

MINUTES – MORRO BAY CITY COUNCIL  
SPECIAL CLOSED SESSION MEETING –  
JANUARY 28, 2014  
CITY HALL CONFERENCE ROOM – 4:00PM

PRESENT:	Jamie Irons	Mayor
	Christine Johnson	Councilmember
	Nancy Johnson	Councilmember
	George Leage	Councilmember
	Noah Smukler	Councilmember
STAFF:	Susan Slayton	Acting City Manager
	Anne M. Russell	Interim City Attorney
	Rob Livick	Public Services Director
	Eric Endersby	Harbor Director

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Irons called the meeting to order at 4:00pm.

SUMMARY OF CLOSED SESSION ITEMS - The Mayor read a summary of Closed Session items.

CLOSED SESSION PUBLIC COMMENTS - Mayor Irons opened the meeting for Public Comment

Bill Martony spoke regarding Lease Site 30W-33W, stating that he had read the staff report last Friday and saw the boundary line adjustment as proposed. He felt it was confusing as the buyer had mentioned a boundary line adjustment on the north end, but the staff report states the boundary line adjustment is limited to Lease Site 33W in front of the existing coffee shop. He stated that if this property line is being pushed out and increasing land into the bay, that he and other neighbors would want the same opportunity to increase their property value.

Sandy Bean, a real estate broker representing the Coakleys and the new buyers, pointed out that this meeting is not about a neighbor or future development, or outcome with another agency, it's about saving a marina. She noted that boundary disputes of this type arise for a good reason and court decisions have ruled in favor of the property owner. She understands this is a difficult job for public agencies, but that the both the owners and buyers have worked diligently to bring forth what is in front of you today. The new City lease and conditions have been approved, what happens in the future with other agencies regarding this property and other future developments are not a condition to the lease.

Bruce Foster of Cayucos, one of the partners attempting to buy the Marina, urged Council to accept the recommendations that Ms. Novak has submitted on their behalf. They have worked extremely hard over several months to get this process completed and he would hate to see it not go through. He has a vision to make the Bay Front Marina one of the jewels in Morro Bay.

Jay Coakley, current owner of the Bay Front Marina spoke, stating that he believes they already own the land, and are not asking for permission from the City. They need permission from State Lands Commission.

Cathy Novak spoke regarding Lease Site 30W-33W, stated that they have worked hard on the remaining issues since the last meeting and are down to three issues: 1) An installment agreement for the purchase of the boundary line adjustment area; 2) a modification to the language proposed for the setback deed restriction, proposing that there be a deed restriction that limits any future buildings to the existing footprint within the boundary line adjustment and will leave the wharf and parking area open. Proposed language was provided; and 3) the building on Lot 20. She asks that the Council give both the City and tenants flexibility in the future for an expansion of the building footprint for a possible public access or other benefits that may include the public or the City. Proposed language was provided.

Nicole Dorfman, spoke regarding Save the Park v. City of Morro Bay, thanking Council for taking up the matter of Cerrito Peak. She hopes that Ms. Russell will come to the same conclusion and agree that this permit was illegally issued. She shared a map showing the private and public property lines and asked that the City withdraw the permit and cease defending it in court.

The Public Comment period was closed.

The City Council moved to Closed Session and heard the following items:

**CS-1 GOVERNMENT CODE SECTION 54957(b)(1) – PUBLIC EMPLOYMENT:**

Title: Interim City Manager

Title: Interim City Attorney

**CS-2 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.

- **Property: Lease Site 30W-33W; Bay Front Marina, Water Lease Adjacent to 201 Main Street**  
Negotiator: Anne M. Russell, Interim City Attorney  
Negotiating Parties: Coakley and City of Morro Bay  
Negotiations: Price and Terms of Payment
- **Property: Lease Site 141; United States Coast Guard, located at 1279 Embarcadero**  
Negotiator: Council Subcommittee consisting of Mayor Irons and Councilmember Leage  
Negotiating Parties: United States Coast Guard and City of Morro Bay  
Negotiations: Price and Terms of Payment

**CS-3 GOVERNMENT CODE SECTION 54956.9(d)(1) - CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**

- Save the Park and The Xerces Society v. City of Morro Bay
- Winholtz v. Coastal Commission (City is Real Party Interest)

**CS-4 GOVERNMENT CODE SECTION 54956.9(d)(2) – CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION:** Exposure to litigation exists based upon existing facts and the advice of legal counsel as to four matters.

- Carrie Burton (water service issue)
- Rick Holliday (2 claims, personal injury and other relating to 1149 Market)
- Brian Der Garbedian (claim re: 1149 Market)
- Ken Davis (claim re: 1149 Market)
- Evan Buddenhagen (employment issues)

CITY COUNCIL CONVENED TO OPEN SESSION – The City Council convened to open session; Interim City Attorney Anne Russell reported at the Regular Meeting immediately following, that with regards to the items heard in Closed Session, no reportable action under the Brown Act was taken.

**ADJOURNMENT**

The meeting adjourned at 5:45pm.

Recorded by:

Dana Swanson  
Deputy City Clerk