



CITY OF MORRO BAY HARBOR ADVISORY BOARD A G E N D A

The City of Morro Bay is dedicated to the preservation and enhancement of the quality of life. The City shall be committed to this purpose and will provide a level of municipal service and safety consistent with and responsive to the needs of the public.

Regular Meeting - Thursday, June 2, 2016 Veteran's Memorial Building - 6:00 P.M. 209 Surf Street, Morro Bay, CA

Bill Luffee, Chair	Marine Oriented Business
Dana McClish	Recreational Boating
Alan Alward	Morro Bay Commercial Fishermen's Organization
Gene Doughty	South Bay/Los Osos
Neal Maloney	Waterfront Leaseholders
Lynn Meissen	Member at Large
Ron Reisner, Vice Chair	Member at Large
Tom Hafer	Alternate to Alan Alward (MBCFO)
Joe Conchelos	Alternate to Alan Alward (MBCFO)

ESTABLISH QUORUM AND CALL TO ORDER

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

CHAIR AND ADVISORY BOARD MEMBER ANNOUNCEMENTS & PRESENTATIONS

PUBLIC COMMENT PERIOD

Members of the audience wishing to address the Board on City business matters other than scheduled items may do so at this time. To increase the effectiveness of the Public Comment Period, the following rules shall be followed:

- When recognized by the Chair, please come forward to the podium and state your name and address for the record. Board meetings are audio and video recorded and this information is voluntary and desired for the preparation of minutes.
- Comments are to be limited to three minutes.
- All remarks shall be addressed to the Board, as a whole, and not to any individual member thereof.
- The Board respectfully requests that you refrain from making slanderous, profane or personal remarks against any elected official, Board member and/or staff.
- Please refrain from public displays or outbursts such as unsolicited applause, comments or cheering.
- Any disruptive activities that substantially interfere with the ability of the Board to carry out its meeting will not be permitted and offenders will be requested to leave the meeting.
- Your participation in Board meetings is welcome and your courtesy will be appreciated.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Harbor Department's Office Assistant at (805) 772-6254. Notification 24 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

A. CONSENT CALENDAR

- A-1 Approval of Minutes from Harbor Advisory Board meeting held on April 7, 2016
Staff Recommendation: Approve minutes.
- A-2 Approval of Minutes from Harbor Advisory Board meeting held on May 5, 2016
Staff Recommendation: Approve minutes.

B. PUBLIC HEARINGS, REPORTS, AND APPEARANCES

- B-1 Harbor Department Status Report
Staff Recommendation: Receive and file.

C. BUSINESS ITEMS

- C-1 Update from the Marine Services Facility/Boatyard Ad-Hoc Committee on Committee's Recent Activities
Staff Recommendation: Receive and file.
- C-2 Update from the Finance & Budget Ad-Hoc Committee on Committee's Recent Activities
Staff Recommendation: Receive and file.
- C-3 Update from the Eelgrass Ad-Hoc Committee on Committee's Recent Activities
Staff Recommendation: Receive and file.
- C-4 Update from the Marine Sanctuaries Ad-Hoc Committee on Committee's Recent Activities
Staff Recommendation: Receive and file.
- C-5 Recommendation on New Coast Guard Building and Harbor Office Building Location Options
Staff Recommendation: Staff recommend the Harbor Advisory Board consider supporting Option 1, as outlined in this staff report, to recommend it as the option the City Council pursues.

D. DECLARATION OF FUTURE AGENDA ITEMS

E. ADJOURNMENT

This agenda is subject to amendment up to 72 hours prior to the date and time set for the meeting. Please refer to the agenda posted at the Morro Bay Harbor Department, 1275 Embarcadero, for any revisions or call the department at 772-6254 for further information.

Materials related to an item on this Agenda are available for public inspection during normal business hours at the Harbor Department and at Mill's/ASAP, 495 Morro Bay Boulevard, or online at www.morrobayca.gov. Materials related to an item on this Agenda submitted to the Board after publication of the Agenda packet are available for inspection at the Harbor Department during normal business hours or at the scheduled meeting.



AGENDA NO: A-2

MEETING DATE: June 2, 2016

CITY OF MORRO BAY

HARBOR ADVISORY BOARD

SYNOPSIS MINUTES

The regular meeting of the City of Morro Bay Harbor Advisory Board was held Thursday, April 7, 2016 at 6:00 PM in the Veteran's Hall, 209 Surf ST, Morro Bay, California.

ESTABLISH QUORUM AND CALL TO ORDER

Present: Members: Gene Doughty
 Bill Luffee
 Neal Maloney
 Dana McClish
 Ron Reisner
 Joe Conchelos (MBCFO Rep.)
 Absent: Lynn Meissen
 Staff: Eric Endersby, Harbor Director
 Polly Curtis, Office Assistant

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

CHAIR AND ADVISORY BOARD MEMBER ANNOUNCEMENTS & PRESENTATIONS

Mr. McClish announced the Morro Bay Yacht Club 60th Annual Opening Day this Sunday, April 10, 2016 which includes a race following the opening ceremony.

PUBLIC COMMENT

Mr. Terry Simons commented on the need for a harbor maintenance facility in Morro Bay. Mr. Richard Sadowski of the Morro Bay Planning Commission commented on eelgrass and said he would speak again on other agendized topics. Mr. Jeremiah O'Brien commented on the prestigious national award presented to the City of Morro Bay for the highly successful local "Community Sustainability Plan." Ms. Marla Jo Bruton-Sadowski commented on the state of the oceans and dangers to the eco-systems.

A. CONSENT CALENDAR

A-1 MINUTES

Mr. McClish moved the March 3, 2016 Harbor Advisory Board minutes be approved as submitted. The Motion was seconded by Mr. Conchelos and carried unanimously.

B. PUBLIC HEARINGS, REPORTS, AND APPEARANCES

B-1 Harbor Department Status Report

Mr. Endersby briefed the Board on the following topics:

Recent Department Activity

Harbor Patrol 8 Emergency Responses

Coast Guard Chief Nilles and Harbor Patrol Supervisor Kelly Launch New

Marine Weather Advisory on City Website

Surf Rescue on PWC at North Point, March 16

Coast Guard Adam Johnson Frocking

Lifeguard Tryouts, March 19
All-Hands CPR Refresher, March 21
Recent City Council Activity
Appreciation Proclamations to Congresswoman Capps and Senator Boxer
CMANC Washington Week Itinerary
Authorized Financial Feasibility Analysis on Marine Services Facility
Consent of Landowner Agreement LS86/86W
Budget Forecast Meeting with Management Partners
CMANC Washington Week Report
Commercial Dungeness Crab Season
Recreational Rockfish Season Opener
Vessel Demolitions under AWAFF and VTIP State Grant Program Funding
Friends of the Harbor Department Movie Night to be November 5, 2016
New Lifejacket Requirements
Upcoming Events
Marine Wildlife Awareness Workshop, March 23, 5:00-8:00 Nat'l History Museum
Joint City Council/Harbor Advisory Board Meeting, April 12
Tidelands Trust Leaseholders/Sublessees Meeting, April 28, 8:30-10:00 AM at the Morro Bay Fire Station Training Room

Discussion by the Board and Mr. Endersby.

C. BUSINESS ITEMS

C-1 Update from the Marine Services Facility/Boatyard Ad-Hoc Committee on Committee's Recent Activities

Mr. McClish reported that the Ad-Hoc Committee met last Thursday, and included the new NEP Director, Lexi Bell. He said Mr. Terry Simons spoke to the Committee about private company interest in running a marine services facility in Morro Bay. He said the Committee is awaiting direction from the Council.

Public Comment: Mr. Terry Simons commented on the need for a marine services facility in Morro Bay, giving the Board detailed information on his experience in this area. He offered his time and knowledge to the Ad-Hoc Committee to assist in any way he can. Mr. Sadowski suggested Mr. Simons give a presentation to the Planning Commission and commented on grant funding. Ms. Bruton-Sadowski commented on the Brown Act.

Discussion by the Board and Mr. Endersby.

C-2 Update from the Finance & Budget Ad-Hoc Committee on Committee's Recent Activities

Mr. Maloney said the Ad-Hoc Committee has not met since the previous Harbor Advisory Board meeting and so there is no update; however, after the Agenda Item C-5 is presented the Committee will have a lot to be involved in.

C-3 Update from the Eelgrass Ad-Hoc Committee on Committee's Recent Activities

Mr. Maloney said the Ad-Hoc Committee has not met since the previous Harbor Advisory Board meeting. He discussed the legislation of SB1363.

Public Comment: Mr. Sadowski commented on the SB1363 Bill, Proposition 1, and the Ocean Protection Council in regards to possible funding for the Estuary and eelgrass. Ms. Bruton-Sadowski commented on demoiic acid and pollution effecting the oceans.

C-4 Update from the Marine Sanctuaries Ad-Hoc Committee on Committee's Recent Activities

Mr. Reisner said the Ad-Hoc Committee is compiling a long list of potential public information forum presenters relative to a national marine sanctuary off the coast of Morro Bay. The Committee is waiting for Council to address the matter. Mr. Reisner emphasized that this Committee's activities have nothing to do with any particular marine sanctuary or proposal, but to look at marine sanctuaries in general.

Public Comment: Ms. Bruton-Sadowski commented on the Chumash Heritage National Marine Sanctuary nomination, and the ocean crisis. Mr. Sadowski commented on NOAA and the next level of the Chumash Heritage National Marine Sanctuary nomination, and seismic testing off our coast.

Councilman Makowetski said the marine sanctuary topic will be on the Council's Agenda at the April 12, 2016 meeting, and he requested the list of contact names/groups from the Ad-Hoc Committee.

C-5 Draft Work Plan for 2016/2017 City Council Goal Objectives for Harbor Advisory Board Review, Input and Recommendation

Mr. Endersby reviewed the background of Council Goal Objectives, and requested the Board's recommendations on each Goal as related to the Harbor. He presented separately Goal #3, Goal #4, Goal #5, Goal #6, Goal #7, Goal #8, and Goal #10. After receiving comments and recommended changes by the Board on each Goal and Objective, Mr. Endersby said he will bring the recommendations to the City Council for consideration, discussion, and approval at the Joint Council/Advisory Body meeting to be held on April 12, 2016. He said approved work plan elements may be brought back to the Board periodically for input as-needed over the year.

Discussion on each Goal and Objective by the Board and Mr. Endersby.

Public Comment: Mr. Simons and Ms. Bruton-Sadowski commented on various aspects of the Goals and Objectives.

Further discussion by the Board and Mr. Endersby.

MOTION: Mr. Reisner moved that the Harbor Advisory Board endorse the "Draft Work Plan for 2016/2017 City Council Goal Objectives for Harbor Advisory Board Review, Input and Recommendation" as presented on April 7, 2016 by Staff with the amendments made during the course of the review by the Harbor Advisory Board. The Motion was seconded by Mr. McClish and carried unanimously.

D. DECLARATION OF FUTURE AGENDA ITEMS

Future:

- Commercial Slip Qualification Relief for Crab Permit Holders
- City Code Enforcement for Boats on Trailers on Private Property
- Back Bay Water Use Public Forum
- Coast Guard Building Location Plans
- Inspecting Marine Sanitation Devices on All Vessels in Morro Bay Harbor

E. ADJOURNMENT

This meeting was adjourned at 9:09 PM.

Submitted by,



Polly Curtis
Harbor Department



AGENDA NO: A-2

MEETING DATE: June 2, 2016

CITY OF MORRO BAY

HARBOR ADVISORY BOARD

SYNOPSIS MINUTES

The regular meeting of the City of Morro Bay Harbor Advisory Board was held Thursday, May 5, 2016 at 6:00 PM in the Veteran's Hall, 209 Surf ST, Morro Bay, California.

ESTABLISH QUORUM AND CALL TO ORDER

Present:	Members:	Gene Doughty Bill Luffee Neal Maloney Dana McClish Lynn Meissen Alan Alward (MBCFO Rep.)
	Absent:	Ron Reisner
	Staff:	Eric Endersby, Harbor Director Polly Curtis, Office Assistant

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

CHAIR AND ADVISORY BOARD MEMBER ANNOUNCEMENTS & PRESENTATIONS

Mr. Alward said a seafood advocacy group have worked towards a reduction of monitoring on trawlers in the East Coast, and NOAA has now reduced the required observers from 100% down to 14% for those East Coast trawlers. He also said the Blessing of the Fleet in Morro Bay was a success.

Mr. Luffee said the Friends of the Harbor Department will be paying the trucking costs for a used surplus and free Lifeguard tower from Santa Cruz Harbor and transporting it here; it will be placed near the outfall area at the Rock lot, making a third Lifeguard tower for Morro Bay.

Mr. Maloney said his oyster company performs monthly cleanups in the bay, and the NEP is holding quarterly cleanups when the public can volunteer. He said information can be found on their website www.morrobayoysters.com or call MB Oyster Company if trash is seen in the bay, and he will take their boat out to retrieve it.

Mr. McClish posted a flyer with information on the Yacht Club Summer Sailing Program, and he reviewed the details for classes, saying people can call 772-3981 for information. He said a scholarship for the sailing program was created by the Morro Bay Youth Sailing Foundation, who joined with Legend's bar for a fundraiser in the name of Avery Danley. A free raffle for two scholarships for the Summer Sailing Program will be held during Del Mar School's Open House on May 26 from 5:15 to 6:00 PM.

Mr. McClish also said the Yacht Club will host Safe Boating Day on May 21 for the US Coast Guard Auxiliary which will feature the Coast Guard, Harbor Patrol, Fish & Wildlife, Sheriffs boat, and the Friends of the Morro Bay Harbor Department.

PUBLIC COMMENT

Mr. John Gillespie, owner of the fishing vessel Wind Walker, commented on his code enforcement issue with Liveboards on his boat on the T-Pier, and requested Harbor Advisory Board assistance.

A. CONSENT CALENDAR

A-1 MINUTES

Mr. Doughty moved the Revised March 3, 2016 Harbor Advisory Board minutes be approved with the revisions by Harbor Staff. The Motion was seconded by Mr. Alward and carried unanimously.

B. PUBLIC HEARINGS, REPORTS, AND APPEARANCES

B-1 Harbor Department Status Report

Mr. Endersby briefed the Board on the following topics:

Recent Department Activity

Harbor Patrol 27 Emergency Responses

Rescue on Morro Rock, April 7

USLA Lifeguard Academy

MPA Meeting Attended by Kelly and Shaffer, April 20

CIRP Meeting, April 22

New Hire Trude Kyle, Administrative Assistant, April 26

Recent City Council Activity

Decided Against Additional Marine Sanctuary Forums

Certificate of Appreciation to LWC – Pontarelli

Lease Site 87-88/87W-88W for RFP

Upcoming Events

Blessing of the Fleet, May 1

Commercial Salmon Fishing Opener, May 1

Dredge Yaquina Arrives, May 1

Miracle Miles for Kids, May 7

Cruisin' Morro Bay Car Show, May 6-8

Amgen Tour of California Starts in Morro Bay, May 18

Safe Boating, May 21

Discussion by the Board and Mr. Endersby.

C. BUSINESS ITEMS

C-1 Update from the Marine Services Facility/Boatyard Ad-Hoc Committee on Committee's Recent Activities

Mr. McClish reported that he met recently with Mr. Endersby and Mr. Terry Simons, who represents a potential boatyard developer, about possible ideas and improvements on the current boatyard concept plans. He said Mr. Simons had already spoken with the City Manager and the Community Development Manager prior to this, and it was a productive meeting. Mr. McClish said the Committee would like to continue with the Feasibility Study as well as looking at all other business interests and ideas for a marine services facility.

C-2 Update from the Finance & Budget Ad-Hoc Committee on Committee's Recent Activities

Mr. Maloney said the Ad-Hoc Committee has not met since the prior Harbor Advisory Board meeting, but he did meet with Mr. Endersby to discuss the forecast for the next Fiscal Year budget. He reviewed the projected revenues and expenses, and the capital accounts.

Mr. Endersby continued the discussion with budget details, including the Accumulation Fund and the percentages of annual expenses for the Harbor Department. He reviewed the capital projects list, and said the Ad-Hoc Committee will look at the capital facility/equipment forecast and review a plan and funding.

C-3 Update from the Eelgrass Ad-Hoc Committee on Committee's Recent Activities

Mr. Maloney said the Ad-Hoc Committee has not met since the last Harbor Advisory Board meeting. He discussed the legislation of SB1363, and possible funding for eelgrass restoration projects. He said the Committee will continue to collect information on eelgrass banking opportunities.

C-4 Update from the Marine Sanctuaries Ad-Hoc Committee on Committee's Recent Activities

Mr. Alward said the Ad-Hoc Committee has not met since the last Harbor Advisory Board meeting, but he reviewed a report by Committee member Reisner. He reviewed the City Council Agenda Item C-3 and public comment at their meeting of April 12, saying the Council will not support additional future public forums on marine sanctuary issues. Mr. Alward said future county-wide forums may possibly be sponsored by the Morro Bay Commercial Fisherman's Organization, but that is under discussion.

Public Comment:

Mr. Jeremiah O'Brien, Morro Bay Commercial Fisherman's Organization, read a letter from the Tribal Chairman of the Santa Ynez band of Chumash, Kenneth Kahn, which stated opposition to Congresswoman Capps' support of the proposed Chumash Heritage National Marine Sanctuary nomination.

Discussion by the Board, members asked Mr. Alward to keep the Board informed on possible future public forums, and the Board will keep the public updated.

C-5 Updated Draft Work Plan for 2016/2017 City Council Goal Objectives for Harbor Advisory Board Review, Input and Recommendation

Mr. Endersby reviewed the background of Council Goal Objectives, and requested the Board's recommendations on each Objective as related to the Harbor. He said this is a work in progress and is still under revision. He said three Objectives have been added, which he is seeking the Board's input on tonight, and those are as follows:

- a. Human Observer Requirement in Groundfish Fishery
- b. Working Waterfronts
- c. Eelgrass Mitigation

Mr. Endersby reviewed the first new Objective: Support changes in the human observer requirement to participate in the trawl sector to the West Coast Groundfish Fishery. Discussion by the Board.

He reviewed the second new Objective: Create a "Working Waterfront" policy for Morro Bay, and pursue "Working Waterfront" designations or guidelines. Discussion by the Board.

He reviewed the third new Objective: Consider pursuing changes to eelgrass regulation and mitigation in Morro Bay to the benefit of the resource and community. Discussion by the Board.

Mr. Maloney with Board consensus recommended changing the language in the third goal to include, "Eelgrass Banking."

Public Comment:

Mr. Jeremiah O'Brien, representative of the Directors of the Morro Bay Community Quota Fund, gave the Board a brief overview of the Catch Share Program and the Quota Fund for Groundfish in the trawl sector only.

Further discussion by the Board and Mr. Endersby on all the goals and objectives listed for the Harbor Advisory Board review.

MOTION: Mr. Alward moved that the Harbor Advisory Board endorse the “Updated Draft Work Plan for 2016/2017 City Council Goal Objectives for Harbor Advisory Board Review, Input and Recommendation” as presented on May 5, 2016 by Staff with the amendments made during the course of the review by the Harbor Advisory Board, including the language on “Eelgrass Banking.” The Motion was seconded by Mr. McClish and carried unanimously.

D. DECLARATION OF FUTURE AGENDA ITEMS

Consensus by the Board to Add:

Goals and Objectives – Working Waterfront Designation
Measure D

Previously Declared:

Commercial Slip Qualification Relief for Crab Permit Holders
City Code Enforcement for Boats on Trailers on Private Property
Back Bay Water Use Public Forum
Coast Guard Building Location Plans
Inspecting Marine Sanitation Devices on All Vessels in Morro Bay Harbor

E. ADJOURNMENT

This meeting was adjourned at 8:00 PM.

Submitted by,



Polly Curtis
Harbor Department



AGENDA NO: B-1

MEETING DATE: June 2, 2016

Staff Report

TO: Harbor Advisory Board

DATE: May 25, 2016

FROM: Eric Endersby, Harbor Director

SUBJECT: Harbor Department Status Report

RECOMMENDATION

Receive and file.

DISCUSSION

Recent Department Activity:

Harbor Patrol statistics to date for May (through the 25^h) include 4 emergency responses and 92 calls for service. The month has seen 2 days of small craft advisories for either wind or swell.

On April 30, MBHP conducted boating safety training for the new SeaLife Stewards program. SeaLife Stewards are Morro Bay State Park volunteers in kayaks trained in roving interpretation, marine wildlife identification and biology, wildlife disturbance reduction methods and citizen science, particularly with regard to sea otters. They have signage on their kayaks stating who they are and will be out on the water most weekends May thru Sept.

Sunday, May 1, the Dredge Yaquina arrived.

May 11, HPO Mather attended the Atascadero State Hospital Health and Safety Fair to discuss boating safety to more than 2000 employees.

May 16 – Reserve Harbor Patrol Officer Shaffer gave a presentation to Cal Poly Students about public safety careers and teamwork.

May 18 – Amgen of California bike race day. Harbor Patrol Officers staged vehicles on ends of the Embarcadero where race to assist with emergency and crowd control. 2 boats in the water at the start of race to spray water and stage for water emergency. Also 1st Aid training for all staff.

May 20 – a new storage box was delivered to the Rock parking lot for equipment storage for the Beach Lifeguards, Junior Lifeguards and beach wheelchair, replacing the ~15-year-old wooden box. This new box was funded by Friends of the Harbor Department.

Prepared By: EE

Dept. Review: EE

May 21 – In honor of National Safe Boating Week, the MB Harbor Patrol, Coast Guard, Fish and Wildlife, Sheriff and Coast Guard Auxiliary hosted a boat tour and vessel safety information day at the Morro Bay Yacht club. The Friends of the Harbor Department had a booth set up and boat tours were enjoyed by many families.

May 23-25 – several unique vessels visited our harbor. There were two Navy Seal boats that came through on training, and two brand new 85-foot Navy patrol vessels on delivery from Washington to San Diego that overnighted at Tidelands dock.

Showers at the Rock bathrooms were turned back on with coin-op control. This was a joint effort between Harbor and Maintenance crews just in time to rinse off the summer sand.

Lifeguards will be on duty for Memorial Day weekend and will be 7 days a week starting June 11. This year expect to see a new “Tower 0” placed near the power plant outfall area to improve the Lifeguard’s sighting and response capabilities.

Dredge Yaquina due to complete her mission and depart May 31.

Recent City Council Activity:

At their May 10 meeting, the City Council adopted the FY17 Advisory Board Work Plans as presented.

On May 26, the City Council held its first FY17 budget workshop. Staff will make necessary adjustments, and if necessary a second budget workshop will be held on May 31. Otherwise, the budget is due to be adopted on June 14.

At their May 26 meeting, the City Council Adopted Resolution No. 41-16, Approving 3rd Quarter Budget Adjustments.

Also at the May 26 meeting, the Council adopted Resolution No. 37-16, setting the Fiscal Year 2017 Master Fee Schedule. Changes to the Harbor fees were standard CPI increases to all categories, and elimination of the \$1/hour launch ramp parking fee and setting a flat \$5 fee no matter the number of hours parked per day.

New Hire: We have hired a new Reserve Harbor Patrol Officer, Dave Muff. Dave enjoys surfing, fishing and diving. His experiences range from racing dinghies to performing white water rescue, from guiding ocean kayak and fishing excursions to piloting power yachts used for burials at sea. In addition to serving on the Harbor Patrol Reserve, Dave teaches literature at a local high school.

Upcoming Events:

June 1 – Boat demo

June 2 – Maritime Museum moving the Alma from Harbor Storage Yard to museum site at Triangle lot.

Rock to Pier Run is July 9th.



Safe Boating Expo at the Morro Bay Yacht Club.



Atascadero State Hospital Health and Safety Fair



Navy Patrol Vessels



Navy Seal Boats



AGENDA NO: C-1

MEETING DATE: June 2, 2016

Staff Report

TO: Harbor Advisory Board

DATE: May 24, 2016

FROM: Eric Endersby, Harbor Director

SUBJECT: Update from the Marine Services Facility/Boatyard Ad-Hoc Committee on Committee's Recent Activities

RECOMMENDATION

Receive and file.

DISCUSSION

The Marine Services Facility/Boatyard Ad-Hoc Committee will be presenting an oral update on their activities, if any. This is a standing committee report agenda item.

Prepared By: EE

Dept. Review: EE



AGENDA NO: C-3

MEETING DATE: June 2, 2016

Staff Report

TO: Harbor Advisory Board

DATE: May 24, 2016

FROM: Eric Endersby, Harbor Director

SUBJECT: Update from the Eelgrass Ad-Hoc Committee on Committee's Recent Activities

RECOMMENDATION

Receive and file.

DISCUSSION

The Eelgrass Ad-Hoc Committee will be presenting an oral update on their activities, if any. This is a standing committee report agenda item.

Prepared By: EE

Dept. Review: EE



AGENDA NO: C-4

MEETING DATE: June 2, 2016

Staff Report

TO: Harbor Advisory Board

DATE: May 24, 2016

FROM: Eric Endersby, Harbor Director

SUBJECT: Update from the Marine Sanctuaries Ad-Hoc Committee on Committee's Recent Activities

RECOMMENDATION

Receive and file.

DISCUSSION

The Marine Sanctuaries Ad-Hoc Committee will be presenting an oral update on their activities, if any. This is a standing committee report agenda item.

Prepared By: EE

Dept. Review: EE

At that time the Coast Guard approached the City to begin discussions on possible options for siting this potential new ~1,600 square foot building. Various locations were considered including the public parking lot area immediately north of the power plant intake building, the intake building site itself and even the Triangle parking lot. Ultimately, due to many reasons, the only two viable location options are the current Harbor Office site (Option 1), and the lease site between the Harbor Office building and the Crill's lease site, where the North T-Pier public restroom/shower facility currently sits (Option 2). Visuals of these options are included with this staff report as Attachment 1.

The City and Coast Guard have met on several occasions to vet the issues, including Closed sessions of the City Council. Earlier this year the Coast Guard presented two Memorandums of Understanding (MOU) to the City for the Coast Guard to begin the process to permit and build on one of those sites; one MOU for each site depending on which one the City chooses.

The Coast Guard's funding for this project is encumbered through Federal fiscal year 2018, provided progress is being made to expend it on this project.

On May 9 in Closed session, the City Council considered the two MOUs, and directed staff to bring the location options to the Harbor Advisory Board for consideration and recommendation.

DISCUSSION

Both the Coast Guard Station Morro Bay building and Harbor Office building are substantially inadequate in size to accommodate each agency's needs. In addition, the Harbor Office is over 50 years old and beyond its useful service life. With the Coast Guard having secured this modest amount of funding, there is opportunity to achieve building improvements for not only the Coast Guard at this time, but for the Harbor Department as well.

Should the Coast Guard utilize the current Harbor Office site, they are prepared to reimburse the City \$315K as fair market value for the building. Should they utilize the current restroom/shower site, their reimbursement is \$60K for that building.

Under Option 1, the pros are the Coast Guard has a contiguous facility, the Harbor Department gets a new office with superior second story views of the waterfront, bay and harbor entrance, and the current restroom/shower facility at the North T-Pier is rebuilt and upgraded. The con is the cost - after Coast Guard reimbursement, the City would be required to fund ~\$785K to build a new Harbor Office/restroom-shower facility.

Under Option 2, the pro is it's the least costly option for the City if consideration to the eventual cost to build a new Harbor Office and restroom in the future is given. The cons are the Coast Guard is split between two buildings – not an ideal situation, a new location must be found for the restroom/shower facility and the need and cost to eventually replace the Harbor Office sometime in the future still exists.

If the need for a new Harbor Office is not considered, Option 3 is the least costly for the City.

As the Harbor Advisory Board is aware, the Harbor Fund has very meager reserves at this time, and the department would be unable to fund the additional \$750K to build a new office/restroom under Option 1 out of its fund now or in the foreseeable future. While we are considering several ways to finance this potential option, it is possible a new fair market value rent structure for the Coast Guard's existing building, currently at a rental rate of \$1/year, and for the new building as well, could be negotiated to largely if not completely offset the City's debt service required to finance this option.

Under Option 2, the Harbor Fund would be required to find financing for the ~\$100K needed above what the Coast Guard can contribute to replace the restroom. This, too, could come from a restructured Coast Guard rent.

The Harbor Advisory Board is being asked to consider and recommended an option the City to pursue, in addition to whether or not fair market rent should be pursued as a possible financing option for the City's anticipated costs in both Options 1 and 2.

CONCLUSION

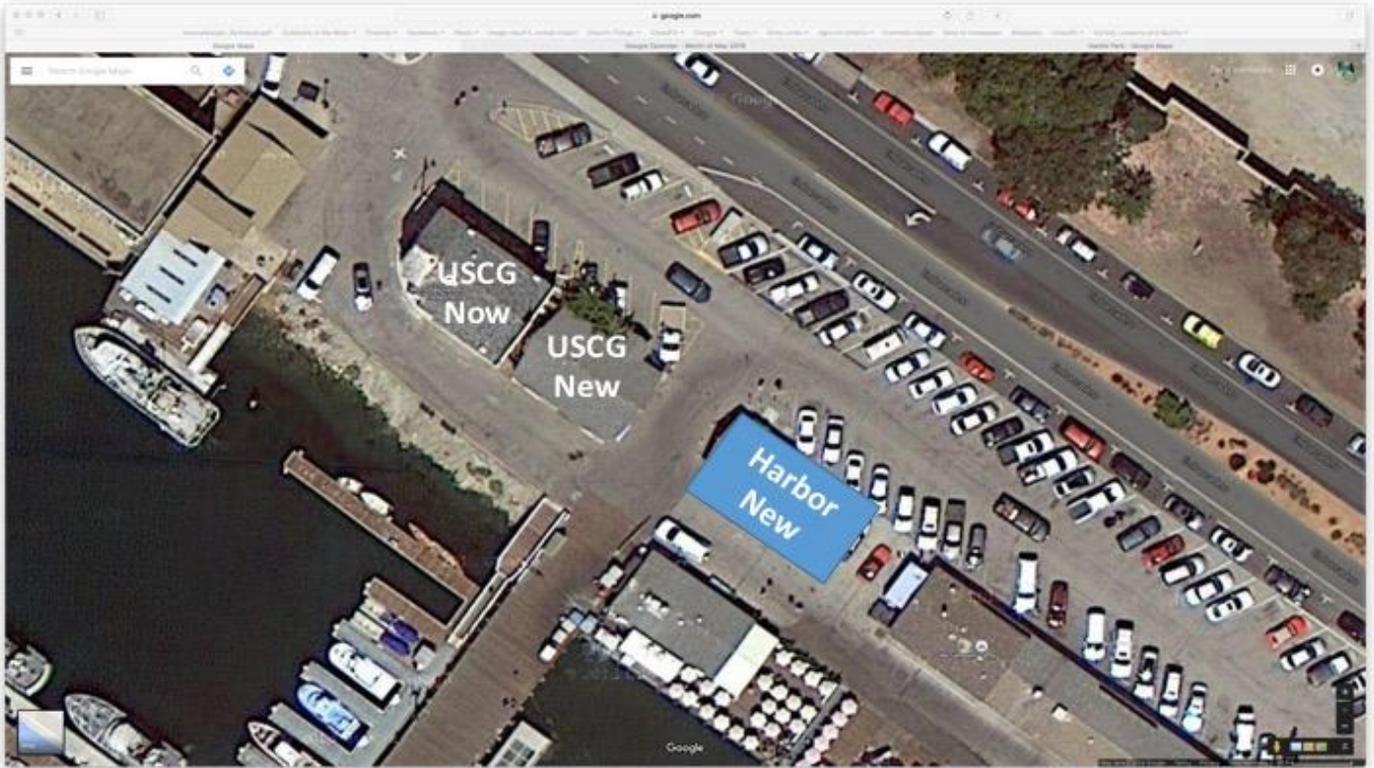
Because the Coast Guard's funding provides a unique opportunity for the City to not only support their mission needs, but to simultaneously provide the Harbor Department with a much-needed office improvement and an important restroom/shower facility upgrade, staff recommend the Harbor Advisory Board consider supporting Option 1 to recommend it as the option the City Council pursues.

It must be noted this is only a first step to formalize an understanding between the Coast Guard and City to enable the Coast Guard to begin the entitlement and negotiation process with the City. If these projects move forward in any form, a full public review and permitting process, in addition to lease negotiations, will necessarily take place.

ATTACHMENT

1. Overhead conceptual views of Options 1 and 2.

Option 1 – USCG Builds on Harbor Office Site with New Harbor Office Over Public Restroom



Option 2 – USCG Builds on Public Restroom Site with no new Harbor Office. New restroom TBD.

