

AGENDA NO: A-1

MEETING DATE: February 9, 2016

MINUTES - MORRO BAY CITY COUNCIL  
REGULAR MEETING – JANUARY 12, 2016  
VETERAN’S MEMORIAL HALL – 6:00 P.M.

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

ESTABLISH QUORUM AND CALL TO ORDER

The meeting was called to order at 6:06 p.m.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

CLOSED SESSION REPORT - No Closed Session Meeting was held.

MAYOR AND COUNCILMEMBERS’ REPORTS, ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/WDbhSyFaEVc?t=2m1s>

PUBLIC PRESENTATIONS

Mayor Irons pulled Item A-8 from the Consent Agenda to present the Proclamation to Winter Bird Festival co-chairs, Jane Fanselow and Christopher Cameron.

A-8 PROCLAMATION DECLARING JANUARY 2016 AS “MORRO BAY WINTER BIRD FESTIVAL MONTH”; (ADMINISTRATION)

<https://youtu.be/WDbhSyFaEVc?t=24m37s>

MOTION: Mayor Irons moved the Council approve Item A-8. The motion was seconded by Councilmember Johnson and carried unanimously, 5-0.

## PUBLIC COMMENT

<https://youtu.be/WDbhSyFaEVc?t=28m57s>

Ritchie Wimmer of Jim's Automotive provided the business spot. Jim's Automotive has been located at 899 Piney Way since 1964 and a Chamber member for 28 years. He loves cars and his business is focused on service, not sales. They recently implemented a new software that allows the mechanic to send pictures and videos to customers to illustrate why certain work is needed, and track repairs to improve efficiency. They are currently the only automotive shop in the County using the software to this degree.

Lynda Merrill, Morro Bay, announced a Morro Bay Bike Park fundraiser is being held tonight at Pizza Port and raffle tickets are available. She also shared the State has implemented a recycle program for mattresses to help prevent them from ending up in the creeks.

Susan Stewart, Morro Bay resident and business owner, attended the NOAA meeting and is pleased the Harbor Advisory Board recommended more workshops to gather information from other sources. She expressed concern about the proposed name of the marine sanctuary and hoped they choose something more inclusive.

Scott Kimura, Tenera Environmental, spoke regarding Item C-1. He supports the Central Coast Aquarium project and looks forward to having wet and dry lab space to study and better manage eelgrass. He believes the facility will improve tourism and benefit science by promoting research.

Bill Martony, Morro Bay, suggested there are several other potential sites as good as, or better than, the Righetti property, including the Tri-W property which was never studied.

Betty Winholtz, Morro Bay, spoke regarding Item B-1. She hoped the Council has done their due diligence to understand the issues. Regarding Item C-1, she opposed capturing live sea life and suggested there should not be an aquarium in this lease site; however, she does support the research component and partnering with Cal Poly. She announced she would be running for Mayor in 2016.

City Attorney Pannone recommended the Council deter the public from making political statements during Public Comment.

Nancy Castle, Morro Bay, was honored to be named Morro Bay's Living Treasure by the Chamber of Commerce and commended the Citizens of the Year honorees.

The public comment period was closed.

Councilmember Johnson acknowledged Mr. Pannone's comments and asked if further discussion was warranted to help the public understand the City will not allow political statements to be made during Public Comment. Mr. Pannone offered to prepare a staff report, if desired.

A. CONSENT AGENDA  
<https://youtu.be/WDbhSyFaEVc?t=54m42s>

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

A-1 APPROVAL OF MINUTES FOR THE SPECIAL CITY COUNCIL MEETING HELD ON NOVEMBER 17, 2015; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-2 APPROVAL OF MINUTES FOR THE SPECIAL JOINT MEETING OF THE CITY COUNCIL AND WATER RECLAMATION FACILITY CITIZEN ADVISORY COMMITTEE HELD ON DECEMBER 1, 2015; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-3 APPROVAL OF MINUTES FOR THE SPECIAL CLOSED SESSION CITY COUNCIL MEETING HELD ON DECEMBER 8, 2015; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-4 APPROVAL OF MINUTES FOR THE CITY COUNCIL MEETING HELD ON DECEMBER 8, 2015; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

A-5 WATER RECLAMATION FACILITY PROGRAM UPDATE; (PUBLIC WORKS)

**RECOMMENDATION: Receive and file.**

A-6 APPROVAL OF 2016 EMPLOYEE HEALTH BANK INCREASES; (ADMINISTRATIVE SERVICES)

**RECOMMENDATION: Approve as submitted.**

A-7 RESOLUTION NO. 01-16 AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH THE CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION FOR INMATE WORK CREWS; (PUBLIC WORKS)

**RECOMMENDATION: Adopt Resolution No. 01-16.**

A-8 PROCLAMATION DECLARING JANUARY 2016 AS "MORRO BAY WINTER BIRD FESTIVAL MONTH"; (ADMINISTRATION)

**RECOMMENDATION: Approve as submitted.**

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

MOTION: Councilmember Headding moved the Council approve Items A-1 through A-7 on the Consent Agenda. The motion was seconded by Councilmember Smukler and carried unanimously, 5-0.

## B. PUBLIC HEARINGS

B-1 APPEAL OF THE PLANNING COMMISSION DENIAL OF COASTAL DEVELOPMENT PERMIT (CP0-410) & CONDITIONAL USE PERMIT (UP0-369) TO CONSTRUCT A 3,386SF SINGLE FAMILY RESIDENCE WITH 520SF GARAGE AND 356 SF OF DECKING AND 236 SF COVERED PORCH ON A VACANT LOT AT 289 MAIN STREET. THIS PROJECT IS LOCATED INSIDE THE COASTAL COMMISSION APPEALS JURISDICTION (APPELLANT: JOHN AND ALAIR HOUGH, APPLICANTS); (COMMUNITY DEVELOPMENT)  
<https://youtu.be/WDbhSyFaEVc?t=55m24s>

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

Mayor Irons opened the public hearing.

John Hough, appellant, acquired three parcels in April 2007; there was no legal access to the property at that time. They obtained lot line adjustments and subdivided the top lot to create an access road. They also added underground utilities, a fire suppression system, and a drainage system for surface water that meets Caltrans 100 year flood requirement and 2-tier bio-filtration system for runoff. They still own all four parcels which are served by the private road. The proposed home is no different in size and scale than the house they presently live in or are currently building. The application was complete in April 2014, prior to adoption of the neighborhood design guidelines. He met with staff to better understand Planning Commission's direction and submitted revised plans to incorporate nine significant changes, while still meeting their primary goal of creating a single level home. He urged the Council to uphold appeal and not return to the project to the Planning Commission as it would likely return to Council in a few months as a result of further appeal.

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

Bob Tefft, Morro Bay, spoke not on behalf of Planning Commission nor to the specific project as he recused himself on this item, but to the process. He reminded the Council they are not being asked to overturn the Planning Commission's denial of this project, but to overturn the denial of the previous project. He suggested the Council consider Alternative #1 presented by staff to maintain the integrity of process, facilitate further public input, and resolve some additional details on this project.

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

Mayor Irons and Councilmember Heading found it difficult to address the details of the project with the visual simulations provided. There was Council consensus to support Alternative #1, respect the process and give the Planning Commission the opportunity to review this iteration of the project.

MOTION: Councilmember Heading moved the Council grant the appeal for the purpose of returning the project to the Planning Commission for review of new plans presented by the applicant on December 14, 2015. Councilmember Johnson seconded the motion.

Mr. Pannone suggested the Council adopt Resolution No. 02-16 after changing the title, and replacing the current language in Section 1 with language provided in Councilmember Heading's motion. Section 2 on the bottom of page 3 would also be removed.

Councilmember Heading withdrew the previous motion and Councilmember Johnson withdrew the second.

MOTION: Councilmember Heading moved the Council adopt Resolution No. 02-16 with the necessary revisions to grant the appeal for the purpose of returning the project to the Planning Commission for review of new plans presented by the applicant on December 14, 2015. The motion was seconded by Councilmember Johnson and carried unanimously, 5-0.

A brief recess was taken at 8:40pm; the meeting reconvened at 8:52pm.

#### C. BUSINESS ITEMS

##### C-1 DISCUSSION AND DIRECTION TO STAFF REGARDING THE MORRO BAY AQUARIUM LEASE SITE; (ADMINISTRATION) <https://youtu.be/WDbhSyFaEVc?t=2h36m28s>

City Manager Buckingham, Central Coast Aquarium Executive Director Tara Malzone, Community Development Manager Graham, Harbor Director Endersby, and Deputy City Manager Taylor presented the staff report and responded to Council inquires.

Councilmember Heading invited Dr. Dean Wendt, Cal Poly Dean of Research and Director of the Center for Coastal Marine Sciences, to share his insight about the project. Dr. Wendt was excited about the opportunity to further extend the University's partnership with Central Coast Aquarium. The university has approved a new Bachelor of Science in Marine Science beginning Fall 2016 and will be matriculating students into that program. They have always wanted to have a facility on the bay and see this as a great opportunity for the institution.

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

Susan Stewart, Morro Bay resident and business owner, suggested the City work through the Chamber to explain the economic benefit this facility would bring to local businesses. She also hoped the rent concession being considered would help keep admission prices down.

Erica Crawford, Morro Bay Chamber of Commerce, noted this item will be on an upcoming agenda for discussion by the Chamber Board.

Joan Solu, Morro Bay, noted parking considerations, particularly for tour busses, will be extremely important as this project moves forward.

Bill Martony, Morro Bay, expressed his support for the project, however he was concerned an event center, visitor center and aquarium are a lot to fit in a small footprint.

Brent Haugen, Morro Bay Tourism Bureau Director, looks forward to promoting this attraction to different types of visitor groups and noted the accreditation is important to meeting the needs of schools.

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

The Council agreed there is substantial public benefit that warrants working closely with Central Coast Aquarium to move the project forward. The educational component and opportunity to improve the bay through research with Cal Poly is exciting. They took note of the concerns about parking which will be addressed as the project moves forward in order to gain both City and Coastal Commission approval.

**MOTION:** Councilmember Johnson moved the Council approve the Central Coast Aquarium (CCA) proposal as contained in the staff report and presentation to build a new aquarium on Lease Site 69-70/69W-70W and give Consent of Landowner for continued planning, and directed staff to continue in close partnership with CCA to bring a concept plan to the Planning Commission by December 31, 2016. The motion was seconded by Councilmember Heading and carried unanimously, 5-0.

A brief recess was taken at 10:16pm; the meeting reconvened at 10:22pm.

**C-2 DISCUSSION AND DIRECTION ON CITY TOURISM MARKETING AND PROMOTIONS MANAGEMENT; (ADMINISTRATION)**  
[https://youtu.be/LQ2do\\_AHIKA?t=3s](https://youtu.be/LQ2do_AHIKA?t=3s)

Deputy City Manager Taylor presented the staff report and responded to Council inquires.

The Council invited Tourism Business Improvement District (TBID) Advisory Board or Morro Bay Tourism Bureau (Bureau) representatives to comment on their recommendation.

Joan Solu, TBID Vice-Chair, commented on behalf of the Board: the Bureau would be happy to enter into an agreement for \$1/year for use of space at 695 Harbor Street which would significantly cut administration fees, allowing \$10-12k to be put back into marketing; the Bureau exists so there is a full-time tourism professional to market and lift tourism economy only in Morro Bay; and, the TBID Board proposal was less a denial of City staff efforts than a way to find a solution to work together even further.

**MOTION:** Councilmember Headding moved the meeting go past 11:00pm. The motion was seconded by Mayor Irons and carried unanimously, 5-0.

At the request of staff, Brent Haugen, Morro Bay Tourism Bureau, confirmed that in addition to his full time position, the Bureau employs a part-time Sales Manager (30 hours per week), a part-time Promotions Coordinator (8-16 hours per week), and are looking to fill a part-time Sales and Hospitality Coordinator position (20-25 hours per week).

Councilmember Headding invited Chuck Davison, President and CEO of Visit San Luis Obispo County, to explain why the County-wide Tourism Marketing District (TMD) was formed. Mr. Davison explained the TMD is focused on competing with other counties around us, and also the ability to sell the region as a holistic destination. Prior to the formation of the TMD, cities were competing against each other, rather than working together. TMD advertising campaigns are focused on other areas that individual cities can't reach on their own.

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

Brent Haugen, Executive Director of the Morro Bay Tourism Bureau, provided Council and staff with a 2016/17 Marketing and Sales Plan DRAFT for review and feedback, and shared the tourism marketing model he has found to be most successful is a separate 501(c)(6) non-profit. He urged the Council to consider the TBID Advisory Board's recommendation to make adjustments to the existing structure.

Joan Solu, Morro Bay resident, owner of Embarcadero Inn, and TBID Advisory Board Member, asked the Council to consider whether this is the right time to add additional City staff. She also submitted and read into the record a petition signed by Morro Bay hotel owners supporting the TBID proposal.

Susan Stewart, Morro Bay business owner, noted the two proposals have a lot in common, however the TBID Board proposal addressed the concerns of professionals in tourism community. She was concerned about the proposed business improvement district (BID) listed in both proposals and does not believe enhanced marketing by a general BID is needed. If a general BID is formed, she hopes the monies will be used to improve our product which can then be marketed by the TBID.

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

Mayor Irons noted that after receiving the petition, he talked with several hoteliers, or their representatives, about the petition and found there wasn't necessarily a full understanding of the issue.

Councilmember Johnson understood the stakeholders are focused on how the 3% is spent and getting a return on that investment. She feels a responsibility for both the 10% TOT that goes into the general fund and the 3% TBID assessment. Management Partners made this recommendation in 2008 and it was brought back in the recent update. The goal this year was to evaluate the structure and see if there is an alternative. While the current system has been

successful, she does not believe it is the fundamental structure that supports coordination of the destination Morro Bay. This is a unique opportunity to work more closely to develop an economic development strategic plan that will carry the City forward.

Councilmember Makowetski was confident based on the two proposals we can find a solution and supported placing the City Manager in charge of the process.

Councilmember Headding shared the City is facing financial issues in the future. Economic diversification will not happen overnight and the City must be strategic in how marketing dollars are managed. Economic development with promotional marketing to strategically plan, operate and measure branding efforts would best happen under control and leadership of the City.

Councilmember Smukler added there is a risk of adjusting an extremely important revenue source for the City; this is an opportunity to align and integrate efforts, projects and budgets. He sees a continued commitment to a full-time tourism and marketing professional, and strong support and involvement of the advisory board. He shared concerns about a new BID and believes the City should help facilitate and evaluate different options, but leaders from the business community need to lead the effort to make that successful.

Mayor Irons followed up on his earlier comment regarding conversations with the hoteliers, noting this is an opportunity to have better communication and build stronger relationships with hoteliers.

**MOTION:** Councilmember Headding moved the Council adopt Resolution No. 03-16 alternative “A”. Mayor Irons seconded the motion.

Councilmember Smukler asked to review the language in Item 9 of the resolution regarding the formation of an additional BID. He does not want that effort to be led by City staff.

Councilmember Headding amended his motion to adopt Resolution No. 03-16 Alternative “A” with Item 9 edited to reflect the City “shall support any efforts within the local business community”, and the final sentence in Item 9 specifying a timeline should be removed.

The amended motion was seconded by Mayor Irons.

Councilmember Johnson clarified the City’s intention is to maintain a full-time tourism marketing professional, and services will not be contracted out to an agency.

The amended motion carried unanimously, 5-0.

Mayor Irons requested Item C-4 be heard next; the Council concurred.

C-4 AWARD OF CONSULTANT CONTRACT FOR THE UPDATE OF THE GENERAL PLAN, LOCAL COASTAL PLAN, ZONING CODE AND ENVIRONMENTAL IMPACT REPORT TO MICHAEL BAKER INTERNATIONAL; (COMMUNITY DEVELOPMENT)

[https://youtu.be/LQ2do\\_AHIKA?t=2h12m54s](https://youtu.be/LQ2do_AHIKA?t=2h12m54s)

Community Development Manager Graham presented the staff report.

The public comment period for Item C-4 was opened; seeing none, the public comment period was closed.

MOTION: Mayor Irons moved the Council approve the contract per staff recommendation. The motion was seconded by Councilmember Smukler and carried unanimously, 5-0.

C-3 APPOINTMENT OF MAYOR PRO TEMPORE AND APPOINTMENT OF REPRESENTATIVES ON DISCRETIONARY BOARDS, COUNCIL LIAISON ASSIGNMENTS AND COUNCIL SUB-COMMITTEES: (CITY COUNCIL)  
[https://youtu.be/LQ2do\\_AHIKA?t=2h21m9s](https://youtu.be/LQ2do_AHIKA?t=2h21m9s)

Mayor Irons presented the report.

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

MOTION: Councilmember Makowetski moved the Council accept the recommended appointments for Mayor Pro Tempore, representatives on discretionary boards, Council liaison assignments and sub-committees. The motion was seconded by Councilmember Johnson and carried unanimously, 5-0.

Based on staff recommendation, the Council agreed to hear Item C-6 next.

C-6 INTRODUCTION AND FIRST READING OF ORDINANCE NO. 599 RELATING TO MEDICINAL MARIJUANA USES AND PROHIBITIONS IN THE CITY OF MORRO BAY; ADOPTION OF RESOLUTION NO. 04-16 REAFFIRMING THAT MEDICINAL MARIJUANA DISPENSARIES AND THE CULTIVATION OF MARIJUANA, AS USES NOT SPECIFICALLY ENUMERATED IN THE MORRO BAY MUNICIPAL CODE, ARE PROHIBITED  
[https://youtu.be/LQ2do\\_AHIKA?t=2h22m33s](https://youtu.be/LQ2do_AHIKA?t=2h22m33s)

Police Chief Christey presented the staff report and, along with Mr. Buckingham and Mr. Graham, responded to Council inquiries.

The public comment period for Item C-6 was opened; seeing none, the public comment period was closed.

Councilmember Smukler attended the League of California Cities briefing on this subject and everything he heard there has been reflected in the report. He appreciated the respect for compassionate use and discussed alternative language in section 9.06.040 with the City Attorney. Mr. Pannone confirmed MBMC section 9.06.040 B. and Section 3 of the Resolution could be amended to clarify personal individual cultivation by a primary caregiver or qualified

patient for use of medical marijuana, as permitted by the Compassionate Use Act of 1996, is allowed.

MOTION: Councilmember Smukler moved for introduction and first reading of Ordinance No. 599, by number and title only, amending Title 9, Chapter 9.06 of the Morro Bay Municipal Code, as amended; and adopt Resolution No. 04-16, as amended, reaffirming that medical marijuana dispensaries and the cultivation of marijuana, as uses not specifically enumerated in the Morro Bay Municipal Code, are prohibited. The motion was seconded by Mayor Irons and carried unanimously, 5-0.

Item C-5 was continued to a future meeting.

C-5 INTRODUCTION AND FIRST READING OF ORDINANCE NO. 598 AMENDING SECTION 3.08.070 OF THE MORRO MUNICIPAL CODE RELATING TO BIDDING; (CITY ATTORNEY)

E. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

[https://youtu.be/LQ2do\\_AHIKA?t=2h44m32s](https://youtu.be/LQ2do_AHIKA?t=2h44m32s)

Councilmember Johnson requested a staff report regarding policy on political statements at City Council meetings; the Council concurred.

#### ADJOURNMENT

The meeting adjourned at 1:08 a.m. The next Regular Meeting will be held on Tuesday, January 26, 2016 at 6:00 p.m. at the Veteran's Memorial Hall located at 209 Surf Street, Morro Bay, California.

Recorded by:

Dana Swanson  
City Clerk