining funding for the project would come from a combination of Transportation Development Act funds, for the City's local match requirement, and a Rural Transit Fund grant.

BACKGROUND:

The PTMISEA program was created by Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. Of the \$19.925 billion available to Transportation, \$3.6 billion dollars was allocated for PTMISEA to be available to transit operators over a ten-year period. Some of the PTMISEA funds are apportioned to operators directly, while much of the funds are allocated on a competitive basis.

Funds may be used for transit rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements, or rolling stock (buses and rail cars) procurement, rehabilitation or replacement.

DISCUSSION:

Shortly after the February allocation of Proposition 1B competitive funds the City became aware that it had been apportioned \$10,618 of operator share funds that have been accumulating over the past three fiscal years. The City must submit an application for a specific project in order to receive these funds. Currently, there are no small capital projects needed as the City has completed in the past year the communications equipment project and, more recently, the bus stop signs and route display cases project.

The next transit capital project scheduled is for the purchase of a replacement Morro Bay Transit

Prepared By: J. Burlingame

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

vehicle in summer 2013. In January 2013, the City will apply for a Rural Transit Fund grant for the remaining balance of the total estimated project cost less the City's required local match (coming from Transportation Development Act funds) and the Prop 1B Local Operator share allocation.

CONCLUSION:

Staff recommends the City Council adopt Resolution No. 26-12 approving submission of a Proposition 1B Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) grant application for the transit vehicle replacement project.

RESOLUTION NO. 26-12

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
APPROVING SUBMISSION OF PROPOSITION 1B PUBLIC TRANSPORTATION
MODERNIZATION, IMPROVEMENT AND SERVICE ENHANCEMENT ACCOUNT
GRANT APPLICATION**

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

WHEREAS, the Public Transportation Modernization, Improvement, and Service Enhancement Account Program (PTMISEA) was created by Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006; and

WHEREAS, of the \$19.925 billion available to Transportation, \$3.6 billion dollars was allocated to PTMISEA to be available to transit operators over a ten-year period; and

WHEREAS, funds in this account are appropriated annually by the Legislature to the State Controllers Office (SCO) for allocation in accordance with Public Utilities Code formula distributions: 50% allocated to Local Operators based on fare-box revenue and 50% to Regional Entities based on population; and

WHEREAS, the City has been allocated \$10,618 in Local Operator share of PTMISEA funds that the City needs to apply for before June 30, 2012; and

WHEREAS, PTMISEA funds may be used for transit rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements, or rolling stock (buses and rail cars) procurement, rehabilitation or replacement.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, that the Public Services Director or his designee is authorized to submit an application for PTMISEA funds for the City's transit vehicle replacement project.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 12th day of June, 2012 on the following vote:

AYES:
NOES:
ABSENT:

William Yates, Mayor

ATTEST:

Jamie Boucher, City Clerk



AGENDA NO: A-6

MEETING DATE: June 12, 2012

Staff Report

TO: Honorable Mayor and City Council

DATE: June 6, 2012

FROM: Andrea K. Lueker, City Manager
Eric Endersby, Harbor Director

SUBJECT: Execution of a Grant Agreement with the National Fish and Wildlife Foundation for Fishing Community Sustainability Planning and Development

RECOMMENDATION

Council move to authorize the City Manager to execute the attached grant agreement with the National Fish and Wildlife Foundation (NFWF).

FISCAL IMPACT

The City will receive \$135,000 in grant funding with a required \$125,000 funding match requirement. The grant match will come from Morro Bay and Monterey, to be provided in the form of staff costs (from both agencies) in support of the project. A copy of Monterey's letter of support for the project is included in this staff report.

In the grant application this staff support was estimated as \$37,000 for work on the Fishing Community Sustainability Plan, and \$88,000 for work on the Community Quota Fund (also referred to as Community Fishing Association, or CFA) development, plan consulting and grant management to meet the \$125,000 match. This includes the City of Monterey's Harbormaster, City Manager, and Property Manager, and City of Morro Bay staff, including smaller allocations from planning, admin and legal staffs. Staff does not anticipate any additional direct budget costs from acceptance of this grant other than staff time allocation.

SUMMARY

The City of Morro Bay has received a \$135,000 NFWF grant to undertake planning and implementation of Fishing Community Sustainability Planning and Community Quota Fund development projects. The City of Monterey is also participating in this grant opportunity. Combined Morro Bay and Monterey matching fund requirements are \$125,000, all of which are anticipated to be comprised of in-kind staffing commitments.

Prepared By: _____

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

BACKGROUND

The City of Morro Bay is currently engaged in forming a non-profit public benefit corporation to acquire fishing privileges in the new Trawl Individual Quota Program to anchor them in the community via a Community Quota Fund to provide social, economic, conservation and marine research benefits. In January, 2012 the City of Morro Bay applied for a grant from NFWF to support this effort and to execute a Fishing Community Sustainability Plan for the cities of Monterey and Morro Bay. The full grant proposal is posted on the City's website. The City received Notification of Award of the grant and a proposed Grant Agreement in May, which must be executed by July 15, 2012 in order to receive the grant.

DISCUSSION

Acceptance of this grant will complement and continue the City's current effort to form the Morro Bay Community Quota Fund and allow the cities of Monterey and Morro Bay to undertake long-term planning for fishing community sustainability. The grant terms require one agency to accept and manage the grant; therefore the City of Morro Bay will manage the acquisition of a consultant to complete the planning for the two cities. However, each city will contribute staff to collaborate with the consultant and work directly on the individual Plans.

The City of Monterey has identified a high priority need for marine-dependent use and infrastructure planning on their waterfront, and both cities have for many years supported the Commercial Fishing industry and preservation of their working waterfronts. These plans are expected to create a strategic path for decision making in these areas.

CONCLUSION

Staff recommends that the City Council authorize entry into the \$135,000 NFWF grant agreement to enable the City of Morro Bay to continue with its Community Quota Fund efforts as well as create Fishing Community Sustainability Plans.

**NATIONAL FISH AND WILDLIFE FOUNDATION
GRANT AGREEMENT**

PROJECT: 0303.12.030807 (Fishing Community Sustainability Planning and Development (CA))

PROPOSAL ID: 30807

NFWF RECIPIENT: City of Morro Bay

RECIPIENT TYPE: State or Local Government

PERIOD OF PERFORMANCE: October 1, 2011 to December 31, 2013

PROJECT DESCRIPTION: Develop a strategic plan aimed at economic, social, and environmental sustainability in the Morro Bay and Monterey fisheries. Project will build community fishing association capacity.

NFWF AWARD: \$135,000

FUNDING SOURCES	AMOUNT	CFDA #
National Oceanic and Atmospheric Administration (FC.R137)	\$45,000	11.454
The Walton Family Foundation (TR.A140)	\$45,000	N/A
Gordon and Betty Moore Foundation (TR.A107)	\$45,000	N/A

NON-FEDERAL MATCH REQUIREMENT: \$125,000

FEDERAL MATCH REQUIREMENT: N/A

The National Fish and Wildlife Foundation (NFWF) agrees to provide the NFWF Award to the NFWF Recipient for the purposes of satisfactorily performing the Project described in a full proposal titled "Fishing Community Sustainability Planning and Development" and incorporated into this grant agreement by reference. The NFWF Award is provided on the condition that the NFWF Recipient agrees that it will raise and spend at least \$125,000 in matching contributions on the Project. Project must be completed, with all NFWF funds and matching contributions spent, during the Period of Performance as set forth above.

NFWF RECIPIENT CONTACT INFORMATION

Recipient Name: Rick Algert
Recipient Address: 595 Harbor Street
Morro Bay, CA 93442
Recipient Phone: 805-252-7514
Recipient Email: ralbert@morro-bay.ca.us

NFWF CONTACT INFORMATION

NFWF Grants Administrator: Will Jackson
NFWF Address: 1133 Fifteenth Street, NW
Suite 1100
Washington, DC 20005
NFWF Phone: 202-857-0166
NFWF Fax: 202-857-0162
NFWF Email: Will.Jackson@nfwf.org

NFWF PROCESS

Matching Contributions.

Matching Contributions consist of cash, contributed goods and services, volunteer hours, and/or property raised and spent for the Project. Matching Contributions for the purposes of this Project must meet the following three criteria: 1) Matching Contributions must be non-federal in nature and not presented as match to any other federal program(s); 2) Matching Contributions must be committed directly to the Project and must be used within the Period of Performance as identified on page 1 of this grant agreement; and 3) Matching Contributions must be voluntary in nature. Funds presented for fulfillment of mitigation, restitution, or other permit or court-ordered settlements are not eligible.

Documentation of Matching Contributions.

1. Cash, Goods and Services, and/or Property. The NFWF Recipient must report to NFWF as a part of the final report, the Matching Contributions received by the NFWF Recipient and expended in connection with the Project. The match report must include the name and address and contribution amount of any donor who contributes \$500 or more to the Project. Fair market value of donated goods and services, including volunteer hours, shall be computed as outlined in the OMB Circulars.

2. Property. The NFWF Recipient may have a third party donor submit a letter to NFWF, documenting the fair market value and date of a Matching Contribution and stating that the donation is non-Federal, voluntary, and intended to qualify as a Matching Contribution. A letter provided to document a donation of real property must be accompanied by an appraisal by a certified appraiser; a letter provided to document rental of equipment or space must list three comparable rentals in the location of the Project.

The NFWF Recipient must retain detailed time records for contributed services and original receipts and appraisals of real property and comparable rentals for other contributed property at its place of business in the event of an audit of the NFWF Recipient as required by applicable Federal regulations.

Restrictions on Use of Funds.

No Funds provided by NFWF pursuant to this grant agreement or Matching Contributions may be used to support overhead/indirect costs, litigation expenses, lobbying activities, terrorist activities, or activities in violation of the Foreign Corrupt Practices Act.

Payment of Funds.

To receive funds, the NFWF Recipient must provide NFWF with: 1) an original executed copy of the grant agreement; 2) a Payment Request from the NFWF Recipient requesting payment; and 3) any required financial and programmatic reports. Failure to provide information required by this grant agreement may delay payment. NFWF Recipient may request funds by submitting a Payment Request to the NFWF Grants Administrator via email, mail, or fax. NFWF Recipient may request advance payment of funds prior to expenditure provided: 1) NFWF Recipient demonstrates an immediate need for advance payment; and 2) NFWF Recipient documents expenditure of advanced funds on the next required financial report to NFWF. Approval of any advance payment of funds is made at the sole discretion of NFWF, based on an assessment of the NFWF Recipient's needs. In all other cases, funds are disbursed on a reimbursable basis. NFWF reserves the right to retain up to twenty percent (20%) of funds until submission and acceptance of the final reports.

Interim Programmatic Reports.

The NFWF Recipient will submit an interim programmatic report to NFWF based on the reporting schedule below. The interim programmatic report shall consist of written statements of Project accomplishments since Project initiation, or since the last reporting period, and shall be uploaded via NFWF's Easygrants system.

Annual Financial Report.

An annual financial report detailing cumulative receipts and expenditures made under this Project is required annually, due on October 31st of each year of the grant term. In the annual financial report, the NFWF Recipient must report the amount of NFWF Funds expended during NFWF's fiscal year (October 1 – September 30). The NFWF Recipient must enter a justification when there is a difference between the amount disbursed by NFWF and the amount expended by the grantee. Failure to submit an annual financial report in a timely manner will delay payment of submitted payment requests.

Final Reports.

No later than 90 days after the completion of the Project, the NFWF Recipient will submit 1) a final financial report accounting for all Project receipts, Project expenditures, and budget variances (if any) compared to the approved budget; 2) a final programmatic report summarizing and evaluating the accomplishments achieved during the Period of Performance; 3) a representative number of photographs depicting the Project; and 4) copies of any publications, press releases and other appropriate products resulting from the Project. The final reports should be uploaded via NFWF's Easygrants system. Any requests for extensions of the final report submission date must be made in writing to the NFWF Grants Administrator and approved by NFWF in advance.

Reporting Due Dates.

October 31, 2012	Annual Financial Report
February 1, 2013	Interim Programmatic Report
October 31, 2013	Annual Financial Report
March 31, 2014	Final Financial Report
March 31, 2014	Final Programmatic Report

Amendments.

During the life of the Project, the NFWF Recipient is required to inform the NFWF Grants Administrator of any changes in contact information or in the Project scope of work, as well as any difficulties in completing the Project by the end of the Period of Performance, or in submitting reports by their due dates. If the NFWF Recipient determines that the amount of the budget is going to change in any one budget category by an amount that exceeds 10% of the Award, the NFWF Recipient must seek approval from the Grants Administrator. Amendment requests should be initiated by the NFWF Recipient upon determination of a deviation from the original grant agreement. However, NFWF may initiate the amendment if NFWF determines an amendment is necessary. Amendment requests are to be submitted via NFWF's Easygrants system.

Termination.

Failure by the NFWF Recipient to comply with any material term of this grant agreement shall be deemed to be a default in this grant agreement and constitute cause for NFWF to terminate this grant agreement by written notice to the NFWF Recipient and to pursue any legal remedy to which NFWF may be entitled.

The NFWF Recipient may terminate this grant agreement by written notice to NFWF. In the event of termination of this grant agreement prior to Project completion, the NFWF Recipient shall immediately (unless otherwise directed by NFWF in its notice if NFWF initiated the termination) undertake all reasonable steps to wind down the Project cooperatively with NFWF, including but not limited to the following:

- a. Stop any portion of the Project's work that is incomplete (unless work to be completed and a different date for termination of work are specified in NFWF's notice).
- b. Place no further work orders or enter into any further subawards or subcontracts for materials, services or facilities, except as necessary to complete work as specified in NFWF's notice.
- c. Terminate all pending Project work orders, subawards, and subcontracts for work that has not yet commenced.
- d. With the prior written consent of NFWF, promptly take all other reasonable and feasible steps to minimize and/or mitigate any damages that may be caused by the failure to complete the Project, including but not limited to reasonable settlements of any outstanding claims arising out of termination of Project work orders, subawards, and subcontracts.
- e. Deliver or make available to NFWF all data, drawings, specifications, reports, estimates, summaries, and such other information and material as may have been accumulated by the NFWF Recipient under this grant agreement, whether completed or in progress.
- f. Return to NFWF any unobligated portion of the Award.

REPRESENTATIONS, CERTIFICATIONS, AND OTHER STATEMENTS GENERAL

Binding Obligation.

This grant agreement has been duly executed by a representative of the NFWF Recipient with full authority to execute this grant agreement and bind the grant agreement to the terms hereof. After execution by the representative of the NFWF Recipient named on the signature page hereto, this grant agreement will represent the legal, valid, and binding obligation of the NFWF Recipient, enforceable against the NFWF Recipient in accordance with its terms.

Assignment; Subawards and Subcontracts.

The NFWF Recipient may not assign this grant agreement, in whole or in part, to any other individual or other legal entity without the prior written approval of NFWF. The NFWF Recipient may not provide subawards nor enter into subcontracts without the prior written approval of NFWF. Subawards and subcontracts with known parties disclosed in the proposal budget are deemed to be approved.

Unexpended Funds.

Any funds provided by NFWF and held by the NFWF Recipient and not expended at the end of the Period of Performance will be returned to NFWF within ninety (90) days after the end of the Period of Performance.

Additional Support.

In making this Award, NFWF assumes no obligation to provide further funding or support to the NFWF Recipient beyond the terms stated in this grant agreement.

Publicity and Acknowledgement of Support.

The NFWF Recipient agrees to give appropriate credit to NFWF and any Funding Sources identified in this grant agreement for their financial support in any and all press releases, publications, annual reports, video credits, dedications, and other public communications regarding this grant agreement or any of the project deliverables associated with this grant agreement. The NFWF Recipient must obtain prior NFWF approval for the use of the NFWF logo or the logo of any Funding Source and any public information releases concerning this Award.

Posting of Final Reports.

The NFWF Recipient gives NFWF the right and authority to publicize NFWF's financial support for this grant agreement and the Project in press releases, publications and other public communications. The NFWF Recipient hereby acknowledges its consent for NFWF and any Funding Source identified in this grant agreement to post its final reports on their respective websites. In the event that the NFWF Recipient intends to claim that its final report contains material that does not have to be posted on such websites because it is protected from disclosure by statutory or regulatory provisions, the NFWF Recipient shall so notify NFWF and any Funding Source identified in this grant agreement and

clearly mark all such potentially protected materials as "PROTECTED," providing an accurate and complete citation to the statutory or regulatory source for such protection.

Website Links.

The NFWF Recipient agrees to permit NFWF to post a link on any or all of NFWF's websites to any websites created by the NFWF Recipient in connection with the Project.

Evaluation.

The NFWF Recipient agrees to cooperate with NFWF by providing timely responses to all reasonable requests for information to assist in evaluating the accomplishments of the Project for a period of five (5) years after the date on which the final financial and programmatic reports are provided.

Arbitration.

All claims, disputes, and other matters in question arising out of, or relating to this grant agreement, its interpretation or breach, shall be decided through arbitration by a person or persons mutually acceptable to both NFWF and the NFWF Recipient. Notice of the demand for arbitration shall be made within a reasonable time after the claim, dispute, or other matter in question has arisen. The award rendered by the arbitrator or arbitrators shall be final. The terms of this provision will survive termination of this grant agreement.

Indemnity.

The NFWF Recipient shall indemnify and hold harmless NFWF, any Funding Source identified in this grant agreement, their respective officers, directors, agents, and employees in respect of any and all claims, injuries, losses, diminution in value, damages, liabilities, whether or not currently due, and expenses including without limitation, settlement costs and any legal or other expenses for investigating or defending any actions or threatened actions arising from or in connection with the Project. The terms of this provision will survive termination of this grant agreement.

Choice of Law/Jurisdiction.

This grant agreement shall be subject to and interpreted by the laws of the District of Columbia, without regard to choice of law principles. By entering into this grant agreement, the NFWF Recipient agrees to submit to the jurisdiction of the courts of the District of Columbia. The terms of this provision will survive termination of this grant agreement.

Compliance with Laws.

In conducting its activities relating to the Project, the NFWF Recipient agrees to conduct all such activities in compliance with all applicable Federal, State, and local laws, regulations, and ordinances and to secure all appropriate necessary public or private permits and consents. The terms of this provision will survive termination of this grant agreement.

Insurance.

The NFWF Recipient agrees to obtain and maintain all appropriate insurance against liability for injury to persons or property from any and all activities undertaken by the NFWF Recipient and associated with this Award in any way. The terms of this provision will survive termination of this grant agreement.

**REPRESENTATIONS, CERTIFICATIONS, AND OTHER STATEMENTS
RELATING TO FEDERAL FUNDS**

The NFWF Recipient must read and understand certain Federal regulations, including but not limited to, those identified below which may be located on the Internet at <www.whitehouse.gov/omb/circulars/index.html>. If a NFWF Recipient does not have access to the Internet, it should ask its NFWF Grants Administrator for copies. Many Federal agencies have agency-specific regulations that govern the issuance of awards and subawards with their funds; it is the obligation of the NFWF Recipient to review and comply with any such regulations issued by its Federal agency Funding Source(s).

If the NFWF Recipient is a non-profit organization, it will need to understand and comply with (i) OMB Circular A-110 "Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations" and, (ii) depending on what kind of organization it is, either (a) OMB Circular A-21 "Cost Principles for Educational Institutions" or (b) OMB Circular A-122 "Cost Principles for Non-Profit Organizations," in addition to other applicable Federal regulations.

If the NFWF Recipient is a State, Local or Tribal Government, it will need to understand and comply with OMB Circulars A-102 "Grants and Cooperative Agreements with State and Local Governments" and A-87 "Cost Principles for State, Local, and Indian Tribal Governments," in addition to other applicable Federal regulations.

A-133 Audits.

If the NFWF Recipient is any type of U.S. organization and it expends an aggregate of \$500,000 or more from all Federal sources in a fiscal year, it is subject to a special kind of audit as detailed in OMB Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations," which it will need to understand and comply with, in addition to other applicable Federal regulations.

Interest.

Any interest earned in any one year on Federal funds advanced to the NFWF Recipient that exceeds \$250 must be reported to NFWF, and the disposition of those funds negotiated with NFWF.

Subcontractor Lobbying.

The NFWF Recipient agrees, to the best of his or her knowledge and belief, that:

- a. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- b. If any funds other than Federal appropriated funds have been paid or will be paid to any person influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- c. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Subcontractor Debarment and Suspensions.

The NFWF Recipient shall enter into no contract or subcontract using Federal funds provided by NFWF with any party listed on the General Services Administration's Lists of Parties Excluded from Federal Procurement or Nonprocurement Programs in accordance with Executive Orders 12549 and 12689 (Debarment and Suspension).

Disclaimers.

Payments made to the NFWF Recipient under this grant agreement do not by direct reference or implication convey NFWF's endorsement nor the endorsement by any other entity that provides funds to the NFWF Recipient through this grant agreement, including the U.S. Government, for the Project. All information submitted for publication or other public releases of information regarding this grant agreement shall carry the following disclaimer:

"The views and conclusions contained in this document are those of the authors and should not be interpreted as representing the opinions or policies of the U.S. Government or the National Fish and Wildlife Foundation. Mention of trade names or commercial products does not constitute their endorsement by the U.S. Government or the National Fish and Wildlife Foundation."

Davis-Bacon Act.

If applicable to the Project, the NFWF Recipient shall be subject to the provisions of the Davis-Bacon Act (40 U.S.C. 276a to a-7) as supplemented by Department of Labor regulations (29 CFR part 5, "Labor Standards Provision Applicable to Contracts Governing Federally Financed and Assisted Construction").

Rights to Inventions.

If applicable to the Project, the NFWF Recipient shall abide by the provisions of 37 CFR Part 401 (Rights to Inventions Made by Non-Profit Organizations and Small Business Firms Under Government Grants, Contracts, and Cooperative Agreements) and any implementing regulations issued by the Federal agency(ies) that provide funds for this grant agreement.

SIGNATURES

IN WITNESS WHEREOF, the parties have executed this grant agreement, intending to be bound legally.

National Fish and Wildlife Foundation

Gerry Vans
Vice President, Operations

(Date)

City of Morro Bay

(Signature)

(Name and Title)

(Date)



HARBOR/MARINA DIVISION

June 5, 2012

Andrea Leuker
City Manager
City of Morro Bay
595 Harbor Street
Morro Bay, CA 93442

Dear City Manager ~~Leuker~~, *Andrea*,

I am writing to express the support of the City of Monterey for the successful grant request made by your City to the National Fish and Wildlife Foundation (NFWF). As you well know, our two cities have shared motivations to preserve and enhance our commercial fishing fleets and working waterfronts. Monterey Mayor Chuck Della Sala, the Monterey City Council, City Manager Fred Meurer, and myself are all very aware and appreciative of the time that you and your staff put into the preparation of the grant proposal. The City of Monterey will directly benefit from some of the project concepts, and we will continue to work with you and do our share to implement the grant. Hopefully, creating the plans and instruments needed to secure ground fish landings in our communities will constitute a significant step in our larger efforts to support fisheries that operate in a stable business and environmental setting.

Thank you again to the City of Morro Bay for taking the lead on this NFWF grant request.

Stephen B. Scheiblaue

Stephen B. Scheiblaue
Harbormaster
City of Monterey

Cc Mayor and Council
City Manager
Community Services Director



AGENDA NO:

MEETING DATE: June 12, 2012

Staff Report

TO: Honorable Mayor and City Council **DATE:** June 5, 2012
FROM: Rob Livick, PE/PLS – Public Services Director/City Engineer
SUBJECT: Southern California Gas Company – Advanced Meter Project

STAFF RECOMMENDATION

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

FISCAL IMPACT

There is minimal fiscal impact as a result of the Gas Company's Advance Meter Project. The City will be charging the Gas Company for permit fees for the processing of the Coastal Development Permit and the Encroachment Permit.

BACKGROUND/DISCUSSION

On May 8, 2012 representatives from Southern California Gas Company (Gas Company) met with the City Manager and the Public Services Director to discuss the Gas Company's Advance Meter Project. The Gas Company provided the City with information regarding the re-metering program and approximate locations of the four Data Collection Units (DCU) in the City required to operate the new remote meter reading system.

Gas Company representatives presented information regarding the process the program has been through at the Public Utilities Commission, the installation schedule, safety of the transmitters, the timing of the project and their public outreach plan. Information presented stated that the DCUs will only actually transmit for a total of approximately two minutes per year and the radio frequency output is hundreds of times less than other commonly used household devices. The metering is one way and the Gas Company will not control the flow of Gas with this new metering program.

Installation of the four DCU would be development under the Coastal Act and will therefore require a Coastal Development Permit. The four approximate locations proposed for DCU installation are: 673 Little Morro Creek Road, 423 Driftwood Street, 371 Sequoia Street and Quintana Road near Kennedy Way. The DCU consist of a pole with two antennas, a solar panel and a control/data cabinet at a height of 30-feet. The DCU are proposed to be installed in the public right of way, much like other utility poles and are allowed by the Franchise Agreement the City has with the Gas Company (Ordinance 12).

Staff will be meeting with Gas Company Representatives to visit the proposed DCU sites to discuss installation issues. Following that meeting staff expects the Gas Company to finalize the locations and apply for a Coastal Development Permit. Once application is complete the City will perform an environmental determination and process the publicly noticed Coastal

Prepared By: RL

Dept Review: RL

City Manager Review: _____

City Attorney Review: _____

Permit. The Gas Company anticipates that installation of the DCUs could begin later this year, pending approval of a Coastal Permit. The Advanced Meter implementation schedule is in the attachment provided by the Gas Company.

CONCLUSION

This item is informational only and no action is required.

Attachments

1. Advance Meter Project Overview
2. Proposed DCU locations



ADVANCEDmeter

PROJECT OVERVIEW

May 2012

What is the Advanced Meter Project?

- California Public Utilities Commission (CPUC) decision received in April 2010 authorizing \$1.05 billion to upgrade approximately 6 million existing natural gas meters with a wireless communication device by 2017
- Automatically reads and securely transmits hourly gas usage information on a “next day” basis
- Provides more frequent and detailed information to help customers better control energy use and costs
- SoCalGas employees will perform installations



PHOTOS FOR DISCUSSION PURPOSES ONLY

What are the Benefits?



**Get
Information**



**Save
Money**



**Help the
Environment**

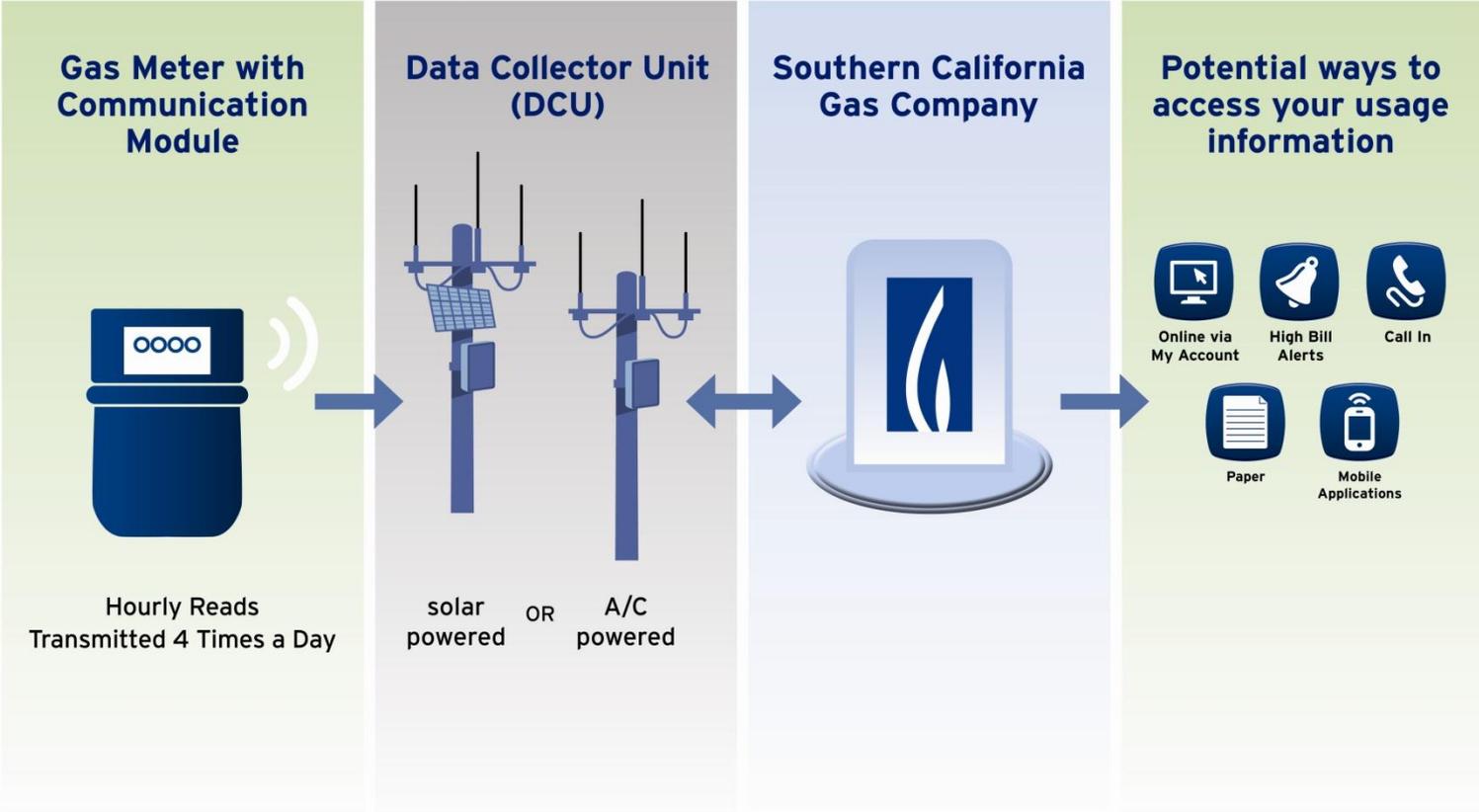
How Does it Work?

Gas usage is still recorded in the traditional way, it's a new wireless communication device that transmits the information electronically



- Does not change the functionality of the gas meter; No remote connect / disconnect capabilities
- Device is **off** most of the time
- Securely transmits 12 hours of data 4 times per day to a Data Collector Unit (total “on” time is less than 2 minutes per year)
- **Battery-powered**
- Does not communicate with other meters
- Does not communicate with appliances in the home

How is the information transmitted?



High Level Timeline

- ★ Milestone
- Planning
- Implementation

Network Installation

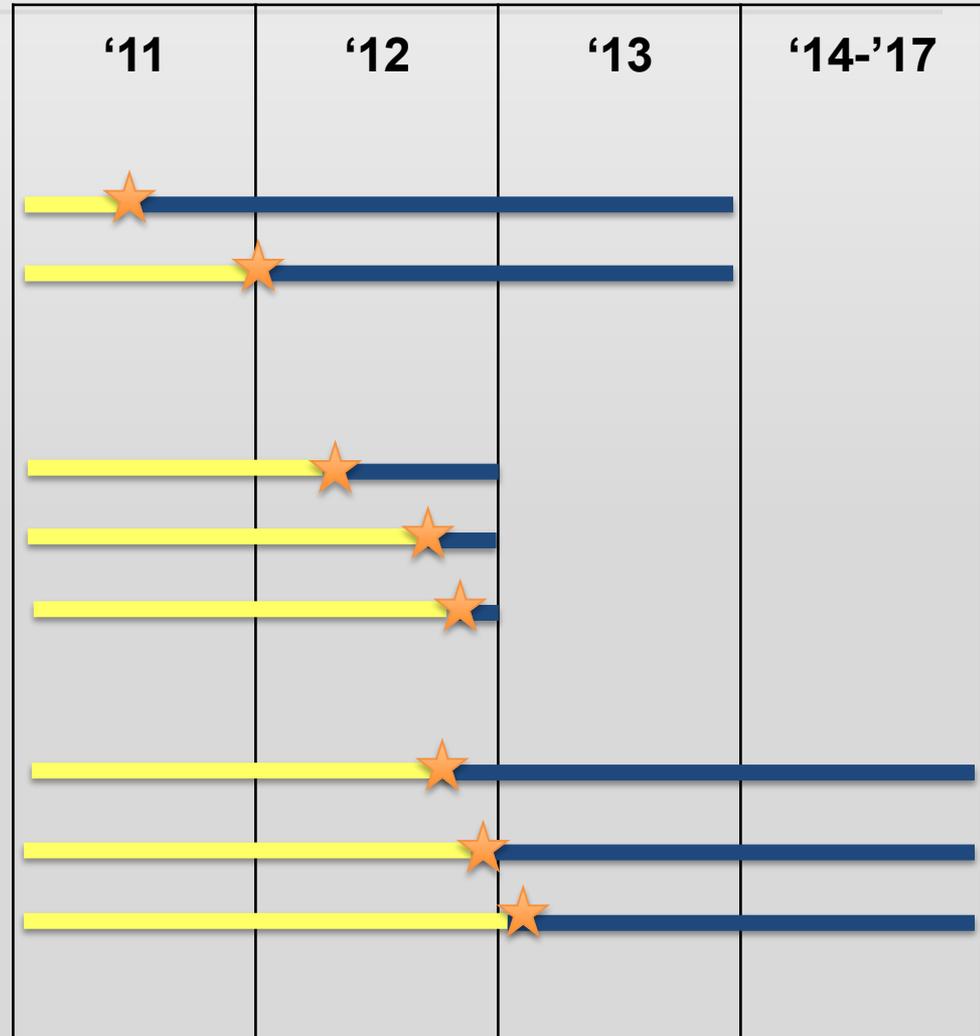
- Outreach and Briefings (Begin May '11)
- Install Communication Network (Begin Q1 '12)

End-to-End Test (Early Module Installation)

- Community Outreach (Begin Q2 '12)
- Customer Notification (Begin Q3 '12)
- Early Installation (Begin Q4 '12)

Mass Installation

- Community Outreach (Begins Q4 '13)
- Customer Notification (Begins Q1 '13)
- Mass Installation (Begins Q1 '13)



About the Communication Network – Data Collection Units (DCUs)



- Installing approximately 4,000 DCUs throughout SoCalGas' service territory beginning early 2012
- Pole mounted at 30 feet or higher
- A/C or Solar Powered
- DCU cabinet is 25" H x 15.5" W x 9" D and weighs 80 lbs
- Built-in Redundancy: advanced meters will communicate with two to three DCUs

PHOTO FOR DISCUSSION PURPOSES ONLY
Final Product Will Depend on Local Conditions

Community Outreach Efforts

- **Phase 1: Communication Network Installation Outreach**

SoCalGas' local outreach efforts include notifying customers within the geographic area where DCUs will be installed

- **Phase 2: Advanced Meter Installation Outreach**

SoCalGas' will implement local community outreach and customer communication to prepare customers for advanced meter installation

Phase 2: Local Communication & Community Outreach

90 to 60 Days Prior to Installation:

Briefings with Local Elected Officials, Community Leaders, Chambers, etc.

60 to 30 Days Prior to Installation:

Local Community Involvement & Events

30 Days Prior to Installation:

Customer receives notification letter
(geographically distributed)

Installation Day:

Customer receives door hanger confirming installation has occurred

Post Installation:

Obtain feedback on installation experience

Contact Information

- To learn more about the project, visit:

socalgas.com/advanced

- For questions, please contact:

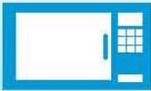
- Timothy Mahoney
tmahoney@semprautilities.com
805-681-7930
- Lizette Verduzco
lverduzco@semprautilities.com
213-244-4427
- Scott Loveless
slopeless@semprautilities.com
213-244-2218



Advanced Meter Radio Frequency

- Communication device is **battery-powered** and transmits a signal for **less than 2 minutes per year**
- RF energy emitted is considerably less than common, everyday-living items such as laptops, cell phones wireless routers and handheld radios
- Advanced meters will be located in the same place as the existing meter
- When transmitting, the exposure level is thousands of times lower than the general population exposure limits set by the Federal Communications Commission

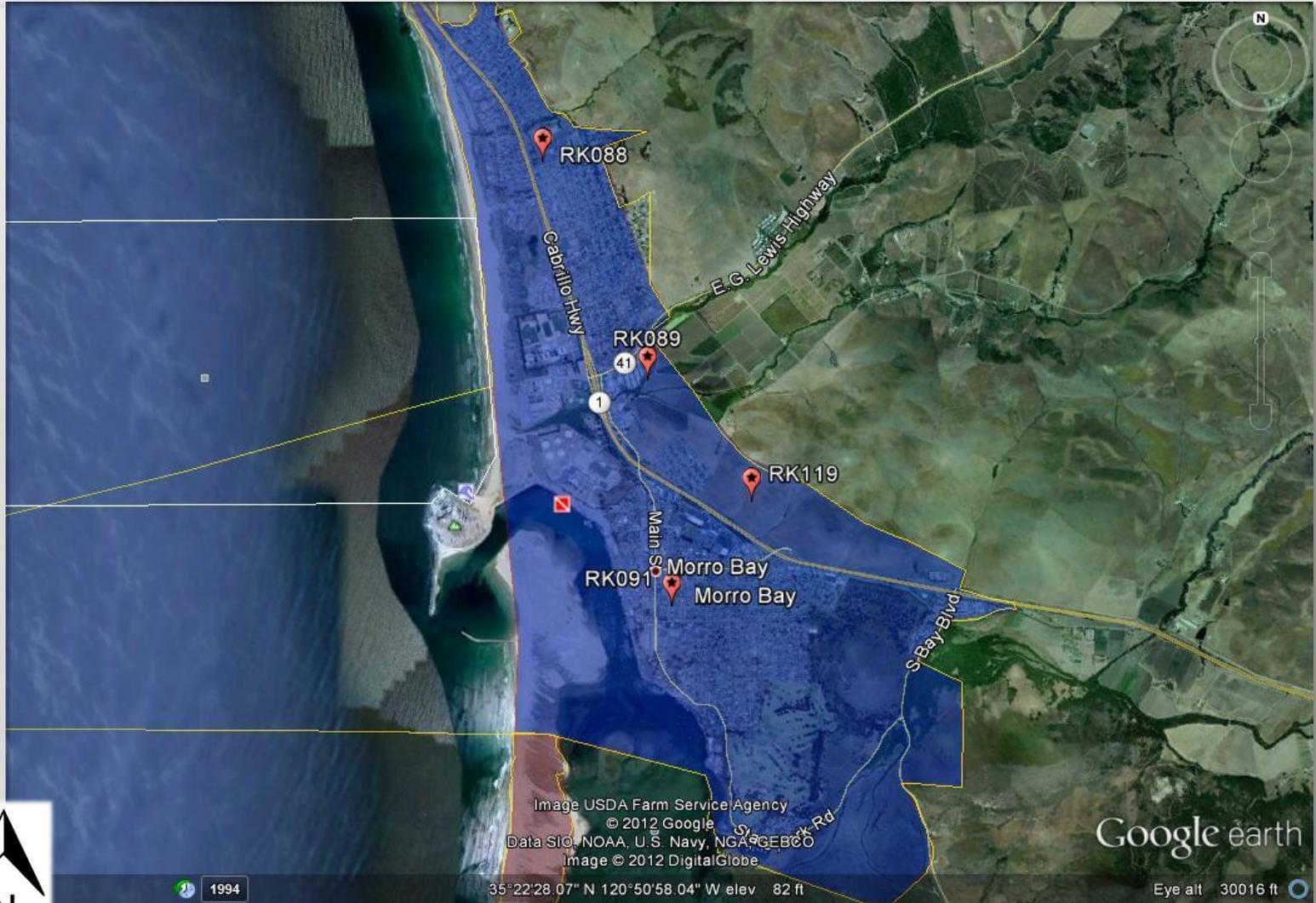
Radio Frequency Emission Comparison Chart

Natural gas advanced meter	Using a laptop computer with a wireless internet connection	Maximum exposure level operating a microwave oven (8 inches from the door)	Talking on a cellular phone*
			
 Reference level	 up to 5,000 times more	 up to 500,000 times more	 up to 1,000,000 times more

Advanced Meter Radio Frequency Comparisons to Similar Wireless Technologies

Source	Radio Frequency Output Compared to Maximum Output from an Advanced Meter
Bluetooth Headset	Up to 400 times more
Most Electric Smart Meters	Up to 500 times more
Cordless Phones	Up to 700 times more
Baby Monitors	Up to 2,400 times more
Laptop computer with a wireless internet connection	Up to 5,000 times more
Car or plane remote controllers	Up to 7,500 times more
Maximum exposure level operating a microwave oven (8 inches from the door)	Up to 500,000 times more
Talking on a cellular phone	Up to 1,000,000 times more

Morro Bay Search Ring Map



4 Search Ring Center Points

This table is a list of center points in a radius of where Data Collector (DCU) coverage is needed. DCU installations will be within an approximate 500' radius of this center point.

Search Ring Center Points			
DCU ID	Latitude	Longitude	Address
RK089	35.379854	-120.85064	673 Little Morro Creek Rd
RK091	35.363241	-120.848492	423 Driftwood St
RK088	35.395878	-120.85995	371 Sequoia St
RK119	35.370938	-120.841448	CA-1

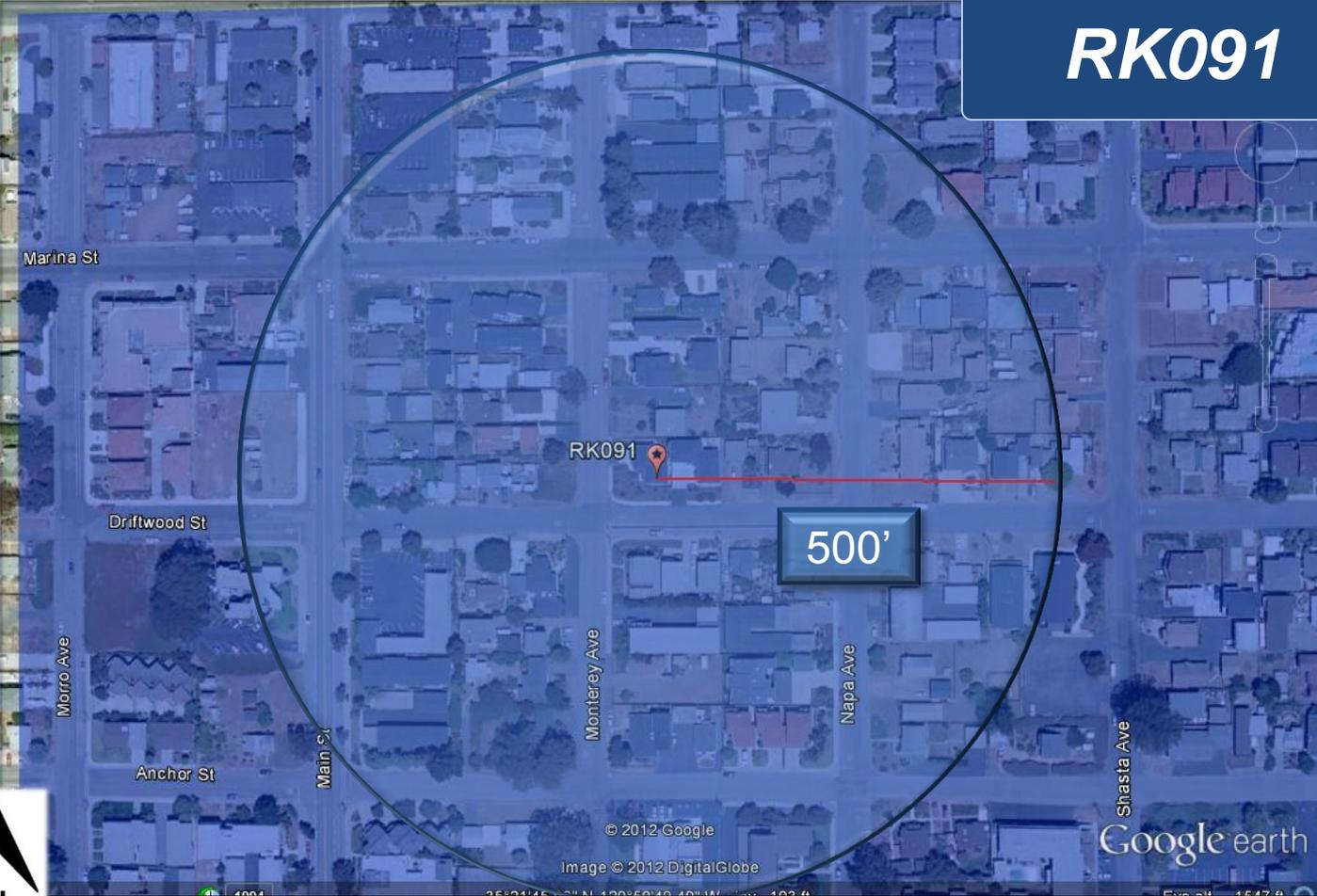
RK089



673 Little Morro Creek Rd

Rank	Description	Notes
1		
2		
3		
4		

RK091



423 Driftwood St

Rank	Description	Notes
1		
2		
3		
4		

RK088



371 Sequoia St

Rank	Description	Notes
1		
2		
3		
4		

RK119



CA-1

Rank	Description	Notes
1		
2		
3		
4		



AGENDA NO: A-8

MEETING DATE: June 12, 2012

Staff Report

TO: HONORABLE CITY COUNCIL

FROM: MAYOR YATES

DATE: JUNE 7, 2012

SUBJECT: RESOLUTION PROHIBITING STREET WORK BETWEEN
MEMORIAL DAY AND LABOR DAY

RECOMMENDATION

Adopt Resolution 27-12.

BACKGROUND

Based on discussions held at the May 22, 2012 City Council meeting, this Resolution, as presented, strengthens and replaces existing Resolution 04-03 which has been presented in red-lined form.

Prepared By: W YATES

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

RESOLUTION NO. 27-12

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
PROHIBITING STREET WORK
BETWEEN MEMORIAL DAY AND LABOR DAY**

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

WHEREAS, the City of Morro Bay is host to over one-million visitors every year, the vast majority of whom visit during the summer months; and

WHEREAS, the City acknowledges the existence of increased traffic and a parking shortage during the summer months; and

WHEREAS, when street work is undertaken during the summer months, traffic congestion often occurs and valuable parking spaces are lost.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, that it is the City's policy that all street work, including striping, trenching, re-paving, sealing, tree trimming, and any other street maintenance or improvements that may cause traffic congestion or loss of parking spaces, be undertaken only during the nine months from Labor day to Memorial Day.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 12th day of June, 2012 on the following vote:

AYES:

NOES:

ABSENT:

WILLIAM YATES, Mayor

ATTEST:

JAMIE BOUCHER, City Clerk

RESOLUTION NO. ~~04-0327-12~~

RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
~~DISCOURAGING-PROHIBITING~~ STREET WORK
BETWEEN MEMORIAL DAY AND LABOR DAY

THE CITY COUNCIL
City of Morro Bay, California

WHEREAS, the City of Morro Bay is host to over one-million visitors every year, the vast majority of whom visit during the summer months; and

WHEREAS, the City acknowledges the existence of increased traffic and a parking shortage during the summer months; and

WHEREAS, when street work is undertaken during the summer months, traffic congestion often occurs and valuable parking spaces are lost.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, that it is the ~~City's goal—letting common sense prevail—policy~~ that all street work, including striping, trenching, re-paving, sealing, tree trimming, and any other street maintenance or improvements that may cause traffic congestion or loss of parking spaces, be undertaken only during the nine months from Labor day to Memorial Day.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the ~~13th—12th~~ day of ~~January~~June, 20~~12~~03 on the following vote:

AYES: ~~Elliott, Peirce, Peters, Winholtz, Yates~~
NOES: ~~None~~
ABSENT: ~~None~~

WILLIAM YATES, Mayor

ATTEST:

~~BRIDGETT BAUER~~Jamie Boucher, City Clerk



AGENDA NO: C-1

MEETING DATE: June 12, 2012

Staff Report

TO: Honorable Mayor and City Council **DATE:** June 7, 2012
FROM: Rob Livick, PE/PLS – Public Services Director/City Engineer
SUBJECT: Status of Project No. MB-2012-S2: 2012, Street Rehabilitation Program

STAFF RECOMMENDATION

It is recommended that the City Council review this update and defer work on commercial streets until after Labor Day and to direct staff to negotiate extra work from the contractor in lieu of imposing liquidated damages.

FISCAL IMPACT

The Project is fully funded from accumulated Measure Q Funds and General Funds. Funds allocated in the FY2012 budget will be adequate to construct the project unless significant changes occur. The contractor is liable for liquidated damages in the amount of \$1,900 per calendar day for not completing the work within 45-working days, beginning July 23, 2012. Staff has estimated the potential liquidated damages to be approximately \$98,800, if it were to take two weeks to complete the work after Labor Day.

BACKGROUND/DISCUSSION

At the May 22, 2012 City Council Meeting, staff presented a status update of the project and based on communications from the contractor and their lack of performance, the commercial streets (Embarcadero and Main) would not be completed by the contract required date of May 25, 2012. Staff also informed Council that because of this non-performance, the contractor will be subject to liquidated damages per the contract. Council directed staff to give the contractor until June 13, 2012 to finish the work on Main Street and the Embarcadero and if not able to, then they will be told not to do work in those two commercial areas until given further direction by Council.

As of the preparation date of the report the status of MB-2012-S2 is:

1. Contractor will begin residential construction activities on June 11, 2012. Necessary pavement repairs and tree root removals will be performed first, prior to sealing.
2. Notices to residents were given on June 7, 2012.
3. A majority of the required submittals have been received and approved and all will be received by June 8, 2012.
4. Contractor will perform 3-Step Cape Seal pilot project on Tide St. for a total of

Prepared By: RL

Dept Review: RL

City Manager Review: _____

City Attorney Review: _____

approximately 50,000 SF at no additional cost to the City in exchange for waiving liquidated damages for not completing work on Main St and Embarcadero prior to Memorial Day.

CONCLUSION

This contractor has indicated that work on residential streets will begin on June 11, 2012. Notice to neighboring residents was delivered on June 7, 2012. The contractor is prepared to negotiate additional work, in-lieu of imposition of liquidated damages, for not beginning/completing the work on time.



AGENDA NO: C-2

MEETING DATE: June 12, 2012

Staff Report

TO: Honorable Mayor and City Council
FROM: Eric Endersby, Harbor Director

DATE: June 6, 2012

SUBJECT: Continued Discussion of Information Signs/Kiosks to Enhance Visibility of Sportfishing Operations and Other Water-Related Businesses on the Morro Bay Waterfront

RECOMMENDATION

Council review the Harbor Advisory Board (HAB) input/recommendations and provide staff direction.

FISCAL IMPACT

Unknown at this time, but likely minimal.

SUMMARY

The sportfish sign/kiosk proposal has been discussed at two City Council meetings, as well as at two meetings between the sportfishing operators and staff. In addition, the proposal will be brought to the June 7, 2012 HAB meeting for their discussion and input.

BACKGROUND

Council has discussed the proposal of informational signs/kiosks to increase the visibility of the Morro Bay sportfishing operations at both the May 8, 2012, and May 22, 2012 Council meetings. At the May 22nd meeting, Council was presented with some conceptual location and design ideas that had been discussed with the sportfishing operators and staff. At that same Council meeting, staff was directed to meet with the sportfish operators again and work out more details for the proposal, then take it to the HAB for their input. Staff met again with the operators on May 29th, and the proposal was agendaized for the June 7th HAB meeting.

DISCUSSION

Going into the HAB meeting, working with the two sportfishing operators, Central Coast Sportfishing and Virg's Sportfishing, two locations were identified as potential locations for the proposed signs/kiosks. A copy of the HAB staff report for this proposal is attached for reference. However, since the HAB meeting will begin at 7:00 p.m. on the 7th, the results will not be available in time to be included in this staff report. Therefore, a verbal report of the HAB meeting results will be provided to Council.

Prepared By: _____ Dept Review: _____

City Manager Review: _____

City Attorney Review: _____



AGENDA NO: B-2
MEETING DATE: June 7, 2012

Staff Report

TO: Harbor Advisory Board **DATE:** May 29, 2012
FROM: Eric Endersby, Harbor Director
SUBJECT: Discussion of Informational Signs/Kiosks to Enhance Visibility of Sportfishing Operations and Other Water-Related Businesses on the Morro Bay Waterfront

RECOMMENDATION:

Review and discuss proposal and provide recommendation(s) to City Council.

FISCAL IMPACT:

Unlikely at this time, but likely minimal.

BACKGROUND:

At the May 8, 2012 City Council meeting, Council directed Harbor Department staff to meet and work with the two sportfishing operators in Morro Bay regarding potential areas where a common "co-op" or other joint advertising and/or informational area could be established to promote the sportfishing industry. On May 9 the Harbor Director met with representatives of both Virg's Sportfishing and Central Coast Sportfishing at the Harbor Office and discussed the matter. Consultant Cathy Novak attended the meeting as well.

At the meeting representatives of each business expressed a concern for the lack of signage to direct people to their respective businesses. After some discussion, both businesses agreed that installing two signs or kiosks would benefit the sportfishing industry as a whole. It is their request to install one near the South T-Pier and one near the giant chessboard. It was not discussed how they might be funded.

Prepared By: EE

Dept Review: EE

The expressed desire was that each sign/kiosk would have generic information at the top that would read, for example, "Sportfishing in Morro Bay." Each business would then be provided a reasonable area on the sign/kiosk to put their respective business information. In addition, both Virg's and Central Coast Sportfishing desired some sort of space large enough to have a volunteer that could answer questions, direct patrons to the respective landings, or sell boat tickets. The sign/kiosk would not require any electrical or other utility services since it is not intended to sell any fishing licenses or other items that would require the utilities.

The Harbor Dept. has a small wheelhouse from a fishing vessel that was dismantled years ago in its storage yard that may be a candidate for refurbishment and repurposed for one of the areas. Other available nautical items could be sought for the second location and/or construction of a new kiosk altogether could occur.

Virg's and Central Coast Sportfishing requested that the Council approve the idea of the two signs/kiosks and to work with the Harbor Department and other necessary departments for design, construction and installation. Furthermore, they requested that the City waive any permit fees associated with the project. However, planning, permitting, and sign ordinance issues have not yet been explored.

Staff brought the results of the May 9 meeting back to Council in a report at their May 22 meeting, however, the minutes from that meeting are not yet approved and available. However, at that meeting Council wished further details on the signs/kiosks (general size and design, location, placement, etc.) and directed staff to again meet with the sportfishing operators and attempt to flesh-out those details. Council also wished that the signs/kiosks be inclusive of all Morro Bay waterfront water-borne businesses such as kayak rentals, tour/taxi boats, stand-up paddle rentals, etc.

DISCUSSION:

On May 29 staff met with Sharon Moore of Virg's Sportfishing. Representatives of Central Coast Sportfishing and consultant Cathy Novak were unavailable. From discussions in the first meeting and in speaking to Ms. Moore in the second meeting, a design of the State Parks-type at trailheads and such was identified as the type of sign design that would work. A photograph of one similar sign currently on the south side of Morro Rock just past the parking lot is attached.

Ms. Moore and staff went on-site to the two general locations identified in the first meeting. At the South T-Pier a location was identified by Ms. Moore as desirable for the sign/kiosk there, which is at the base of the pier where the pier meets the concrete abutment on the north side, roughly where a public trash receptacle currently sits. That sign would face roughly southeast, or at an approximate 45-degree angle perpendicular to the pier. A photograph of the location is attached.

At the Centennial Park/giant chessboard location a spot was identified at the southwest corner of the parkland in a grassy area alongside the walkway and adjacent to a Trolley stop pole and sign. That sign would face roughly northwest, or at an approximate 45-degree angle perpendicular to the street. Staff spoke to a representative of Central Coast Sportfishing after the meeting and

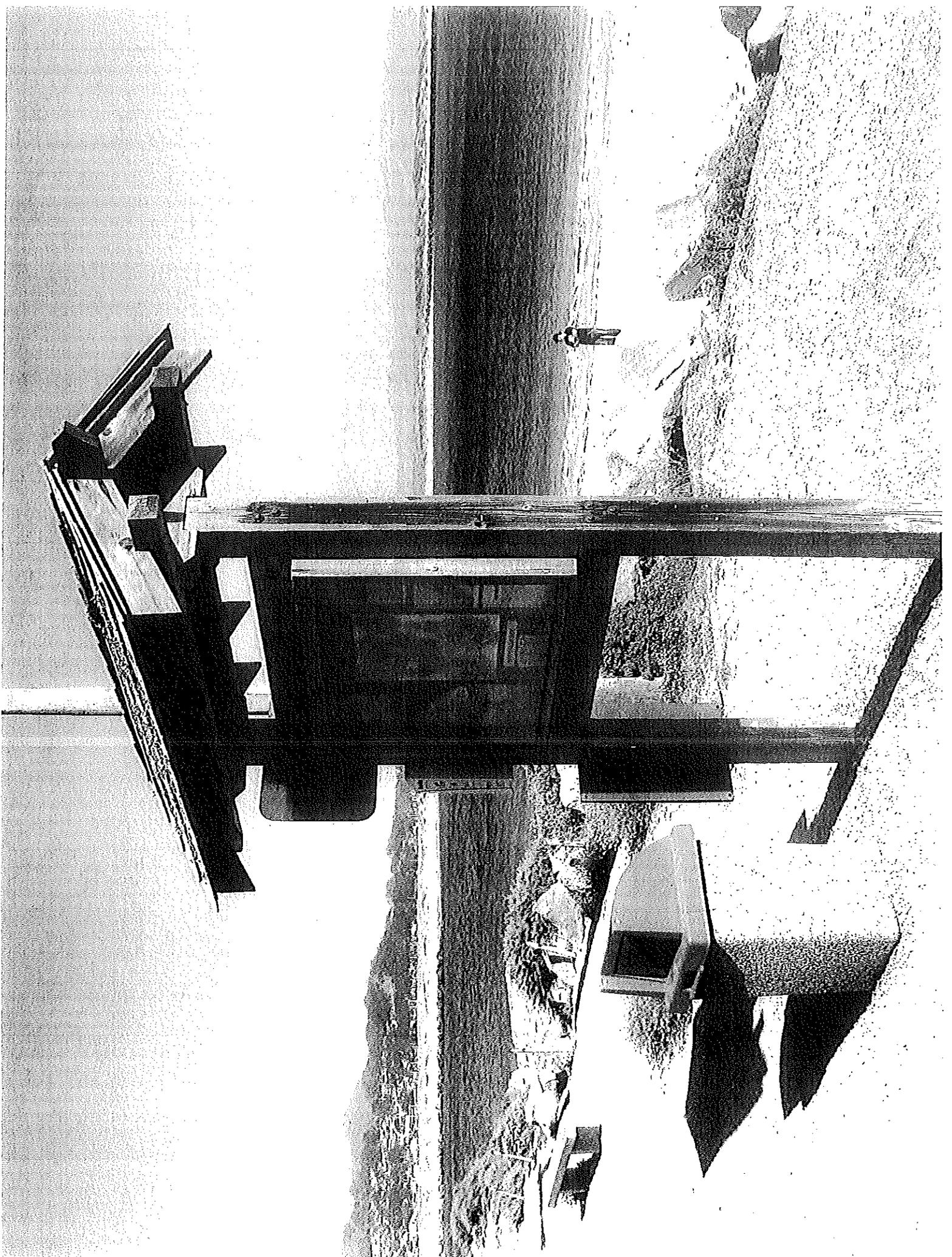
asked about that location, and it was acceptable. A photograph of that location is attached as well.

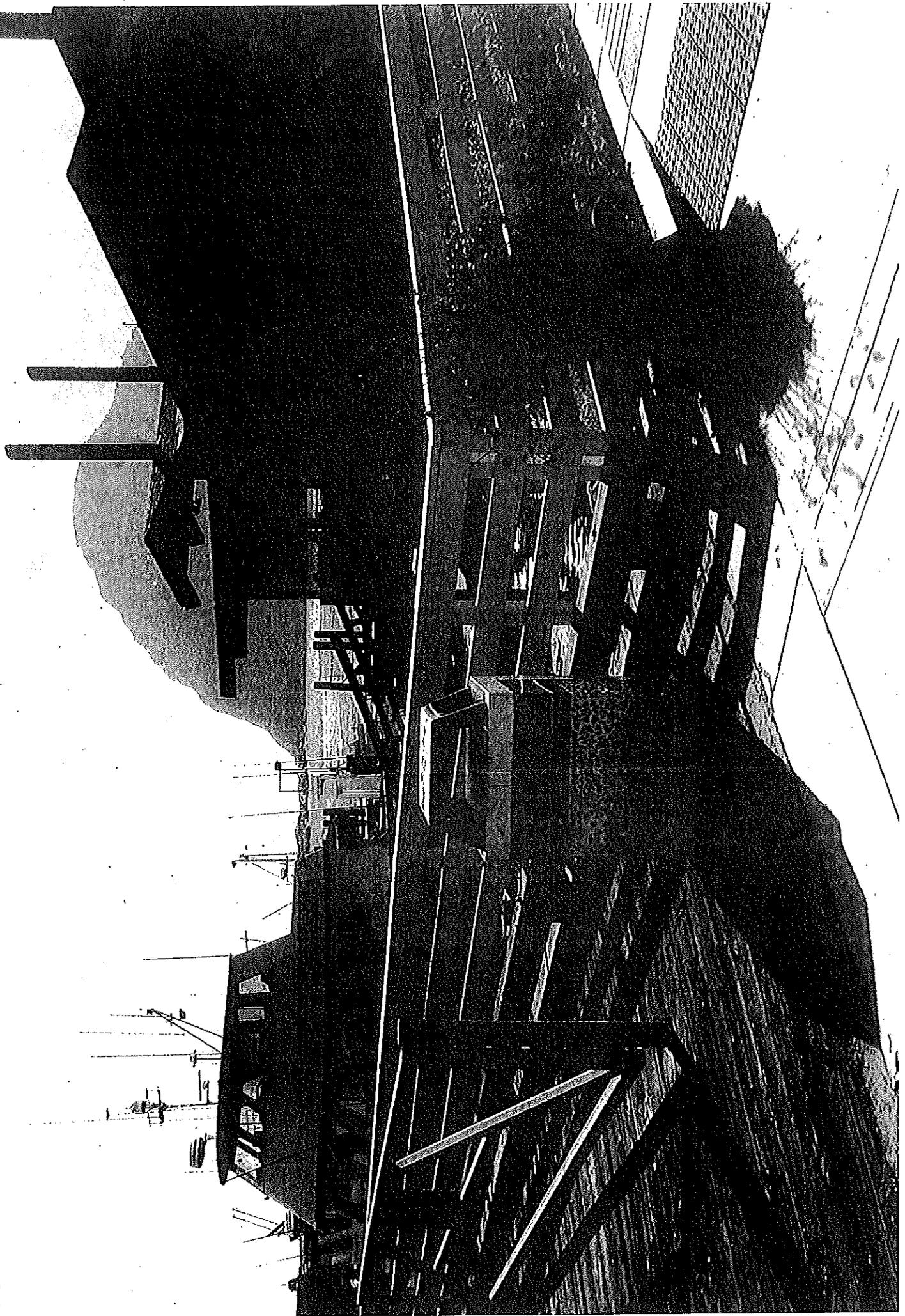
Both operators agree that, if only signs are used, both signs would be of the same general design and have the same general information included. While primarily being "sportfishing" oriented, both would include permanent information and directions to the various other water-borne business concerns as previously outlined. In addition, pamphlet holders similar to the ones seen on house for sale signs would be included for the various businesses to keep stocked with their own pamphlets. The State Park sign dimensions are roughly 5 feet wide post-to-post and 10 feet tall at the peak of the "roof." The sign/posting board itself is approximately 3 feet tall. These dimensions can, of course, be scaled up or down.

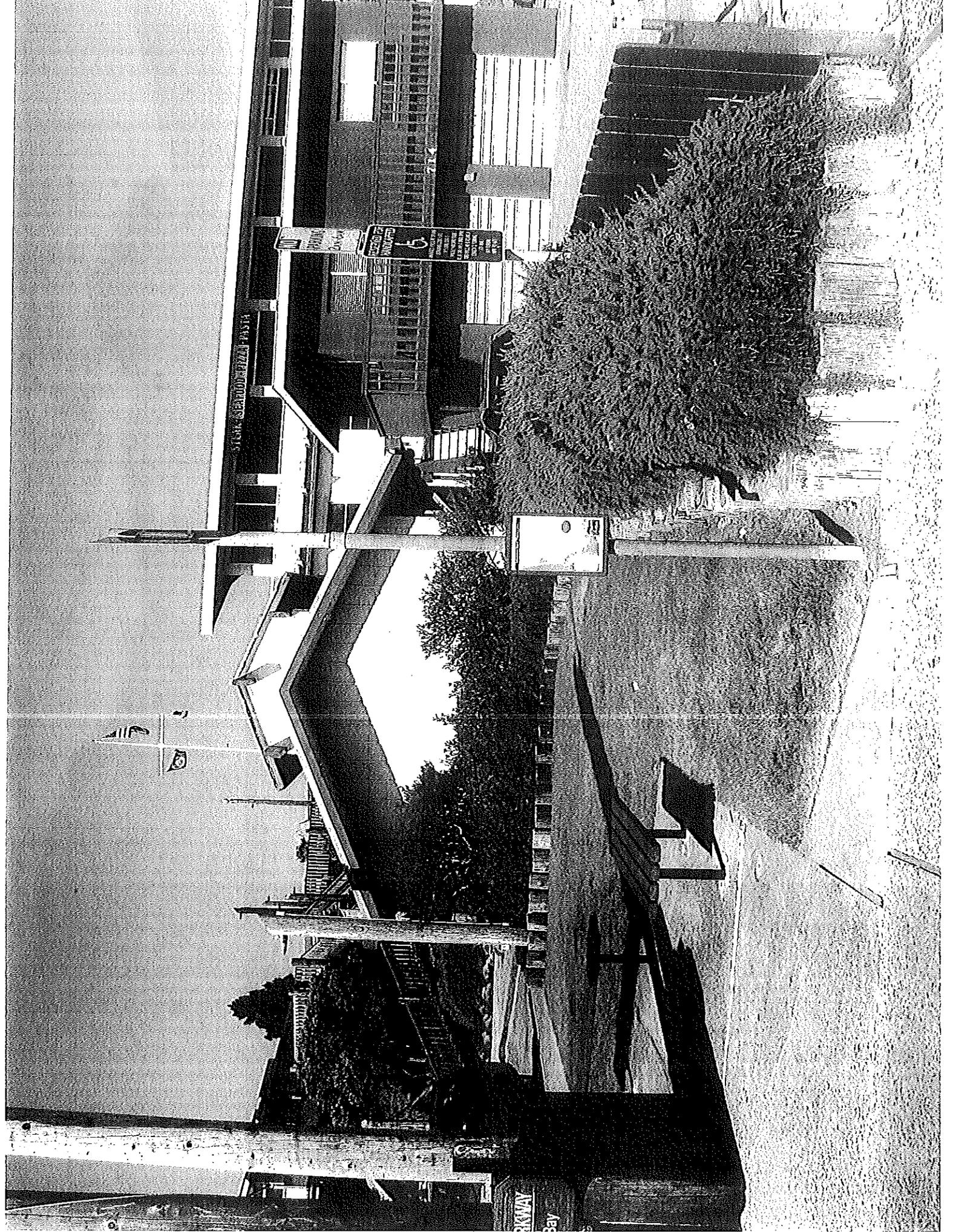
A photo of the wheelhouse available as a "kiosk" is also attached. Its dimensions are approximately 5 feet high, 5 ½ feet wide, and 7 ½ feet long overall. While it is rough and does have some issues, it is generally sound and with some repair, modification, paint, and elbow grease could be suitable for public placement. Both Central Coast Sportfishing and Virg's Sportfishing have pledged labor and material support to build/install the signs/kiosks should this project move forward.

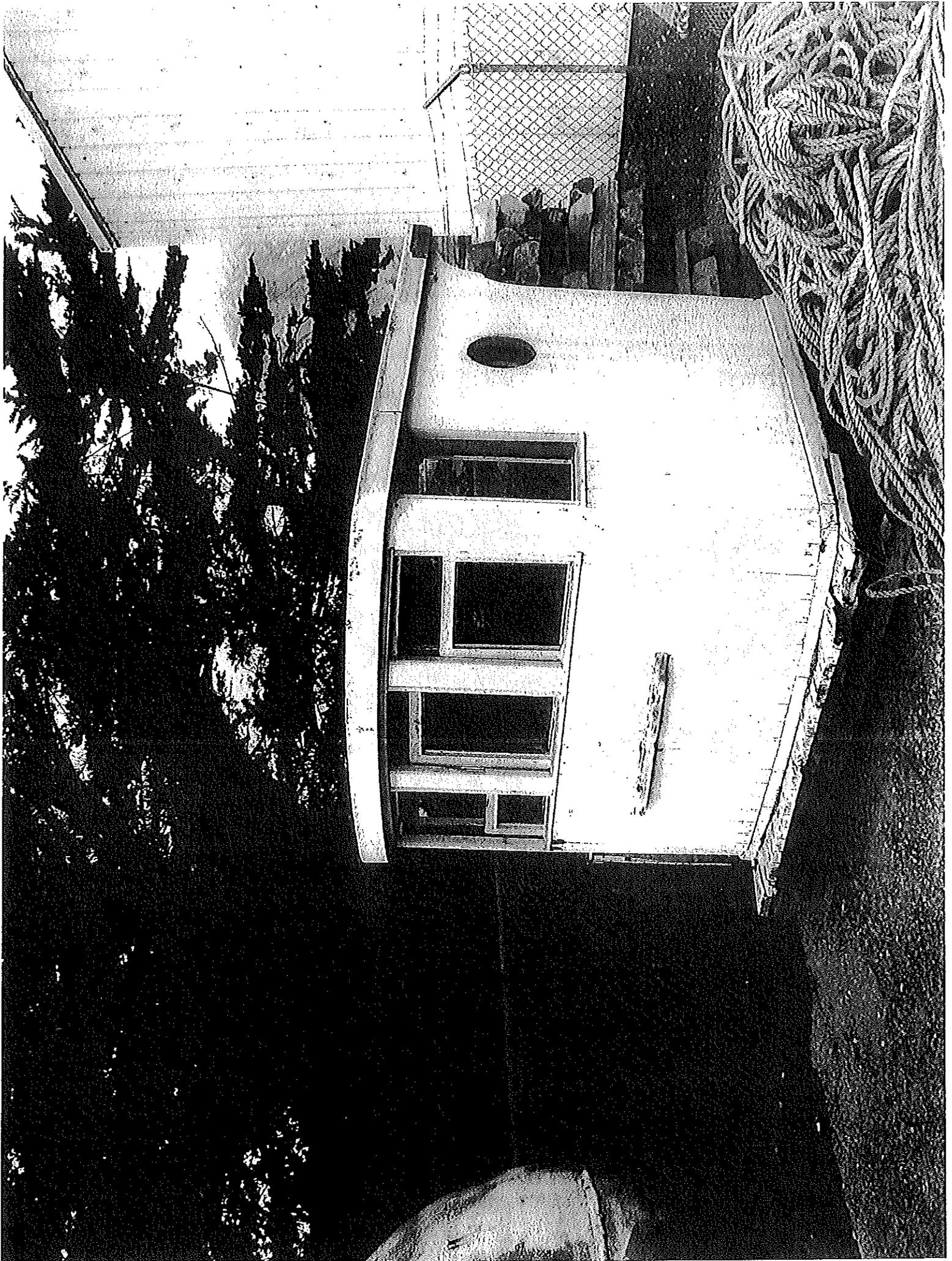
CONCLUSION:

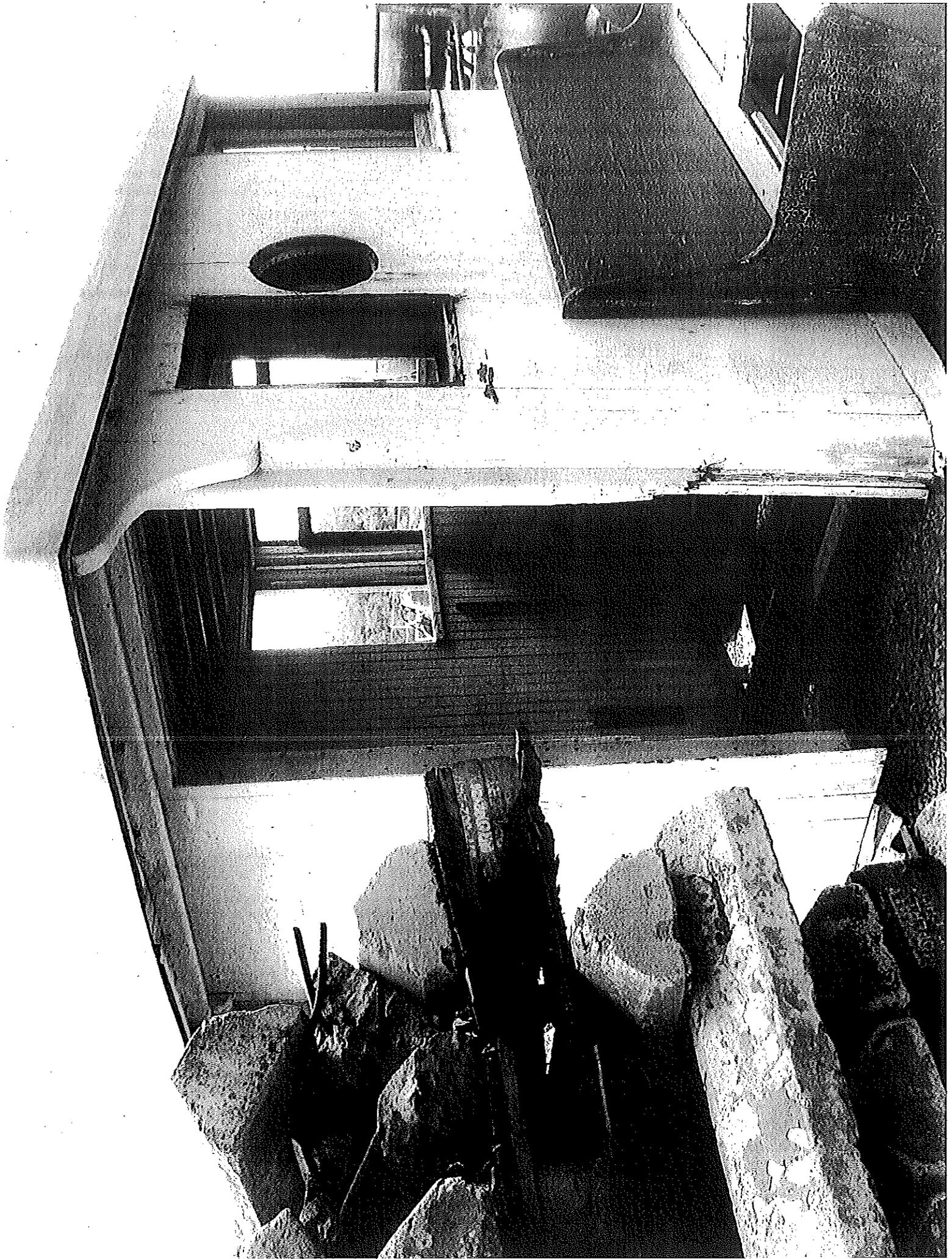
The sportfishing operators in Morro Bay have expressed a concern for lack of "visibility" of their respective businesses, and took their concerns to the City Council. Council directed Harbor Department staff to work with those businesses on a common acceptable solution. Both operators agreed that two informational signs or kiosks placed at strategic locations would be effective. Staff has worked with the operators and identified locations and general sign designs suitable to both operators, and both operators have pledged support in terms of materials and labor to implement the project if it moves forward. City Council is seeking Harbor Advisory Board input on this proposal.











The Federal Communications Commission (FCC) created this new class (LPFM) of stations in January of 2000, despite intense opposition from major broadcasters. Since that year, the FCC has processed thousands of applications from groups of all stripes committed to providing local, community-based radio to their towns and cities. Today, more than 800 LPFM stations are on the air.

In 2010, Congress passed a bill to allow the FCC to give out more LPFM licenses. The bill overturned harmful restrictions imposed by Congress in 2001, opening space for hundreds of new LPFM stations to be built nationwide while also protecting existing broadcasters from interference.

In order to qualify for an LPFM license you must be a non-profit, have an educational mission and be local. Only incorporated, non-profit organizations such as schools, churches, Native American tribes, local governments, and community groups can apply for licenses. The FCC requires that every low power station have an educational mission. However, the FCC does not define what constitutes an educational mission, so many LPFMs create missions that relate to the educational value of their programming, including local music, news, or public affairs. As a result, stations can have educational missions related to anything from jazz preservation to environmental stewardship. Community radio applicants must be designated as local by the FCC, which can be achieved in a few ways. Applicants will be deemed local if their headquarters are within ten miles of their proposed antenna site in the top 50 urban markets, and within 20 miles outside of these most populous regions. Applicants can also fulfill this requirement by demonstrating that 75% of their board members reside within ten miles of the proposed antenna site in the top 50 urban areas, or within 20 miles outside of these markets. The FCC has also given preference in the past to organizations that have an established local presence of at least four years. The FCC's proposed rules also suggest placing additional emphasis on localism, by giving further preference to stations who pledge to produce local programming or even by making local programming an eligibility requirement.

The Estero Bay Community Radio has indicated that it will feature a minimum of eight (8) hours daily of locally originated programming that will include, but not be limited to, coverage of local events, street festivals and markets, sports, council meetings, music, conversation about homegrown issues, tourist information and suggestions, local merchant information and emergency communications as dictated by the local police and fire departments.

The main start-up expenses for a radio station are engineering fees, studio equipment for producing radio shows, and transmitting equipment for sending your signals out to the world. The main recurring costs are rent, utilities, and personnel. The Estero Bay Community Radio has indicated the costs associated with the start up and operation of the Estero Bay Community Radio are expected to be covered through grants and local fundraising opportunities. Donations of time, expertise and equipment are currently being solicited and received from the community.

CONCLUSION

Staff recommends Council review this Staff Report and provide direction.