

MINUTES - MORRO BAY CITY COUNCIL  
CLOSED SESSION – JUNE 23, 2008  
CITY HALL CONFERENCE ROOM - 5:00 P.M.

Mayor Peters called the meeting to order at 5:00 p.m.

PRESENT:	Janice Peters	Mayor
	Melody DeMeritt	Councilmember
	Rick Grantham	Councilmember
	William Peirce	Councilmember
	Betty Winholtz	Councilmember
STAFF:	Andrea Lueker	Interim City Manager
	Robert Schultz	City Attorney

CLOSED SESSION

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

Mayor Peters read the Closed Session Statement.

**CS-1 GOVERNMENT CODE SECTION 54957.6; CONFERENCE WITH LABOR NEGOTIATOR.** Conference with the City's Designated Representative, for the purpose of reviewing the City's position regarding the terms and compensation paid to its employees and giving instructions to the Designated Representative.

The meeting adjourned to Closed Session at 5:00 p.m. and returned to regular session at 5:50 p.m.

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

The meeting adjourned at 5:50 p.m.

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VETERANS MEMORIAL HALL - 6:00 P.M.

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

PRESENT:	Janice Peters	Mayor
	Melody DeMeritt	Councilmember
	Rick Grantham	Councilmember
	William Peirce	Councilmember
	Betty Winholtz	Councilmember
STAFF:	Andrea Lueker	Interim City Manager
	Robert Schultz	City Attorney
	Bridgett Bauer	City Clerk
	Rick Algert	Harbor Director
	Bruce Ambo	Public Services Director
	Bill Boucher	Capital Projects Manager
	Janeen Burlingame	Management Analyst
	John DeRohan	Police Chief
	Bruce Keogh	Wastewater Treatment Plant Manager
	Mike Pond	Fire Chief
	Susan Slayton	Finance Director

ESTABLISH QUORUM AND CALL TO ORDER

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

MAYOR'S REPORTS & ANNOUNCEMENTS

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

Keith Taylor announced Morro Bay Friends of the Fire Department would be raising money to assist firefighters in achieving paramedic certification by selling bricks that will be placed around the new fire station.

Richard Sadowski stated the Public Works Advisory Board recommended the City Council receive a presentation on the nitrate study and wastewater collection systems report prepared by he and Ms. Bruton. He also noted the remediation efforts in regards to the closure of the MtBE monitoring wells were successfully appealed to the Coastal Commission.

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Marla Jo Bruton requested Council place on its agenda a presentation on the nitrate study and wastewater collection systems report. She expressed concern with staff's proposal to the Planning Commission on the closure of 68 MtBE monitoring wells, and the Coastal Commission has accepted an appeal on these closures.

Jim Nance addressed Item A-9 (Authorization to Enter into a Contract with General Electric Water for Brackish Water Treatment Equipment) stating the City should seek more competitive bids for this equipment. He also addressed Item D-2 (Consideration of Placing a Measure on the Ballot to Repeal Measure "S" in Regard to Primary Elections) asking how much the primary election cost and expressed support for a repeal of Measure "S".

Joan Solu stated the Del Mar PTA thanks the City for the Ride of a Lifetime, which was a wonderful event for the children.

Susan Brown, General Manager of Dial-A-Ride, addressed Item A-5 (Approval of Letter to Governor/State Representatives Regarding Proposed Decreases in State Transit Assistance for Fiscal Year 2008/2009) and shared comments from Dial-A-Ride riders opposed to transit budget cuts.

Dorothy Cutter addressed Item D-2 stating it would be appropriate to place a measure on the November ballot repealing Measure "S" in order to save City funds.

Beverly Abbey expressed support for the repeal of Measure "S" and listed the negative impacts it has created.

Lynda Merrill addressed Items A-10 thru A-13 requesting Council consider increasing the lease site revenues on the Embarcadero in order to keep up with increasing costs. She also expressed opposition to the primary election due to the burdensome election period. Ms. Merrill addressed Item A-5 requesting Council send a letter to legislators in order to maintain low fares for Dial-A-Ride riders. She also requested a recycle bin be placed at the Rock parking lot.

Chanel Channing requested the public watch the presentation on the Homelessness Study. She also expressed support for maintaining lower fares for Dial-A-Ride riders.

Mayor Peters closed the hearing for public comment.

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DECLARATION OF FUTURE AGENDA ITEMS

Councilmember Peirce requested to agendize a discussion regarding the recurring transfer of excess cash to accumulation funds at fiscal year end; Councilmember Grantham and Mayor Peters concurred.

Councilmember Peirce requested to agendize a discussion on zero-based budget for the 2009/2011 biennial budget; Councilmember Grantham and Mayor Peters concurred.

Councilmember DeMeritt requested to agendize a presentation by Richard Sadowski and Marla Jo Bruton on the nitrate study and wastewater collection systems report; (pending)

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 OF THE MAY 27, 2008 AND JUNE 9, 2008  
REGULAR CITY COUNCIL MEETINGS; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-2 RESOLUTION NO. 33-08 ESTABLISHING THE ANNUAL PROPOSITION 4  
APPROPRIATION LIMIT FOR FISCAL YEAR 2008/2009; (FINANCE)

RECOMMENDATION: Adopt Resolution No. 33-08.

A-3 APPROVAL OF CREATION OF A WASTEWATER TREATMENT PLANT  
GRADE II OPERATOR/LAB ANALYST POSITION; (PUBLIC SERVICES)

**RECOMMENDATION: Approve the new job description for the Grade II  
Operator/Lab Analyst position.**

A-4 APPROVAL OF MONTH-TO-MONTH EXTENSION OF VIDEO  
PRODUCTION SERVICES AND LOCAL GOVERNMENT CHANNEL  
INSERTION POINT MANAGEMENT AGREEMENT WITH AGP VIDEO;  
(ADMINISTRATION)

**RECOMMENDATION: Approve an extension of the Video Production Services  
and Local Government Channel Insertion Point Management Agreement  
with AGP Video on a month-to-month basis until previously requested  
information from AGP Video has been submitted.**

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A-5 APPROVAL OF LETTER TO GOVERNOR/STATE REPRESENTATIVES REGARDING PROPOSED DECREASES IN STATE TRANSIT ASSISTANCE FOR FISCAL YEAR 2008/2009; (ADMINISTRATION)

**RECOMMENDATION:** Approve sending letters to Governor Schwarzenegger, Senator Maldonado, and Assemblyman Blakeslee regarding the impact to Morro Bay Dial-A-Ride and its riders if the proposed State budget is adopted with decreases to State Transit Assistance.

A-6 RESOLUTION NO. 32-08 GRANTING A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO SURF CAB; (POLICE)

**RECOMMENDATION:** Adopt Resolution No. 32-08.

A-7 AGREEMENT FOR PARTICIPATION IN COUNTY REGIONAL SWAT TEAM; (POLICE)

**RECOMMENDATION:** Authorize the Chief of Police to sign an agreement for the City to participate in the San Luis Obispo Regional Special Weapons and Tactics Team.

A-8 AUTHORIZATION TO FILE NOTICE OF COMPLETION FOR FIRE STATION 54 APPARATUS BAY REPLACEMENT PROJECT; (PUBLIC SERVICES)

**RECOMMENDATION:** Accept the project as completed by Diana Building Corporation and authorize the filing of a Notice of Completion.

A-9 AUTHORIZATION TO ENTER INTO A CONTRACT WITH GENERAL ELECTRIC WATER FOR BRACKISH WATER TREATMENT EQUIPMENT; (PUBLIC SERVICES)

**RECOMMENDATION:** Authorize entering into a contract with GE Water as a sole source vendor in the amount of \$654,370 for the fabrication and delivery of brackish water treatment equipment.

A-10 APPROVAL OF NEW LEASE AGREEMENT FOR LEASE SITE 134-136 LOCATED AT 1245 EMBARCADERO WITH TOGNAZZINI FAMILY INCORPORATED; (HARBOR)

**RECOMMENDATION:** Adopt Resolution No. 34-08.

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A-11 APPROVAL OF NEW LEASE AGREEMENT FOR LEASE SITE 133W LOCATED AT 1235 EMBARCADERO WITH TOGNAZZINI FAMILY INCORPORATED; (HARBOR)

**RECOMMENDATION: This item was pulled from the agenda.**

A-12 APPROVAL OF NEW LEASE AGREEMENT FOR LEASE SITE 137 LOCATED AT 1247 EMBARCADERO WITH THE HORTON WILLIAMS JR. AND SAVAHAH L. WILLIAMS REVOCABLE TRUST AND DON WILLIAMS AND WENDY WILLIAMS; (HARBOR)

**RECOMMENDATION: Adopt Resolution No. 36-08.**

A-13 APPROVAL OF FIRST AMENDMENT TO THE LEASE AGREEMENT FOR LEASE SITE 91-92/91W-92W LOCATED AT 897 EMBARCADERO BETWEEN THE CITY OF MORRO BAY AND ANDERSON INN PROPERTIES; (HARBOR)

**RECOMMENDATION: Adopt Resolution No. 37-08.**

A-14 APPROVAL OF NEW LEASE AGREEMENT FOR REDEVELOPMENT OF LEASE SITE 53-56/53W-56W LOCATED AT 501 EMBARCADERO WITH ESTERO LANDING INCORPORATED; (HARBOR)

**RECOMMENDATION: Adopt Resolution No. 38-08.**

Councilmember Winholtz pulled Item A-1, A-3, A-4 and A-10 through A-14 from the Consent Calendar; Mayor Peters pulled Items A-5 and A-6.

**MOTION:** Councilmember Winholtz moved the City Council approve Items A-2, A-7, A-8 and A-9 of the Consent Calendar. The motion was seconded by Councilmember Peirce and carried unanimously. (5-0)

A-1 APPROVAL OF MINUTES OF THE MAY 27, 2008 AND JUNE 9, 2008 REGULAR CITY COUNCIL MEETINGS; (ADMINISTRATION)

Councilmember Winholtz made a correction to the minutes of May 27, 2008 (COMMITTEE REPORT ON THE INVESTIGATION OF CONTRACTING WITH CAL FIRE – Page 10/Motion) as follows:

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MOTION: Councilmember Winholtz moved the City Council hold a public workshop in July 2008 noticing the community on the options of contracting with Cal Fire as an alternative with comparative information on what the cost is currently at the 3-level and/or 4-level staffing; noticing shall be done through the water bills and/or a notice shall go directly to the citizen's house. The motion was seconded by Councilmember DeMeritt and carried unanimously. (5-0)

MOTION: Councilmember Winholtz moved the City Council approve Item A-1 of the Consent Calendar as amended. The motion was seconded by Councilmember DeMeritt and carried unanimously. (5-0)

A-3 APPROVAL OF CREATION OF A WASTEWATER TREATMENT PLANT GRADE II OPERATOR/LAB ANALYST POSITION; (PUBLIC SERVICES)

Councilmember Winholtz stated for clarification this is not a new position rather it is a job that is currently being performed by an employee who is getting credit for it.

MOTION: Councilmember Winholtz moved the City Council approve Item A-3 of the Consent Calendar. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

A-4 APPROVAL OF MONTH-TO-MONTH EXTENSION OF VIDEO PRODUCTION SERVICES AND LOCAL GOVERNMENT CHANNEL INSERTION POINT MANAGEMENT AGREEMENT WITH AGP VIDEO; (ADMINISTRATION)

Councilmember Winholtz requested the approval of the Video Production Services and Local Government Channel Insertion Point Management Agreement with AGP Video come back to Council by September 2008.

MOTION: Councilmember Winholtz moved the City Council approve Item A-4 of the Consent Calendar with the approval of the Video Production Services and Local Government Channel Insertion Point Management Agreement with AGP Video come back to Council by September 2008. The motion was seconded by Councilmember DeMeritt and carried unanimously. (5-0)

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A-5 APPROVAL OF LETTER TO GOVERNOR/STATE REPRESENTATIVES  
REGARDING PROPOSED DECREASES IN STATE TRANSIT ASSISTANCE  
FOR FISCAL YEAR 2008/2009; (ADMINISTRATION)

Mayor Peters requested the following amendment to the second paragraph, last sentence on page 1: "... even though the City is experiencing its own critical financial difficulties."

Councilmember Winholtz requested an amendment to the third paragraph, first sentence on page 1: "The transit cuts you propose will result in an estimated \$20,000 (50%) decrease in STA available to Morro Bay ..."

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

A-6 RESOLUTION NO. 32-08 GRANTING A CERTIFICATE OF PUBLIC  
CONVENIENCE AND NECESSITY TO SURF CAB; (POLICE)

Mayor Peters announced the City would have cab service provided by Surf Cab.

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

Councilmember Winholtz requested Items A-10 through A-14 be continued to the July 14, 2008 City Council Closed Session meeting.

MOTION: Councilmember Winholtz moved the following: 1) All leases including Items A-10 through A-14 of this agenda and from hereon, that Section 2.03 of leases include the introductory paragraph that refers to the end of the initial five year period, and each five year period thereafter would include the new minimum rent that would be calculated for the following five year period; and, 2) remove the word "decreases" that relates to the Consumer Price Index adjustment. The motion was seconded by Councilmember DeMeritt and failed with Councilmember Grantham, Councilmember Peirce and Mayor Peters voting no. (2-3)

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A-10 APPROVAL OF NEW LEASE AGREEMENT FOR LEASE SITE 134-136 LOCATED AT 1245 EMBARCADERO WITH TOGNAZZINI FAMILY INCORPORATED; (HARBOR)

MOTION: Councilmember Peirce moved the City Council approve Item A-10 of the Consent Calendar. The motion was seconded by Councilmember Grantham and carried with Councilmember DeMeritt and Councilmember Winholtz voting no. (3-2)

A-12 APPROVAL OF NEW LEASE AGREEMENT FOR LEASE SITE 137 LOCATED AT 1247 EMBARCADERO WITH THE HORTON WILLIAMS JR. AND SAVAHAH L. WILLIAMS REVOCABLE TRUST AND DON WILLIAMS AND WENDY WILLIAMS; (HARBOR)

Councilmember Winholtz expressed concern that there is no proposed increase with a 20-year lease extension, and suggested it be changed for reconsideration in ten years.

MOTION: Councilmember DeMeritt moved the City Council approve Item A-12 of the Consent Calendar. The motion was seconded by Councilmember Grantham and carried with Councilmember Winholtz voting no. (4-1)

A-13 APPROVAL OF FIRST AMENDMENT TO THE LEASE AGREEMENT FOR LEASE SITE 91-92/91W-92W LOCATED AT 897 EMBARCADERO BETWEEN THE CITY OF MORRO BAY AND ANDERSON INN PROPERTIES; (HARBOR)

Councilmember Winholtz asked how many extensions have been requested on this lease site; Mr. Algert responded this is the first amendment to the lease agreement.

MOTION: Councilmember Winholtz moved the City Council approve Item A-13 of the Consent Calendar. The motion was seconded by Councilmember Peirce and carried unanimously. (5-0)

A-14 APPROVAL OF NEW LEASE AGREEMENT FOR REDEVELOPMENT OF LEASE SITE 53-56/53W-56W LOCATED AT 501 EMBARCADERO WITH ESTERO LANDING INCORPORATED; (HARBOR)

Councilmember Winholtz referred to consistency in the lease agreements referring to Section 2.03 regarding the base to come back in five years, and said since this section is not in all lease agreements perhaps it should be removed from this lease agreement.

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MOTION: Councilmember Peirce moved the City Council approve Item A-14 of the Consent Calendar. The motion was seconded by Councilmember DeMeritt and carried unanimously. (5-0)

Mayor Peters called for a break at 7:10 p.m.; the meeting resumed at 7:20 p.m.

B. PUBLIC HEARINGS, REPORTS & APPEARANCES

B-1 RESOLUTION NO. 40-08 DIRECTING THE LEVY TO THE ANNUAL ASSESSMENT FOR THE CLOISTERS LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (RECREATION & PARKS)

Interim City Manager Andrea Lueker stated at the May 27, 2008 City Council meeting, the Council adopted Resolution No. 23-08 approving the Engineer's Report describing the annual maintenance to be completed at the Cloisters Park and Open Space, and declaring the City's intent to levy an annual assessment to finance this maintenance. The County Assessor will collect the assessment, projected at \$1,241.20 per assessable lot in the Cloisters subdivision. All property owners on record have been noticed of the hearing and a publication of the public hearing was noticed in a local newspaper. The City Council must hold a protest/public hearing before considering the levy of the annual assessment. Ms. Lueker recommended the City Council adopt Resolution No. 40-08 directing the levy to the Annual Assessment for the Cloisters 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 Winholtz moved the City Council adopt Resolution No. 40-08 directing the levy to the Annual Assessment for the Cloisters Landscaping and Lighting Maintenance Assessment District. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

B-2 RESOLUTION NO. 41-08 DIRECTING THE LEVY TO THE ANNUAL ASSESSMENT FOR THE NORTH POINT NATURAL AREA LANDSCAPING AND LIGHTING MAINTENANCE ASSESSMENT DISTRICT; (RECREATION & PARKS)

Interim City Manager Andrea Lueker stated at the May 27, 2008 City Council meeting, the Council adopted Resolution No. 22-08 approving the Engineer's Report describing the annual maintenance to be completed at the North Point Natural Area, and declaring the City's intent to levy an annual assessment to finance this maintenance. The County Assessor will collect the assessment, projected at \$564.50 per assessable lot in the North

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Point subdivision. All property owners on record have been noticed of the hearing and a publication of the public hearing was noticed in a local newspaper. The City Council must hold a protest/public hearing before considering the levy of the annual assessment. Ms. Lueker recommended the City Council adopt Resolution No. 41-08 directing the levy to 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.

MOTION: Councilmember Grantham moved the City Council adopt Resolution No. 41-08 directing the levy to the Annual Assessment for the North Point Natural Area Landscaping and Lighting Maintenance Assessment District. The motion was seconded by Councilmember Peirce and carried unanimously. (5-0)

B-3 DISCUSSION ON PLACING AN INITIATIVE ON THE NOVEMBER 2008  
GENERAL ELECTION BALLOT IN REGARD TO AMENDING MEASURE D;  
(CITY ATTORNEY)

City Attorney Robert Schultz stated at the June 9, 2008 City Council meeting, Council directed staff to bring back language amending Measure “D”. According to City documentation, Measure “D” was approved by 57% of the voters and enacted in 1981. There have been no amendments presented to the voters since that time. The intent of Measure “D” is that any development on the Tidelands between Beach Street and Target Rock must be primarily to serve licensed commercial fishing or non-commercial recreational fishing activities. Mr. Schultz recommended the City Council discuss this issue and direct staff accordingly.

Mayor Peters opened the hearing for public comment.

Cathy Novak, representing Virg’s Fishing, stated they are working with the Commercial Fishing Association on draft language for Measure D. She requested Council continue this item to the July 14, 2008 Council meeting in order to obtain further input.

Bill Martony requested clarification on the content of the proposed amendments of Measure “D”.

Ray McKelligott stated the public should know what changes are being considered for Measure “D” because there will be people who will oppose any amendments.

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Ed Ewing stated Measure “D” was meant for the protection of the fishing industry. He said there are fishermen working with organizations to build back the fishing industry so it is imperative to save the areas designated for commercial fishing. Mr. Ewing stated there is no reason to change Measure “D”.

Mayor Peters closed the public comment hearing.

Councilmember Peirce stated it is premature to take action on this item until the stakeholders have discussed this further.

Councilmember Winholtz referred to the current Zoning Ordinance that defines the commercial/recreational fishing district in the CF zone, which does not meet the criteria of some activities that have slowly eroded Measure “D”. She also referred to the section of the code that refers to the parking requirements of projects that have been proposed for this area. Councilmember Winholtz stated Measure “D” should either be complied with or changed and placed on the ballot for the public to vote on. She said she prefers suggestion #4 in the staff report with the following amendment: “...commercial ~~and~~ pleasure boats.

Councilmember Grantham stated it is important to maintain this area for the fishing industry. He said he would also like the Papagallo and Chablis pleasure boats to continue operating where they are presently located because they bring in revenue to the City. Councilmember Grantham stated renovations should be allowed on the buildings located on these lease sites.

Councilmember DeMeritt stated she supports the renovation and expansion of Virg’s Fishing; however that is not presently allowed under Measure D. She said she supports suggestion #4 in the staff report with Councilmember Winholtz amendment, along with the removal of new restaurant, café, gift shop or other retail establishments.

Mayor Peters stated she does not support moving forward with this until the stakeholders have more time to review this issue.

**MOTION:** Councilmember Peirce moved the City Council postpone placing Measure “D” on the General Municipal ballot until there has been a meeting with the stakeholders. The motion was seconded by Councilmember Grantham and carried with Councilmember DeMeritt and Councilmember Winholtz voting no. (3-2)

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B-4 ASSIGNMENT OF LEASE SITE 34W LOCATED ADJACENT TO 225 MAIN STREET FROM NORMAN ARNOLD TO ROBERT CRIZER; (HARBOR)

City Attorney Robert Schultz stated Lease Site 34W is a water lease site, consisting of four boat slips, abutting the fee property located at 225 Main Street. The current lessee of Lease Site 34W, Norm Arnold, is requesting approval of assignment of the lease agreement for Lease Site 34W to Robert Crizer. Mr. Schultz recommended the City Council adopt Resolution No. 42-08 approving assignment of the lease agreement for Lease Site 34W conditional upon City Attorney approval of the assignment and assumption document.

Mayor Peters opened the hearing for public comment.

Cathy Novak, representing Candy Bottich (owner of 206 Main Street), stated Ms. Bottich does not object to the transfer of Lease Site 34W to Robert Crizer because it is not clear that parking will be on her property.

Dorothy Cutter stated this lease site should not be transferred until the parking issue is resolved. She said she contacted the Coastal Commission who stated this property does not have enough parking spaces for the activities taking place at this location. Ms. Cutter stated conditions should be placed with the sale of this lease site that adequate parking spaces would be provided and should be recorded in a deed.

Bill Martony stated he lives in the neighborhood and parking is an issue, and this problem should be rectified with the transfer of this lease.

Bob Crizer, applicant, stated continual access to the slips would be included with this lease assignment. He said his goals are to replace unsafe pilings prior to next winter's storms, upgrading water meters and fire service, upgrading electric meters, and providing safe berths for the boats being stored at the slips. Mr. Crizer stated he is working with the neighbor on providing adequate parking that he would come to the City Council as an amendment to the lease agreement with a solution to the parking problem.

Mayor Peters closed the public comment hearing.

Councilmember DeMeritt stated the applicant is redeveloping the water lease site, and the property owners of 206 Main Street should request the Coastal Commission remove the deed restriction. She said the issues are being created more with the upland lease site.

Mayor Peters stated the language in the deed restriction regarding parking is vague and not clear.

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Councilmember Grantham stated parking is not a part of this issue, and he supports approval of the lease assignment.

Councilmember Peirce stated he agrees that parking is not part of this assignment request, and he supports approval of the lease assignment.

Councilmember Winholtz asked questions regarding the access of the adjoining lease sites, and expressed concern that the applicant is working on closing a street and having the public pay the price for a private development. She stated she would vote in favor of this request in order for the Coastal Commission to start their review.

**MOTION:** Councilmember Peirce moved the City Council adopt Resolution No. 42-08 approving assignment of the lease agreement for Lease Site 34W located adjacent to 225 Main Street from Norman Arnold to Robert Crizer subject to the approval of the City Attorney as to the content of the agreement. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

Mayor Peters called for a break at 8:25 p.m.; the meeting resumed at 8:35 p.m.

**B-5 DISCUSSION ON COSTS ASSOCIATED WITH ADVERTISING OF THE CAL FIRE WORKSHOP; (FIRE)**

This item was pulled from the agenda.

**B-6 RESOLUTION NO. 39-08 AMENDING THE PARKING IN-LIEU FEE IN THE DOWNTOWN AREA; (CITY ATTORNEY)**

City Attorney Robert Schultz stated the City's Parking In-Lieu Fund was established in 1988 to provide increased business opportunities along the community's waterfront. Rather than providing on-site parking, owners were allowed the option to pay the City a fee, thereby increasing the area available for business development. Monies accumulated in the fund are to be used solely for the purpose of improving public parking availability. At the May 27, 2008 City Council meeting, Council directed staff to bring back a resolution reducing the Parking In-Lieu fee in the Downtown area in order to stimulate economic development in this area. Mr. Schultz recommended the City Council adopt Resolution No. 39-08 amending the Parking In-Lieu fee in the Downtown area.

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

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Councilmember Winholtz stated she would like to amend the resolution adding a three-year time limit because within three years it should show if the lowered fee would have an affect on business in this area.

Councilmember Peirce stated in order to stimulate economic growth he could support extending this to Surf Street.

Councilmember Grantham stated this is a positive move for the business community, and supports extending it to Surf Street. He said he could support a time limit of three to five years at \$1,000 or \$2,000 per space.

Councilmember DeMeritt stated \$2,000 is a fair amount for a five-year period. She suggested language revisions to the Resolution.

Mayor Peters agreed with a five-year period because it takes a while to get a business going; she also supports the \$2,000 fee.

MOTION: Councilmember DeMeritt moved the City Council adopt Resolution No. 39-08 amending the Parking In-Lieu Fee in the Downtown area as revised by the City Council. The motion was seconded by Councilmember Peirce.

Councilmember Winholtz asked for an amendment adding “and is not retroactive”; Mr. Schultz instead recommended the language “and has not received any entitlements or permits”.

Councilmember DeMeritt accepted the amendment to her motion; Councilmember Peirce accepted the amendment to his second.

VOTE: The motion carried unanimously. (5-0)

C. UNFINISHED BUSINESS – NONE.

D. NEW BUSINESS

D-1 CONSIDERATION OF HARBOR ADVISORY BOARD RECOMMENDATION TO CORRESPOND WITH FEDERAL ENERGY REGULATORY COMMISSION ON THE GREEN WAVE ENERGY PROPOSAL; (HARBOR)

Harbor Director Rick Algert stated in Fall of 2007, the City became aware that the Federal Energy Regulatory Commission (FERC) was considering an application from Green Wave Energy LLC for a preliminary permit to install hydrokinetic (wave energy)

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generation equipment in an area of approximately 17 square miles off of Montana de Oro. On May 1, 2008 the Harbor Advisory Board heard a presentation on wave energy development. The Board appointed an ad-hoc committee to look into the specific proposal offshore of San Luis Obispo County and investigate the federal licensing/permit process. Mr. Algert recommended the City Council accept the Harbor Advisory Board recommendation and authorize the Mayor to sign a letter to the FERC requesting intervenor status on the Green Wave Energy license application off of San Luis Obispo Coast.

Councilmember Peirce recommended the City encourage FERC to place this in a marine closure area so fishing is not affected.

Councilmember Winholtz stated she supports sending a letter to FERC requesting intervenor status on the Green Wave Energy license application.

Councilmember Grantham agreed the City should encourage a location other than a fishing area for this use.

Councilmember DeMeritt expressed support for the City requesting intervenor status because of the impacts it will have on our harbor.

Mayor Peters stated she would like the letter to state the source that advised the City about requesting intervenor status on the Green Wave Energy license application.

**MOTION:** Councilmember DeMeritt moved the City Council authorize the Mayor to sign a letter to the FERC requesting intervenor status on the Green Wave Energy license application off of San Luis Obispo Coast as amended by Council. The motion was seconded by Councilmember Grantham and carried unanimously. (5-0)

**D-2 CONSIDERATION OF PLACING A MEASURE ON THE BALLOT TO REPEAL MEASURE “S” IN REGARD TO PRIMARY ELECTIONS; (CITY ATTORNEY)**

City Attorney Robert Schultz stated on November 7, 2006, the required number of qualified voters in the City voted in favor of Measure “S”. Measure “S” codified by Ordinance No. 528, amended the Morro Bay Municipal Code to have the general municipal election held at the time of the statewide primary election with a runoff election, if necessary, to follow in the November election. Mr. Schultz recommended the City Council consider this item and direct staff accordingly.

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REGULAR MEETING – JUNE 23, 2008

Councilmember DeMeritt stated the primary election over politicizes the process, not many people understand the process and the cost to candidates is unreasonable. She said she supports placing a repeal of Measure “S” on the November ballot.

Councilmember Grantham stated he supports waiting in order for the process to go through a full election season. He said he does respect that the citizens of Morro Bay passed Measure “S”.

Councilmember Peirce stated he supports waiting in order to let it run a full cycle. He also acknowledged this process was voted by the citizens.

Councilmember Winholtz stated placing the repeal of Measure “S” on the November ballot gives the public another chance to consider the process.

Mayor Peters stated the primary election process was confusing being that it was the first one, and it over-politicizes discussions and decisions. She said she did not like the extra cost to both the city and the candidates, and so many forums; however, those concerns could be addressed in the future. She stated that placing a repeal of this process on the ballot should come from the citizens, just as the initial measure did.

No action was taken.

ADJOURNMENT

The meeting adjourned at 9:34 p.m.

Recorded by:

Bridgett Bauer  
City Clerk