

MINUTES - MORRO BAY CITY COUNCIL
CLOSED SESSION – APRIL 13, 2009
CITY HALL CONFERENCE ROOM - 5:00 P.M.

Mayor Peters called the meeting to order at 5:09 p.m.

PRESENT:	Janice Peters	Mayor
	Carla Borchard	Councilmember
	Rick Grantham	Councilmember
	Noah Smukler	Councilmember
	Betty Winholtz	Councilmember
STAFF:	Susan Slayton	Acting City Manager
	Robert Schultz	City Attorney

CLOSED SESSION

MOTION: Councilmember Grantham moved the meeting be adjourned to Closed Session. The motion was seconded by Councilmember Winholtz and unanimously carried. (5-0)

Mayor Peters read the Closed Session Statement.

CS-1 GOVERNMENT CODE SECTION 54956.9(a); CONFERENCE WITH LEGAL COUNSEL REGARDING PENDING LITIGATION:

- City of Morro Bay v. Martony

CS-2 GOVERNMENT CODE SECTION 54956.8; REAL PROPERTY TRANSACTIONS: Instructing City's real property negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease of real property as to four (4) parcels.

Property: Whale's Tail - Lease Site 96-96W
Negotiating Parties: Mandella and City of Morro Bay.
Negotiations: Lease Terms and Conditions.

Property: Salt Building - Lease Site- 65-66/65-66W
Negotiating Parties: Abba Imani and City of Morro Bay.
Negotiations: Lease Terms and Conditions.

Property: Harbor Hut - Lease Site 122-123W
Negotiating Parties: Leage and City of Morro Bay.
Negotiations: Lease Terms and Conditions.

The meeting adjourned to Closed Session at 5:00 p.m. and returned to regular session at 5:42 p.m.

MOTION: Councilmember Borchard moved the meeting be adjourned. The motion was seconded by Councilmember Winholtz and unanimously carried. (5-0)

The meeting adjourned at 5:42 p.m.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – APRIL 13, 2009
VETERANS MEMORIAL HALL - 6:00 P.M.

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

PRESENT:	Janice Peters	Mayor
	Carla Borchard	Councilmember
	Rick Grantham	Councilmember
	Noah Smukler	Councilmember
	Betty Winholtz	Councilmember
STAFF:	Susan Slayton	Acting City Manager
	Robert Schultz	City Attorney
	Bridgett Bauer	City Clerk
	Rick Algert	Harbor Director
	Bruce Ambo	Public Services Director
	John DeRohan	Police Chief
	Dan Doris	Building Official
	Steve Knuckles	Fire Captain
	Aileen Nygaard	Associate Planner
	Christine Rogers	Housing Programs Coordinator
	Dylan Wade	Utilities/Capital Projects Manager
	Kathleen Wold	Senior Planner

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

PUBLIC COMMENT

Nancy Johnson announced “Dahlia Days” would be held in early August and awards would be given to those who grow the most beautiful dahlias in town. She said there was a new theme for this year’s Dahlia Days in honor of “Celebrating our Local Hero’s”, and her granddaughter presented dahlia plants to the Police and Fire Chiefs and the Harbor Director.

Hank Roth announced the Morro Bay Police Citizen Academy would begin on April 23rd and would continue for the following nine consecutive Thursday evenings at the Morro Bay Police Department.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – APRIL 13, 2009

Gena Healey expressed concern with an incident on the beach with a State Patrol Officer who was offensive to her due to walking her dog on the beach and charged her with a misdemeanor. She suggested the beaches be more appropriately marked where dogs are not allowed.

Claire Grantham thanked the Police Department for their efforts during the homicide incident. She reminded the City Council that their responsibility is for public safety, and should not consider budget cuts when considering the Police Department's budget.

Keith Taylor, Friend of the Morro Bay Fire Department, stated a banner prepared by Goofy Graphics has been placed on the fence by the Apparatus Bay with a digital picture of Phase II of the Fire Department. He said a yard sale for Friends of the Police and Friends of the Fire Departments collected approximately \$840 in one day.

Deb Jeffers announced the American Cancer Society Relay for Life would be held at the Morro Bay High School on August 1st and encouraged people to participate in order to team up and raise public awareness and raise funds to find a cure for cancer.

Bill Woodson expressed support for Item D-2 (Reduced Fee Incentive for Green Building and Low Impact Development) stating this is a local, national and global issue and a wonderful investment in our future.

Susan Heinemann announced the Annual American University Women's (AAUW) Spring Garden Tour would be held on April 26th; part of the profits each year go towards a scholarship for local 7th grade female students to attend a week long Tech Trek Science Camp.

Emma Widdell, a recipient of the AAUW scholarship, reviewed her background in order to earn a scholarship to attend the Tech Trek Science Camp. She encouraged participants to purchase tickets for the AAUW Spring Garden Tour.

Peter Candela, Executive Director of the Chamber of Commerce, announced upcoming events, and reviewed the monthly Chamber statistics.

Galen Ricard expressed support for Item D-2 stating studies have shown that green building offers the most effective way to carry out policy goals and incentives such as faster permit processing and development plan reviews.

Joan Solu stated she is interested in Item D-2 and has implemented various green building techniques in her proposed project at 1050 Morro Avenue.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – APRIL 13, 2009

Rachel Algelany expressed appreciation for the City considering Item D-2. She shared the New Home Construction Green Building Guidelines, and also a Sustainable Development publication from the General Services Administration regarding policies that need to be created today.

Dave Gill addressed Item D-1 (Letter From Dave Gill Representing the Sea Scouts Requesting a Fee Waiver for the Vessel St. Joseph), and requested the City Council consider his request for a fee waiver.

Mayor Peters closed the hearing for public comment.

A. CONSENT CALENDAR

Unless an item is pulled for separate action by the City Council, the following actions are approved without discussion.

A-1 APPROVAL OF MINUTES FOR THE REGULAR CITY COUNCIL MEETING OF MARCH 23, 2009; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 REQUEST FOR APPROVAL OF AMENDMENT #1 TO THE LEASE AGREEMENT FOR LEASE SITE 129W-131W--MORRO BAY FISH COMPANY, INC., 1231 EMBARCADERO; (HARBOR)

RECOMMENDATION: Adopt Resolution No. 13-09.

A-3 REQUEST FOR CONDITIONAL APPROVAL OF ASSIGNMENT OF LEASE AGREEMENT FOR LEASE SITE 122-123/122W-123W AND EXTENSION 122W-123W FROM HARBOR HUT INC., GEORGE LEAGE TO THMT INC., HEATHER AND TROY LEAGE AND CONDITIONAL APPROVAL OF AMENDMENT #1 TO THE LEASE AGREEMENT FOR LEASE SITE 122-123/122W-123W AND EXTENSION 122W-123W--HARBOR HUT, 1205 EMBARCADERO; (HARBOR)

RECOMMENDATION: Adopt Resolution No. 14-09.

A-4 RESOLUTION NO. 12-09 AUTHORIZING THE FEDERAL FUNDING UNDER FTA SECTION 5311 (49 U.S.C. SECTION 5311) WITH CALIFORNIA DEPARTMENT OF TRANSPORTATION TO PURCHASE ONE (1) WHEELCHAIR ACCESSIBLE DIAL-A-RIDE VEHICLE AND ONE (1) WHEELCHAIR ACCESSIBLE TROLLEY; (PUBLIC SERVICES)

RECOMMENDATION: Adopt Resolution No. 12-09.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – APRIL 13, 2009

A-5 ADOPTION OF ORDINANCE NO. 545 AMENDING TITLE 5 BUSINESS LICENSES AND REGULATIONS, CHAPTER 5.04 REGARDING DURATION OF LICENSE AND FEE PAYMENT/PRORATING - SECOND READING; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Approve second reading and adoption of Ordinance No. 545.

A-6 PROCLAMATION DECLARING THE WEEK OF APRIL 12-18, 2009 AS "NATIONAL PUBLIC SAFETY TELECOMMUNICATIONS WEEK"; (ADMINISTRATION)

RECOMMENDATION: Adopt Proclamation.

Mayor Peters pulled Item A-6 in order to make a presentation to Police Department Support Services Manager Mary Sponhaltz in recognition of National Public Safety Telecommunications Week.

MOTION: Councilmember Winholtz moved the City Council approve Item A-6 of the Consent Calendar. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

MOTION: Councilmember Borchard moved the City Council approve the remainder of the Consent Calendar. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

Mayor Peters called for a break at 6:57 p.m.; the meeting resumed at 7:06 p.m.

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

B-1 RESOLUTION NO. 15-09 INITIATING PROCEEDINGS TO LEVY THE ANNUAL ASSESSMENT FOR THE CLOISTERS PARK AND OPEN SPACE LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (RECREATION & PARKS)

Acting City Manager Susan Slayton stated Resolution No. 15-09 initiates the proceedings to levy the annual assessment, an Engineer's Report will be prepared for review at the May 11, 2009 City Council meeting, which will also include a resolution of intention declaring the City Council's intent to levy and collect the assessment. The Cloisters Landscaping and Lighting Maintenance Assessment District is a separate fund from all other City funds and can only be expended for improvements authorized for the district. Once set, the annual assessment is transmitted to the County Auditor for recordation on the County assessment role. The assessment amount will then appear each year on the parcel owner's property tax bill. In conformance with Proposition 218, The Right to

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – APRIL 13, 2009

Vote on Taxes Act, passed in 1996 by the voters in the State of California, the Cloisters Landscaping and Lighting Maintenance Assessment District was approved by 100% of the owners for which the assessment is to be levied. All property owners were fully apprised of the costs and benefits associated with the district, prior to its approval. Ms. Slayton recommended the City Council adopt Resolution No. 15-09 initiating proceedings to levy the annual assessment for the Cloisters Park and Open Space Landscaping and Lighting Maintenance Assessment District.

Mayor Peters opened the hearing for public comment; there were no comments, and Mayor Peters closed the public comment hearing.

MOTION: Councilmember Grantham moved the City Council adopt Resolution No. 15-09 initiating proceedings to levy the annual assessment for the Cloisters Park and Open Space Landscaping and Lighting Maintenance Assessment District. The motion was seconded by Councilmember Winholtz and carried unanimously. (5-0)

B-2 RESOLUTION NO. 16-09 INITIATING PROCEEDINGS TO LEVY THE ANNUAL ASSESSMENT FOR THE NORTH POINT NATURAL AREA LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (RECREATION & PARKS)

Acting City Manager Susan Slayton stated Resolution No. 16-09 initiates the proceedings to levy the annual assessment, an Engineer's Report will be prepared for the second public hearing scheduled for the May 11, 2009 City Council meeting, which will also include a resolution of intention declaring the City Council's intent to levy and collect the assessment. The North Point Natural Area Landscaping and Lighting Maintenance Assessment District is a separate fund from all other City funds and can only be expended for improvements authorized for the district. Once set, the annual assessment is transmitted to the County Auditor for recordation on the County assessment role. The assessment amount will then appear each year on the parcel owner's property tax bill. In conformance with Proposition 218, The Right to Vote on Taxes Act, passed in 1996 by the voters in the State of California, the North Point Natural Area Landscaping and Lighting Maintenance Assessment District was approved by 100% of the owners for which the assessment is to be levied. All property owners were fully apprised of the costs and benefits associated with the district, prior to its approval. Ms. Slayton recommended the City Council adopt Resolution No. 16-09 initiating proceedings to levy the annual assessment for the North Point Natural Area Landscaping and Lighting Maintenance Assessment District.

Mayor Peters opened the hearing for public comment; there were no comments, and Mayor Peters closed the public comment hearing.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – APRIL 13, 2009

MOTION: Councilmember Grantham moved the City Council adopt Resolution No. 16-09 initiating proceedings to levy the annual assessment for the North Point Natural Area Landscaping and Lighting Maintenance Assessment District. The motion was seconded by Councilmember Winholtz and carried unanimously. (5-0)

B-3 ADOPTION OF A MITIGATED NEGATIVE DECLARATION AND CONSIDERATION OF A CONCEPT PLAN FOR A VESTING TENTATIVE SUBDIVISION MAP SOO-062/ CONDITIONAL USE PERMIT UPO-138/COASTAL DEVELOPMENT PERMIT CPO-207, FOR A CUSTOM RESIDENTIAL 10 LOT CONSERVATION SUBDIVISION AND OPEN SPACE EASEMENT ON 4.75 ACRES AT 1305 TERESA DRIVE; (PUBLIC SERVICES)

Associate Planner Aileen Nygaard stated the applicant proposed to subdivide a 4.75 acre parcel with a Vesting Tentative Tract Map on the east side of Highway 1, adjacent to the senior care facility, into a 10-lot conservation subdivision for custom residential lots ranging in size from 14,458 to 30,461 square feet. Building envelopes are proposed to establish development boundaries on each lot and conserve the remaining lot area in open space easement. The intent of the applicant is to conserve open space for visual and natural vegetation conservation. A lot line adjustment is proposed to exchange equal area between the senior care facility and 10-lot subdivision in order to locate the existing senior care driveway on its parcel, instead of as an easement on the subdivision parcel. The lot line adjustment will allow room for the senior care facility to provide 22 parking spaces and five tree planters along the driveway as an amendment to the workforce building permit. Ms. Nygaard recommended the City Council adopt the Mitigated Negative Declaration and consider the Concept Plan for a Vesting Tentative Subdivision Map SOO-062/Conditional Use Permit UPO-138/Coastal Development Permit CPO-207.

Cathy Novak, representing the applicant, gave a brief project history, and an overview of project details with a slide presentation. She reviewed the staff report and conditions prepared by staff and provided the City Council with suggested modifications to the staff report, findings and conditions of approval. Ms. Novak also reviewed the City's permitting process and requested clarification of the permit process for this project.

Mayor Peters opened the hearing for public comment; there were no comments, and Mayor Peters closed the public comment hearing.

Councilmember Smukler stated this is a sensitive area and the less pervious space the less runoff potential there will be. He said he supports the concept of reducing the parking and curb and gutter concept, and the addition of the Teresa Drive Park. Councilmember Smukler expressed some concern with public transportation access, and the homeowner association seems to be the best way to address these issues. He said he would like

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – APRIL 13, 2009

strong language in the CC&R's regarding the use of chemicals, fertilizer, herbicides, and pesticides within the project. Councilmember Smukler stated he supports the landscape design and planting palette appropriate with the native habitat. He said he supports the 20-foot road with no parking, maintaining the cul-de-sac as is, along side the drive keep compacted to be utilized as sidewalk, or maintain as planting space or open space.

Councilmember Borchard stated she supports the applicant's concept on the road. She referred to the Building and Fire Code for fire management because each lot will be varied in size and location. She said she supports CC&R's, a form of homeowner association (HOA), and a 20-foot road.

Councilmember Grantham stated there is potential for this to be a good project. He said even with a 12% grade, there is concern with erosion. Councilmember Grantham stated he would prefer no parking on the street and a 28-foot road with curb, gutter and sidewalk or some type of surface. He said he supports CC&R's, and the planting of a lot of trees.

Councilmember Winholtz stated she supports HOA fees. She noted the road is illegal based on the City's Land Use Plan, which does not allow roads to go straight up the grade. Councilmember Winholtz stated the road should be reduced in size with no sidewalks and mitigate with landscaping. She said there should be no obstruction to the ridge way, which is also observed in the Land Use Plan. Councilmember Winholtz stated this is a barren area and a new habitat will be created; perhaps the HOA could create the 11th lot as a public use area. She said she is opposed to the three-feet beyond the 18-1/2 feet for chimneys and other items on the roof. Councilmember Winholtz stated she does support the 75% second story and the 20-foot road with no parking.

Mayor Peters reviewed the issues that received Council consensus. She stated she supports a 20-foot road with a walkway and no parking.

MOTION: Mayor Peters moved the City Council adopt the Mitigated Negative Declaration and consider the Concept Plan for a Vesting Tentative Subdivision Map SOO-062/Conditional Use Permit UPO-138/Coastal Development Permit CPO-207 with the following conditions: 1) there will be a homeowner association or equivalent management body; 2) there will be a 20-foot road with a pervious walkway; 3) the individual lots will observe the Building and Fire Codes to determine setbacks; 4) chimneys and architectural items can exceed 18-1/2 feet, but not satellite dishes; 5) second stories will be 75% of the first story; 6) the in-lieu amount will be \$150 per square foot; and 7) building will have sequenced habitat restoration. The motion was seconded by Councilmember Smukler and carried unanimously. (5-0)

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – APRIL 13, 2009

B-4 INTRODUCTION AND FIRST READING OF ORDINANCE NO. 546
ESTABLISHING THE MORRO BAY TOURISM BUSINESS IMPROVEMENT
DISTRICT (MBTBID), FIXING THE BOUNDARIES THEREOF, AND
PROVIDING FOR LEVY OF A BUSINESS ASSESSMENT TO BE PAID BY
THE HOTEL BUSINESSES IN SUCH DISTRICT; (CITY ATTORNEY)

City Attorney Robert Schultz stated in order to initiate the process to form a City-wide Tourism Business Improvement District (TBID); the City Council on February 23, 2009 adopted a Resolution of Intention indicating its intention to establish a TBID for the benefit of tourism promotion and marketing in the City of Morro Bay. Included in the Resolution was the proposal by City hoteliers to establish the citywide TBID with a 3% assessment of gross room rates for the initial year and 2% for years thereafter. Following the adoption of the Resolution of Intention and consistent with statutory requirements, notification was published and mailed to area businesses and property owners, notifying the owners and other interested members of the public of the following key actions:

1. A public meeting to hear testimony supporting or opposing the proposed citywide TBID was held at the March 23, 2009 City Council meeting;
2. The April 13, 2009 TBID Protest Hearing, which is the subject of this report;
3. Introduction of Ordinance to Establish the Assessment;
4. Final Adoption of Ordinance to Increase Assessment; and
5. Ordinance Effective.

Based on transient occupancy tax revenues, each percentage of assessment would generate approximately \$165,000 per annum for the purpose of tourism marketing and promotional efforts. Since the assessment is directly tied to gross room revenue, the funds generated would fluctuate with the citywide room rates and changes in room inventory. Mr. Schultz recommended the City Council conduct a public hearing to receive testimony regarding the Council's intention to establish a citywide Tourism Business Improvement District; then rule upon any protests; and if a legally sufficient protest showing is not made, approve the first reading and introduction of Ordinance No. 546 establishing the Tourism Business Improvement District in the City of Morro Bay.

Mayor Peters opened the hearing for public comment; there were no comments, and Mayor Peters closed the public comment hearing.

Councilmember Grantham stated he supported the concept at 2% assessment of gross room rates, but 3% is too high.

Councilmember Winholtz expressed that she had hoped the City would have participated in the countywide business improvement district.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – APRIL 13, 2009

MOTION: Councilmember Borchard moved the City Council approve the first reading and introduction of Ordinance No. 546 establishing the Tourism Business Improvement District in the City of Morro Bay. The motion was seconded by Councilmember Smukler and carried with Councilmember Grantham voting no. (4-1)

Acting City Manager Susan Slayton read Ordinance No. 546 by number and title only.

B-5 INTRODUCTION AND FIRST READING OF ORDINANCE NO. 547
PROHIBITING THE ESTABLISHMENT OF MEDICAL MARIJUANA
DISPENSARIES; (CITY ATTORNEY)

City Attorney Robert Schultz stated in 1996, California voters enacted Proposition 215, the Compassionate Use Act, which protects qualified patients and their primary caregivers from prosecution under California laws for possession or cultivation of marijuana to treat serious illness pursuant to a doctor's recommendation. Several years later, in 2003, the State legislature enacted implementing legislation to allow qualified patients and caregivers to obtain identification cards that insulate them from arrest for cultivation and/or use of marijuana for authorized medical purposes. Although not expressly authorized under these laws, some people used this legal backdrop to set up medical marijuana dispensaries where qualified patients and caregivers could purchase marijuana for medical use. However, under federal law, marijuana has no currently accepted medical use and the cultivation, possession, or distribution of marijuana is prohibited. Congress has not changed this prohibition despite the passage of medical marijuana laws in a number of states. The ongoing conflict between Federal and State law on this subject has created a dilemma for local governments and their law enforcement agencies, particularly with regard to medical marijuana dispensaries. After reviewing the current status of Federal and State law and the associated risks and possible consequences of establishing an ordinance allowing medical marijuana dispensaries, the City Council on December 12, 2009 instructed the City Attorney to prepare an ordinance that would eliminate the possibility of storefront medical marijuana sales in the City. Mr. Schultz recommended the City Council ban medical marijuana dispensaries until such time as the tension between the State and Federal law is resolved. Ordinance No. 547 would prohibit medical marijuana dispensaries, but would not preempt California law governing medical marijuana and would not impact qualified patients' and caregivers' rights to cultivate and possess medical marijuana for their own medical use, provided they maintain compliance with State law.

Mayor Peters opened the hearing for public comment.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – APRIL 13, 2009

David Major stated a medical marijuana dispensary would bring a tax benefit to the City, as well as provide a natural alternative for medicine other than pharmaceutical chemicals. He said there is no other place on the Central Coast to purchase medical marijuana and the closest dispensary is Santa Barbara or Santa Cruz. Mr. Major stated it is a safe regulated location to acquire the substance.

Kent Cowell referred to President Obama's comments regarding medical marijuana. He stated he assisted in writing the regulations for medical marijuana dispensaries in the County, and requested the City Council not prohibit the establishment of medical marijuana dispensaries.

Mayor Peters closed the public comment hearing.

Mayor Peters stated the one dispensary in the City was run strictly by City's codes. She said she does not want to place anyone else at the same risk as the previous owner.

Councilmember Winholtz stated she would support a moratorium for a maximum time limit of three months. She said at that time she would support an ordinance allowing a medical marijuana coop in the City limits.

Councilmember Grantham stated he would support a moratorium for a maximum time limit of six months.

Councilmember Smukler stated this is an important time to be proactive in developing this type of service to the community and receive the financial benefits of this type of business. He said he would like to discuss the timelines of a temporary moratorium and then move forward.

Councilmember Borchard stated State and Federal laws have not rested on this matter, and she is not interested in having a marijuana dispensary in this City. She noted no other city in this County has allowed a marijuana dispensary in their community.

MOTION: Councilmember Winholtz moved the City Council direct staff to draft an ordinance to allow a medical marijuana coop within the City limits of Morro Bay that identifies location, kind of facility, includes sales tax, and any other pertinent information staff finds necessary; and, return to Council no later than October 2009. The motion was seconded by Councilmember Smukler and carried with Councilmember Borchard voting no. (4-1)

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – APRIL 13, 2009

MOTION: Mayor Peters moved the City Council approve the introduction and first reading of Ordinance No. 547 Prohibiting the Establishment of Medical Marijuana Dispensaries with the addition of Section 6 to read as follows: “**SECTION 6.** This Ordinance shall expire October 13, 2009 unless, prior to that date, the City Council takes affirmative action to extend this Ordinance.” The motion was seconded by Councilmember Borchard and carried with Councilmember Winholtz voting no. (4-1)

Assistant City Manager Susan Slayton read Ordinance No. 547 by number and title only.

Mayor Peters called for a break at 10:00 p.m.; the meeting resumed at 10:08 p.m.

C. UNFINISHED BUSINESS

C-1 REVIEW OF SITE GENERATOR PROJECT FOR DIAL-A-RIDE, CITY HALL AND PUBLIC SERVICES DEPARTMENT OFFICES; (PUBLIC SERVICES)

Utilities/Capital Project Manager Dylan Wade stated this project was originally intended to provide a backup emergency generator project for Dial-a-Ride, City Hall and Public Services Department offices to provide emergency power during periods of extended power outages. Originally, the project was funded by two transit grants totaling \$22,308.45, and \$95,000 from the General Fund. To date, \$18,136.17 has been expended for design and preparation of plans and specifications. The updated overall cost of the project estimates at \$138,121.25, which includes \$20,000 for the generator housing structure, \$3,000 to upgrade the gas service, \$2,000 propane back-up, and \$113,121.25 from the estimate of probable cost from Thoma Electric for the generator and electric work. Mr. Wade recommended the City Council consider this item and provide further direction to staff.

Councilmember Smukler stated he prefers not to fund this project and would prefer to utilize the remaining grant funds to perform a more comprehensive energy audit, and with the assistance of PG&E increase the energy use within the buildings and be prepared for alternative energy use systems to be utilized. He said a back-up battery operated CB radio system would be helpful for Dial-a-Ride in the case of a power outage.

Councilmember Borchard stated she agrees that funding this project and taking funds from the General Fund is not in the City’s best interest at this time. She would prefer to find an alternative way such as a rollover phone system to get Dial-a-Ride calls through during a power outage.

Councilmember Winholtz stated she is not in support of funding this project. She would support funding a generator for the Dial-a-Ride phone system.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – APRIL 13, 2009

Councilmember Grantham stated he does support a generator that would be reliable and provide a public safety investment.

Mayor Peters stated she supports an energy audit and the purchase of an affordable generator to support the Dial-a-Ride phone system. She said it appears that the majority of Council does not want to move forward with this project, and the City should pursue an energy audit.

No further action was taken on this item.

D. NEW BUSINESS

D-1 LETTER FROM DAVE GILL REPRESENTING THE SEA SCOUTS
REQUESTING A FEE WAIVER FOR THE VESSEL ST. JOSEPH; (HARBOR)

City Attorney Robert Schultz stated the Sea Scouts took ownership of the St Joseph from L.V. Jones. The vessel is an 80-foot steel trawler that dates from the 1970's and since the new trawl regulations, has very little value as a commercial vessel. The Sea Scouts have been working on the vessel with the goal of making it seaworthy and taking it up to the Sacramento River area as a training/work vessel for the Sea Scouts.

MOTION: Councilmember Winholtz moved the City Council grant a waiver of fees for the St. Joseph for four months, and no further waivers beyond that timeframe, to enable the Sea Scouts to complete their efforts towards making the vessel seaworthy so that they can take it to Stockton. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

D-2 REDUCED FEE INCENTIVE FOR GREEN BUILDING AND LOW IMPACT
DEVELOPMENT; (PUBLIC SERVICES)

Public Services Director Bruce Ambo stated this item was identified as a Future Agenda Item at the January 12, 2009 Council meeting. The concept of reducing fees as a green building incentive was raised by Councilmember Smukler during a discussion on planning fees for waterfront projects earlier at the same meeting. Mr. Ambo recommended the City Council offer green building incentives in reimbursed building plan check and inspection fees for the following:

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – APRIL 13, 2009

- A. \$3,000 upon successful completion of *nationally* recognized “Leadership in energy and environmental design” (LEED Certification) on new homes, and
- B. \$2,000 upon successful completion of *California* “GreenPoint rated” project certification on new homes, and
- C. 40% permit fee reimbursement for all residential remodels achieving GreenPoint rated certification and all other projects including remodels, multi-family and commercial buildings that achieve LEED Certification; and
- D. direct staff to return to the Council with a resolution implementing the changes to the building fees and review procedures.

Councilmember Borchard expressed concern with the consideration of reducing fees that are now mandatory requirements for green building, which will require that much more staff time, and the incentive of fee reimbursement.

MOTION: Councilmember Grantham moved the City Council offer green building incentives in reimbursed building plan check and inspection fees as recommended by staff, and report back to Council in six months on the fiscal impact and the staff time involved in this process. The motion was seconded by Councilmember Smukler and carried with Councilmember Borchard voting no. (4-1)

MOTION: Councilmember Smukler moved the City Council direct staff to develop the concept of a five-year draft strategic green initiative plan, first to be presented to the Planning Commission and then to the City Council. The motion was seconded by Councilmember Winholtz and carried unanimously. (5-0)

E. DECLARATION OF FUTURE AGENDA ITEMS

Councilmember Grantham requested to agendize a discussion on health and safety issues regulating tattoo parlors; Council concurred.

ADJOURNMENT

The meeting adjourned at 10:54 p.m.

Recorded by:

Bridgett Bauer
City Clerk