

CITY OF MORRO BAY
PLANNING COMMISSION
SYNOPSIS MINUTES

(Complete audio- and videotapes of this meeting are available from the City upon request)

Veteran's Memorial Building
Regular Meeting, 6:00 p.m.

209 Surf Street, Morro Bay
Monday, July 16, 2007

Chairperson Nancy Johnson
Vice-Chairperson Bill Woodson Commissioner Michael Lucas
Commissioner Gerald Luhr Commissioner Gary Ream
Michael Prater, Secretary

I. CALL MEETING TO ORDER

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

II. PLEDGE OF ALLEGIANCE

Commissioner Lucas led the pledge.

III. ROLL CALL

Johnson asked that the record show Commissioner Ream is absent and all other Commissioners are present.

Staff Present: Bruce Ambo, Mike Prater, Rachel Grossman, Kimberly Peeples

IV. ACCEPTANCE OF AGENDA

MOTION: Woodson, Luhr 2nd to accept the agenda. Vote: 4-0.

V. DIRECTOR'S REPORT/WRITTEN COMMUNICATIONS

Ambo reported at the July 9, 2007 meeting, City Council:

- Received a report from the New Futures Committee on the reuse of the Power Plant property
- Introduced for the first reading the Administrative Citations Program
- Postponed taking action on amending the code on construction hours
- Adopted the second reading of the tree trimming ordinance prohibiting tree trimming during the nesting season
- Amended the major vegetation guidelines relating to neighborhood compatibility and nesting
- Continued consideration of a cost efficiency and effective study the City Managers office is doing
- Received and provided direction on responding to the 06/07 Grand Jury final report

At the August 13, 2007 meeting, Ambo said Council would:

- Discussing the final public portion of the Nitrate Notification Plan
- Introduction of the code amendments to the construction hours
- Discuss in more detail the plans for the organizational effectiveness study
- Discuss the Annual Water Report and an update on water conservation measures
- Follow-up on the moratorium on Medical Marijuana
- Award the contract for the preliminary design of Lift Station 3
- See a presentation on the Wastewater Treatment Plant Upgrade process and the revenue program component
- Discussion on water hook up fees and clarify the difference between a connection fee and an impact fee
- Discussion on the historic preservation component of the response to the Grand Jury report
- Hear an item on installing a replacement water line to the Rock Restroom
- Hear an item to requesting authorization to proceed on a space needs assessment for the Corporation Yard, Treatment Plant, Desalination Facility and the Recreation and Parks area

Ambo confirmed that the Neighborhood Compatibility Community Workshop, which will be held on August 11th, has been confirmed for the Veterans Memorial Building from 10 a.m. to 12 p.m. He also noted he is still waiting for final confirmation from the Council, but that they are trying to target September 17th as a study session for the Parking Management Plan.

Lucas questioned if the Parking Management Plan would be a joint meeting or a City Council meeting only. Ambo said it was set to be a Council Meeting only, but they were welcome to attend. Johnson advocated for it to be a joint meeting. Woodson advocated extending the TPG contract to include the pedestrian circulation plan as a component of the Parking Management Plan. Ambo urged them to allow the process to move forward as it is set, and move on to Pedestrian Circulation separately.

Luhr asked if the water line work that is taking place by the Rock Restroom was part of the Harborwalk project. Ambo indicated it was being done prior to the start of the Harborwalk project, as it is an old line in need of repair now.

Johnson asked about the New Futures Committee and if the City even owns any of the property they reference. Ambo believed there is a small portion that is owned by the City, but the majority is not.

VI. CONSENT CALENDAR

- A. Approval of minutes from hearing held on July 2, 2007

MOTION: Luhr, Lucas 2nd to approve the minutes as presented. VOTE: 4-0.

VII. PRESENTATIONS – None.

VIII. PUBLIC COMMENT

Rob Livick, introduced himself as the City Engineer and made an announcement that AFS Central Coast Chapter is looking for a family in the Morro Bay area to host a family.

IX. FUTURE AGENDA ITEMS

- A. Pedestrian pathway and circulation plan.
- B. Secondary unit design competition and consideration to waive development fees for secondary units.

X. PUBLIC HEARINGS

- A. Site Location: 575 and 591 Embarcadero Road in the WF/PD/S.4 zoning district. Applicant: Smith Held. The applicant proposes to demolish the existing buildings and replace them with two retail stores that would encompass 1,197 square feet and a six-room hotel with public lateral access. In addition, the existing docks and overhanging deck with piles would be removed, and a new access ramp and eight foot wide by 70-foot long floating dock would be constructed. This site is located within the original jurisdiction of the California Coastal Commission. (Recommended CEQA Determination: A Mitigated Negative Declaration has been prepared for the project). Staff Recommendation: Conditionally approve the project. Staff Contact: Rachel Grossman.

Grossman presented the Staff Report outlining the changes made to the plan since the last Commission Meeting. The Commissioners asked the questions and made the comments that follow, which were addressed by Staff:

- To be sure to have it noted in the conditions that there shall be no roof top equipment of any kind
- If the Handicap parking being made available to the general public was acceptable with the ordinance
- If we have a policy to get more detailed topos up front in the future
- Deed restriction on the common areas
- If they needed a condition to be sure nothing is tied up to the dock so the eel grass remains unaffected

- Why the front of the building wasn't cut at a 45-degree angle to address the site distance from the driveway
- Doors in the retail spaces should only open inward
- Drainage towards the bay from the parking area
- In favor of granting the 25-foot height due to the public restrooms and walkway to the bay that are provided
- Why the four grandfather parking spaces were taken away
- Specify the duration of stay
- If there would be an on-site manager or would they be registered as a vacation rental
- When parking in-lieu fees are paid

Prater clarified the process and what they should be looking at during the concept plan phase and the additional items they will see in the precise plan when it comes back to the Planning Commission.

Johnson opened the Public Hearing asking the applicant to address the Commission. Smith Held, applicant for the project addressed the Commissioners concerns on the following topics:

- HVAC equipment on the roof and why they are asking to put it below the existing roof line
- Handicap parking for the general public
- Common area agreement has not been done, but will be done with the precise plan
- Can design the dock to not allow boats to the east side of the dock.
- Oil/water separator will be on the precise plan
- There will be no on-site management, as that is not allowed with the Harbor Department Lease.

Luhr asked that if the HVAC unit would be visible from the houses on the Bluff top. Smith Held said it could be hidden from the Bluff Top Houses. Lucas commented he was not comfortable with that since they had specifically asked last time to not have any units on the roof. He felt the view shed was important and the equipment can be put in other locations. Prater indicated this would be addressed as a main topic at the City Council level as well. Lucas also asked about the product they intended to use for the sidewalk and the pathway, the location of the light pole next to the bench and the location of the fish cleaning station. Mark Allan, designer on the project, addressed his concerns and noted those items would be addressed specifically during the precise plan phase. Woodson confirmed if the fish cleaning station would be one of the items that are part of the common area. Luhr asked about the ratio of retail space to commercial space and if they have done any studies to justify the ratio. Johnson clarified that Ream's concern about the 45-degree articulation on the front of the building was a safety issue not for appearance.

Phil Caspersky complimented the applicant on the project and felt it will be an asset for the waterfront and reiterated his comments from the last meeting.

Johnson closed the Public Hearing seeing no further comments.

Prater clarified Staff's goal for tonight is to get a recommendation to take this project to the City Council.

Woodson asked the other Commissioners to consider adding the following items to Exhibit B:

- Suite visitor occupancy limited to 30 days
- No boats on the inside of the dock
- Item #16 revised to: No mechanical equipment visible on the roof from the top of the bluff plus ten feet

Woodson also commented about the on-site parking, the in-lieu fees, the on-street parking, as well as expressing gratitude for the public benefit of the public restrooms they are providing and maintaining and was looking forward to sending this project on to the City Council. Luhr asked if there is a specific ratio of Hotel Rooms to Retail Space noted in the Waterfront Master Plan and if it is financially better for the City to have hotel or retail space. Grossman addressed his concerns. Prater noted the Coastal Commission looks favorably on hotels. Luhr asked for the following items to be added to the project; pavers or pervious pavement used in the patio, parking and pathway areas; condition the project to

include a deed restriction for the common areas; to have the in-lieu fees paid prior to occupancy; boat parking should be limited to the area where the eelgrass is not located. Lucas commented on the great quality of this project for the waterfront, but would like to see more interesting windows on the west side of the building. Johnson spoke favorably about the project and agreed with the other Commissioners comments.

MOTION: Woodson, Luhr 2nd to approve the project as presented with the following changes to Exhibit B:

- In-lieu fees paid before occupancy
- Suite visitor occupancy will be limited to 30 days
- Boats will not be allowed to dock to shade eelgrass
- Condition #16 revised so HVAC equipment will not be visible from the top of the bluff plus ten feet
- Nice pavers will be in the common area
- Deed restrictions defining the common area for parking radius, ice machine, fish cleaning and bathrooms
- Public dock and boardwalk access
- Enhance the aesthetics of the west elevations

VOTE: 4-0

- B. Site Location: 1170 to 1198 Main Street in the C-1/S.4 Zone District. Applicant: Dunes Sunset Place LLC (Steve Miller). The applicants are requesting a Tentative Tract Map, and Coastal Development Permit to convert an existing mixed-use project into airspace condominiums. There currently exist three (3) underlining lots with mixed-uses (two apartments with small office with each lot). The proposal would allow the conversion of six (6) residential units to condominiums and three (3) commercial condominiums. (CEQA determination: Exemption Class 1). This site is not located within the Coastal Commission's Appeal Jurisdiction.
Staff Recommendation: Conditionally Approve the Projects. Staff Contact: Michael Prater, Planning Manager.

Prater presented the Staff Report highlighting the main points of the request and clarified the definition of an air-space condominium. Lucas confirmed if there was a requirement for low-cost housing in the original project and if whoever purchased the unit could still rent out the units. Prater addressed both of his concerns. Lucas also confirmed that the retail space could not be converted to residential without coming back to the Commission. Luhr questioned an item in the CC&Rs. Woodson was concerned with the City's involvement in the CC&Rs. Prater indicated there have been a number of sub-divisions recently that the City has become involved in the CC&Rs, as this is the best location to address these items. Woodson also asked about the rent-rate structure for this project. Johnson clarified how this change will affect what items will be for sale. Luhr confirmed that the open space requirements have been met.

Johnson opened the Public Hearing asking the agent for the applicant to address the Commission. Gayla Miller, applicant, addressed questions regarding the current rate for the units that are being rented, what the condos would sell for, if the vacation rentals that are advertised will continue to be vacation rentals and if they abide by all the rules.

Roger Ewing spoke against the project, expressing his concern about converting all of the commercial units to residential.

Chuck Reisser spoke against the project, expressing his concern about converting apartment units into condominiums.

Ray McGilligut spoke against the project, expressing his concern about this project not having any residential.

Johnson closed the Public Hearing seeing no further comments.

Lucas felt this conversion would make it more viable for a small business owner to buy a small condominium office space instead of the whole building and is in favor of the conversion since the commercial aspect of the project is remaining.

Luhr spoke in favor of the project and felt we are in need of some specific downtown design guidelines to help prevent this problem in the future.

Woodson spoke in favor of the conversion and felt it gives more people the opportunity to get into ownership. He wanted to know if they needed to add to Exhibit B the change in storage requirements and wanted to add that the existing tenants should have the first right of refusal for the purchase of the condos. Prater indicated those items could be added.

Lucas confirmed that the passageway door, that is to be removed, would not reduce the amount of commercial space. Prater indicated it would be a slight increase in commercial space.

Johnson spoke in favor of the project.

MOTION: Woodson, Lucas 2nd to approve the project as presented.

AMENDED MOTION: Woodson, Lucas 2nd to amend the motion to include the tenant criteria of appropriate notice and first right of refusal on purchase. VOTE: 4-0.

XI. OLD BUSINESS

A. Current Planning Processing List

Projects submitted for Administrative Approval (not single-family residential unless in MCR)

1. None

Prater noted the August agendas will be very heavy and highlighted the potential projects for the August 6th meeting. Woodson confirmed that the MND for each of two sub-divisions are completed and will be forthcoming in the near future. Prater updated the Commission on the status of the Maritime Museum project, based on Luhr's inquiry.

XII. NEW BUSINESS

XIII. ADJOURNMENT

Johnson adjourned the meeting at 8:10 p.m. to the next regularly scheduled Planning Commission meeting at the Veterans Hall, 209 Surf Street, on Monday, August 6, 2007, at 6:00 p.m.

Nancy Johnson, Chairperson

ATTEST:

Michael Prater
Secretary