

Ms. Jonni Biaggini said she is representing the Morro Bay Business and Community Forum, which is held from 9:00-10:00 AM every Thursday. She said the meetings discuss community and business topics of interest in order to help keep the community vital economically. She said next week the agenda topic will be what businesses are doing to remain successful in this community, and Giovanni DeGarimore will be the speaker. She said the forum's website posts each week's agenda on www.morrobayforum.org, and she thanked the Board.

IV. PRESENTATIONS AND ACTION ITEMS

IV-1. Election of Chair and Vice-Chair

Mr. Doughty nominated Mr. Phillips as Chairman of the Harbor Advisory Board. The nomination was seconded by Mr. Luffee and carried unanimously.

Mr. Luffee nominated Ms. Meissen as Vice-Chair. The nomination was seconded by Mr. Doughty and carried unanimously.

IV-2. Review of Measure D and Potential Amendment

Mr. Algert reviewed the Item, reading directly from the text of Measure D:

"The City shall not grant any permit, authorization or other approval of any state owned tidelands subject to City lease between Beach Street and Target Rock, unless such development or use is primarily for the purposes of serving or facilitating licensed commercial fishing activities or non-commercial recreational fishing activities, or is clearly incidental thereto. For the purposes of illustration only, and not by way of limitation, no approval shall be granted for any new passenger for hire boats or supporting facilities, or any new restaurant café, gift shop or other retail establishments serving the general public, and any existing such uses shall hereafter be considered non-conforming and shall not be expanded or enlarged."

Mr. Algert said the City Council discussed proposing a ballot initiative to amend Measure D on June 9, 2008. He said the City Council continued the discussion on June 23, 2008, and passed the following motion:

"The City Council will postpone placing Measure D on the General Municipal Ballot until there has been a meeting of the stakeholders."

Mr. Algert said in October 2008 the Harbor Advisory Board continued this discussion and took action to appoint an ad-hoc committee to gather stakeholder input on potential revision of Measure D, and the Board heard a report from the committee at the November 2008 meeting. Mr. Algert requested the Board take public comment and make a recommendation to the City Council on the Measure D on whether it should be put on a future ballot.

Chairman Phillips opened the Item to the public. He told the first speaker that his comments would be written down verbatim and become part of the record of the meeting.

"Dean Rewerts, California Ships-to-Reefs, I'm the Vice President for Reef Development. Our only comment on Measure D very briefly is that we would like to see, just to ensure, that the harbor has the flexibility to allow for the kind of development that we are in favor of, which is diversifying, allowing dive charters and that kind of operations in the harbor, but we certainly do not want to do anything to the detriment of the fishing industry here in Morro Bay. Flexibility is all we are interested in at this point."

Mr. Darby Neil said he is also a third generation fisherman in Morro Bay and is the owner and operator of Virg's Sport Fishing in Morro Bay. He said on one hand Measure D is important to protect us from competition, but on the other hand we need to diversify our business due to the restrictions in the sport fishing industry in order to survive. He said they also need to renew their lease, and in order to justify the expense involved in that he needs to find other creative ways to finance that. He said he already submitted in writing his comments on Measure D, given quite a while ago to Ms. Leary.

Chairman Woods asked Mr. Neil what the other things he has in mind, as he understood one of the plans is to remodel the building. Mr. Neil said he wants to protect the commercial fishing industry as much as anyone else, but he is looking into things such as Segway Scooters or other tourist-oriented options, knowing everything would have to go through the Planning Department. He said he felt very limited in what can be done because they can't expand; however, he said he does not have all the answers right now, possibly diversifying the restaurant The Thai Boat, which he wants to combine into one building, but the issue is whether that can be expanded.

Ms. Zoe Anders of Chablis Cruises said it would be a shame to take away Measure D, but with the current changes happening now, it is necessary to expand to accommodate other boat traffic which will bring revenue into the City. She suggested changing Measure D to allow that to happen and be able to have recreational boating businesses in that area.

Mr. Ed Ewing, local commercial fisherman, said when he was the president of the Morro Bay Commercial Fishermen's Organization he was one of the original signers of the petition for the Measure D initiative. He said commercial fishing is back on the rise, that rock fishing has always been the mainstay for this area, and there are glimmers of hope for the fisheries. He believes Measure D has kept development from running rampant in the designated area, and said interpretation of Measure D will allow for the charter and dive boats to work from the other end of the Embarcadero. Mr. Ewing recommended leaving Measure D as it is and not to change the language.

Mr. Jeremiah O'Brien, president of the Morro Bay Commercial Fishermen's Organization (MBCFO), said that Measure D was voted on over 20 years ago and was originated by Joe Giannini, but at the time the measure did not seem that important; however, Joe Giannini had the foresight to see possible future losses of businesses in the commercial fishing industry. Mr. O'Brien said that now many businesses have been lost, as Joe Giannini saw, which many locals did not see coming, and Measure D has become extremely important. He believes the pendulum is swinging the other way, in that commercial fishing has been on the upswing in the last three years. He recognizes that businesses need to improve, but the idea of expansion has now morphed into unreasonable proportions including talk of building hotels and restaurants in the Measure D designated area. He said the MBCFO cannot support that type of expansion. Mr. O'Brien urged the Board not to make any changes to Measure D.

Chairman Phillips brought the Item back to the Board. Ms. Leary said she would prefer to see Measure D stay the same. She reported her status on the ad-hoc committee for Measure D, saying it was generally agreed to leave the wording as is, or allow the Morro Bay City Council to adjust any wording that would allow passenger boats work in the Measure D designated area.

Mr. Doughty said he understands there is a ten-percent expansion allowed for a business in this area, and he would prefer a marine-related research center there. He said the letter included in the packet from some residents of Morro Bay suggests building boutique motels and restaurants in the Measure D area, but this should not be allowed to happen. He is opposed to changes in Measure D.

Mr. Luffee said he has no problem with leaving Measure D alone, and let City Council make adjustments to the wording as they see fit, but he asked what is the point of having a law such as Measure D, if variances to Measure D are allowed. He said the way it stands right now, a lot of things can't get done.

Mr. Cunningham asked Mr. Algert what it would take to amend the language to make it clearer, for example as it would apply to Mr. Neil's marine-oriented business, maybe to make it more conforming to what Mr. Neil wants for his future project or anybody else who has something that is marine-oriented but maybe not specifically commercial fishing oriented. Mr. Algert said the technical writing would probably be done by the City Attorney with help from the Planning Department along with himself prior to submitting to the City Council who could choose to put it on the ballot; so the Board would not necessarily need to worry about that; however, the Board members can submit ideas for certain areas of clarification.

Mr. Cunningham said he wanted to comment about the proposed building of hotels and restaurants, and he believes businesses are a good thing but in Morro Bay with a hotel on every corner where rooms are often empty, which is the same situation in the restaurants and gift shops; it would not be better to add more hotels or restaurants but to see those rooms or tables full. As a commercial fisherman, he is grateful to see space available to the commercial fishing industry, and it would be a travesty to give up any of that space to build more hotels and restaurants in the Measure D designated area.

Ms. Strassel said she agreed with Mr. Cunningham that it does not make sense to expand businesses such as hotels to that end of the Embarcadero, and she would prefer to see improvements to the docks and other needs for the fishing industry.

Ms. Meissen said she thinks Morro Bay wants to be a fishing village and we have to protect that as our identity. She said she would not like to see the wording of Measure D loosened up to the point where we would have more hotels, that we have plenty of hotels; and the businesses that are already there should stay there; the business footprint should not be expanded unless it can go without infringing on commercial fishing activities, and that should be the Board's recommendation to the City Council.

Chairman Phillips said Measure D was created to protect the commercial fishing industry. He said he is willing to support enhancements and maintenance to the businesses already located in the area. He suggested the Board recommend to City Council to leave Measure D unchanged, but possibly write a Memorandum of Understanding tied to Measure D which will provide City Council flexibility without jeopardizing the commercial fishing industry's space needed for their own growth. He opened the Item to the public again.

Further discussion ensued by the public and the Board.

Motion: Chairman Phillips moved that the Harbor Advisory Board recommend City Council keep the Measure D language intact and request the City Attorney write a Memorandum of Understanding (MOU) for clarification and flexibility, and that the Harbor Advisory Board should review the MOU language prior to City Council's final adoption. The Motion was seconded by Mr. Luffee and carried unanimously.

IV-3. Review and Recommendations for Changes to Harbor Advisory Board By-Laws

Mr. Algert said that on December 8, 2008, the City Council directed Staff to review the current By-Laws with the Board. He said some areas of discussion are 1) Number of Members, 2) Appointment by Category, 3) Meeting Cancellation, and 4) Absence from Meetings.

Mr. Doughty said he would prefer not to reduce the number of meetings per year, but he is fine with the categories/areas of interest; he preferred to keep a 7 member Board. Ms. Leary asked to correct the last word of Morro Bay Commercial Fishermen's Association to Organization.

Chairman Phillips said he would prefer to change the number of members to say, "minimum of 5, maximum of 7." He said he would suggest eliminating the separate category of South Bay/Los Osos and eliminating one member-at-large, and then combining those two categories as, "one member-at-large/South Bay Los Osos." Mr. Doughty explained the creation of the South Bay/Los Osos category.

He said the meeting cancellation policy is fine as it is. He suggested changing the "Absence from Meetings" to add a sentence at the end of the current paragraph to read, "Except at the Harbor Director's discretion in consultation with the Chair and Vice Chair, an absence can be excused and not count against the Board Member."

Mr. Luffee suggested that a meeting did not need to be cancelled, but rescheduled to another day in the month, if possible.

Further discussion ensued by the Board. Chairman Phillips brought each issue to the Board separately in order to vote on them.

The Board supported the existing language in the Harbor Advisory Board By-Laws for the cancellation of meetings and the appointment categories.

Motion: Mr. Doughty moved to recommend to City Council to maintain the number of Board Members at seven (7) in the Harbor Advisory Board By-Laws. The Motion was seconded by Ms. Meissen. The Motion passed with a vote of 6 to 1, with Chairman Phillips voting No.

Motion: Chairman Phillips moved to recommend to City Council to change the Harbor Advisory Board By-Laws to add the following sentence at the end of the Absence from Meetings section: "At the Harbor Director's discretion in consultation with the Chair and Vice Chair, an absence may be excused and not count against the Board Member." The Motion was seconded by Mr. Doughty and carried unanimously.

V. INFORMATION ITEMS

V-1. Harbor Department Status Report

Mr. Algert briefed the Board on the following topics:

Tall Ships February 14-19 2009

Washington Week

State Park Marina EIR Certification

Harbor Flatbed Truck Replacement

City Website Update

Liveaboard Sub-Committee Update

Modular Office Project

Liveaboard Sub-committee – Reviewed by Ms. Meissen

VI. ADDITIONAL COMMENTS

Chairman Phillips said the Board was given a letter at the start of this meeting, which is from the Central Coast Women for Fisheries thanking the Board for their action on the slip qualification issue.

VII. FUTURE AGENDA ITEMS

**March: Review of Harbor Department Fee Comparison with Other Harbors and
 Discussion on Raising Fees
 Boat Yard Plans Review**

VIII. ADJOURNMENT

This meeting was adjourned at 9:00 PM

Submitted by,

Polly Curtis
Harbor Department