



**AGENDA NO: I**

**MEETING DATE: April 28, 2020**

**AGENDA CORRESPONDENCE  
RECEIVED BY THE CITY COUNCIL  
FOLLOWING POSTING OF THE AGENDA IS ATTACHED  
FOR PUBLIC REVIEW PRIOR TO THE MEETING**

**From:** Lynda Merrill [REDACTED]  
**Sent:** Monday, April 27, 2020 4:07 PM  
**To:** Council  
**Subject:** Council Meeting / April 28th

*Dear Mayor and Councilmembers,*

*City owned RV parking would take away from established businesses which we are trying to help. The Rock Parking Lot is totally filled with cars on busy weekends and holidays. The already overused situation at the restroom would get worse. Even if the RVs have bathrooms they would probably use the public ones.*

*Paid parking could work for City lots, with self buying of tickets.*

*It would seem the process for selling/leasing these properties would take a long time and so hopefully we will be finished with the Virus Emergency by then. The kids are having a wonderful time on the Bike Park.*

*Bike Park at Little Morro Creek Road • 460 Bonita Street (Fire Station) • Teen Center – Atascadero Rd • Parking Lot – Next to Lemos (being sold to the Water/Sewer Funds for the WRF project) • Market Ave (Parking Lots, Residential Rental, Maintenance Shop) • 555 Harbor Street (City Hall) • 570 Dunes Street (Residential Rental) • 985 Shasta (Vacant Residential/Temporary Park – proposed site for bocce ball and greenhouse) • 955 Shasta (Public Works and Community Development) • Well Sites (Owned by Enterprise Fund)*

*Don't extend Visitor Center contract 6 months. It seems like a good time to shut it down as it isn't working in a lot of ways. People get their information differently now.*

*Thank you for all your work for the good of our City,  
Fond regards, Lynda Merrill*

[REDACTED]

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**From:** Sean Green [REDACTED]  
**Sent:** Saturday, April 25, 2020 6:15 PM  
**To:** Council  
**Cc:** Scott Collins; CityClerk  
**Subject:** 4/28/20 Special Meeting - Agenda Correspondence re: Budget

Council and staff,

Thank you for holding this special meeting to weigh Morro Bay's budgetary options. Below are two big ones I ask you to consider:

**570 Dunes Street sale or lease (city-owned residence)**

2018: vacated by MB Tourism Manager  
2018-2020 left vacant  
2018-2020 missed revenue opportunity of \$48,000 (\$2,000/mo per Zillow)  
2020 sale value of \$545,000 (Zillow/Redfin average)

Please sell this property for \$545,000 or seek a residential tenant immediately for 1-year agreement at \$2,000/mo. We can't afford to keep forgoing \$24,000/yr as it sits unused.

**Cannabis tax revenue activation**

2017  
Grover Beach council approves cannabis retail locations in May 2017  
Morro Bay council approves cannabis retail locations in November 2017

FY 2018-19  
Grover Beach cannabis tax revenue: \$950,000  
Morro Bay cannabis tax revenue: ?

FY 2019-20  
Grover Beach cannabis tax revenue: \$1,500,000 (estimated)  
Morro Bay cannabis tax revenue: ?

Please update the public as to why this process has dragged out and push hard to resolve it. If Morro Bay's two grantees of cannabis permits (Natural Healing Center and Perfect Union) are in any way to blame, please announce that publicly and put pressure on each to move forward or vacate their permit. If Morro Bay Council or staff is partially responsible, please announce that publicly and push hard to catch up to other jurisdictions who've successfully managed to fund police, fire, and more with cannabis tax revenue. This enormous (and overwhelmingly supported) revenue stream simply must be activated by the end of 2020.

Thank you for your consideration,

Sean Green  
Morro Bay, CA

## MEMO

**Date:** April 27, 2020

**Subject:** COVID-19 Special City Council Meeting

**To:** City Council

**From:** Ron Reisner

Having carefully read the April 28 Special City Council meeting agenda. I offer the following:

1. My most heartfelt response is – rather than the somewhat piecemeal and incremental measures outlined in the agenda item – and given the likelihood as mentioned in the agenda item of long term negative financial impacts on the City – take the opportunity to plan and execute a re-organization of City functions, administration, responsibilities and staff requirements. For instance, combine “Community Development” with “Public Works”, and create a streamlined Public Works department whose sole mission and job is to deliver essential services, and which utilizes sensible outsourcing.
2. Given the projected General Fund revenue losses outlined in the agenda item, Council’s obligation to the citizen/taxpayers is to **ensure F/Y quarter-by-quarter break-even – without gutting reserves**. The reserves are not the City’s money. By definition, reserves belong to the citizens of Morro Bay, and should not be expended to fund City functions and staff that are not, under the present and future circumstances, defined as being essential to the citizens.
3. Option number 2 from the list of “Business and Community Assistance” - the Master Fee Schedule - see item 1. above.
4. Option number 4 from the list of “Business and Community Assistance”, deferral of lease payments from Tidelands Trust master lease holders – unquestionably lease payments from March, April and June 2020 should be waived by the City. With few exceptions, leaseholders are experiencing zero revenue. Those few restaurants that are offering take-out are barely making more than payroll. As to deferral of lease payments, the City should commit now to lease payment deferral through December 31, 2020. Further, a deferral repayment plan should be based upon a leaseholder’s documented monthly revenue, as compared to the average of the past three years. Repayment should be applied in a graduated formula. If for instance in a given deferred month there is zero revenue, that month is waived. If in a given month there is 50% revenue, then repayment is 50% - and so on.
5. Using the Castle Winds money for micro loans to Tidelands Trust businesses is an interesting concept, but the total fund is only \$250K. Council should not

commit to the concept without having in hand the proposed loan criteria. Under no circumstances should such a loan concept be used for repayment of deferred lease payments (as is suggested on page 7 of 98, item 1.).

6. City Government near-term actions as described in pages 7 through 9 – a 5% salary concession, which results in an annualized savings of \$105K, is not the correct approach. See item 1. above. A hard-nosed business-like approach to re-organization would likely result in an order-of-magnitude salary savings.
7. The City Attorney – A 7% per hour reduction??? The law firm knows full well that moving forward in the next few months their billable hours to the City will increase. I have no idea what the current contract terms are, but if there is a suitable loophole, either renegotiate, or change representation.
8. There is discussion on page 9 of potentially using Measure Q funds for public safety. Well and good. There is also discussion in this section, as well as others, of “essential services”. I encourage Council to not conflate public safety with essential services, and to adopt a working definition of “essential services”. For instance, in the case of City financial planning under present circumstances, essential services should not be defined by classes of occupations legislated by government to have special restrictions in regard to labor actions such as not being allowed to legally strike (a common definition). Activities other than public safety which should be defined as essential services include utilities, construction support, business licensing, healthcare, food, and the like.
9. Lastly, the agenda item graphics of land label all Tidelands Trust lands as “City-Owned Properties” – which they are not. Tidelands are held in trust for the people of California by the State. The sale of trust tidelands into private ownership is prohibited by the State Constitution and by statute.

[REDACTED]

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**From:** Giovanni DeGarimore <sales@giovanisfishmarket.com>  
**Sent:** Tuesday, April 28, 2020 11:30 AM  
**To:** Eric Endersby  
**Cc:** CityClerk; 'Giovanni Comin'; [REDACTED] Cathy Novak  
**Subject:** City Council Special Meeting 4/28/2020

Eric-

I saw a copy of todays agenda : <http://morrobayca.gov/ArchiveCenter/ViewFile/Item/5319>

*“Sale or Lease of Property The City of Morro Bay currently owns approximately 215 acres of real property in 72 parcels. Included in the 72 parcels are six parcels outside the City’s corporate boundary. This does not include any of the City’s Rights of Way or easements. Rights of Way and easements are only for the public use as long as they are needed for that purpose. Except in the case of fee owned Rights of Way, should the public’s rights be abandoned or vacated, they revert back to the underlying property owner. As can CC\_2020-04-28 Special Mtg Page 12 of 98 be seen on Attachment 12, 16 parcels have been identified to have some immediate development/redevelopment potential, four of which are already in the process of being sold. The 16 parcels identified that have potential for sale/lease are identified below and will be discussed in further detail during the study session. Several of these sites have existing uses taking place on them and with user groups, so any consideration of those properties should include outreach to the users groups to obtain their input. Should Council be interested in pursuing the sale or lease of any of these properties listed below, staff would obtain a market analysis to assess either sale or lease value.”*

I noticed the “triangle” portion of our lease that abuts our real property was identified as a potential property for sale. (Property #36 PAGE 68)

I assume this is a formality as a precursor to steps taken to mitigate impact from the Covid outbreak, nonetheless, I just would like it entered into the record that my family would have interest in purchasing the triangle as we’ve mentioned many times before.

Please keep me apprised of any developments as it pertains to the property or potential listing or sale thereof.

Sincerely,

Giovanni DeGarimore  
Owner, Giovanni’s Fish Market



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## Dana Swanson

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**From:** Erica Crawford <erica@morrochamber.org>  
**Sent:** Tuesday, April 28, 2020 9:49 AM  
**To:** Scott Collins; Dana Swanson; John Headding; Dawn Addis; Robert Davis; Marlys McPherson; Jeffrey Heller  
**Cc:** Stephen Peck  
**Subject:** Chamber Comments for Special Meeting  
**Attachments:** Chamber Comments 4.28.20 with attachment.pdf

Hello Honorable Mayor and Council and Mr. Collins,

Please find our comments for the special City Council meeting this afternoon attached. Thank you for all of your hard work!

Thank you,  
Erica

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**Erica D. Crawford**  
President/CEO  
w: 805.772.4467  
m: 917.378.2454





Dear Mayor, Council and Mr. Collins,

It goes without saying that you are navigating our community through truly uncharted waters. The comprehensive and fiscal emergency plan and business assistance program that is under consideration this afternoon is good work, and we applaud your staff for diving deep and emerging with this thoughtful and effective path forward for the City of Morro Bay. Special appreciation is due for the recognition of the interdependence of the business community, general community and City Government. Now more than ever, business needs local support to survive and our local community needs thriving businesses to generate tax revenue, jobs, and commercial activity to support essential city services.

The Chamber has worked closely with your staff over the last month. Our Governmental Affairs Committee (GAC) has pretty much suspended its planned work program and has been working on COVID-19 issues exclusively. At its regular meeting on April 1<sup>st</sup>, the GAC started a discussion of what might be the most effective things to do in the areas of Business Assistance, Public Works Stimulus, City Financial Sustainability, Marketing and Development, and support for New Development. The purpose of this exercise was to rate strategies as they related to the recovery of business, and not necessarily their overall desirability. The GAC rated over 50 different strategies, and narrowed those down to 15 that should be pursued by the Chamber and/or the City. The committee then met in a special session on April 15<sup>th</sup> to complete this rating exercise, and they were joined by your City staff including the City Manager, Tourism Manager, Finance Director, Community Development Director, and the Harbor Director.

The GAC's work was certainly timely. It has completed its work just as the county, state and country are beginning to focus more on recovery than on initial response. It has become obvious that we can only "work" our way out of where we are now through a responsible transition from "stay home" to a "modified normal". The Chamber's Board of Directors met, reviewed, and approved the GAC's recovery plan strategy at its regular meeting April 21<sup>st</sup>.

Attached is the result of the rating and ranking exercise, along with a timeline and responsible agencies. Our Chamber staff is already working on many of the items identified for the Chamber. However, new work program items include support for the City Sales Tax, re-opening strategies and conditions, paid parking, and waterfront camping. Additionally, the Tidelands Lease and Waterfront recommendations that have been worked on over the last 16 months, pre-crisis, should prove useful on the city's road to long-term fiscal sustainability.

Thank you for your commitment to the community in its entirety, and for rising to meet this very challenging occasion.

Sincerely,

Erica D. Crawford

President/CEO

Morro Bay Chamber of Commerce

April 28, 2020



### Morro Bay Recovery Plan Strategy Evaluation

Stimulus Strategy	Time Frame (Days)						Facilitator/Implementer (Who Should Do It?)							
	0-30 Days	30-90 Days	90-180 Days	180-360 Days	360-540 Days	City	TBID/SLOCAL	CalPoly/Cuesta	CalPoly/CIE/SBDC	Morro Bay Chamber	Private Sector	Other Non Profits	County /Region	State /Federal
<b>Marketing and Promotions</b>														
Location "Branding"														
Direct Mail (Local)														
Direct Mail (Regional)														
<b>Wayfinding Signs</b>														
Waterfront Business Improvement District														
Morro Bay Blvd Business Improvement District														
Quintana Business Improvement District														
North Morro Bay Business Improvement District														
Visitor Center (brick and mortar)														
Visitor Center (virtual/mobile)														
SD Region Focus														
Business to Business														
Local Events														
<b>New Development</b>														
<b>Permit Expediting/Streamlining</b>														
Adopt General Plan/New Zoning														
Objective Development Standards														
Morro Elementary School Site														
Development Ombudsmen														
WRF/Atascadero Road/Lila Keiser Reuse Plan														
Power Plant Reuse Plan														
Market Plaza Reuse														
<b>Housing</b>														

Origin Key  
 ESP--Economic Vision Plan  
 CJP--City Capital Improvement Plan (2019/2020)  
 LEAP-Local Economic Action Plan  
 TBID--Tourism Business Improvement District Strategy Plan