



AGENDA NO: A-12

MEETING DATE: December 12, 2017

**THE FOLLOWING PUBLIC CORRESPONDENCE
WAS RECEIVED BY THE CITY COUNCIL
FOLLOWING POSTING OF THE AGENDA**

Dana Swanson

From: Sean Green
Sent: Monday, December 11, 2017 2:18 PM
To: Council; Eric Endersby; Dana Swanson
Subject: 12/12/17 Council Agenda Item A-12

Council and staff,

In reading through this rather significant ammendment to the Boatyard and Otter Rock facility lease agreements, I wish to express the following thoughts, concerns, and suggestions:

Boatyard

Discussion item #4 - a proposed CPI adjustment cap of 1% instead of the previously agreed upon 2.5% would seem to, based on proposed rent reduction, result in an annual minimum Boatyard rent of just \$66,150 in the year 2065; most recent 10 and 20-year CPI averages are +1.8 and +2.3, respectively, and 93442 well above.

Discussion item #6 - a semi-annual rent credit of \$19,800, as proposed, would seem to cost the City \$396,000 over 10 years.

Discussion item #7 - proposed allowable uses of additional office space and live-aboard may add to the location's uncertain occupancy at the building's northwest waterfront unit.

Discussion item #8 - seawall repairs should, in a perfect world, be prioritized over other repairs/remodels to ensure timely completion; contingent planning permits may help in this effort.

Otter Rock

Discussion item #5 - a proposed CPI adjustment cap of 1% instead of the previously agreed upon 2.5% would seem to, based on proposed rent reduction, result in an annual minimum Otter Rock rent of just \$51,450 in the year 2065; most recent 10 and 20-year CPI averages are +1.8 and +2.3, respectively, and 93442 well above.

Discussion item #8 - a semi-annual rent credit of \$12,500, as proposed, would seem to cost the City \$250,000 over 10 years.

Discussion item #9 - proposed allowable uses are wide-ranging and include wholesale seafood processing with loading and unloading; given the narrow nature of the parcel and tight coastal access, language should be inserted so as to avoid coastal access limitations present at other wholesale seafood pinch points (Giovani's, etc.); enforcement of Anderson Inn's coastal access between planter boxes (currently being used for hotel parking) may also aid Otter Rock leaseholder's compliance.

Discussion item #10 - seawall repairs should, in a perfect world, be prioritized over other repairs/remodels to ensure timely completion; contingent planning permits may help in this effort.

Thank you for your time and consideration. I wish all parties success moving forward.

Sean Green
Morro Bay



AGENDA NO: C-2

MEETING DATE: December 12, 2017

**THE FOLLOWING PUBLIC CORRESPONDENCE
WAS RECEIVED BY THE CITY COUNCIL
FOLLOWING POSTING OF THE AGENDA**

December 9, 2017

TO: Council & City Staff of Morro Bay

RE: Correspondence for MB City Council Meeting on December 12, 2017 & Agenda Item C-2

GENERAL PUBLIC COMMENT:

I am not able to attend this Council meeting due to my involvement in the Caroling Cops & Santa Trolley Parade on this evening. I have been a resident of North Morro Bay since 1995 and homeowner.

For the record...I feel it is important that the City of Morro Bay make needed repairs/replacements of existing sewer lines **BEFORE** designing the Lift Station and subsequent offsite piping. Our current underground piping that is leaking or damaged in some way be repaired before proceeding with any proposed building of the WRF or any further development within the City of Morro Bay.

Since the original 2015 Prop 218 rate increases were NEVER intended to build a \$75 Million sewer plant (as stated by the then Finance Director when I stood before you with addressing my concerns), and that the pull-out of Cayucos' participation was never included in the rate study increases, the City has enough funds to make the necessary repairs to the arteries that provide clean water to our residences and prohibit the leaching of toxins into our groundwater basin. This also should resolve all existing inflow/exfiltration problems in addition to provide an accurate basis for lift station and offsite piping design.

Thank you,

Carole Truesdale

12/9/17

Correspondence for City Council meeting on 12/12/17

ITEM C-2

As an active member of “Citizens For Affordable Living”, I must say we greatly appreciate the efforts and commitment of all advisory board members, city staff members (particularly our new City Manager and Director of Finance!), and consultants in committing to providing **a quarterly WRF project financial report in a timely manner going forward.** This has been one of our primary concerns regarding the WRF project.

To be honest though, most of us will not be able to make sense of it for a couple of reasons. It is highly detailed—which is fine for those of us who like this sort of stuff—but it has no context in terms of the **“big picture” project financial information** CAL has been asking for. In order for our organization to fully support the WRF project—**we will need summary level information we can all understand.** The items listed below would be a great start:

1. **PROJECT BUDGET?:** Maybe I am missing something—but it appears that the City is budgeting for the WRF **on a quarterly basis** and tracking revenues/expenditures against that budget, while also tracking these quarters on a year-to-date basis. **There appears to be is no project or annual budget tied to the quarterly reports.** I’m not sure what the value is of a detailed quarterly expenditure/revenue report if not viewed in the context of, and linked on a line by line basis, to a project (and annual) budget. Even projects at a “back of napkin” design stage have a project budget against which all expenditures are tracked. So—if a project budget does exist that is tied to these quarterly budgets—then please direct me to them. Otherwise—I would ask the city to revise the quarterly financial reports by tying them to a project budget—and make this available to the public at one of the meetings in January-2018. Ideally – this should first be reviewed by the WRFCAC and the appropriate financial subcommittee. Thanks.
2. **SPENT TO DATE?:** If the city wants to build more support for the WRF project, it would be good to prepare a summary level report on what has been spent to date (FY05/06 through FY16/17) on the WRF endeavor. A summary level report would include a line for consultants, city labor (with burden), land, and other. Just four lines for each of the FY’s. The key issue here is to build transparency and trust between the city and its residents by providing summary level information that anybody can understand.
3. **WRF EXPENDITURES VS. INFRASTRUCTURE REPAIRS:** The rationale for the rate increases has been a combination of capital costs for a new sewer plant, as well as deferred replacement/repair expense for existing infrastructure (specifically for the repair/replacement of underground piping that is leaking or has failed in some way). We would all like some clarity re: how the funds being generated by the rate increases since FY05/06 have and will be spent.
 - a. How much has been spent of the WRF (mentioned above).
 - b. How much has been spent (or is planned to be spent) for repair and/or replacement of existing underground piping? **(BTW--we believe that line repair/replacement should be completed BEFORE any design work on the lift station/offsite piping project is started. Otherwise---we could end up with an oversized plant like Los Osos has done).**
4. **SUMMARY LEVEL FINANCIAL REPORTING:** Please provide **summary level financial reporting that everybody can understand.** Detailed back up for those us who want more. Thank you!

Jeff Heller

On behalf of Citizens For Affordable Living (CAL)