

AMENDED MINUTES
MORRO BAY CITY COUNCIL
REGULAR MEETING – JUNE 11, 2013
VETERAN’S MEMORIAL HALL – 6:00P.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
	Amy Christey	Police Chief
	Eric Endersby	Harbor Director
	Susan Slayton	Administrative Services Director
	Joe Woods	Recreation & Parks Director
	Rob Livick	Public Services Director
	Rick Sauerwein	Capital Projects Manager

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

ESTABLISH QUORUM AND CALL TO ORDER
MOMENT OF SILENCE
PLEDGE OF ALLEGIANCE

CLOSED SESSION REPORT – City Attorney Robert Schultz reported that City Council met in a Special Closed Session on May 30, 2013 on the following item: 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 following employee organizations and giving instructions to the Designated Representative: Firefighters Association (FFA), Police Officer’s Association (POA), and Service Employee’s International Union, SEIU Local 620; no reportable action under the Brown Act was taken.

City Attorney Robert Shultz reported that City Council met in Closed Session on June 11, 2013 on the following items: 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 following employee organizations and giving instructions to the Designated Representative: Firefighters Association (FFA), Police Officer’s Association (POA), and Service Employee’s International Union, SEIU Local 620; 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 two parcels: A1-3 Mooring Zone next to 541

Embarcadero and APN 068-168-022, Vacant Lot next to 1320 Main Street; and, Conference with legal counsel due to anticipated litigation, Government Code Section 54956.9(b): Exposure to litigation exists based upon existing facts and the advice of legal counsel as to one matter - First American Title Company/First California Bank and City of Morro Bay; no reportable action under the Brown Act was taken.

MAYOR AND COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS &
PRESENTATIONS
PUBLIC PRESENTATIONS

PUBLIC COMMENT

Meredith Bates, owner of Bates Care Management, presented the Morro Bay business report. Bates Care Management is a geriatric care management firm that covers the entire County. It is her goal that loved ones are able to stay safely in their own homes or transition into assisted living. Ms. Bates works carefully with the family. For those with loved ones outside of the County, you can locate a care manager by going to caremanager.org and then put in your zip code. To contact Ms. Bates you can call 771-9124 or go to her website at batescare.com. She urged people contact her with any questions they may have.

Stephanie Pipan, the City's K-9 Officer advertised the 3rd Annual K-9 Walk being held on Saturday, June 22, 2013. It is the annual fundraiser for Xello and the Canine Unit. The event is being held at City Park, there will be vendors, demo's, and will also feature a dog walk. The cost is a \$20 donation which will also get your dog a "goodie bag".

Police Commander Bryan Millard urged the community to support Officer Pipan in her fundraising goals; it takes between \$7,000-10,000 to maintain a police K9 in our community per year. He also advertised the upcoming Tip-a-Cop Dinner being held on Friday, June 28th benefitting Special Olympics. The event is being held at the Community Center and the cost is \$20/adult and \$5/child or \$150/table.

At this time, Mayor Irons requested the Council consider pulling Item D-2, Consideration of Redevelopment Project Proposed for Lease Site 62/62W (Kayak Horizons – Krueger) and continue it to a future meeting so that it could be heard in conjunction with the Gray's Inn item. Councilmembers Nancy Johnson and Leage both wanted to hear the item tonight as scheduled. Councilmembers Christine Johnson and Smukler both felt it was important to hear this item alongside the Gray's Inn item.

MOTION: Mayor Irons moved to continue Item D-2, Kayak Horizons, and to bring it back with Gray's Inn. The motion was seconded by Councilmember Smukler and carried 3-2 with Councilmembers Nancy Johnson and Leage voting no.

Brian Stacy stated that he was a victim of the largest conspiracy in human history. Tonight he wanted to talk about crime and Council's obligation to follow through on these allegations.

Craig Schmidt advertised upcoming Morro Bay events. On June 12th, there will be a Morro Bay/Los Osos Chamber mixer at Sea Pines Restaurant from 530-730pm; on June 20th there will

be a Morro Bay Mixer at Casa de Flores from 530-7pm; on June 20th there will be a Community Forum upstairs at Embarcadero Grill from 9-10am and will feature Police Chief Amy Christey; and, on June 21st, the Economic Vitality Corporation will be providing business consultation at the Chamber offices from 9am-5pm, please call the Chamber for an appointment.

Susan Stewart spoke on Item D-4, approval of a lease agreement between the City of Morro Bay and Scott Meisterlin for property located at 307 Morro Bay Blvd for a public restroom and open space area. She is so pleased to see this as a real possibility for the downtown core area; it's a great concept and hopes that Council will approve it tonight.

Aaron Ochs wanted to remind people that on June 25th, there will be a discussion on the Morro Bay Aquarium at the Council level. He spoke to an email he received last week which appealed to extremes and emotions which he felt was in very poor taste. The Tylers have contributed a lot to the community and they are entitled to whatever the free market process allows. He hopes people will focus on solutions and that we all can keep a cool head.

Lynda Merrill stated that, at this moment, there is a dangerous situation at Highway 41 as there are cars extending into the right turn lane. She felt that the Council and Police Chief should know this.

Bob Keller thanked Ken Vesterfelt for all the work he provided at the Car Show. This year's car show was one of the best ones we've ever had and bringing in Dennis Gage to cover the event was a great idea as it will provide local, national and international coverage.

Kate Crocker spoke on Item D-4 in support of the restroom. It would be great to have a restroom in the downtown area.

Mayor Irons closed the public comment period.

A. CONSENT AGENDA

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 BUDGET WORKSHOP ON OF MAY 22, 2013; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF CITY COUNCIL MINUTES FOR THE REGULAR COUNCIL MEETING OF MAY 14, 2013; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 REQUEST TO APPROVE A RESPONSE TO THE GRAND JURY REGARDING EMAIL ACCESSIBILITY TO CITY GOVERNMENT; (CITY ATTORNEY)

RECOMMENDATION: Review the attached letter and authorize its submittal to the Grand Jury.

A-4 STATUS REPORT OF A MAJOR MAINTENANCE & REPAIR PLAN (MMRP) FOR THE EXISTING WASTEWATER TREATMENT PLANT; (PUBLIC SERVICES)

RECOMMENDATION: Staff recommends that this report be received and filed.

A-5 RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA AMENDING RESOLUTION 43-10 FOR A CALIFORNIA DEPARTMENT OF PUBLIC HEALTH GRANT FOR MODIFICATIONS TO THE DESALINATION PLANT; (PUBLIC SERVICES)

RECOMMENDATION: Approve Resolution 35-13.

Mayor Irons opened up the public comment period for items on the Consent Calendar; seeing none, the public comment period was closed.

Mayor Irons pulled Item A-1 and Councilmember Christine Johnson pulled Item A-4 from the Consent Calendar.

MOTION: Councilmember Nancy Johnson moved the City Council approve Items A-2, A-3, and A-5 of the Consent Calendar as presented. The motion was seconded by Councilmember Christine Johnson and carried unanimously 5-0.

A-1 APPROVAL OF CITY COUNCIL MINUTES FOR THE BUDGET WORKSHOP ON OF MAY 22, 2013; (ADMINISTRATION)

Mayor Irons pulled this item to point out a typographical error on page 3; it read "...for the 420 million we have in asset replacements." and it should have read "... 142 million we have in asset replacements."

A-4 STATUS REPORT OF A MAJOR MAINTENANCE & REPAIR PLAN (MMRP) FOR THE EXISTING WASTEWATER TREATMENT PLANT; (PUBLIC SERVICES)

Councilmember Christine Johnson pulled this item to have Public Services Director Rob Livick give the public an update on the MMRP.

MOTION: Councilmember Christine Johnson moved the City Council approve Items A-1 as amended and A-4. The motion was seconded by Councilmember Smukler and carried unanimously 5-0.

B. PUBLIC HEARINGS - NONE

C. UNFINISHED BUSINESS

C-1 REVIEW OF THREE PROPOSED CONCEPT PLANS FOR IMPROVEMENTS TO CENTENNIAL STAIRCASE; (CITY ATTORNEY)

City Attorney Rob Schultz presented the staff report.

Mayor Irons opened public comment for Item C-1; seeing none, the public comment period was closed.

Councilmember Nancy Johnson would love to see a funicular but it is far too expensive.

Councilmember Smukler is anxious to move forward on this project, keeping in mind what we can afford. He favors Option C as it preserves the Centennial Staircase. He also hopes that signage would be a component in the continued effort to bring the Embarcadero together with the downtown area.

Councilmember Leage stated that for years, there has been talk about tying the Embarcadero to the Uptown District. Now we have that opportunity. He doesn't necessarily know where to find the money but the funicular would be such a wonderful attraction for Morro Bay and he would like to find a way to make that happen.

Councilmember Christine Johnson stated that at this point, we wouldn't be doing anything to stop a funicular from being built in the future but at this time, the owner of the property is willing to place a connector from the Embarcadero to the downtown area with an elevator that hopefully would have full glass views. She also hoped that maybe the City could negotiate with the owner to help fix up the staircase. She would like this to go to the Recreation & Parks Commission, as long as it doesn't slow down the process, as well as the Planning Commission.

Mayor Irons feels that in Exhibit C, the elevator is tucked too far into the existing restaurant and almost hides it. Exhibit B places it more towards the center and it is more visible. He would like to see the elevator brought out to make it more of an attraction and centrally located.

MOTION: Councilmember Nancy Johnson moved to forward this report to the Planning Commission with all three Exhibits as possibilities and report back to the Council with their best idea.

The motion died for lack of a second.

Mayor Irons agreed that while it has to go to Planning Commission, as Council, they need to provide clear direction.

Councilmember Smukler is attracted to Option C but not necessarily exactly as it is proposed. The attraction is the view shed which is the value for that spot. If we adjusted the elevator we could enhance our gathering opportunities. He agreed that moving Exhibit C forward to the Planning Commission as a concept as well as asking the Recreation & Parks Commission for their input is valuable.

Councilmember Leage agreed that Planning Commission's input is vital but that we should send all three Exhibits over to them without our parameters so we get their specialized opinion.

Councilmember Christine Johnson was concerned that what if we send all three options to the advisory boards and they only like 1 and its one that we can't afford.

Councilmember Nancy Johnson wanted the Planning Commission to still be able to see all three options with the understanding that there are cost differences in all of them. There is always the possibility of available grant opportunities.

Councilmember Christine Johnson stated that there is unanimous enthusiasm for this project. She looks at this as a good negotiation for a piece of property that brings us access and mobility enhancements. But we need to realistically put facts before emotion and move Plan C to the Planning Commission and get this moving. She would be amenable to sending the entire packet so they can see the other options but realistically Plan C is what is affordable.

Mayor Irons hoped to send all three to the Planning Commission with the emphasis on Exhibit C being the cost choice. He would like to see the downtown visioning concepts included and see how those all fit together.

Councilmember Nancy Johnson doesn't feel the need to include the visioning concepts included in this decision.

MOTION: Mayor Irons moved to send Exhibit A, B, and C concurrently to the Recreation & Parks Commission and the Planning Commission with Exhibit C as the cost choice for the design, look for the views or viewshed opportunities to be featured with regards to the elevator, include the downtown visioning elements into the process that specifically deal with this area, include a connection signage component and to direct staff to ask the buyer to refine Exhibit C even before it goes to show the cross sections to better develop the plan. The motion was seconded by Councilmember Smukler and carried unanimously 5-0.

D. NEW BUSINESS

D-1 CONSIDERATION OF JOINT REDEVELOPMENT PROJECT PROPOSED FOR LEASE SITES 86/86W (801 EMBARCADERO LLC – CALDWELL) AND 87-88/87W-88W (V. LEAGE); (HARBOR)

Councilmember Leage had to recuse himself due to a conflict of interest in the matter.

Harbor Director Eric Endersby presented the staff report.

Cathy Novak, representing the applicants, presented the proposal. She covered a brief history, she addressed concerns regarding the Alternative A proposal, she presented the proposed project highlights and she addressed the Alternative B from the staff report. She stated that early on, the two leaseholders got together and designed a joint project that could operate independently while

at the same time providing the maximum benefit for the visitor serving uses. They had originally planned to form an LLC for the purpose of submitting a project while at the same time keeping their own lease sites. However, this approach would require the City to consolidate both the lease sites into one new Master Lease. Several items taken into consideration regarding this proposal include Ms. Leage's previous plan that was used as a stepping stone for the new design; recognition that two restaurants were not likely in the best interest of both sites; the design should focus on visitor serving uses; there are limitations for feasible uses on the second floor; questions on how to maximize the lease space with required view corridors and other City standards; and, the overall construction. The major plan points include both retail and hotel units; the building at 833 Embarcadero will be moved easterly 16 feet to allow for the construction of the Harbor Walk as well as a continuous single dock cross both leases; docks will have a shared gangway; the sidewalk along the Embarcadero will be enlarged to 8 feet; and the restaurant at 833 Embarcadero will be smaller and the restaurant at 801 Embarcadero will be removed. Other design benefits include public restrooms, elevator, hotel lobby and easy restaurant access from the hotel. In response to staff's Alternative B, the most important matter for both leaseholders is clear direction from Council. Both applicants are amenable to Alternative A or B.

Mayor Irons opened up public comment for Item D-1; seeing none, the public comment period was closed.

Councilmember Smukler is inclined towards separate projects, he wants to retain as much of the sites as are currently useful, it would be less of a shakeup and would be more affordable for each applicant.

Councilmember Nancy Johnson strongly believes in Option B. Keeping the 2 smaller leases under the control of the current lease holders will be a real advantage. It should help with sublease issues, should remain cleaner and create fewer vacancies.

Councilmember Christine Johnson stated we have combined lease sites before which have allowed for shared costs with architects, construction, etc. While we have a precedent for doing joint projects, she likes the mix we have now. She hopes to see us retain our "quirkiness" (large and small sites) as well as expand the boardwalk and sidewalk. She is leaning towards having two separate proposals come back to maintain that nice, individual, independent kind of look.

Mayor Irons feels that going towards separate projects would be the most feasible way to go and would agree to Alternative B.

Councilmember Smukler would hope they would have public restrooms, enhance the view corridors, would look to temper the size of an upper 2nd floor and have a bicycle parking area.

MOTION: Councilmember Smukler moved to direct the applicants and staff to work on Alternative B, to resubmit separate proposals for their respective lease site and for each of them to consider mutual benefits and public use opportunities as they see fit. The motion was seconded by Councilmember Nancy Johnson and carried 4-0-1 with Councilmember Leage having to recuse himself.

D-2 CONSIDERATION OF REDEVELOPMENT PROJECT PROPOSED FOR LEASE SITE 62/62W (KAYAK HORIZONS – KRUEGER); (HARBOR)

Per the motion made earlier in the meeting, this item was pulled and continued to a future meeting.

D-3 STATUS REPORT ON AMENDMENTS TO THE ZONING ORDINANCE (TITLE 17) AS IT RELATES TO SECTION 17.48.32 (SECONDARY UNITS), SECTION 17.44.020.1 (NORTH MAIN STREET COMMERCIAL AREA PARKING) AND SECTION 17.27 (ANTENNAS AND WIRELESS TELECOMMUNICATIONS FACILITIES); (PUBLIC SERVICES)

Planning Manager Kathleen Wold presented the staff report.

Mayor Irons opened up the public comment period for Item D-3; seeing none, the public comment period was closed.

Mayor Irons feels that the Ordinances regarding the Antennas and Wireless and the North Main Street Parking are pretty straight forward and there is some discrepancy on the Secondary Unit Ordinance. There was unanimous consensus that Council would have staff move forward on the Antenna/Wireless and Parking Ordinances.

MOTION: Councilmember Nancy Johnson moved to approve the Antenna and Wireless amendment. The motion was seconded by Councilmember Christine Johnson and carried unanimously 5-0.

Councilmember Nancy Johnson stated that this was done in conjunction with Ms. Wold as a plan to help commercial businesses in North Main. It was a good idea and it should continue.

Councilmember Smukler thinks we should move forward with this as well; there is a potential for parking issues but given that this concept is working within the existing footprint of a building, this is a good way to avoid new parking scenarios.

MOTION: Councilmember Smukler moved to approve Section 17.44.020.1, the North Main Street Commercial Area Parking. The motion was seconded by Councilmember Nancy Johnson and carried unanimously 5-0.

Council agreed to open up public comment for Item D-3.

Roger Ewing has spoken against increasing the square footage of secondary units for as long as this discussion has taken place. For example, on Pacific, there are two homes on the same lot, both with the same square footage and both identical. The ability to add a 1200 square foot home to your property creates a mansionization effect as well as it creates parking problems. He hopes that Council will not allow secondary units over 900 square feet.

The public comment period for this item was closed.

Mayor Irons clarified the Ordinances - #3 is the amended version; #2 is the one we are operating on which meets the legal requirements because it does allow for 1200 square feet, however it doesn't allow for parking within the front yard setbacks; he has spoken out against the amended version as realistically, there was nothing that would protect against two 1200 square foot houses on an R1 home. In effect we are making duplex homes out of our R1 neighborhoods which isn't in keeping with our town. Others felt the same way which led us to the #2 Ordinance.

Councilmember Smukler agrees completely, the effort that went into the public input in developing the second update was a compromise as it expanded and increased the size of a home and we need to follow through with it. The suggestion to send this to the Planning Commission to discuss the parking component as an additional thing to analyze is a good way to approach this as it gives more opportunity for public input.

Councilmember Christine Johnson is amenable to going in this direction as well as.

MOTION: Mayor Irons moved not to forward the Secondary Unit Ordinance as amended forward for certification; take the #2 Ordinance back to the Planning Commission for review to address parking and parking setbacks **in an open format** for further public comment/input. The motion was seconded by Councilmember Smukler and carried 3-2 with Councilmembers Nancy Johnson and Leage voting no.

D-4 APPROVAL OF LEASE AGREEMENT BETWEEN THE CITY OF MORRO BAY AND SCOTT MEISTERLIN FOR PROPERTY LOCATED AT 307 MORRO BAY BLVD. FOR A PUBLIC RESTROOM AND OPEN SPACE AREA; (CITY ATTORNEY)

City Attorney Rob Schultz presented the staff report.

Mayor Irons opened up public comment for Item D-4; seeing none, the public comment period for this item was closed.

Councilmember Nancy Johnson heard from a couple of business owners that are very interested in having a public restroom and wants to see this item moved forward.

Councilmember Smukler feels this is the way to go. He also suggested having Councilmembers Nancy and Christine Johnson, as part of the Economic Development Committee, be part of a sub-committee that would review the proposals received for leasing the building

MOTION: Councilmember Nancy Johnson moved approval of the lease; to seek proposals; to request the Chamber of Commerce Director and the Director of the Economic Development Program along with the Economic Development Committee to help find a sublease for the building and recommend a tenant. The motion was seconded by Councilmember Christine Johnson and carried unanimously 5-0.

D-5 WATER RECLAMATION FACILITY (WRF) PROJECT STATUS AND DISCUSSION; (ADMINISTRATION)

City Manager Andrea Lueker presented the staff report/timeline adding that Council will be seeing this report at the first meeting of each month now.

Public Services Director added that the kickoff meeting will be held within a week after signing the contract, probably by the end of next week. Approximately 3 weeks after the kickoff meeting, we will hold the first stakeholders meeting. Then approximately 1 week later, the first public workshop will be held.

D-6 APPOINTMENT OF VOTING DELEGATE(S) TO THE CALIFORNIA JOINT POWERS INSURANCE AUTHORITY; (ADMINISTRATION)

City Manager Andrea Lueker presented the staff report stating that this is an administrative / housekeeping issue only.

Mayor Irons opened up public comment for Item D-6; seeing none, the public comment period was closed.

MOTION: Councilmember Nancy Johnson moved to approve the recommendations made in Item D-6. The motion was seconded by Councilmember Leage and carried unanimously 5-0.

E. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

Councilmember Christine Johnson requested the creation of a Chorro Valley Subcommittee; there was Council consensus to move this forward

ADJOURNMENT

The meeting adjourned at 9:27pm.

Recorded by:

Jamie Boucher
City Clerk