

Dana Swanson

1/26/16 Meeting
Item C-2

RECEIVED
City of Morro Bay

JAN 25 2016

Administration

Sent from my iPad.

Begin forwarded message:

From: Ric Deschler <ricdeschler@morrobayca.gov>
Date: January 25, 2016 at 11:14:36 AM PST
To: Jamie Irons <jirons@morrobayca.gov>, Noah Smuckler <nsmukler@morrobayca.gov>, Matt Makowetski <mmakowetski@morrobayca.gov>, Christine Johnson <cjohnson@morrobayca.gov>, John Heading <jheading@morrobayca.gov>
Cc: "dbuckingham@morrobayca.gov" <dbuckingham@morrobayca.gov>, Rob Livick <rlivick@morrobayca.gov>
Subject: EPS Ban proposal again
Reply-To: Ric Deschler <ricdeschler@morrobayca.gov>

Sorry if you are getting this a second time but it seems your email addresses have changed and most of these bounced back.

Dear Mayor and Members of Council,

January 25, 2016

I fully support most of the provisions of the proposed ban on EPS product use in Morro Bay. It is imperative that we do our part to control the damage done by this product.

With that in mind, I disagree with the recommendation to have the effective date be October 1, 2016. This will allow a tremendous amount of that product to be used during that period of time. A better effective date would be either May 1st. This meets the concerns of Council by providing a sufficient time for notification of businesses so that they can use their existing stock and find alternative materials. It also does not require them to make the transition during their busy summer season.

This issue has been discussed in the newspapers and community since at least last September with members of PWAB and the City contacting restaurants and merchants about this pending ordinance. Everyone is aware that the cities of San Luis Obispo and Pismo Beach enacted a similar ordinance and they expect that it is going to happen here also. Do you really think these users and merchants have space to store six months of EPS products? The next three months is sufficient lead time to resolve their issues.

The purpose of this ban is to reduce and eliminate the use of EPS products as soon as practicable and making May 1st the effective date gives everyone time to use their existing stock and find alternative sources before the busy summer season. I realize that some businesses may have difficulty with EPS products that they sell, such as those flimsy EPS coolers. This will not be an issue for the chain stores like Albertson's or Rite-Aid that can return unsold stock to corporate distributors. Even Cookie Crock has other stores in the county it could use. But the smaller convenience stores may have more difficulty selling everything by the start date. They should be able to eliminate the EPS items they *use* but may not be able to get rid of the ones they *sell*. Hopefully you will direct staff to flex and work with those small vendors that have truly old stock of these items though not items recently purchased.

Thank you,
Ric Deschler

1/26/16 meeting
Item C-3
Revised 1/26

Dana Swanson

From: Christine Johnson
Sent: Tuesday, January 26, 2016 8:57 AM
To: Dana Swanson
Cc:
Subject: Fwd: typos on B & L Financials

RECEIVED
City of Morro Bay

JAN 26 2016

Administration

Morning Dana,

I received this update from Cherise Hansson for item C3---Cherise is copied above. As appropriate, please share with all Council and Staff.

Thanks,

Christine

Christine Johnson
Council member, City of Morro Bay
805-305-3759
Cjohnson@morro-bay.ca.us

Sent from my iPad.

Begin forwarded message:

From: Cherise Hansson <
Date: January 26, 2016 at 8:46:50 AM PST
To: Christine Johnson <cjohnson@morrobayca.gov>
Cc: travis_leage <
Subject: typos on B & L Financials

Good Morning Christine,

There were just some clarifications needed. If any council members request a copy, please forward.

B & L Flash Financials

It has been stated in the agenda memorandum for 833 Embarcadero Rd that the master tenant, Violet Leage has been in default and does not present the ability to complete the development laid out in the current Consent of Landowner (COL). I am here to suggest otherwise. I believe that more explanation is needed to understand the problems Violet Leage has faced and bring to light that much of the difficulty in performing her financial responsibilities as master tenant were based on a set of

unfortunate circumstances that were beyond her control. Such problems include an accident (she was run over twice by a car leaving her hard of hearing and vision impaired), an economic recession, as well as a nefarious plot, set in motion for the purpose of taking advantage of an 85 year old woman. Violet is from a time when trust was given to those who simply suggested to have your best interests in mind.

First of all, the only issues that should be considered relevant in determining

Violet's ability to complete said project are those that occurred between the time COL

was granted to present. I would like to address that Mr. Endersby has mentioned to the council that over the past ten years Violet's lease has at other times been in default. Please note that in each case, Violet has rectified the issues and brought them current. Also in those ten years the United States experienced an economic recession which put a significant strain on all business owners. During this time requests came from all businesses to help soften the blow of this crisis and allow more time for payment. Violet was not alone in her struggle. Violet did not walk away and instead showed resolve and commitment. Due to the city allowing a payment plan, Violet was able to help her subtenants also, and gave them the ability to resume business until economy recovered. **The status of her loan and taxes remain in the same standing they were at during the signing of the COL.**

In April of 2014 Maridee Bell, owner and operator of Off The Hook signed a lease in which she agreed to pay a percentage of her revenue to the city directly as well as a base rent of \$3500/month. Per bookkeeper request all correspondence was to go to the lease site address and changed from Violet's personal address. From April until now all payments except one were late by Bell. Violet never received any notice of default or untimely payments. That is to say that the status of lease was withheld at address from Violet until Sept. of 2015 when city contacted her directly due to extreme default. Violet had to pay back dues on base rent for five months, Off the Hook's percentage, based on sales over \$1,000,000.00, as well as penalties, totaling over \$78,000.

At the beginning of 2014 Violet was preparing to secure all of her debts and

pursue project completion. The COL was granted in June of 2014 and shortly after Violet hired Sara Johnson as her bookkeeper. Johnson was recommended by Maridee Bell. Violet had three meetings with Johnson in which they discussed in detail a bank deed Violet wished to restructure. One of these meetings included Madeline Moore who is a close friend to Bell. Moore did not introduce herself as an investor and simply said she was a friend to the bookkeeper. Violet trusted that all conversations with Johnson were protected by CPA/client confidentiality.

Early that summer Moore inquired with Mr. Endersby about the lease site and its status. Moore contacted Union bank and began requesting to buy the deed while Johnson requested the bank to do an appraisal of the property. Violet authorized the appraisal based on the belief Johnson was working towards restructuring the loan. The bank never responded to Violet's numerous requests for a balance or a new payment plan. The appraisal was solely used to value a payoff amount for Moore to purchase the loan. In July Johnson sent Violet a letter resigning as her bookkeeper with no explanation.

In September of 2015 Violet was finally contacted regarding default of percentages and extreme tardiness on all monthly payments since the time Bell became responsible for said payments. According to Endersby it was Violet's responsibility to pay subtenant's percentages and if she did not pay or structure a payment plan her lease would be revoked. Violet made payments and fulfilled the payment plan early. She showed good faith by paying early and believed this would be a positive step towards saving her lease and maintaining the COL. The amount increases everyday and Bell continues to NOT pay the city or Violet. Violet has asked for help in evicting Bell as a subtenant and has been told that the debt is her responsibility.

The first correspondence from Union bank to Violet was on January 8th, 2016. Union bank stated that Central Coast Investments had purchased the note and was now her new lender. Central Coast Investments address is Madeline Moore's personal residence. On January 9th Violet reached out to Moore and requested a current value as well as payment amounts. No response has been received. On January 15th Violet went to the county clerks office to inquire about the property status. Violet found a recording of NOTICE OF DEFAULT AND ELECTION TO SELL UNDER DEED OF

TRUST dated January 14th, 2016. Violet has yet to be served with papers formally. Madeline Moore has demanded full payment of loan immediately and the process of foreclosure will begin in 90 days. We have reached out to the foreclosure company for a payoff amount. According to fellow businesses Moore has been stating publicly that the payoff amount is over \$800,000. The last statement balance from the bank in July of 2015 was \$321,000. Today January 25th, Violet and myself Cherise Hansson went to the foreclosure company requesting payoff amount. They said they needed time to discuss amount with Moore and would respond to us today. Two hours later we visited the foreclosure company again. Upon arrival we saw Maridee Bell and Madeline Moore together with foreclosure staff.

So why does Moore want the deed? Good question. If Moore wanted the building why didn't she ask Violet to purchase the lease? The possibilities are 1) Moore purchased the note at a reduced price to sell it with a profit, 2) a foreclosure and default would revoke Leage's COL, 3) due to default of Off the Hook with the city lease, the city lease would be revoked from Violet unless paid, 4) Violet would use accessible funds to pay Bell's debt instead of paying bank loan 5) the foreclosure process would put Moore in a good position to receive COL of property as new owner and/or 6) City revokes COL based on banks notification of default and opens up the RFP process. All of the above leading to the overall intention allowing Moore to make a proposal.

Moore is seeking to acquire 833 embarcadero for pennies on the dollar through immoral business methods. She has financially suffocated and forced Violet into devastating circumstances after Violet personally told her of her need for help. Violet is an upstanding member of this city and has given hundreds of thousands of dollars to city via the lease program and three RFP's. Her family has been here for over 7 decades. As a city we shouldn't allow immoral business practices in our community. When an 85 year old women asks for assistance from a trusted paid advisor, it should not result in subsequent destitution. Is this who we want for the future of Morro Bay?

We are offering this knowledge in an effort for the council to be sympathetic due

to extreme circumstances. This drama has been created by Moore and Bell in an attempt to undermine the fabric of good business in order to serve their own selfish gains. The fact is that these entities need not be a part of the Embarcadero. No more drama! We want to build, we want to pay our debts and we want to pay the city. We love our home and our home is this city. The money is there, it will always be there and nothing has changed since the issuing of the COL. We are stronger than ever and have a strong team foundation to complete the task at hand. Let's not stall this project anymore.

As of 4PM today January 25th. Maridee Bell entered chapter 11 stopping eviction proceedings that were set for tomorrow morning. The Foreclosure Company Pacific Oak has itemized the payoff amount of \$408,567.42. Last correspondence of loan balance from Union bank was \$321,653.62 on July 11th, 2015. Moore has included \$66,187.21 as interest and fines, \$12,120.11 for unpaid late charges from 1/1/2016- date, attorney fees dated for service today \$6106.70 and Foreclosure service co. \$2299.78. I believe it is evident that Moore from the beginning falsely presented herself and has taken every possible path to remove Violet's ability to be financially successful. At this time we are procuring the funds and intend to remit payment in full under legal counsel.

Thank you for your time,

written by Cherise Hansson

approved by Violet Leage

Dana Swanson

IAN 25 2016

From: Cherise Hansson
Sent: Monday, January 25, 2016 4:28 PM
To: Eric Endersby; Jamie Irons; Christine Johnson; Matt Makowetski; John Headding; Noah Smukler; Council
Cc: jpannone@awattorneys.com; travis_leage; Cherise Hansson
Subject: B & L Flash Financials- Urgent

Administration

B & L Flash Financials

It has been stated in the agenda memorandum for 833 Embarcadero Rd that the master tenant, Violet Leage has been in default and does not present the ability to complete the development laid out in the current Consent of Landowner (COL). I am here to suggest otherwise. I believe that more explanation is needed to understand the problems Violet Leage has faced and bring to light that much of the difficulty in performing her financial responsibilities as master tenant were based on a set of unfortunate circumstances that were beyond here control. Such problems include an accident (she was ran over twice by a car leaving her hard of hearing and vision impaired), an economic recession as well as a nefarious plot set in motion for the purpose of taking advantage of an 85 year old woman. This a throwback from a time when trust was given to those who simply suggested to have your best interests in mind.

First of all, the only issues that should be considered relevant in determining Violets ability to complete said project are those that occurred between the time COL was granted to present. I would like to address that even though Mr. Endersby has mentioned to the council occasions over the past ten years in which Violet's lease was in default. Please note that she in each case, it has been rectified and made current. Also let's note that in those ten years we experienced an economic recession which put a significant strain on local business owners. During this time requests came from all businesses to help soften the blow of this crisis and allow more time for payment and therefore it should be noted that Violet was not alone in her struggle. Let it be noted that Violet did not walk away and instead showed resolve and commitment. Due to payment plans from city she was able to help her subtenants also the ability to resume business

until economy recovered. The status of her loan and taxes remain in the same standing they were at during the signing of the COL.

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Thank you for your time,

written by Cherise Hansson
approved by Violet Leage

1/26/16 Meeting
Item C-5

RECEIVED
City of Morro Bay

Dana Swanson

From: Scot Graham
Sent: Monday, January 25, 2016 8:12 AM
To: Dana Swanson Administration
Cc: Rob Livick
Subject: FW: Disclaimer: The following public comment is submitted by Dr. Robert Tefft, who is currently serving as the Chairman of the Planning Commission of the City of Morro Bay. These comments, however, are exclusively the opinion of Dr. Tefft, speaking as a

Good morning Dana,

See comments below from Dr. Tefft regarding the Parking Management Plan item on Tomorrow's CC agenda.

Scot

From: Robert Tefft [mailto:rtefft@morro-bay.ca.us]
Sent: Sunday, January 24, 2016 11:43 PM
To: Scot Graham <sgraham@morrobayca.gov>
Subject: Disclaimer: The following public comment is submitted by Dr. Robert Tefft, who is currently serving as the Chairman of the Planning Commission of the City of Morro Bay. These comments, however, are exclusively the opinion of Dr. Tefft, speaking as a ...

Disclaimer: The following public comment is submitted by Dr. Robert Tefft, who is currently serving as the Chairman of the Planning Commission of the City of Morro Bay. These comments, however, are exclusively the opinion of Dr. Tefft, speaking as a private citizen, and do not, in any way, represent the position of the Planning Commission or of any other member thereof.

Hello, Scot...

I happened to notice that, at the upcoming January 26, 2016, the City Council will be asked to consider Agenda Item C-5, which proposes to implement certain provisions of the City's 2007 Parking Management Plan and to request authorization for a review of additional options for parking in the Downtown and Embarcadero districts and development of possible amendments to the Parking Management Plan itself.

As we have previously discussed, the methodology employed in developing the 2007 Parking Management Plan was fundamentally flawed with respect to the Downtown area and can be expected to systematically underestimate the actual demand for parking in general and, more specifically, of the demand along Main Street and Morro Bay Boulevard. I am, therefore, strongly supportive of Staff's efforts to augment on-street parking capacity in this district. I would, however, urge that the Council consider carefully certain aspects of the specific proposals for angled parking put forward in the Parking Management Plan:

1.) The minimum size for angled parking spaces in Morro Bay is established by Municipal Code Sections 17.40.020.D.3.e. and f., as follows: standard parking space - nine feet by twenty feet; compact parking space - eight and one-half feet by eighteen feet. The Code also indicates that no more than 25% of newly-created parking spaces should be compact in size. (Although these Sections of the Zoning Ordinance may be interpreted to apply only to "parking lots", it would not seem reasonable to apply less stringent standards to spaces on public streets, where a higher traffic volume would be expected.) The parking configurations illustrated in the Parking Management Plan would provide standard parking spaces only on Market Street (8 new spaces); all of the spaces on Main Street, Monterey Avenue, and Morro Bay Boulevard (20 new spaces) would only meet the required dimensional standards for compact spaces. The utility of adding new parking that would consist of 71% compact spaces seems questionable, in light of the considerable number of larger vehicles (e.g., pick-up trucks, SUVs) seen here in Morro Bay.

2.) The minimum bumper overhang required for both standard and compact parking spaces by the Municipal Code is two feet. The diagrams provided in the Parking Management Plan provide an overhang of only 1.34 feet on Main Street, Monterey Avenue, and Morro Bay Boulevard and 1.5 feet on Market Street. Again, the Parking Management Plan is

proposing a project that does not comply with the City's Zoning Ordinance.

- 3.) The addition of angled parking, as proposed by the Parking Management Plan, would require that the eastbound lane of Morro Bay Boulevard and the southbound lanes of both Main Street and Monterey Avenue be narrowed to ten feet. This width may be less than sufficient to safely accommodate commercial delivery trucks, recreational vehicles, travel trailers, and busses or vans providing public transportation.
- 4.) The angled parking projects described in the Parking Management Plan fail to incorporate bike lanes or other provisions for cyclists. Inasmuch as motorists attempting to pull out of one of the proposed angled spaces may, if parked next to a larger vehicle, have little or no visibility of oncoming traffic, there is a significant risk that a vehicle pulling out of one of these spaces will enter the path of a cyclist attempting to travel behind the line of parked cars. This potential for auto-vs-cyclist accident is of particular concern in light of Municipal Code Section 10.72.020.I., which prohibits the riding or operation of a bicycle on the sidewalk in a business district.
- 5.) Parking spaces created by the conversion of parallel to angled parking should be time-restricted or metered to ensure they will be reserved for patrons of the downtown businesses and not utilized by owners or employees.
- 6.) A previous project which established angled parking on Monterey Avenue between Morro Bay Boulevard and Harbor Street proved unsuccessful and was subsequently reversed. It should be noted, however, that this entailed conversion of this portion of Monterey Avenue to one-way traffic and it is unclear to what degree the change in traffic flow contributed to the unpopularity of this project.

In light of the above considerations, I cannot help but conclude that further analysis of the four angled parking sites proposed by the Parking Management Plan (PMP) is warranted. The apparent discrepancies between the PMP and the City's Zoning Ordinance need to be resolved, the impact on cycling and other alternative forms of transportation needs to be analyzed, and serious consideration should be given to implementing one of the proposed angle parking projects as a trial before moving ahead with the entire package. The City Council may wish to undertake these further analyses, but would also have the option of referring this proposal to the Planning Commission for analysis and recommendations.

Beyond the specifics of the angled parking proposals, I wholeheartedly endorse your Recommendation 4 to develop "options for improving overall parking and business atmosphere in the Downtown and on the Embarcadero". The current requirements that businesses in these districts provide on-site parking does not seem consistent with the visions of either the community or the stakeholders in these areas. This approach discourages business development, is not conducive to rational and workable coordinated solutions (such as shared parking), and does not tend to produce parking solutions that are optimally accessible to the public. The time to look at other options is long overdue.

I appreciate that dealing with "last minute" public input is difficult, and I apologize for getting these comments to you at this late date.

Best regards,
Bob