

**AGENDA NO: A-1**

**MEETING DATE: 2/13/2013**

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – JANUARY 22, 2013  
VETERAN’S MEMORIAL HALL – 6:00P.M.

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

PRESENT:	Jamie Irons	Mayor
	Christine Johnson	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
	Amy Christey	Police Chief
	Steve Knuckles	Fire Captain
	Eric Endersby	Harbor Director
	Susan Slayton	Administrative Services Director
	Joe Woods	Recreation & Parks Director

ESTABLISH QUORUM AND CALL TO ORDER  
MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

MAYOR AND COUNCIL MEMBERS REPORTS, ANNOUNCEMENTS &  
PRESENTATIONS

Consent Calendar Item A-5 was pulled in order for Mayor Irons to present a Proclamation to Jane Pomeroy, a Crisis Services Specialist with the Sexual Assault Recovery & Prevention Center (SARP).

Consent Calendar Item A-6 was pulled in order to hear a presentation from Adrienne Harris, Executive Director of the Morro Bay National Estuary Program.

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

Robert Davis spoke, referring to the letter submitted by the Morro Bay Citizen’s Bike Committee detailing this year’s requests made by the Committee. He highlighted a couple which include a new crosswalk at Atascadero Road/Main Street to include flashing lights in the pavement; and, removing the metal bollards found in the middle of the Bike Path at Cloisters and Main Street.

Susan Heineman expressed her concerned about the growing amount of “Jesus” graffiti/vandalism that has shown up at the Cloisters, the Harborwalk and the organic garden by

Del Mar Park. She appealed to fellow citizens to take a moment and note the vandalism; she wants Morro Bay to be noted for its beauty, not its graffiti.

John Fennacy thanked Council and the citizens of Morro Bay for a very successful Fire Department dedication. He also noted that the Friends of the Fire Department raised over \$15,000 in the sales of bricks and stones. He wanted to recognize that Keith Taylor had been named Morro Bay's Citizen of the Year. He also advertised the Rotary Club of Morro Bay's upcoming Fundraiser, Evening with Heart being held on Saturday, February 9, 2013.

Richard Sadowsky feels that Morro Bay and Cayucos need to rewrite the JPA and that with the new project; a renegotiation of the agreement needs to take place. He also feels the City should require Cayucos to get an NPDES Permit for the disposal of sewage into the City limits.

Ken Vesterfelt spoke advertising some upcoming Morro Bay events. April 20<sup>th</sup> is the 3<sup>rd</sup> Annual Emergency Vehicle Car Show, May 4<sup>th</sup> – 6<sup>th</sup> is the 17<sup>th</sup> Annual Cruisn' Morro Bay Car Show and August will bring over 100 Ford F100's to our City. He also spoke on Item D-1 (Discussion of current Residential and Commercial Impact Fee Waivers) hoping that the City doesn't kill them yet and hopes that we can extend the program(s) for another 6 months at least.

Karin Moss, the new Director of Tourism publicized the Grand Opening of the Visitor's Center being held on Thursday, February 7, 2013 from 4-7pm at 255 Morro Bay Blvd. She hopes to see everybody there.

Jim Pauley spoke on the 2 big water tanks proposed for the Righetti property which will have huge visual impacts as it seems like they will be built above the ridge line. He hopes that we will agendize a public hearing, notifying neighboring homes, to discuss this.

Joan Solu, speaking on behalf of the MB TBID and the newly formed Tourism Bureau, stated that they fully support moving forward with the contracts as proposed in items D-2, D-3 and D-4. She feels that their rebranding and refocused efforts in marketing have really been paying off.

Susan Stewart, the newly seated President of the Morro Bay Chamber of Commerce, announced that Keith Taylor was named Morro Bay's Citizen of the Year, Wilmar Tognazzini was named the City's Living Treasure and Central Coast Music was named Business of the Year. She also spoke on Item D-1 stating that the original intent of the waiver was to boost the downtown business district as well as North Morro Bay. She asked Council to consider rather than eliminating the whole waiver, maybe redirect it a little bit; there could be value in taking more time to look into the positives and negatives. There could also be some additional outreach to current business owners who maybe haven't heard, we could use the Economic Development Program to develop additional outreach opportunities to these business and/or property owners.

Roger Ewing spoke on Item D-1. He is opposed to a moratorium on impact fees as it's through these fees that the City helps finances its infrastructure. He doesn't recommend a blanket denial, instead when a commercial project is brought forth, look at each project to see the potential long term benefit to the community, it may warrant some reduction in the impact fees. He also spoke on Item D-5 (WWTP Issues) stating that the CCC made their opinions quite clear and hopes that those in opposition to moving the plant, join in making what will be a very substantial and

unique WWTP. He stressed the need for the whole community to come together with this project. He also acknowledged, thanked and applauded Keith Taylor.

Barry Brannon wondered that since we are looking at placing tanks at the Righetti site as well as possibly the WWTP, can we get a “two for” if we put both of them there.

Bill Martony spoke on a parcel of land at Yerba Buena and Highway 1 which is being proposed for abandonment. He doesn't believe it should be abandoned as it still has value and can be used. The abandonment would go to the property owner next door and instead feels it should be, and can be, used for the public good.

Linda Merrill would like to see the alternative WWTP site revisited, hire an engineering firm for design and if we can't get partners, we need to carry on alone. She also requested that all City Boards and Commission meet once a month.

Mayor Irons 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 SPECIAL CITY COUNCIL MEETING OF JANUARY 3, 2013 AND THE REGULAR MEETING OF JANUARY 8, 2013; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-2 RECONSIDERATION OF APPOINTMENT OF REPRESENTATIVES ON THE DISCRETIONARY BOARDS, COUNCIL LIAISON ASSIGNMENTS AND COUNCIL SUB-COMMITTEES; (CITY COUNCIL)

**RECOMMENDATION: Appoint Councilmember Christine Johnson to the Chamber of Commerce Economic Development Committee.**

A-3 APPROVAL OF RESOLUTION NO. 10-13 DIRECTING A TIMELINE FOR COMPLETION OF CAPITAL PROJECTS APPROVED BY THE CITY COUNCIL AND RESCINDING RESOLUTION NO. 45-12; (ADMINISTRATION)

**RECOMMENDATION: Adopt Resolution No. 10-13.**

A-4 RESOLUTION NO. 09-13 AUTHORIZING SUBMISSION OF RURAL TRANSIT FUND GRANT APPLICATION; (PUBLIC SERVICES)

**RECOMMENDATION: Adopt Resolution No. 09-13**

A-5 PROCLAMATION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY SUPPORTING THE START BY BELIEVING PUBLIC AWARENESS CAMPAIGN; (ADMINISTRATION)

**RECOMMENDATION: Present Proclamation.**

A-6 PRESENTATION BY THE NEP

**RECOMMENDATION: Receive presentation; no action is required.**

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

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

MOTION: Councilmember Nancy Johnson moved the City Council approve Items A-A-3, A-4, and A-5 of the Consent Calendar as presented. The motion was seconded by Mayor Irons and carried unanimously 5-0.

A-1 APPROVAL OF CITY COUNCIL MINUTES FOR THE SPECIAL CITY COUNCIL MEETING OF JANUARY 3, 2013 AND THE REGULAR MEETING OF JANUARY 8, 2013; (ADMINISTRATION)

Councilmember Christine Johnson pulled this item to point out edits to names. She had already spoken to the City Clerk and as the amendments covered the clarification of names only with no content changes, the amendments were made.

MOTION: Councilmember Christine Johnson moved for approval of Items A-1a and A-1b with amendments as discussed. The motion was seconded by Councilmember Smukler and carried unanimously 5-0.

A-2 RECONSIDERATION OF APPOINTMENT OF REPRESENTATIVES ON THE DISCRETIONARY BOARDS, COUNCIL LIAISON ASSIGNMENTS AND COUNCIL SUB-COMMITTEES; (CITY COUNCIL)

Councilmember Smukler pulled this item to let the public know that he will still be an active advocate to the Chambers Economic Development Committee; he also feels that the Committee will be stronger with both Nancy and Christine on it.

MOTION: Councilmember Smukler moved for approval of Item A-2 as presented. The motion was seconded by Councilmember Nancy Johnson and carried unanimously 5-0.

**B. PUBLIC HEARINGS, REPORTS & APPEARANCES**

B-1 ORDINANCE NO. 582 INTRODUCTION AND FIRST READING – REPEALING AND REPLACING MORRO BAY MUNICIPAL CODE SECTIONS 5.28 AND 5.30 WITH NEW SECTION 5.30 RELATING TO VIDEO SERVICE PROVIDERS; (PUBLIC SERVICES)

Management Analyst Janeen Burlingame presented the staff report.

Mayor Jamie Irons opened the Public Hearing for public comments; seeing none, Mayor Irons closed the Public Hearing.

MOTION: Councilmember Smukler moved for introduction and first reading of Ordinance 582 repealing Morro Bay Municipal Code Sections 5.28 and 5.30, replacing them with new Section 5.30 relating to video service providers by number and title only. The motion was seconded by Councilmember Leage and carried unanimously 5-0.

C. UNFINISHED BUSINESS - NONE

D. NEW BUSINESS

D-1 DISCUSSION AND REVIEW OF RESOLUTION NO. 45-11, “ESTABLISHING A THREE YEAR MORATORIUM FOR THE PAYMENT OF DEVELOPMENT IMPACT FEES FOR COMMERCIAL PROJECTS WITHIN A COMMERCIAL ZONE DISTRICT” AND RESOLUTION NO. 52-12, “ESTABLISHING A REDUCTION FOR THE PAYMENT OF DEVELOPMENT IMPACT FEES FOR RESIDENTIAL PROJECTS”; (PUBLIC SERVICES)

Public Services Director Rob Livick presented the staff report.

Councilmember Nancy Johnson wants to ensure we have economic growth and doesn't feel that rescinding these fees will accomplish that. The reduction of commercial impact fees was brought to Council last year as part of a 3-pronged plan. Elimination of parking requirements on No Main for commercial properties that wanted to expand or change their business; fee waivers; and, low interest business improvement loans that would be guaranteed by the City. Based on that, she feels this should continue at least 6 months as it will take that long before we see what potential improvements may have been made to our sales and/or property taxes. Most importantly, when this was originally proposed, it was geared towards the core of Morro Bay – Morro Bay Blvd, all of Main Street and Quintana. Somehow, the entire City was included; she would like to reestablish a concentration on the downtown. In order for this to work, we should be working with the Economic Development Committee to see what contributions they can make to our growth. This group can do additional outreach to business owners via letters, phone calls and follow-ups to encourage additional business. In terms of residential, we have seen some building but not a lot. The continued fee reduction would put more buildings on our property tax rolls as well as keep and/or put people to work.

Councilmember Smukler wondered if it would be possible to review these projects on a case by case basis based on benefits to the community. He also has strong concerns with the residential rates as we have a lot of work to do with our public infrastructure; right now we are struggling and while there is some benefit in removing the impact fees to spur growth, there isn't a direct nexus to see that that is how you actually get growth to happen. He is inclined to remove the waiver to the residential side and return to the 2007 fee schedule which he doesn't feel will put an undue burden on the single family residential projects. He is also concerned about the commercial rates but sees there is a much stronger argument to see this continue. He would also like to look at adding a completion deadline requirement.

Councilmember Leage is disappointed that people haven't taken advantage of what has been offered to date. He also doesn't feel that we have reached out enough. He would like to see these reductions go through to July, 2014; if not, at least 6 months to give it a try to stimulate some construction business and put people back to work.

Councilmember Christine Johnson sees this as 2 separate windows – residential and commercial. She has a stronger sense of what could be possible with a completion deadline date on the commercial side as she feels we have opportunities for commercial development that could enhance our town. She would also like to establish zones that the impact fees could continue the way they are now with a completion date put in. She feels that 6 months is a short amount of time, if we are committed to expanding we should give ourselves more time. As far as the residential side, she has concerns with continuing on without charging the full 2007 rates.

Mayor Irons tends to agree with bringing the residential impact fees back to where they were in 2007; we will still be on the low end throughout the County. As far as the commercial impact fees, he is willing to keep that fee structure waived is the current practice, but he'd like to discuss establishing zones and possibly time frames; he also agrees that 6 months is short. He also feels that our infrastructure is in need, especially street paving as confirmed through the recently held Street Summit and these impact fees can go a long way to paving the streets. He agrees that more outreach is very critical and maybe a letter to affected property owners should even come from Council.

Councilmember Nancy Johnson agrees that these 2 discussions should be taken and voted on separately. And while there isn't a lot of residential building going on, she feels that the property tax increases would far outweigh the impact fees that might be collected and hopes to keep the current fee structure in place, at least while information is being collected on possible increases to sales and property taxes.

Councilmember Smukler doesn't feel we would necessarily recoup our monies through property tax increases based on building and is still definitely opposed to continuing with the residential impact fee waiver program in any form, especially given the needs of our infrastructure. He is willing to go along with the commercial concepts and likes the idea of promotion work with the Economic Development Program. He is intrigued by zones but feels the concept would need to be vetted. He doesn't feel the water, wastewater and traffic fees should remain reduced but instead increased to the 2007 levels. He would also be willing to go to 1 year if we put the water, wastewater and transportation 2007 fees into play.

MOTION: Councilmember Smukler moved we rescind Resolution 52-12 "Establishing a Reduction for the Payment of Development Impact Fees for Residential Projects" and return the fee structure to the 2007 levels. All completed applications that have been turned in prior to the adoption of the new resolution to be brought forth, qualify for the rates established by Resolution 52-12. The motion was seconded by Mayor Irons and carried 3-2 with Councilmembers Nancy Johnson and Leage voting no.

Discussions continued focusing on commercial impact fees.

Councilmember Nancy Johnson feels either all fees should continue to be waived or none; reinstating the water, wastewater and traffic fees and waiving the rest don't help. She continues to feel strongly that all fees need to be waived.

Councilmember Leage agrees that waiving all the fees through the original date of 2014 would be in everybody's best interest.

Councilmember Christine Johnson feels that a year is more realistic to see if there is any real impact especially given that we will be doing a public relations campaign.

Councilmember Smukler still feels that charging the water, wastewater and traffic fees is important to the City's infrastructure. However, a zoning fee structure could focus the program to where we need it.

Mayor Irons is leaning towards waiving all fees but wants to bring the concept of zones into the discussion.

There was discussion on defined zones in the City. Councilmember Nancy Johnson stated that the zones originally focused on were the Downtown area – (Morro Bay Blvd, Bernardo to its end) and Main Street (Pacific to Yerba Buena).

Councilmember Christine Johnson wondered if zones had been established when the discussion took place regarding the sign ordinance.

Councilmember Leage questioned the legality and fairness of charging properties located in some zones a fee and charging properties located in another zone with a different or no fee.

It was brought up that this isn't an all-inclusive list and Councilmember Smukler suggested that we bring this back with more explanation of the legality of zones.

MOTION: Mayor Irons moved to continue the commercial impact fee schedule as established by Resolution 45-11 pending information from the City Attorney on the legality of establishing zones for commercial impact fees or whether we would have to waive commercial impact fees in their entirety. The motion was seconded by Councilmember Smukler and carried unanimously 5-0.

**D-2 APPROVAL OF AGREEMENT BETWEEN THE CITY OF MORRO BAY AND THE MORRO BAY TOURISM BUREAU TO PROVIDE SERVICES TO THE MORRO BAY TOURISM BUSINESS IMPROVEMENT DISTRICT; (CITY ATTORNEY)**

City Attorney Rob Schultz presented the staff report.

Councilmember Smukler wanted to publicly recognize the amount of work that has gone into this.

Mayor Irons hopes that in 6 months, we can incorporate performance standard language into the next contract.

MOTION: Councilmember Nancy Johnson moved to approve the Agreement between the City and the Morro Bay Tourism Bureau to provide services to the Morro Bay Tourism Business Improvement District. The motion was seconded by Councilmember Smukler and carried unanimously 5-0.

D-3 APPROVAL OF AGREEMENT BETWEEN THE CITY AND THE MORRO BAY TOURISM BUREAU TO FUND THE VISITOR CENTER; (CITY ATTORNEY)

City Attorney Rob Schultz presented the staff report stating that there was one correction to the dollar amounts found in the staff report as well as the Agreement. It should read, "The maximum amount due and payable during the term of this contract is **\$51,245**. City shall pay said amount to Bureau in monthly increments of **\$8540.83**."

MOTION: Councilmember Smukler moved to approve the Agreement between the City and the Morro Bay Tourism Bureau to fund the Visitor's Center with the monetary amendments to page 1 of the Agreement as discussed. The motion was seconded by Councilmember Nancy Johnson and carried unanimously 5-0.

D-4 APPROVAL OF ASSIGNMENT OF CONTRACT WITH BARNETT COX & ASSOCIATES FOR ADVERTISING AND MARKETING SERVICES TO THE MORRO BAY TOURISM BUREAU; (CITY ATTORNEY)

City Attorney Rob Schultz presented the staff report.

Councilmember Smukler feels this will maximize our tourism dollars.

MOTION: Councilmember Christine Johnson moved to approve the assignment of the contract with Barnett Cox & Associates for advertising and marketing services to the Morro Bay Tourism Bureau. The motion was seconded by Mayor Irons and carried unanimously 5-0.

D-5 DISCUSS THE JANUARY 10TH, 2013 CALIFORNIA COASTAL COMMISSION HEARING AND DECISION ON THE CITY OF MORRO BAY AND CAYUCOS SANITARY DISTRICT WWTP APPLICATION, CURRENT WWTP NEEDS, REGULATION REQUIREMENTS, AND A FUTURE WWTP, AND PROVIDE DIRECTION TO STAFF ON THE ABOVE; (CITY COUNCIL)

Mayor Irons presented the staff report stating that this is an opportunity following the Coastal Commission hearing to discuss this in open session. In an effort to keep moving forward, he wanted to discuss the current needs of our current WWTP.

Public Services Director Rob Livick gave an overview of our application for the 401h waiver process. He also gave an overview of the current plant and the need to be able to proceed with a capital project program for current and continued maintenance needs.

Councilmember Leage feels this is JPA business and questions any discussion that has the potential of giving direction to staff. It doesn't seem right not to have Cayucos as a part of the discussion.

Councilmember Smukler thinks it's good to have an item like this once a month to keep the public informed about the progress. He also feels it's necessary to evaluate the update of the LCP and the General Plan which will look into the zoning of the industrial area surrounding the WWTP to see what's involved. He also feels that we should place an agenda item on the JPA regarding a preliminary discussion on possible scenarios.

Councilmember Nancy Johnson feels that the LCP and General Plan need to take place but as a separate discussion item from the WWTP. She also feels we should not be moving forward unless we are in discussion with the JPA and we have an idea what their thoughts are. She feels it is imperative for Mayor Irons to sit down with Cayucos's Chair before setting any agenda items.

Councilmember Leage feels it's going to be 10-12 years before we even see a new plant so it would best to get an idea about what to do and how to move forward with our current plant and develop a maintenance schedule.

Mayor Irons agrees that we need to meet with our partners, Cayucos. But having this meeting allows us to have the discussion in an open format, allows for the community to become informed, and affords the people the opportunity to have public comment on the issue on a regular basis.

Councilmember Christine Johnson stated that cost and a time line are on the minds of all residents in Morro Bay and Cayucos and that both issues need to be communicated to the public. She doesn't feel it helps the process by bringing up the situation occurring in Los Osos, they are a different situation.

This item was a discussion item only and no action was taken.

E. DECLARATION OF FUTURE AGENDA ITEMS -

Councilmember Smukler requested a discussion of an LCP and General Plan Amendment Specific to the Industrial Zone at the Current WWTP Site; Councilmember Christine Johnson and Mayor Irons concurred.

ADJOURNMENT

The meeting adjourned at 10:13pm.

Recorded by:

Jamie Boucher  
City Clerk