

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – JUNE 23, 2015
VETERAN’S MEMORIAL HALL – 6:00P.M.

PRESENT:	Jamie Irons	Mayor
	Noah Smukler	Councilmember
	John Headding	Councilmember
	Christine Johnson	Councilmember
	Matt Makowetski	Councilmember
STAFF:	David Buckingham	City Manager
	Joe Pannone	Assistant City Attorney
	Dana Swanson	City Clerk
	Sam Taylor	Deputy City Manager
	Susan Slayton	Administrative Services Director
	Rob Livick	Public Works Director
	Scot Graham	Community Development Manager
	Cindy Jacinth	Associate Planner
	Eric Endersby	Harbor Director
	Amy Christey	Police Chief

ESTABLISH QUORUM AND CALL TO ORDER

The meeting was called to order at 6:00pm

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

MAYOR AND COUNCILMEMBERS’ REPORTS, ANNOUNCEMENTS & PRESENTATIONS

PUBLIC PRESENTATIONS

<https://youtu.be/L5E37bEjcpM?t=8m21s>

Morro Bay Police Officer Certificates of Appreciation

Mayor Irons, City Manager Buckingham and Chief Christey presented Certificates of Appreciation to Sgt. Derek Porter and Officer Gene Stuart for providing exemplary service while responding to a medical aid call on May 18, 2015.

Morro Bay Car Show Update

Ken Vesterfelt and Chris Parker provided an update on the 19th Annual Morro Bay Car Show, thanking sponsors and volunteers who help make the event so successful. Proceeds from this event go to the Post 43 Explorers’ Group and Morro Bay Rotary.

PUBLIC COMMENT

<https://youtu.be/L5E37bEjcpM?t=19m5s>

Lee Samways of Couch Potato provided the business spot. Couch Potato started in San Luis Obispo in 2005, and has been growing rapidly ever since. They now have four locations including Paso Robles, Santa Maria, San Luis Obispo and Morro Bay. They provide premium and custom-made furniture, including their own private label. They are happy to be in Morro Bay and encourage everyone to come down to 381 Quintana.

Mike Sherrod, Morro Bay, requests the Council agendaize a variance fee refund request. In 2008, they submitted plans to add 6000 sq. ft. (later corrected to be 600 sq. ft.) to their home and were informed the project was conforming and would not require a variance or conditional use permit. In 2013, new City staff changed the interpretation stating it was a non-conforming project. He asks the City refund fees paid due to the City's error and encourages the Council to watch the August 5, 2014 Planning Commission meeting to gain a full understanding of the circumstances.

Jan Searby, Morro Bay resident and board member with the Morro Coast Audubon Society, a countywide organization with 1,000 members, 80 of whom live in Morro Bay. She asks the Council consider banning the use of expanded polystyrene in Morro Bay.

Joan Carter, former Morro Bay resident and volunteer at Pacific Wildlife Care, supports banning the use of Styrofoam in Morro Bay, stressing that once you have been a party to an animal who is damaged by Styrofoam, it changes you. Styrofoam falls into tiny pieces, and cannot be cut out or pulled out. It lines their intestines so their ability to absorb nutrients is hindered and they starve to death.

Rosalie Valvo, Morro Bay, supports a citywide ban on expanded polystyrene, aka Styrofoam. We are blessed to be living among so many other species, yet we create so many hazards for them. Styrofoam mimics food for marine animals, provides nasty chemical instead of nutrition.

Nora Tantress, Morro Bay, supports the ban of polystyrene/Styrofoam. 80 California cities have banned Styrofoam, including San Francisco, San Jose, Malibu and recently San Luis Obispo. Polystyrene foam is a threat to human health and the environment.

Lynda Merrill, Morro Bay, asks the City Council consider a ban on expanded polystyrene. It is possible to have biodegradable food packaging. Please agendaize this for discussion and support eliminating the use of polystyrene in our city.

Julie Sherrod, Morro Bay, made a correction to her husband's public comment, noting the project was a 600 sq. ft. expansion, not 6,000 sq. ft.

Rigmore, Morro Bay, spoke regarding Item C-1 expressing concern about the boat haul out and asking the City to please be careful what this very valuable property is used for.

Glenn Silloway, representing the Morro Bay Historical Society, introduced the time capsule that will be placed at City Park on July 17th at 2pm. The Historical Society is collecting items,

including digitized stories and photographs, to explain our love for Morro Bay and why we live here. The deadline to submit items has been extended to July 10. More information is available at www.historicalmorrobay.org.

Janice House, Morro Bay, asked the Council to direct staff to develop a hiring policy that will keep the City out of legal difficulties.

Linna Thomas, owner of Coalesce Bookstore, asked the City Council join the local Chamber and majority of Main Street businesses in support of Grandma's Yogurt and courtyard for street-side, safe outdoor space.

The public comment period was closed.

A. CONSENT AGENDA

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

The public comment period for the Consent Agenda was opened; seeing none the public comment period was closed.

A-1 APPROVAL OF MINUTES FOR THE SPECIAL CLOSED SESSION CITY COUNCIL MEETING HELD ON JUNE 9, 2015; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE CITY COUNCIL MEETING HELD ON JUNE 9, 2015; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 RESOLUTION NO. 41-15 AUTHORIZING SAN LUIS OBISPO COUNTY ASSESSOR TO ASSESS AMOUNTS DUE ON DELINQUENT SOLID WASTE COLLECTION ACCOUNTS AS TAX LIENS AGAINST THE PROPERTIES; (PUBLIC WORKS)

RECOMMENDATION: Adopt Resolution No. 41-15.

A-4 RESOLUTION NO. 42-15 APPROVING AMENDMENT OF THE GARBAGE, RECYCLING AND GREEN WASTE AGREEMENT WITH MORRO BAY GARBAGE SERVICE REGARDING SECURITY FUND; (PUBLIC WORKS)

RECOMMENDATION: Adopt Resolution No. 42-15.

A-5 APPOINTMENT OF VOTING DELEGATE(S) TO THE CALIFORNIA JOINT POWERS INSURANCE AUTHORITY; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-6 RESOLUTION NO. 44-15 ESTABLISHING THE ANNUAL PROPOSITION 4 APPROPRIATIONS LIMIT FOR THE FISCAL YEAR 2015/16; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Adopt Resolution No. 44-15.

A-7 RESOLUTION NO. 45-15 TO REAFFIRM INVESTMENT OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND (LAIF) AND DESIGNATE TRANSACTION OFFICERS; (ADMINISTRATIVE SERVICES)

RECOMMENDATION: Adopt Resolution No. 45-15.

A-8 RESOLUTION NO. 46-15 APPROVING A TEN YEAR LEASE AGREEMENT FOR MOORING AREA A1-4 BETWEEN THE CITY OF MORRO BAY AND MORRO BAY MARINA (STAN TRAPP); (HARBOR)

RECOMMENDATION: Adopt Resolution No. 46-15.

A-9 ACCEPTANCE OF AN OFFER OF DEDICATION OF PUBLIC PEDESTRIAN EASEMENT FOR SIDEWALK PURPOSES ON PINEY WAY (371 PINEY WAY); (PUBLIC WORKS)

RECOMMENDATION: Adopt Resolution No. 47-15 accepting the Offer of Dedication.

Mayor Irons pulled Item A-7.

MOTION: Councilmember Headding moved the Council approve Items A-1, A-2, A-3, A-4, A-5, A-6, A-8 and A-9 of the Consent Agenda. The motion was seconded by Councilmember Smukler and carried unanimously, 5-0.

A-7 RESOLUTION NO. 45-15 TO REAFFIRM INVESTMENT OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND (LAIF) AND DESIGNATE TRANSACTION OFFICERS; (ADMINISTRATIVE SERVICES)
<https://youtu.be/L5E37bEjcpM?t=50m2s>

Administrative Services Director Slayton presented the staff report, providing an explanation of the Local Agency Investment Fund (LAIF) and the benefit to the City.

MOTION: Councilmember Johnson moved the Council approve Item A-7. The motion was seconded by Councilmember Headding and carried unanimously, 5-0.

B. PUBLIC HEARINGS

- B-1 **CONDITIONAL USE PERMIT UP0-058 – REVISED CONCEPT PLAN/PRECISE PLAN APPROVAL FOR LANDSIDE IMPROVEMENTS (PHASE 2) ASSOCIATED WITH THE PREVIOUSLY APPROVED CONCEPT PLAN FOR HARBOR HUT, GREAT AMERICAN FISH COMPANY (GAFCO) AND MORRO BAY LANDINGS (FORMERLY KNOWN AS VIRG’S) REDEVELOPMENT PROJECT. PHASE 2 IMPROVEMENTS WILL INCLUDE DEMOLITION OF EXISTING MORRO BAY LANDING (VIRG’S) BUILDINGS AND EXISTING DOCKSIDE 3 RESTAURANT BUILDING WITH NEW CONSTRUCTION OF A 2-STORY COMMERCIAL VISITOR-SERVING BUILDING ALONG WITH OBSERVATION DECK, OUTDOOR SEATING AREA, PUBLIC ACCESS IMPROVEMENTS, AS WELL AS PARKING/ DRIVEWAY IMPROVEMENTS, AND 568SF POCKET PARK; (COMMUNITY DEVELOPMENT)**
<https://youtu.be/L5E37bEjcpM?t=1h5m51s>

Community Development Manager Graham explained the applicant requested this item be continued to a future meeting.

The public comment period for Item B-1 was opened.

George Leage, Morro Bay, stated Measure “D” is outdated and needs to change. This project violates Measure “D” and somewhere along the line you need to do something about it.

The public comment period for Item B-1 was closed.

Mayor Irons requested that, although not necessary since the item is being continued to a date certain, staff consider re-noticing to ensure the public is aware of the public hearing.

MOTION: Mayor Irons moved the Council continue this item to date certain Monday, August 24, 2015 and re-notice the item at City expense. The motion was seconded by Councilmember Smukler and carried unanimously, 5-0.

- B-2 **RESOLUTION NO. 49-15 DIRECTING THE LEVY OF THE ANNUAL ASSESSMENT FOR THE CLOISTERS LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (PUBLIC WORKS)**
<https://youtu.be/L5E37bEjcpM?t=1h14m2s>

Public Works Director Livick presented the staff report and responded to Council inquiries.

The public comment period for Item B-2 was opened.

Barry Brannin, Morro Bay, shared the change in communication to the property owners may have led to confusion. The change is appropriate, but it is a dramatic change and he feels it may behoove us to continue sending letters to the property owners to ensure they are informed.

The public comment period for Item B-2 was closed.

MOTION: Councilmember Makowetski moved the Council adopt Resolution No. 49-15 directing the levy of the annual assessment for the Cloisters Landscaping and Lighting Maintenance Assessment District for FY 15/16. The motion was seconded by Councilmember Heading and carried unanimously, 5-0.

B-3 RESOLUTION NO. 50-15 DIRECTING THE LEVY OF THE ANNUAL ASSESSMENT FOR THE NORTH POINT NATURAL AREA LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (PUBLIC WORKS)
<https://youtu.be/L5E37bEjcpM?t=1h24m54s>

Director Livick presented the staff report and responded to Council inquiries.

The public comment for Item B-3 was opened; seeing none, the public comment period was closed.

MOTION: Councilmember Johnson moved the Council adopt Resolution No. 50-15 directing the levy of the annual assessment for the North Point Natural Area Landscaping and Lighting Maintenance Assessment District for FY 15/16. The motion was seconded by Councilmember Smukler and carried unanimously, 5-0.

C. UNFINISHED BUSINESS / SECOND READING AND ADOPTION OF ORDINANCES

C-1 REVIEW AND DISCUSSION OF HARBOR ADVISORY BOARD AND HARBOR ADVISORY BOARD MARINE FACILITIES RECOMMENDATIONS ON PROPOSED BOATYARD/MARINE SERVICES FACILITY IN MORRO BAY; (HARBOR)
<https://youtu.be/85-DxY6jMUA?t=29s>

Harbor Director Endersby presented the staff report and responded to Council inquiries.

The public comment period for Item C-1 was opened.

Jim Phillips, Morro Bay, supports the Harbor Advisory Board recommendations to the City Council, noting there are very broad economic consequences of providing services to boaters. If we don't have the facilities for boaters, we have no business having boaters. Boaters support local businesses, hotels and restaurants.

Tom Hafer, President of Morro Bay Fishing Organization, supports an environmentally friendly boatyard. He doesn't think boatyard and parking lot fit well together; however, a boatyard with a storage area would be smart.

Larry Newland, Morro Bay Maritime Museum, thanked staff for their recent support and enthusiasm for the redesigned project and shared there's no conflict whatsoever with any parking

or boatyard scheme. Speaking for Board of Directors, not only do they support the boatyard concept, they want a working boatyard as part of the overall scheme.

Rob Seitz, commercial fisherman, supports moving forward with feasibility study of a boatyard haul out. Fishing is on an upswing and we're in a position to take advantage of that.

John Bodine, Commodore of Morro Bay Yacht Club, read a letter from Allen Lowery, who currently stores his boat at Lopez Lake and supports a boatyard facility in Morro Bay. Mr. Bodine suggests a boatyard would bring a higher group of sailors and yachtsmen to our area and benefit local businesses.

Gavin Pruitt, Morro Bay, shared a boatyard is necessary for a plethora of reasons. The triangle lot is great location and this project should take first priority. He suggests the City compromise with Dynegy allowing them to modernize the power plant in exchange for a portion of the land.

Steven Pruitt, Morro Bay, has been in the marine supply business for over 10 years and recently started a business in Los Osos. He believes not having a boatyard presents a safety issue forcing boats to leave in unsafe conditions because they didn't have the opportunity to haul out. Port San Luis is good, when you can access it, but it's not year-round.

Sioux Strebin, Morro Bay, has sailed back and forth to the Ventura boatyard and, in general, they are not dirty and smelly. There are restrictions and environmental protections that are observed. Statistics show the need for a safe harbor here for those in need. On her last trip to Ventura, there were five Morro Bay boat owners having work done on their boat there because there is no facility here.

Bill Luffee, Chair of Harbor Advisory Board, recommends the Council authorize the Harbor Director to fund this study and get this ball rolling. We need to continue the process to make this happen.

Alan Alward, Morro Bay resident and member of Harbor Advisory Board and ad-hoc committee, shared that moving the facility north and further out of town leads to environmental challenges, leading back to the triangle lot, which is industrially zoned area with no snails or other protected species. In order to make it financially viable, you have to offer more services. A haul out alone doesn't bring in a lot of money, you need storage and a lot of different services, but that can come later.

Dave Hensinger, recreational boater, believes the availability of maintenance facilities and haul out would be an incentive to become a boat owner. He recommends the Council visit the Santa Barbara maritime museum and Japanese restaurant next to the boat haul out. A restaurant with that view would be very attractive.

Laura McCaren, Atascadero, has had a boat in Morro Bay for over 28 years and uses the Port San Luis haul out. At times, she waits six weeks to get the boat back in the water due to surges in Port San Luis. Morro Bay would definitely benefit from having a boatyard.

Dana McClish, Harbor Advisory Board and ad-hoc committee member, thanked Harbor staff for their hard work and support. The committee tried to gather criteria so we can more accurately go into a feasibility study. There are two big industries in our city--commercial fishing and tourism--and neither would exist without the harbor. The harbor requires a certain amount of infrastructure; a haul out and marine facility is the hub of that industry. When you talk about economic redevelopment, this is an industry we can create.

The public comment period for Item C-1 was closed.

Mayor Irons thanked the ad-hoc committee and Harbor Advisory Board for their work. He understands there's passion to keep things moving, but it's important to be diligent about how we approach the project. As a councilmember, he must consider the overall financial constraints. He is cautious about building infrastructure that is not sustainable. When this item comes back, he asks that staff provide a presentation with details and fine numbers to make sure this can be successful.

Councilmember Headding reviewed the Lisa Wise report and reports from other boatyards up and down the coast. Fundamentally, this is a piece of a larger pie that speaks to economic diversification and also sustainability of an industry that has been the root of the community. Wherever it is located, it's going to come down to feasibility and the amount of contribution the City may or may not have to make. He asks staff to bring back a feasibility study so we know revenues and costs.

Councilmember Smukler is concerned about calling for a specific and detailed study at this time and wants to see other basic questions answered first. He believes the boatyard haul out components could be a priority over parking. There are very limited options for a boatyard and more options for parking. He is hopeful the next phase will answer that. There are a number of organizations that support this project; let's keep it moving.

Councilmember Makowetski notes the city can't rely solely on tourism and this project is looking at economic diversification, providing light industrial jobs. This is more than just window-dressing; this is a responsible way of addressing various economic drivers.

Councilmember Johnson supports engaging a visionary design professional, perhaps with other coastal maritime experience. The Dynegy property is not on the table at this point so we need to focus on city-owned and city-controlled properties. She encourages outreach (postcards) to the community as soon as it's appropriate, supports the site analysis and would love to see us reach out to neighbors to get them involved to hear concerns. She would also like a deeper financial analysis to provide clear and objective data.

MOTION: Mayor Irons moved the Council direct the Harbor Director to engage an architect or other design professional to determine how parking, the maritime museum and boatyard might all fit into the "triangle lot" and all City property and rights-of-way surrounding and adjoining to it. The motion was seconded by Councilmember Makowetski and carried unanimously, 5-0.

MOTION: Mayor Irons moved the Council authorize up to \$15,000 for this project. The motion was seconded by Councilmember Johnson and carried unanimously, 5-0.

D. NEW BUSINESS

D-1 DISCUSSION AND DIRECTION ON STREET REPAIR FUNDING OPTIONS;
(PUBLIC WORKS)
<https://youtu.be/85-DxY6jMUA?t=2h13m12s>

City Manager Buckingham presented the staff report.

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

The Council expressed support for the staff recommendation, noting a streets tax measure will likely be necessary at some point.

MOTION: Councilmember Smukler moves the Council not consider any form of a local streets tax measure on the 2016 ballot, refer this item to the PWAB and Citizens Finance Committee for review and refinement, and direct staff to bring one or more financing proposals to the City Council in October 2015 for decision. The motion was seconded by Councilmember Heading and carried unanimously, 5-0.

D-2 REQUEST TO UTILIZE \$50,000 OF THE AFFORDABLE HOUSING IN-LIEU FUNDS FOR THE OCEAN VIEW MANOR APARTMENTS SENIOR HOUSING DEVELOPMENT AT 456 ELENA STREET; (COMMUNITY DEVELOPMENT)
<https://youtu.be/L5E37bEjcpM?t=53m11s>

Associate Planner Jacinth presented the staff report and responded to Council inquiries.

The public comment period for Item D-2 was opened.

Carlos Jiminez, Project Manager for People's Self-Help Housing, requested the funding be structured as a residual receipts loan instead of a grant. The Tax Credit Committee doesn't consider grants as favorably as residual receipts loans, and it can also trigger some issues, such as prevailing wage and other requirements.

The public comment period for Item D-2 was closed.

MOTION: Mayor Irons moved the Council adopt Resolution No. 51-15, as corrected and amended, replacing references to "grant" with "residual receipts loan" of \$50,000 of Affordable Housing In-Lieu funds for the Ocean View Manor Apartments senior housing development located at 456 Elena Street. The motion was seconded by Councilmember Johnson and carried unanimously, 5-0.

E. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS
<https://youtu.be/85-DxY6jMUA?t=2h39m40s>

Councilmember Headding requested discussion of a ban of expanded polystyrene foam; all Councilmembers concurred.

Councilmember Smukler requested discussion of a resolution of support of the HERO program, which is focused on water efficiency funding access. Mayor Irons and Councilmember Johnson support referring this item to the Public Works Advisory Board for review and recommendation to Council.

Councilmember Headding requested discussion of the City's hiring policy. Mr. Buckingham asked for the opportunity to review with staff and follow up with a memo to the City Council.

Councilmember Makowetski requested discussion of the Sherrod conditional use permit variance fee refund request; Councilmembers Johnson, Headding and Smukler concurred.

ADJOURNMENT

The meeting adjourned at 10:28pm to the next regular City Council meeting to be held on Tuesday, July 14, 2015 at 6:00pm at the Veteran's Memorial Hall, 209 Surf Street, Morro Bay, California.

Recorded by:

Dana Swanson
City Clerk