CITY OF MORRO BAY
CITY COUNCIL
AGENDA

The City of Morro Bay provides essential public services and infrastructure to maintain a safe, clean and healthy place for residents and visitors to live, work and play.

Regular Meeting
Tuesday, October 13, 2020 – 5:30 P.M.
Held Via Teleconference

ESTABLISH QUORUM AND CALL TO ORDER
MOMENT OF SILENCE
PLEDGE OF ALLEGIANCE
RECOGNITION
CLOSED SESSION REPORT
MAYOR & COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS
CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS
PRESENTATIONS

- Domestic Violence Awareness Month Proclamation
- Presentation of Business Heroes Awards

PUBLIC COMMENT

Pursuant to Section 3 of Executive Order N-29-20, issued by Governor Newsom on March 17, 2020, this Meeting will be conducted telephonically through Zoom and broadcast live on Cable Channel 20 and streamed on the City website (click here to view). Please be advised that pursuant to the Executive Order, and to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, the Veterans' Hall will not be open for the meeting.

Public Participation:

In order to prevent and mitigate the effects of the COVID-19 pandemic, and limit potential spread within the City of Morro Bay, in accordance with Executive Order N-29-20, the City will not make available a physical location from which members of the public may observe the meeting and offer public comment. Remote public participation is allowed in the following ways:

- *Community members are encouraged to submit agenda correspondence in advance of the meeting via email to the City Council at council@morrobayca.gov prior to the meeting and will be published on the City website with a final update one hour prior to the meeting start time. Agenda correspondence received less than an hour before the meeting start time may not be posted until after the meeting.*

- *Members of the public may watch the meeting either on cable Channel 20 or as streamed on the City website.*

- *Alternatively, members of the public may watch the meeting and speak during general Public Comment or on a specific agenda item by logging in to the Zoom webinar using the information provided below. Please use the "raise hand" feature to indicate your desire to provide public comment. Each speaker will be allowed three minutes to provide input.*

Please click the link below to join the webinar:

- *https://us02web.zoom.us/j/82722747698?pwd=aWZpTzcwTHlRTk9xaTlmWVNWRWFUQT09*
  Password: 135692

- *Or Telephone Attendee: 1 (408) 638-0968 or 1 (669) 900 6833 or 1 (346) 248 7799; Webinar ID: 827 2274 7698; Password: 135692; Press * 9 to "Raise Hand" for Public Comment*

A. CONSENT AGENDA

Unless an item is pulled for separate action by the City Council, the following actions are approved without discussion. The public will also be provided an opportunity to comment on consent agenda items.

A-1 APPROVAL OF MINUTES FOR THE SEPTEMBER 8, 2020, CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE SEPTEMBER 17, 2020, CITY COUNCIL SPECIAL CLOSED SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF MINUTES FOR THE SEPTEMBER 24, 2020, CITY COUNCIL SPECIAL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-4 APPROVAL OF MINUTES FOR THE SEPTEMBER 30, 2020, CITY COUNCIL SPECIAL CLOSED SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-5 ADOPT RESOLUTION NO. 87-20 APPROVING FISCAL YEAR 2019/20 FOURTH QUARTER YEAR-END BUDGET ADJUSTMENTS; (FINANCE DEPARTMENT)

RECOMMENDATION: Staff recommends that the City Council adopt Resolution No. 87-20 approving Fiscal Year 2019/20 Fourth Quarter Year-End Budget Adjustments.

A-6 CONSIDERATION OF APPROVAL OF CONDITIONAL CONSENT OF LANDOWNER PERTAINING TO LEASE SITE REDEVELOPMENT PROPOSAL FOR LEASE SITE 78-81/78W-81W, LOCATED AT 701 EMBARCADERO (DUTCHMAN'S SEAFOOD HOUSE) TO VAN BEURDEN INVESTMENTS; (HARBOR DEPARTMENT)

RECOMMENDATION: Staff recommend the City Council grant Conditional Consent of Landowner (COL) approval to Van Beurden Investments for their proposal to redevelop a portion of Lease Site 78-81/78W-81W as described in this staff report.

A-7 ADOPTION OF RESOLUTION NO. 88-20 APPROVING REVISIONS TO THE SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY JOINT POWERS AGREEMENT (JPA) TO CONSOLIDATE WITH SOUTH COUNTY TRANSIT JPA AND PROVIDE CLARIFYING OPERATIONAL AMENDMENTS; (CITY MANAGER)

RECOMMENDATION: Staff recommends approval of Resolution No. 88-20 authorizing execution of the amended and restated Joint Powers Agreement (JPA) for the San Luis Obispo Regional Transit Authority (RTA) allowing consolidation of South County Transit into the San Luis Obispo Regional Transit Authority and approving clarifying operational amendments to the RTA JPA.

A-8 APPROVAL OF RESOLUTION NO. 89-20 AUTHORIZING THE CITY OF MORRO BAY TO ENTER INTO A $85,000 2020/2021 BOATING SAFETY AND ENFORCEMENT EQUIPMENT GRANT CONTRACT WITH THE STATE OF CALIFORNIA DEPARTMENT OF PARKS AND RECREATION, DIVISION OF BOATING AND WATERWAYS FOR PURCHASE OF PORT SAN LUIS' SURPLUS 26-FOOT HARBOR PATROL VESSEL; (HARBOR DEPARTMENT)

RECOMMENDATION: Staff recommends the City Council adopt Resolution No. 89-20, authorizing the Harbor Director to execute and act as the City's agent for the attached Boating Safety and Enforcement Equipment Grant Agreement No. C20L0605 with the State of California Department of Parks and Recreation, Division of Boating and Waterways in the amount of $85,000 to purchase Port San Luis Harbor District's surplus 26-foot Radon patrol vessel.

A-9 HARBOR ADVISORY BOARD MEETING SCHEDULE AMENDMENT REQUEST; (HARBOR DEPARTMENT)

RECOMMENDATION: Staff recommends the City Council adopt Resolution No. 90-20 approving a request from the Harbor Advisory Board (HAB) to establish January, April and July as three months per each calendar year the HAB would not have a regularly scheduled monthly meeting.

A-10 PROCLAMATION DECLARING OCTOBER 2020 DOMESTIC VIOLENCE AWARENESS MONTH; (ADMINISTRATION)

RECOMMENDATION: Approved as submitted

B. PUBLIC HEARINGS

B-1 INTRODUCTION AND FIRST READING OF ORDINANCE 640; AMENDMENTS TO MORRO BAY MUNICIPAL CODE, REPEALING CHAPTER 5.47 (SHORT-TERM VACATION RENTAL PERMIT) AND ADDING CHAPTER 17.41 (SHORT-TERM VACATION RENTALS) SO AS TO PROVIDE REGULATIONS TO PROTECT THE QUALITY AND CHARACTER OF OUR RESIDENTIAL NEIGHBORHOODS THROUGH APPLICATION OF DENSITY LIMITATIONS, EXPANDED PERMIT REQUIREMENTS AND OPERATIONAL REQUIREMENTS; (COMMUNITY DEVELOPMENT/CITY MANAGER)

RECOMMENDATION: Council introduce for first reading by number and title only, with further reading waived, Ordinance No. 640, Repealing Chapter 5.47 (Short-Term Vacation Rental Permit) of Title 5 (Business Tax Certificates and Regulations) and adding Chapter 17.41 (Short-Term Vacation Rentals) of Title 17 (Zoning) of the Morro Bay Municipal Code relating to the permitting and operation of short-term vacation rentals.

C. BUSINESS ITEMS

C-1 CONSIDERATION OF PROPOSED MORRO BAY SMALL BUSINESS GRANT PROGRAM, TO BE FUNDED BY CALIFORNIA SENATE BILL 1090 FUNDS; (FINANCE DIRECTOR/ACTING PUBLIC WORKS DIRECTOR/CITY MANAGER)

RECOMMENDATION: City Council adopt Resolution No. 91-20, approving the Morro Bay Small Business Grant Program to support local businesses impacted by COVID-19 and to be funded entirely through California Senate Bill (SB) 1090 funds, and provide direction to staff as appropriate.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

E. ADJOURNMENT

The next Regular Meeting will be held on **Tuesday, October 27, 2020 at 5:30 p.m.** via teleconference.

THIS AGENDA IS SUBJECT TO AMENDMENT UP TO 72 HOURS PRIOR TO THE DATE AND TIME SET FOR THE MEETING. PLEASE REFER TO THE AGENDA POSTED AT CITY HALL FOR ANY REVISIONS OR CALL THE CLERK'S OFFICE AT 805-772-6205 FOR FURTHER INFORMATION.

MATERIALS RELATED TO AN ITEM ON THIS AGENDA SUBMITTED TO THE CITY COUNCIL AFTER DISTRIBUTION OF THE AGENDA PACKET ARE AVAILABLE FOR PUBLIC INSPECTION UPON REQUEST BY CALLING THE CITY CLERK'S OFFICE AT 805-772-6205.

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN A CITY MEETING, PLEASE CONTACT THE CITY CLERK'S OFFICE AT LEAST 24 HOURS PRIOR TO THE MEETING TO INSURE REASONABLE ARRANGEMENTS CAN BE MADE TO PROVIDE ACCESSIBILITY TO THE MEETING.

MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – SEPTEMBER 8, 2020
TELECONFERENCE – 5:30 P.M.

AGENDA NO: A-1

MEETING DATE: October 13, 2020

City Council conducted this meeting in accordance with Section 3 of California Governor Newson's Executive Order N-29-20 issued on March 17, 2020 in response to the present State of Emergency in existence due to the threat of COVID-19. This meeting was held via teleconference for all participants.

PRESENT:	John Headding	Mayor
	Dawn Addis	Council Member
	Robert Davis	Council Member
	Jeff Heller	Council Member
	Marlys McPherson	Council Member
ABSENT:	None	
STAFF:	Scott Collins	City Manager
	Chris Neumeyer	City Attorney
	Dana Swanson	City Clerk
	Jennifer Callaway	Finance Director/Interim Public Works Director
	Scot Graham	Community Development Director
	Steve Knuckles	Fire Chief
	Jody Cox	Police Chief
	Eric Endersby	Harbor Director
	Damaris Hanson	Environmental Programs Manager

ESTABLISH QUORUM AND CALL TO ORDER
Mayor Headding called the meeting to order at 5:30 p.m., with all members present.

MOMENT OF SILENCE
PLEDGE OF ALLEGIANCE
RECOGNITION – None

CLOSED SESSION REPORT – City Attorney Neumeyer stated no reportable action was taken by the City Council in accordance with the Brown Act.

MAYOR & COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS
https://youtu.be/f0Muhj63DHw?t=160

CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS
https://youtu.be/f0Muhj63DHw?t=547

PRESENTATIONS
https://youtu.be/f0Muhj63DHw?t=867

- Presentation of Business Heroes Awards to the following Morro Bay businesses:
  - The Avocado Shack
  - Fitness Works
  - Top Dog Coffee
  - The Galley Restaurant

PUBLIC COMMENT
https://youtu.be/f0Muhj63DHw?t=1561

Peter Williamson, SLOCOG, presented Pavement to Parks, an effort to celebrate the transformation of underutilized public space around the County into parklets and outdoor dining areas.

Don Maruska, Morro Bay business owner, spoke regarding the City's finances and stated his support for the one-cent sales tax measure.

John Weiss, Morro Bay, respectfully disagreed with Mr. Maruska regarding the sales tax measure, suggesting the City can live within its means; agreed with recommendations by the Planning Commission and TBID to reduce the number of vacation rentals; and expressed concern regarding zoning and affordable housing, noting 745 Harbor is zoned G-O/S.4 (office and housing), which precluded development of that property.

Betty Winholtz, Morro Bay, spoke regarding Item C-2, stating the price paid of $350,000 should be noted in the recitals, not $265,000; commented the Harbor Advisory Board was not in favor of RV parking along the waterfront; asked what funds were used for placards and t-shirts; and stated her opposition to the sales tax measure.

Dan Sedley, Morro Bay, spoke in opposition to the sales tax measure and disputes statements 70% of sales tax is paid for by tourists; He also objected to the overnight RV parking program.

Mayor Headding closed public comment.

The Council and staff responded to issues raised during public comment.

A. CONSENT AGENDA
https://youtu.be/f0Muhj63DHw?t=3187

Unless an item is pulled for separate action by the City Council, the following actions are approved without discussion. The public will also be provided an opportunity to comment on consent agenda items.

A-1 APPROVAL OF MINUTES FOR THE AUGUST 11, 2020, CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FOR THE AUGUST 25, 2020, CITY COUNCIL SPECIAL CLOSED SESSION MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 DESIGNATION OF VOTING DELEGATE AND ALTERNATE AT LEAGUE OF CALIFORNIA CITIES 2020 ANNUAL CONFERENCE BUSINESS MEETING; AND, AUTHORIZE THE VOTING DELEGATES TO APPROVE PROPOSED RESOLUTION AT THE ANNUAL MEETING CALLING FOR AN AMENDMENT TO SECTION 230 OF THE COMMUNICATIONS DECENCY ACT OF 1996 TO REQUIRE SOCIAL MEDIA COMPANIES TO REMOVE MATERIALS WHICH PROMOTE CRIMINAL ACTIVITIES; (ADMINISTRATION)

RECOMMENDATION: Staff recommends the City Council:
1) Select Mayor Headding, as the voting delegate, and Council Member Heller, as the alternate voting delegate, for the upcoming annual business meeting to be held at the League of California Cities Annual Conference; and 2) Authorize City Clerk to sign the League of California Cities' form affirming the selection of the voting

delegate and the alternate voting delegate; and 3) Authorize the selected voting delegate (or selected alternate as needed) to approve the proposed Resolution.

A-4 ADOPTION OF ORDINANCE NO. 638 TO AMEND SECTION 8.20.030 OF THE MORRO BAY MUNICIPAL CODE TO INCREASE PENALTIES FOR UNAUTHORIZED RV AND VEHICLE CAMPING WITHIN THE CITY OF MORRO BAY; (CITY ATTORNEY)

RECOMMENDATION: Staff recommends Council consider adopting, by second reading and by title only with further reading waived, Ordinance No. 638 entitled "An Ordinance of the City Council of the City of Morro Bay, California, amending section 8.20.030 of the Morro Bay Municipal Code to Increase Penalties for Unauthorized RV and Vehicle Camping within the City of Morro Bay."

Mayor Headding opened public comment for the Consent Agenda.

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

MOTION: Council Member Davis moved approval of all items on the Consent Agenda. The motion was seconded by Council Member McPherson and carried 5-0 by roll call vote.

B. PUBLIC HEARINGS - NONE

C. BUSINESS ITEMS

C-1 TOURISM STAKEHOLDER GROUP REPORT AND RECOMMENDATIONS REGARDING DIRECTION AND MANAGEMENT OF THE TOURISM MARKETING FUNCTION IN MORRO BAY; (CITY MANAGER)
https://youtu.be/f0Muhj63DHw?t=3236

City Manager Collins provided the report and, along with Chuck Davison, Visit SLO CAL, responded to Council inquires.

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

Maggie Juren clarified the transient occupancy tax rate is set by the City, while the TBID assessment can be raised or lowered at the renewal point. As a member of the Tourism Stakeholder Group, she supported the recommendations and agreed it was an opportunity to expand marketing to higher spending clients.

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

MOTION: Council Member Davis moved the Council support tourism stakeholders to initiate the process to move from the 1989 TBID law to the 1994 TBID law; that we convene a transition team of community stakeholders to design a new tourism management model, with the City of Morro Bay in a supporting role rather than the leading role; and, that we work to diversify the visitor profile by creating a new identity for Morro Bay, moving it away from a primarily budget destination to one that attracts a wider spectrum of visitors in terms of income. The motion was seconded by Council Member McPherson and carried 5-0 by roll call vote.

C-2 AMENDMENT NO. 2 TO MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN MORRO BAY OPEN SPACE ALLIANCE (MBOSA) AND CITY TO PROTECT EAGLE

ROCK/CERRITO PEAK IN PERPETUITY AS UNDEVELOPED PUBLIC OPEN SPACE THROUGH CONSERVATION EASEMENT; AMENDMENT NO. 1 TO MOU FOR PAYMENT FROM MBOSA TO CITY OF $265,000 BY OCTOBER 31, 2020; (CITY ATTORNEY)
https://youtu.be/f0Muhj63DHw?t=6420

City Attorney Neumeyer provided the report and responded to Council inquires.

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

Glenn Silloway, Morro Bay, speaking on behalf of the MBOSA Board of Directors, thanked the individuals, families, businesses, and foundations who supported this effort to maintain Eagle Rock as open space.

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

MOTION: Council Member McPherson moved to approve Amendment No. 2 to Memorandum of Understanding between Morro Bay Open Space Alliance and the City to protect Eagle Rock, also known as Cerrito Peak, in perpetuity as undeveloped public open space through conservation easement; and, ratify Amendment No. 1 to the MOU; and accept the $265,000 that they have so generously raised. The motion was seconded by Council Member Davis and carried 4-1 by roll call vote with Council Member Heller opposed.

C-3 AUTHORIZE SUBMITTAL OF A LETTER OF SUPPORT TO THE OCEAN PROTECTION COUNCIL SOLICITATION OF GRANT PROPOSALS FOR UPGRADES TO MORRO ROCK PARKING LOT TO REDUCE POLLUTED STORMWATER RUNOFF TO OCEAN AND CERTAIN CITY COMMITMENTS FOR PROJECT; (PUBLIC WORKS)
https://youtu.be/f0Muhj63DHw?t=7482

Acting Public Works Director Callaway introduced the item and handed it over to Environmental Programs Manager Hanson and Daniel Apt, President of Olanu, who provided the report and responded to Council inquires.

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

MOTION: Council Member Davis moved to Council authorize staff to submit a letter of support for the Ocean Protection Council solicitation of grant proposals for upgrades to Morro Rock parking lot to reduce polluted stormwater runoff to the ocean and to make certain City commitments for the project. The motion was seconded by Mayor Headding and carried 5-0 by roll call vote.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS
https://youtu.be/f0Muhj63DHw?t=9408

Council Member Heller requested discussion of future plans for the existing Wastewater Treatment Plant and Corp Yard. The Council agreed this was an important topic for future discussion, likely in 2021.

E. ADJOURNMENT

The meeting adjourned at 8:10 p.m.

Recorded by:

Dana Swanson
City Clerk

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MINUTES - MORRO BAY CITY COUNCIL
SPECIAL CLOSED SESSION MEETING
SEPTEMBER 17, 2020 – 4:00 P.M.
TELECONFERENCE

AGENDA NO: A-2

MEETING DATE: October 13, 2020

City Council conducted this meeting in accordance with Section 3 of California Governor Newson's Executive Order N-29-20 issued on March 17, 2020 in response to the present State of Emergency in existence due to the threat of COVID-19. This meeting was held via teleconference for all participants.

PRESENT:	John Headding	Mayor
	Robert Davis	Council Member
	Jeff Heller	Council Member
	Marlys McPherson	Council Member
ABSENT:	Dawn Addis	Council Member
STAFF:	Scott Collins	City Manager
	Chris Neumeyer	City Attorney
	Collin Tanner	Special Counsel
	Jennifer Callaway	Finance Director

ESTABLISH QUORUM AND CALL TO ORDER
Mayor Headding called the meeting to order at 4:00 p.m. with all but Council Member Addis present.

SUMMARY OF CLOSED SESSION ITEMS – The Mayor read a summary of Closed Session items.

CLOSED SESSION PUBLIC COMMENT – Mayor Headding opened public comment for items on the agenda, hearing none, the public comment period was closed.

The City Council moved to Closed Session and heard the following items:

CS-1 CONFERENCE WITH LABOR NEGOTIATORS
A closed session will be held, pursuant to Government Code § 54957.6, with City negotiator and designated labor representative Colin Tanner, special labor counsel, regarding labor negotiations with employee organization, Morro Bay Firefighters' Association

RECONVENE IN OPEN SESSION – The City Council reconvened in Open Session. The Council did not take any reportable action in accordance with the Brown Act.

ADJOURNMENT - The meeting adjourned at 4:12 p.m.

Recorded by:

Dana Swanson
City Clerk

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AGENDA NO: A-3

MEETING DATE: October 13, 2020

MINUTES - MORRO BAY CITY COUNCIL
SPECIAL MEETING – SEPTEMBER 24, 2020
TELECONFERENCE – 3:00 P.M.

City Council conducted this meeting in accordance with Section 3 of California Governor Newson's Executive Order N-29-20 issued on March 17, 2020 in response to the present State of Emergency in existence due to the threat of COVID-19. This meeting was held via teleconference for all participants.

PRESENT:	John Headding	Mayor
	Dawn Addis	Council Member
	Robert Davis	Council Member
	Jeff Heller	Council Member
	Marlys McPherson	Council Member
ABSENT:	None	
STAFF:	Scott Collins	City Manager
	Dana Swanson	City Clerk
	Chris Neumeyer	City Attorney
	Colin Tanner	Special Counsel
	Jennifer Callaway	Finance Director
	Steve Knuckles	Fire Chief

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Headding established a quorum and called the meeting to order at 3:00 p.m. with all members present.

PUBLIC COMMENT FOR ITEMS ON THE AGENDA

Mayor Headding opened public comment; seeing none, the public comment period was closed.

SPECIAL MEETING:

I. APPROVAL OF TEMPORARY SIDE LETTER AGREEMENT BETWEEN THE CITY OF MORRO BAY AND THE MORRO BAY FIREFIGHTERS ASSOCIATION, REGARDING SUCCESSOR MOU NEGOTIATIONS AND TEMPORARY SALARY REDUCTIONS, AND APPROVAL OF AMENDED FY 2020/21 COMBINED SALARY SCHEDULE; (CITY MANAGER/HUMAN RESOURCES)

City Manager Collins introduced the item and turned it over to City Clerk/Human Resources Manager Swanson to present the report.

MOTION: Council Member Heller moved to adopt Resolution No. 85-20 approving a Temporary Side Letter Agreement between the City of Morro Bay and Morro Bay Firefighters Association (MBFFA) implementing a five percent salary reduction during ongoing negotiations for a Successor Memorandum of Understanding; and 2) Adopt Resolution No. 86-20 amending the FY 2020/21 Salary Schedule to reflect temporary salary reductions for members of the MBFFA. The motion was seconded by Council Member Addis and carried 5-0 by roll call vote.

ADJOURNMENT
The meeting adjourned at 3:08 p.m.

Recorded by:

Dana Swanson
City Clerk

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MINUTES - MORRO BAY CITY COUNCIL
SPECIAL CLOSED SESSION MEETING –
SEPTEMBER 30, 2020 – 3:00 P.M.
TELECONFERENCE

AGENDA NO: A-4

MEETING DATE: October 13, 2020

City Council conducted this meeting in accordance with Section 3 of California Governor Newson's Executive Order N-29-20 issued on March 17, 2020 in response to the present State of Emergency in existence due to the threat of COVID-19. This meeting was held via teleconference for all participants.

PRESENT:	John Headding	Mayor
	Dawn Addis	Council Member
	Robert Davis	Council Member
	Jeff Heller	Council Member
	Marlys McPherson	Council Member
ABSENT:	None	
STAFF:	Scott Collins	City Manager
	Chris Neumeyer	City Attorney
	June Ailin	Special Counsel

ESTABLISH QUORUM AND CALL TO ORDER
Mayor Headding called the meeting to order at 3:00 p.m. with all members present.

SUMMARY OF CLOSED SESSION ITEMS – The Mayor read a summary of Closed Session items.

CLOSED SESSION PUBLIC COMMENT – Mayor Headding opened public comment for items on the agenda, hearing non, public comment was closed.

The public comment period was closed.

The City Council moved to Closed Session and heard the following items:

CS-1 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

- Paragraph (1) of subdivision (d) Government Code Section 54956.9
- Name of Case: City of Morro Bay vs. Vistra Energy Corp., Case No. 20CV-0127, San Luis Obispo County Superior Court

RECONVENE IN OPEN SESSION – The City Council reconvened in Open Session. The Council did not take any reportable action in accordance with the Brown Act.

ADJOURNMENT - The meeting adjourned at 3:35 p.m.

Recorded by:

Heather Goodwin
Deputy City Clerk

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AGENDA NO: A-5
MEETING DATE: October 13, 2020

Staff Report

TO: **Mayor and City Council** **DATE: October 7, 2020**

FROM: **Jennifer Callaway, Finance Director**

SUBJECT: **Adopt Resolution No. 87-20 approving Fiscal Year 2019/20 Fourth Quarter Year-End Budget Adjustments**

RECOMMENDATION

Staff recommends that the City Council adopt Resolution No. 87-20 approving Fiscal Year 2019/20 Fourth Quarter Year-End Budget Adjustments.

DISCUSSION

As staff is preparing year-end entries to close out Fiscal Year 2019/20 books, budget variances were identified. Staff is recommending that the City Council adopt Resolution No. 87-20 authorizing staff to proceed with Fiscal Year 2019/20 Fourth Quarter year-end budget adjustments. With approval of staff's recommendation, the year-end close out process can continue in preparation for the auditor's field work scheduled for the week of October 19, 2020. Due to timing, this report was not presented to the Citizen's Finance Advisory Committee (CFAC) for prior review and comment to Council.

The proposed budget adjustments are generally minor, truing up revenues and expenditures to actual expenses. The proposed adjustments are summarized below:

General Fund Revenues:

- Transfer in from General Fund Emergency Reserves to fund COVID-19 related revenue losses, payoff of Tier II and III Unfunded Accrued Liabilities and increased Other Post Employment Benefit Costs due to calculation methodology change - $1,153,427
- Transfer in From Traffic Safety Fund to recognize additional grant funds - $532

Enterprise Fund Revenues:

- Transfer in to Water WIFIA Reserve Fund to account for WRF water surcharges collected in FY 2019/20 - $1,553,558
- Transer in to Sewer WIFIA Reserve Fund to account for WRF Sewer surcharges collected in FY 2019/20 = $2,172,277
- Transfer into Harbor Operating fund from Harbor Accumulatin fund to offset COVID Revenue losses and increased Other Post Employment Benefit Costs due to calculation methodology change - $145,924
- Transfer into Harbor Accumulation fund from operating fund to account for launch ramp parking receipts - $27,320

Prepared By: ___JC_____	**Dept Review: ___JC___**
City Manager Review: _____	**City Attorney Review: __CFN____**

Enterprise Fund Expenditures:

- Transfer from Water Operating fund to WIFIA Reserve Fund to account for WRF water surcharges collected in FY 2019/20 - $1,553,558
- Transer from Sewer Opearting fund to Sewer WIFIA Reserve Fund to account for WRF Sewer surcharges collected in FY 2019/20 = $2,172,277
- Transfer to Harbor Operating fund from Harbor Accumulatin fund to offset COVID Revenue losses and increased Other Post Employment Benefit Costs due to calculation methodology change - $145,924
- State Water Contract expenditure increase due to Oroville Dam failure and rehabilitation - $450,587
- Increased Other Post Employment Benefit Costs due to calculation methodology change for Water Fund - $24,347
- Increased Other Post Employment Benefit Costs due to calculation methodology change for Sewer Fund - $40,587
- Increased Other Post Employment Benefit Costs due to calculation methodology change for Harbor Fund - $23,854
- Transfer of cash from the boat launch ramp parking kiosk - $27,320
- Transfer from Sewer Accumulation fund to WRF Capital project - $1,889,343

Other Funds Revenues:

- Transfer into TBID fund from TBID Accumulation Fund due to COVID-19 related revenue loses increased Other Post Employment Benefit Costs due to calculation methodology change - $50,582
- Revenue increase to recognize additional revenues received in the traffic safety grant fund - $540
- Interest earned in City's Other Post Employment Benefits fund - $148,852

Other Funds Expenditures:

- Transfer to TBID Operating fund from TBID accumulation fund to offset COVID-19 revenue loss increased Other Post Employment Benefit Costs due to calculation methodology change - $50,582
- Transfer from General Fund Emergency Reserve to prefund City's Tidelands Stormwater Pocket Park Project – will be reimbursed when grant funding is received - $49,130
- Transfer to General Fund from General Fund Emergency Reserve to offset COVID-19 related revenue loss, payoff of Tier II and Tier III Unfunded Accrued Liabilities and increased Other Post Employment Benefit Costs due to calculation methodology change - $1,153,427
- Transfer out of Traffic safety grant fund to general fund of additional revenues received - $532
- Risk Management Expenditure increases for benefits, unemployment insurance and contract services - $60,864
- Expenditure incurred in project accumulation fund for traffic safety signage during COVID - $1,068
- Cloisters Assessment District expenditure increases for utilities and supplies - $22,142
- North Point Assessment District salary and benefit increases - $9,172
- Transfer from Parking In-Liue fund for parking improvements at Morro Rock Parking Lot for COVID-19 - $551
- Transfer from Impact Fees to fund General Plan Update - $16,177
- Transfer from General Plan Maintenance Fees to fund General Plan update - $18,077

Capital Projects Revenues:

- Transfer into Tidelands Stormwater Pocket Park from General Fund Emergency Reserve to prefund project. Will be reimbursed to General Fund Emergency Reserve when grant is received - $49,120
- Transfer into Morro Rock project from Parking In-Lieu fund for expenditures incurred at Morro Rock Parking Lot for parking lot improvements due to COVID-19 - $551
- Transfer in from Government Impract Fees and General Plan Maintenance Fee to fund General Plan update work - $34,254
- Transfer into WRF Capital project from Sewer accumulation fund to fund project on WRF construction - $1,889,343

Capital Projects Expenditures

- Expenditures incurred to improve Morro Rock Parking Lot related to COVID-19 Pandemic - $551
- Expenditures incurred for General Plan update - $57,640

CONCLUSION

Staff recommends that the City Council adopt Resolution No. 87-20 approving Fiscal Year 2019/20 Fourth Quarter Year-End Budget adjustments, allowing staff to continue preparing for the annual year-end audit and closure of FY 2019/20 financial records.

ATTACHMENTS

1. Resolution No. 87-20 Approving Fiscal Year 2019/20 Fourth Quarter Year-End Budget Adjustments

RESOLUTION NO. 87-20

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
APPROVING FISCAL YEAR 2019/20 FOURTH QUARTER YEAR-END BUDGET ADJUSTMENTS**

T H E C I T Y C O U N C I L
City of Morro Bay, California

WHEREAS, City staff is preparing year-end accounting entries to close out the City's Fiscal Year 2019/20 financial records; and

WHEREAS, in preparing year-end accounting entries staff have identified budget adjustments; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California,

1. The operating budgets of the City are amended by the additional revenues and expenditures, as shown on the attached Exhibit 1, to finalize Fiscal Year 2019/20 accounting records.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 13th day of October 2020, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
JOHN HEADDING, Mayor

ATTEST:

_____
DANA SWANSON, City Clerk

General Fund Revenues				
Fund	Prog	Acct	Description	Adjustment
001	7710	3802	Intrafund Transfer in from General Fund Emergency Reserves	1,153,427
001	7710	3820	Trans from Special Rev Fund (Traffic Safety)	532
			Total General Fund	**1,153,959**

General Fund Expenditures				
Fund	Prog	Acct	Description	Adjustment
			Total General Fund	**-**

Enterprise Funds Revenues				
Fund	Prog	Acct	Description	Adjustment
314	7710	3802	Intrafund Revenue Transfers in to Water WIFIA Reserve Fund	$ 1,553,558
324	7710	3802	Intrafund Revenue Transfers in to Sewer WIFIA Reserve Fund	$ 2,172,277
331	7710	3802	Intrafund Revenue Transfer in to Harbor Opperating Fund	$ 145,924
953	7710	3802	Intrafund Revenue Transfer in to Harbor Accumulation Fund	27,320
			Total Other Funds	**3,899,079**

Enterprise Funds Expenditures				
Fund	Prog	Acct	Description	Adjustment
311	7710	8410	Intrafund Expense Transfer	1,553,558
321	7710	8410	Intrafund Expense Transfer	2,172,277
953	7710	8410	Intrafund Expense Transfer	145,924
311	5240	6131	State Water Contract	450,587
311	5240	4913	OPEB - Water	24,347
321	5251	4913	OPEB - Sewer	40,587
331	6510	4913	OPEB - Harbor	23,854
331	7710	8410	Kiosk cash transfer for launch ramp parking	27,320
952	7710	8540	Transfer to WRF Capital Project	1,889,343
			Total Other Funds	**6,327,797**

Other Funds Revenues				
Fund	Prog	Acct	Description	Adjustment
007	7710	3802	Transfer in to TBID fund From TBID Accumulation Fund	50,582
280	4110	3990	Other Misc. Revenues	540
512	1111	3710	Interest Income	148,852
			Total Other Funds	**199,974**

Other Funds Expenditures				
Fund	Prog	Acct	Description	Adjustment
954	7710	8410	Intrafund Expense Transfer to TBID Operating Fund	50,582
051	7710	8410	Intrafund Expense Transfer to prefund pocket park	49,130
051	7710	8510	Transfer to General Fund	1,153,427
280	7710	85001	Transfers Out	532
430	4301	4910	Employer Paid Benefits	14,149
430	4314	6461	Unemployment Insurance	32,095
430	4340	6106	Contractual Services	14,620
470	4460	5501	Grounds Maitenance Supplies - COVID	1,068
570	6167	5501	Ground Maintenance Supplies	2,072
570	6167	6106	Contractual Services	8,036
570	6167		Utilites	12,034
565	6162		Salary & Benefits	9,172
299	7710	8501	Transfer to fund Morro Rock Improvement	551
900	7710	8501	Treansfer to fund General Plan Update	16,177
515		2790	General Plan Maitenance Fee	18,077
			Total Other Funds	**1,381,722**

Capital Projects Revenues				
Fund	Prog	Acct	Description	Adjustment
915	7710	3801	Transfer In to prefund Tidelands Storm Water Pocket Park project	49,130
915	7710	3801	Transfer In to fund Morro Rock Improvements	551
915	7710	6105	Transfer In to fund General Plan Update	34,254
922	7710	7710	Transfer in from Sewer accumulation fund to Fund WRF	1,889,343
			Total Other Funds	**1,973,278**

Capital Projects Expenditures				
Fund	Prog	Acct	Description	Adjustment
915	8660	5199	Morro Rock Parking Lot Imporvement	551
915	8700	6105	General Plan Update	57,640
			Total Other Funds	**58,191**

Grand Total: Revenues **7,226,290.38**

Grand Total: Expenditures **7,767,710.47**

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AGENDA NO: A-6

MEETING DATE: October 13, 2020

Staff Report

TO: **Honorable Mayor and City Council** **DATE: September 29, 2020**

FROM: **Eric Endersby, Harbor Director**

SUBJECT: **Consideration of Approval of Conditional Consent of Landowner Pertaining to Lease Site Redevelopment Proposal for Lease Site 78-81/78W-81W, Located at 701 Embarcadero (Dutchman's Seafood House) to Van Beurden Investments**

RECOMMENDATION

Staff recommend the City Council grant Conditional Consent of Landowner (COL) approval to Van Beurden Investments for their proposal to redevelop a portion of Lease Site 78-81/78W-81W as described in this staff report.

ALTERNATIVES

Do not grant Van Beurden Investments COL approval for their redevelopment proposal, and direct staff accordingly.

FISCAL IMPACT

Slight positive fiscal impact anticipated to the percent gross sales rents received from this site because the now-vacant fish buying space on the site is proposed to be converted to a retail or other revenue-generating use (fish buying at this site's scale does not generate any percent gross revenues for the City). This site does generate significant percent gross rents, so any additional retail or other sales should add to the revenues received by the City.

BACKGROUND

The 40-year lease for the Dutchman's Seafood House site was executed in 1993 after a complete site redevelopment by Paul and Leon Van Beurden of Van Beurden Investments. The site currently includes the Dutchman's Seafood House restaurant, several retail establishments including Dolphin Shirt Company, and until recently a commercial fish (slime eel) buyer occupying the site's wharf/pier area and a small building space.

Because the lease for this site has a 40-year term, there is the possibility an amendment can be made to provide a longer lease term up to a 50-year maximum, and the Van Beurdens wish to pursue such an amendment based on a modest site redevelopment to repurpose some space and bring it up to date in today's Embarcadero business environment. Any additional lease term years have yet to be agreed upon, and will not be negotiated until the Van Beurdens receive Concept Plan approval for their proposal from the Planning Commission.

01181.0024/673459.1

Prepared By: ___EE_____ **Dept Review: ___EE___**

City Manager Review: ___SC___ **City Attorney Review: ___ JWP___**

This proposal was brought to the City Council in closed session on August 11, 2020 for input and direction, resulting in the COL now being presented for consideration.

DISCUSSION

The Van Beurdens are proposing the following modest site redevelopment as described below, and illustrated in Attachment 1 to this staff report:

1. Remove approximately half of the old fish buyer's wharf and convert it to a new ~450 sq. ft. public deck area adjoining the Harborwalk. The fish buyer vacated last year due to changes in the industry, and operating that business in this core tourist commercial zone has been problematic. The remaining wharf pilings and other structures would be repaired and modified to accommodate the public deck, and the small building space formerly used by the buyer will be converted to a retail use, yet to be determined.

   In addition, the Van Beurdens recently (2014) completed significant structural repairs of 14 existing wood pilings supporting the buildings and Harborwalk overhanging the water.

2. Complete the Harborwalk through the site where it currently dead-ends after passing the restaurant in the fish wharf area, and complete an ADA-compliant transition of the Harborwalk between this site and the Rose's Landing site next door, where currently there is no public connection.

3. New portions of 10-foot wide Harborwalk are being added to an existing 10-foot wide wharf area, resulting in a new 20-foot wide public Harborwalk section that will connect to the existing 8-foot wide Harborwalk. In addition, a new 21-foot wide public viewing deck area is being created out of the old fish-buyer's pier.

4. Remove the existing covered/enclosed outdoor patio area currently being used for outdoor dining, and convert it to Harborwalk/public area. New outdoor seating is being proposed in some of the open space facing the street where currently Dutchman's Seafood House has COVID related outdoor seating.

5. Re-side the entirety of the existing buildings in the same motif/color.

The proposed COL document, as shown in Attachment #2, contains certain milestones and parameters. Van Beurden Investments must:

1. Provide preliminary evidence of sufficient financing or funding to complete the project no later than January 5, 2021.

2. File a complete Conditional Use Permit (CUP) application or CUP amendment no later than January 15, 2021.

3. Obtain CUP or CUP amendment approval from the Planning Commission and City Council no later than October 15, 2021. This is commonly referred to as "Concept Plan" approval, and once obtained the Van Beurdens and City can begin negotiating the lease amendment to provide additional years to the lease commensurate with the project scope, scale and cost.

4. Negotiate the lease amendment to memorialize the project as a lease term condition and additional years negotiated on or before January 15, 2022. Once negotiated and approved,

the lease amendment will replace the COL and remaining COL milestones and parameters. Among other things, the lease amendment will include the following additional milestones to be met by the Van Beurdens:

a. On or before 120 days after the lease amendment is executed, provide final evidence of sufficient financing or funding to complete the project.
b. File a complete application for Coastal Development Permit from the Coastal Commission and other required permits on or before February 15, 2022.
c. Obtain Coastal Development Permit and other permit approvals on or before July 15, 2022.
d. File for a complete application for Precise Plan approval, if necessary, from the Planning Commission on or before October 15, 2022.
e. Obtain Precise Plan approval, if necessary, on or before February 15, 2023.
f. File a complete application for building permits on or before May 15, 2023.
g. Obtain building permits on or before August 15, 2023.
h. Commence construction on or before December 1, 2023.
i. Complete construction and receive Certificate of Occupancy on or before November 30, 2024.

CONCLUSION

If the COL is approved, then, because this is just a conceptual "OK" from the City Council for the Van Beurdens to proceed, the full normal permitting processes would occur through the Planning Commission, City Council, Coastal Commission and other applicable permitting agencies.

Lease Site 78-81/78W-81W is well run and maintained, popular and one of the City's top waterfront lease site revenue-generators. Van Beurden Investments is a tenant in good standing, as defined in the lease management policy, and this proposal from the Van Beurdens follows the lease management policy stipulations for such a proposal.

ATTACHMENTS

1. Lease Site 78-81/78W-81W redevelopment proposal drawing from Van Beurden Investments
2. Draft Conditional Consent of Landowner approval document

01181.0024/673459.1

City of Morro Bay
Tidelands Trust Grant Properties
Consent of Landowner Agreement Form

Consent For:

Redevelopment of Lease Site 78-81/78W-81W, 701 Embarcadero Road, by Van Beurden Investments, as proposed to and approved by the City Council on October 13, 2020, and negotiation of a lease amendment.

Site Location: Lease Site 78-81/78W-81W, 701 Embarcadero, Morro Bay, CA 93442

Property Owner: City of Morro Bay Telephone: 805-772-6254

Address: 595 Harbor St. City: Morro Bay State: CA Zip: 93442

Applicant: Van Beurden Investments Telephone: 805-528-1133

Address: PO Box 6451 City: Los Osos State: CA Zip: 93412

I, as representative of the City of Morro Bay, the owner of record of the trust interest in the above noted land for which an application for a Conditional Use Permit is being requested by the Applicant, do certify Consent of Landowner is given for the preliminary site plans and proposal presented to the City Council on October 13, 2020 and to be submitted to the City of Morro Bay Community Development Department for processing in accordance with the following timelines:

1. The Applicant must obtain evidence of available financing or funding for completion of the project, acceptable to the Finance Director and City Attorney. Such evidence could include letters of interest or commitment from accredited financiers, or proof of sufficient cash reserves committed to fund the proposed project, on or before January 5, 2021 at 4:00 p.m. or this Consent of Landowner Agreement will expire on January 6, 2021.

2. The Applicant must file a complete application for a Conditional Use Permit or Conditional Use Permit amendment per the City Zoning Ordinance Submittal Requirements, with the Community Development Department by January 15, 2021 at 4:00 p.m. or this Consent of Landowner Agreement will expire on January 16, 2021.

3. The Applicant must obtain Conditional Use Permit or Conditional Use Permit amendment approval from the Planning Commission and City Council on or before October 15, 2021 at 4:00 p.m. or this Consent of Landowner Agreement will expire on October 16, 2021.

4. The Applicant, after obtaining Conditional Use Permit or conditional Use Permit Amendment approval by the Planning Commission and City Council, shall negotiate in good faith with the City for a lease amendment for the lease site. Upon execution of the lease amendment, this Consent of Landowner Agreement shall no longer be of any effect. If a new lease agreement is not executed by both parties on or before January 15, 2022, then this Consent of Landowner Agreement shall expire on January 16, 2022. Among other things, the lease will include the following milestones, which if not met will automatically terminate the lease amendment without notice:

a. On or before 120 days after the lease amendment is executed, the Applicant shall obtain evidence of financing or funding necessary for completion of the proposed project, as approved by the Finance Director and City Attorney.

b. The Applicant must file a complete application for a Coastal Development Permit from the Coastal Commission, and any other necessary agency permits, for the approved Concept Plan for the project on or before February 15, 2022 at 4:00 p.m.

c. The Applicant must obtain a Coastal Development Permit and other permits on or before July 15, 2022 at 4:00 p.m.

d. The Applicant must file a complete application for Precise Plan review, if necessary, by the Planning Commission for the project by October 15, 2022 at 4:00 p.m.

e. The Applicant must obtain Precise Plan approval, if necessary, from the Planning Commission for the project on or before February 15, 2023 at 4:00 p.m.

f. The Applicant must file complete construction drawings and plans to obtain a building permit from the Building Division for the project on or before May 15, 2023 at 4:00 p.m.

g. The Applicant must obtain the building permit on or before August 15, 2023 at 4:00 p.m.

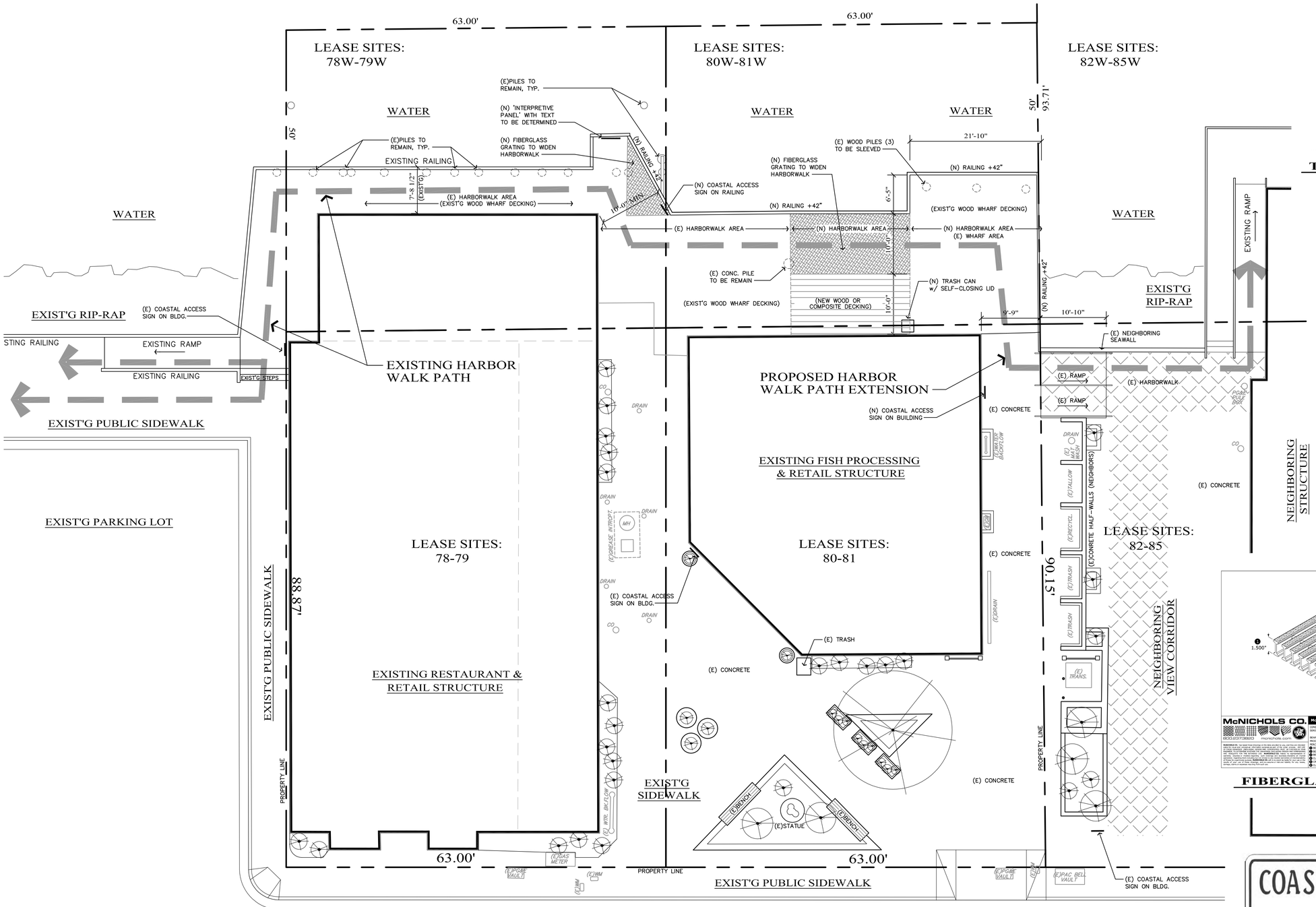
h. The Applicant must commence construction for the approved project on or before December 1, 2023. Commencement shall mean when the Applicant has incurred at least $50,000 of hard construction costs for actual work satisfactorily completed for the project on the site pursuant to the approved building permit.

i. The Applicant must complete construction for the approved project on or before November 30, 2024, as evidenced by a Final Inspection approval or Certificate of Occupancy, as applicable, issued by the City.

If, due to any reason within or outside the control of Applicant, as reasonably determined by the City Manager, then one or more extensions to any or all of the compliance dates may be granted by the City Council in its sole discretion.

_____

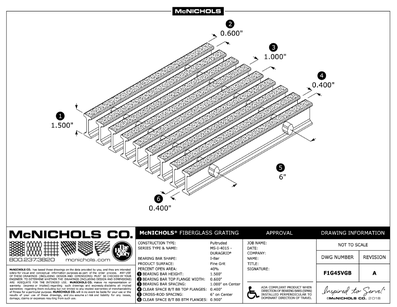
Scott Collins, City Manager **Date**



PROPOSED OVERALL SITE PLAN

SCALE: 1/8" = 1'-0"

TRASH CAN w/ LID



FIBERGLASS GRATING

COASTAL ACCESS SIGNAGE

SIGNAGE SHALL BE 24" WIDE x 18" HIGH METAL SIGN WITH IMAGES, MOUNTED FLAT TO HARBORWALK RAILING. WHITE BACKGROUND WITH BLUE LETTERING.

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All ideas, designs, arrangements and plans indicated or represented by this drawing are owned by, and property of, C.P. PARKER ARCHITECT and were created, evolved and developed for use on, and in conjunction with, the specific project. None of such ideas, designs, arrangements or plans shall be used by, or disclosed to any person, firm or corporation for any purpose whatsoever without the written permission of C.P. PARKER ARCHITECT.

C. P. PARKER
ARCHITECT

CHRISTOPHER P. PARKER
ARCHITECT
630 QUINTANA RD. #330
MORRO BAY, CA.
93442-1962
(805) 772-5700

STAMPS

PROJECT

DUTCHMAN HARBORWALK MODIFICATION

701 EMBARCADERO
MORRO BAY, CALIF.
93442

DRAWING PHASE

COASTAL DEVELOPMENT PERMIT

-

Project No.	19-109
Drawn By	CPP
Dwg. Date	05/13/20
Updated	-
Scale	AS NOTED

REVISIONS

SHEET TITLE

PROPOSED SITE PLAN

SHEET NO.

A1.3

AGENDA NO: A-7
MEETING DATE: October 13, 2020

Staff Report

TO: **Honorable Mayor and City Council** **DATE: October 7, 2020**

FROM: **Scott Collins, City Manager**

SUBJECT: **Adoption of Resolution No. 88-20 Approving Revisions to the San Luis Obispo Regional Transit Authority Joint Powers Agreement (JPA) to Consolidate with South County Transit JPA and Provide Clarifying Operational Amendments**

RECOMMENDATION

Staff recommends approval of Resolution No. 88-20 authorizing execution of the amended and restated Joint Powers Agreement (JPA) for the San Luis Obispo Regional Transit Authority (RTA) allowing consolidation of South County Transit into the San Luis Obispo Regional Transit Authority and approving clarifying operational amendments to the RTA JPA.

ALTERNATIVES

Council may elect not to approve Resolution No. 88-20 as proposed, and direct staff accordingly.

FISCAL IMPACT

Additional City funds are not being requested, although the four South County Transit Joint Powers Authority member agencies will accrue net cost savings following consolidation into the San Luis Obispo Regional Transit Authority.

BACKGROUND/DISCUSSION

The City of Morro Bay is a member of the San Luis Obispo Regional Transit Authority (RTA) Joint Powers Authority (JPA). Other members of the RTA JPA include the cities of Arroyo Grande, Atascadero, Grover Beach, Paso Robles, Pismo Beach and San Luis Obispo, as well as the County of San Luis Obispo. Although the City of Morro Bay is not a member of the South County Transit JPA, it is being asked to execute amendments to the RTA Joint Powers Agreement that would allow consolidation of South County Transit services into the RTA. The four South County Transit JPA member agencies include the cities of Arroyo Grande, Grover Beach and Pismo Beach, as well as the County of San Luis Obispo. The proposed amendment also provides for various clarifying operational amendments which provide greater specificity for RTA JPA authority and financial duties.

Councilmember Davis is the primary delegate on the RTA Board of Directors, and Mayor Headding is the alternate.

Following significant analysis by RTA and San Luis Obispo Council of Governments (SLOCOG) staff members over the past several years, as well as recommendations by the Triennial Performance

01181.0001/673933.1 Prepared By: SC	**Dept Review:**
City Manager Review: SC	**City Attorney Review: CFN**

Auditor and the three South County City Managers, the South County Transit Board of Directors requested consolidation into the RTA at its January 9, 2018 meeting. At its March 7, 2018 meeting, the RTA Board of Directors conceptually agreed to the consolidation, pending further input from each jurisdiction and planned April 4, 2018 actions by the SLOCOG Board of Directors (discussed below).

Of particular interest to the four South County Transit member jurisdictions is the issue of continued local control over the local fixed-route services operated within the Five Cities Area under consolidation. To that end, local fixed-route service levels (days, hours, routes, etc.), marketing efforts, and operating/capital budgets for South County local fixed-routes would be solely controlled through a new standing RTA *South County Transit Committee* (SCTC). The SCTC would be comprised of the RTA Board members from the cities of Grover Beach, Arroyo Grande and Pismo Beach, as well as one member from the Board of Supervisors. As detailed in the attached amended and restated RTA Joint Powers Agreement, the SCTC would meet at least annually to address public transit issues of interest to the SCTC members and to consider the following year's budget for local public transit services in the Five Cities Area. Funding of the services authorized by the SCTC would be borne exclusively by the cities of Arroyo Grande, Grover Beach and Pismo Beach, as well as the County on behalf of the communities of Oceano and Avila Beach. A red-lined version depicting changes to the amended and restated Joint Powers Agreement is provided, as well as a "clean" version for execution.

Consolidation of South County Transit local fixed-route services into the RTA has significant net financial benefits for the South County Transit jurisdictions. In addition, SLOCOG agreed to a concession at its April 4, 2018 meeting on farebox recovery ratio requirements under consolidation in the Arroyo Grande – Grover Beach Urbanized Area that will have long-term financial benefits for the RTA and the SCTC member jurisdictions. The principal benefit to the SCTC member jurisdictions is that consolidation would avoid a roughly $70,000 annual penalty for failing to achieve the new/higher State of California 20% farebox recovery ratio requirement that was triggered by the Federal designation of the area as "urban" in the 2010 Census (it was 10% prior to the urban designation). In summary, while some operating costs would increase under consolidation (principally as it relates to provision of healthcare benefits to six current part-time SoCo Transit employees who do not currently have health insurance), the on-going net benefit to the SCTC member jurisdictions is anticipated to be on the order of $82,000 annually.

The effective date for the transition would be on January 1, 2021. This date was chosen because it corresponds with the annual start date of employees' healthcare plans, and thus would minimize disruptions for valued former South County Transit employees.

CONCLUSION

Staff recommend the City Council support consolidation of South County Transit into the San Luis Obispo Regional Transit Authority by authorizing execution of the attached amended and restated RTA Joint Powers Agreement, which also provides for various clarifying operational amendments to the RTA JPA.

ATTACHMENTS

1. Resolution No. 88-20 authorizing execution of the amended and restated Joint Powers Agreement for the San Luis Obispo Regional Transit Authority.
2. Red-lined version of the amended and restated San Luis Obispo Regional Transit Authority Joint Powers Agreement.
3. Clean version of the amended and restated San Luis Obispo Regional Transit Authority Joint Powers Agreement.

01181.0001/673933.1

RESOLUTION NO. 88-20

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AUTHORIZING EXECUTION OF THE AMENDED AND RESTATED
JOINT POWERS AGREEMENT FOR THE SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

**THE CITY COUNCIL
City of Morro Bay, California**

WHEREAS, South County Transit provides fixed-route public transportation services in the cities of Arroyo Grande, Grover Beach and Pismo Beach, as well as the unincorporated area of Oceano and Avila Beach, as authorized under a Joint Powers Agreement originally enacted in 1978 and subsequently amended in 2001 and 2016; and

WHEREAS, South County Transit has been provided professional administrative services, vehicle maintenance and operations oversight under contract to the San Luis Obispo Regional Transit Authority since 1997; and

WHEREAS, both South County Transit Board of Directors and the San Luis Obispo Regional Transit Authority Board of Directors have extensively discussed the possibility of consolidating South County Transit into the San Luis Obispo Regional Transit Authority to realize cost efficiencies and to avoid farebox recovery ratio penalties in the South County Transit service area; and

WHEREAS, the San Luis Obispo Regional Transit Authority Board of Directors will consider an amended and restated Joint Powers Agreement that consolidates South County Transit services into the agency at its December 2, 2020 meeting; and

WHEREAS, the amended and restated Joint Powers Agreement for the San Luis Obispo Regional Transit Authority includes provisions that allow local control of service levels and budgetary control for fixed-route services in the Arroyo Grande – Grover Beach Urbanized Area, which includes the cities of Arroyo Grande, Grover Beach and Pismo Beach, as well as the unincorporated communities of Avila Beach and Oceano, and further provides for clarifying operational amendments; and

WHEREAS, the amended and restated Joint Powers Agreement for the San Luis Obispo Regional Transit Authority becomes effective at 12:00 AM on January 1, 2021 upon ratification by the County of San Luis Obispo Board of Supervisors and by each of the seven City Councils in the county; and

WHEREAS, the existing South County Area Transit Joint Powers Agreement states that the Agency may sell, lease or assign all of its real and personal property and may cease operations upon such terms and conditions as the Board determines to be reasonable and upon affirmative vote by all member agencies; and

WHEREAS, the existing South County Area Transit Joint Powers Agreement also states that the Agreement shall continue in full force and effect until cancelled by affirmative vote of a majority of the member agencies, and

WHEREAS, the South County Transit Board of Directors resolved at its October 6, 2020 meeting to terminate the South County Area Transit Joint Powers agreement effective 11:59 PM on December 31, 2020 upon ratification of the majority of the member agencies and upon full ratification of the amended and restated Joint Powers Agreement for the San Luis Obispo Regional Transit Authority by its member agencies.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, as follows:

Section 1. The City Council hereby finds and determines that all of the recitals are true and correct.

Section 2. The City Council supports consolidation of South County Transit into the San Luis Obispo Regional Transit Authority.

Section 3. The City Manager is authorized and directed to execute, on behalf of the City of Morro Bay, the attached San Luis Obispo Regional Transit Authority amended and restated Joint Powers Agreement, as presented at the October 13, 2020 Morro Bay City Council meeting.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 13th day of October 2020 on the following vote:

AYES:
NOES:
ABSENT:

_____
JOHN HEADDING, Mayor

ATTEST:

_____
DANA SWANSON, City Clerk

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
JOINT POWERS AGREEMENT

WITNESSETH:

This Agreement is made and entered into this 9th day of March, 1990, and amended on 2nd day of September, 1998, and further amended on the 24th day of June, 2013, by and among the incorporated cities of Arroyo Grande, Atascadero, El Paso de Robles, Grover Beach, Morro Bay, Pismo Beach and San Luis Obispo, all being municipal corporations in the County of San Luis Obispo, California (hereinafter called "Cities") and the County of San Luis Obispo, a body politic and corporate, and a subdivision of the State of California, (hereinafter called "County").

WHEREAS, Section 6500 et seq. of the California Government Code (Title 1, Div. 7, Chapter 5, Article 1) provides for agreements between two or more public agencies to jointly exercise any power common to the contracting parties, subject to certain mandatory provisions contained therein; and

WHEREAS, the Cities and County have previously entered into a joint powers agreement for the formation of the San Luis Obispo Council of Governments for the purpose of providing, among other things, for a regional transportation agency; and

WHEREAS, the San Luis Obispo Council of Governments, at a regularly held meeting on May 10, 1989, voted to consolidate the administration of several transportation systems through a regional transit joint powers agreement.

WHEREAS, the cities of Arroyo Grande, Grover Beach and Pismo Beach, and the County of San Luis Obispo, were formerly members of the South County Area Transit Joint Powers Agency which began operating a public transit system within those jurisdictions in January, 1978, and which ceased to exist and transferred its assets to the San Luis Obispo Regional Transit Authority in return for amendments made to this Agreement effective January 1, 2021.

NOW THEREFORE, it is agreed as follows:

ARTICLE I
General Provisions

Section 1. Purpose: The purpose of this Agreement is to exercise the common powers of the member agencies for the formation of a Joint Powers Agreement with full power and authority to own, operate and administer a county-wide public transportation system within the boundaries and over the territory over which the Joint Powers Agency has jurisdiction.

Section 2. Name: The official name of the entity shall be San Luis Obispo Regional Transit Authority and hereafter referred to as the RTA.

ARTICLE II
Organization

Section 1. Board Members: The membership of the RTA Governing Board shall be the same as the membership of the San Luis Obispo Council of Governments (hereinafter referred to as SLOCOG).

Section 2. Board Meetings - Voting - Quorum: Regular meetings shall be generally held in the first week of July, September, November, January, March and May or as specified in a biannually adopted meeting calendar. Special meetings may be called by the President or upon written request of at least three (3) members of the RTA Board.

Voting and quorum provisions shall be the same as those provided in the SLOCOG Joint Powers Agreement, however, any vote regarding local fixed-route services or other public transportation services operated solely within the Arroyo Grande – Grover Beach Urbanized Area, including the budgeting and funding of such services, shall require at least three affirmative votes from Board members who also sit on the South County Transit Committee.

Section 3. Officers: The officers of SLOCOG shall serve as officers of RTA.

Section 4. Executive Director: The RTA Board shall designate an Executive Director to operate RTA. The Executive Director shall serve at the pleasure of the RTA Board, with delegated powers to certify documents of the RTA Board as required by the law and to assume such duties and responsibilities as the Board may direct.

Section 5. Members:

1. The County of San Luis Obispo and all cities incorporated in the County of San Luis Obispo presently or in the future, are declared eligible for membership.

2. Member city agencies may elect to have an alternate member(s) from their city council in addition to any official member, but said alternate(s) shall be able to vote only in the absence of the official representative.

3. Membership shall be contingent upon the execution of this Joint Powers Agreement.

Section 6. Boundaries and Service Levels: The service area boundaries shall be all of the area within the boundaries of San Luis Obispo County as designated by the RTA Board. Any additional services beyond the level recommended by the Regional Transportation Plan or mandated in the Unmet Transit Needs Hearing (PUC Section 99401.5) may be instituted, but shall require unanimous approval of affected

jurisdictions, with costs for the extra service to be distributed on the basis of formula developed by the RTA Board members representing the affected jurisdictions.

Section 7. Committees:

1. Committees and subcommittees may be established as RTA may deem appropriate.

2. Membership on "ad-Hoc" policy committees shall be at the discretion of the President. Nothing herein shall be construed to limit membership on these aforesaid committees to officials of the member agencies. The President may appoint any individual deemed qualified to serve on a committee.

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   a. Regional Transit Advisory Committee (RTAC) serving as a Regional Transit Productivity Committee to advise the Board on the efficiency and effectiveness of the transit system.

   b. ~~An~~ Executive Committee comprised of the President, Vice President and the past President and at least one representatives from the county of San Luis Obispo (if none of the above) shall advise the Executive Director and RTA on: draft agendas, personnel issues, budget and Overall Work Program; controversial, sensitive and major policy issues; and shall facilitate the annual performance evaluation of the Executive Director. Items for review shall be selected by the Executive Director in consultation with the President. All Committee members may include agenda items as they desire. For purposes of conducting business, two members shall constitute a quorum.

   c. South County Transit Committee (SCTC) comprised of RTA Board members representing the four jurisdictions included in the Arroyo Grande – Grover Beach Urbanized Area as defined in the 2010 Decennial Census (hereinafter referred to as the AG-GB UZA). The SCTC member jurisdictions include the cities of Arroyo Grande, Grover Beach and Pismo Beach, and the County of San Luis Obispo, representing the Oceano Area and the Avila Beach Area. The SCTC's roles and responsibilities include:

      i. The SCTC shall effectively control local fixed-route services and any other public transportation services operated solely within the AG-GB UZA by virtue of the voting requirements for matters provided above in Section 2 of this Agreement.

ii. At a minimum, the SCTC shall meet annually to consider annual service levels, fare levels, major marketing campaigns, capital improvement plans, and to ratify financial commitments for each jurisdiction participating in public transportation services operated solely within the AG-GB UZA. At the request of two or more SCTC members, properly noticed special SCTC meetings may also be conducted.

iii. For purposes of conducting business, three of the four SCTC members shall constitute a quorum.

iv. The SCTC shall submit an annual operating budget and multi-year capital improvement plan for fixed-route and other public transportation services operated solely within the AG-GB UZA to the full RTA Board prior to May 1 for consideration as part of the RTA Overall Annual Budget.

v. Any additional services beyond the level recommended by the Regional Transportation Plan or mandated in the annual Unmet Transit Needs Hearing (PUC Section 99401.5) may be instituted in the SCTC service area, but shall require unanimous approval of affected jurisdictions, with costs for the extra service to be distributed on the basis of a formula developed by the SCTC members representing the affected jurisdictions.

vi. Each SCTC member agency shall make an annual Transportation Development Act contribution based upon the percentage of total SCTC-served population related to the area served within that member agency. All population percentages utilized shall be those annually adopted by the San Luis Obispo Council of Governments for allocating Transportation Development Act Funds based annually on estimates prepared by the State Department of Finance pursuant to Section 2227 of the Revenue and Taxation Code for cities and by the County Planning Department for unincorporated communities.

~~i.~~vii. Any member of the SCTC may withdraw from the SCTC after providing written notice to the RTA Board President one year in advance of the requested withdrawal date. A withdrawing member's financial obligation under this subsection is limited to the withdrawing member's pro-rata share of the currently adopted SCTC operating

budget within the service area of the obligated commitments affecting the withdrawing member and any San Luis Obispo Council of Governments finding as to Unmet Transit Needs that are Reasonable to Meet pursuant to Public Utilities Code Section 99401.5. However, the obligations of a withdrawing member under this subsection are limited to the special transportation funds to which the withdrawing member would be entitled, such as Transportation Development Act funds, and this section shall not impose any obligation on the general funds of the withdrawing member.

4. No committee shall commit the RTA on any matter or questions of policy. Such matters or questions can only be decided by the RTA.

5. All committees shall receive clerical assistance from RTA staff and, by agreement, SLOCOG staff for the purpose of maintaining minutes of meetings and other such duties as the Executive Director may direct. The chair of each committee shall sign the original copy of the minutes indicating verification of contents upon committee adoption. Copies of minutes of all meetings shall be sent to members of the RTA and the Executive Director.

ARTICLE III
Financial Provisions

Section 1. Budget: The Executive Director shall prepare an Overall Annual Budget ~~annual budget~~ for RTA Board adoption prior to commencement of each fiscal year. The Overall Annual Budget shall include financial details on core RTA services, as well as financial details for those various public transportation services provided under agreement to other agencies. Core RTA services include intercity fixed-routes along the US-101 and SR-1 corridors, and regional Americans with Disabilities Act complementary paratransit services. The approval of the Overall Annual Budget shall be in accordance with those procedures prescribed by the Joint Powers Agreement of SLOCOG.

The annual operating and capital budgets for non-core services provided under agreement to another agency requires ratification by its governing body prior to consideration of the Overall Annual Budget by the RTA Board.

Accounting practices to be applied will conform to those used by San Luis Obispo County, consistent with Transportation Development Act rules and regulations.

A Consolidated Fund balance and cash balance for RTA core services will carry forward from one year to the next. Separate Consolidated Fund balances and cash balances will be maintained for public transportation services provided by RTA under

agreement to other agencies, including those public transportation services provided under the direction of the SCTC.

The Overall Annual Budget may additionally carry funds for future fiscal years where necessary to develop a multi-year Capital Improvement Program and to reflect obligations under state or federal funding agreements, to the extent allowable by California law.

No member Agency shall be required to expend any of its general fund monies to support the operations of the RTA. The operation of the transit system shall be funded from revenues derived from operations, member Transportation Development Act fund contributions, grants, and any other appropriate revenue sources. Each member agency shall make an annual contribution to the RTA in accordance with the adopted budget.

Any formula may be amended upon approval of all jurisdictions affected by that formula and ratified by the RTA.

All population percentages utilized shall be those annually adopted by SLOCOG for allocating Transportation Development Act Funds based annually on estimates prepared by the State Department of Finance pursuant to Section 2227 of the Revenue and Taxation Code for cities and by the County Planning Department for unincorporated communities.

Section 2. Expenditures: The RTA may establish procedures and policies to insure competitive prices for the purchases of goods and services. Formal bidding shall not be required unless directed specifically by the RTA or unless required by state or federal law. Particularly in the purchase of equipment, including buses, the RTA may consider the design, maintenance and operating costs, and other similar factors in determining the most suitable equipment and need not purchase equipment having the lowest initial cost.

Section 3. Treasurer and Auditor: Pursuant to Government Code Section 6505.5, the Treasurer of the County of San Luis Obispo is hereby designated as Treasurer of the RTA. The Treasurer shall have the powers and duties set forth in Government Code Section 6505.5. The Auditor/Controller of the County of San Luis Obispo is designated as the Auditor of the RTA pursuant to Government Code Section 6505.5.

Section 4. Annual Audit: The RTA shall cause an annual audit to be prepared and filed in accordance with Government Code Section 6505 and Public Utilities Code Section 99245. This audit shall include RTA core services, as well as those service provided under agreement for other agencies.

Section 5. Annual Report: The Executive Director shall prepare and submit an annual report of the operations to the RTA Board, SLOCOG and State Controller ~~within 90 days of the~~ by January 31 following each fiscal year pursuant to Public Utilities Code, Section 99243.

Section 6. Periodic Reporting: The RTA Board may require periodic reporting of ridership, finances, or other information. This periodic reporting shall include RTA core services, as well as those service provided under agreement to other agencies. It shall be the responsibility of the Executive Director to provide such reports in a form acceptable to the RTA Board.

ARTICLE IV
Authority

Section 1. Powers: The RTA shall have all Powers necessary to carry out the purpose of this Agreement, except the power to tax. Its power to expend funds shall be limited only by the availability of funds as set forth in ARTICLE III: Finances, Section 1. The Powers of the RTA specifically include, but are not limited to, the following:

1. To solicit bids and negotiate contracts from private enterprise for services and/or operation.

2. To sue or be sued.

3. To employ agents, employees and contract for professional services.

4. To make and enter contracts, including labor, purchase agreement and employment contracts.

5. To acquire, convey, construct, manage, maintain and operate necessary equipment, building and improvements.

6. To acquire and convey real and personal property.

7. To incur debts, liabilities and obligations, as well as obligations of financial assistance from State and Federal agencies, and to obligate RTA to operate the improvements, equipment or transportation system in accordance with the terms and conditions of said financial assistance.

8. To purchase insurance.

~~7.~~9. To develop policies and procedures necessary to remain in compliance with Federal Transit Administration Section 5307 Urbanized Area Formula Program and other federal grant program funding requirements.

Section 2. RTA is a Public Legal Entity: The RTA is a public entity duly formed and existing under the laws of the State of California. It is a separate and distinct legal entity from its member agencies. The debts, duties and obligations created pursuant to

this Agreement, shall be solely the obligations of the RTA and not those of its officers, employees, members of the Board of Directors or the member agencies.

ARTICLE V
Miscellaneous Provisions

Section 1. Withdrawal of Member: A withdrawing member's financial obligation under this Section is limited to the withdrawing member's pro-rata share of the currently adopted operating budget based upon ARTICLE III, Section 1 within the service area of the obligated commitments affecting the withdrawing member and any SLOCOG's finding as to unmet transit needs that are reasonable to meet pursuant to Public Utilities Code Section 99401.5.

Section 2. Amendment of Agreement: No amendment to this Agreement shall be made without the consent of all member agencies at the time of the amendment.

Section 3. Ratification - Effective Date: This Agreement shall be deemed effective as to those parties executing this agreement upon their execution of the agreement.

Section 4. Assignability: In the event it is deemed in the best public interest to have the RTA operated by another individual or entity, whether public or private, and provided that the assignment complies with State and Federal laws, the agency on affirmative vote of the majority in accordance with Section 2 of ARTICLE II, may sell, lease or assign all of its real and personal property and cease operations upon such terms and conditions as the RTA determines to be reasonable.

Section 5. Termination: This Agreement shall continue in full force and effect until rescinded by a majority of the member agencies.

Section 6. Notification to Secretary of State: Pursuant to Government Code Section 6503.5, the RTA shall cause a notice of the execution of this Agreement to be prepared and filed with the Office of the Secretary of the State of California, within thirty (30) days after the effective date of any amendment to this Agreement. Until such filings are completed, the RTA shall not incur indebtedness of any kind.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first hereinabove written.

IN WITNESS THEREOF, the parties have executed this Agreement as of the day and year first hereinabove written.

City of Arroyo Grande

By: _____ Date:_____

_____ Resolution No._____

Clerk

City of Atascadero

By: _____ Date:_____

_____ Resolution No._____

Clerk

City of Grover Beach

By: _____ Date:_____

_____ Resolution No._____

Clerk

City of Morro Bay

By: _____ Date:_____

_____ Resolution No._____

Clerk

City of Paso Robles

By: _____ Date:_____

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Clerk

City of Pismo Beach

By: _____ Date:_____

_____ Resolution No._____

Clerk

City of San Luis Obispo

By: _____ Date:_____

_____ Resolution No._____

Clerk

County of San Luis Obispo

By: _____ Date:_____

_____ Resolution No._____

Clerk

Approved as to form and legal effect:
RITA L. NEAL
County Counsel

By: _____
~~Deputy~~Assistant County Counsel

Date: _____

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
JOINT POWERS AGREEMENT

WITNESSETH:

This Agreement is made and entered into this 9th day of March, 1990, and amended on 2nd day of September, 1998, and further amended on the 24th day of June, 2013, by and among the incorporated cities of Arroyo Grande, Atascadero, El Paso de Robles, Grover Beach, Morro Bay, Pismo Beach and San Luis Obispo, all being municipal corporations in the County of San Luis Obispo, California (hereinafter called "Cities") and the County of San Luis Obispo, a body politic and corporate, and a subdivision of the State of California, (hereinafter called "County").

WHEREAS, Section 6500 et seq. of the California Government Code (Title 1, Div. 7, Chapter 5, Article 1) provides for agreements between two or more public agencies to jointly exercise any power common to the contracting parties, subject to certain mandatory provisions contained therein; and

WHEREAS, the Cities and County have previously entered into a joint powers agreement for the formation of the San Luis Obispo Council of Governments for the purpose of providing, among other things, for a regional transportation agency; and

WHEREAS, the San Luis Obispo Council of Governments, at a regularly held meeting on May 10, 1989, voted to consolidate the administration of several transportation systems through a regional transit joint powers agreement.

WHEREAS, the cities of Arroyo Grande, Grover Beach and Pismo Beach, and the County of San Luis Obispo, were formerly members of the South County Area Transit Joint Powers Agency which began operating a public transit system within those jurisdictions in January, 1978, and which ceased to exist and transferred its assets to the San Luis Obispo Regional Transit Authority in return for amendments made to this Agreement effective January 1, 2021.

NOW THEREFORE, it is agreed as follows:

ARTICLE I
General Provisions

Section 1. Purpose: The purpose of this Agreement is to exercise the common powers of the member agencies for the formation of a Joint Powers Agreement with full power and authority to own, operate and administer a county-wide public transportation system within the boundaries and over the territory over which the Joint Powers Agency has jurisdiction.

Section 2. Name: The official name of the entity shall be San Luis Obispo Regional Transit Authority and hereafter referred to as the RTA.

ARTICLE II
Organization

Section 1. Board Members: The membership of the RTA Governing Board shall be the same as the membership of the San Luis Obispo Council of Governments (hereinafter referred to as SLOCOG).

Section 2. Board Meetings - Voting - Quorum: Regular meetings shall be generally held in the first week of July, September, November, January, March and May or as specified in a biannually adopted meeting calendar. Special meetings may be called by the President or upon written request of at least three (3) members of the RTA Board.

Voting and quorum provisions shall be the same as those provided in the SLOCOG Joint Powers Agreement, however, any vote regarding local fixed-route services or other public transportation services operated solely within the Arroyo Grande – Grover Beach Urbanized Area, including the budgeting and funding of such services, shall require at least three affirmative votes from Board members who also sit on the South County Transit Committee.

Section 3. Officers: The officers of SLOCOG shall serve as officers of RTA.

Section 4. Executive Director: The RTA Board shall designate an Executive Director to operate RTA. The Executive Director shall serve at the pleasure of the RTA Board, with delegated powers to certify documents of the RTA Board as required by the law and to assume such duties and responsibilities as the Board may direct.

Section 5. Members:

1. The County of San Luis Obispo and all cities incorporated in the County of San Luis Obispo presently or in the future, are declared eligible for membership.

2. Member city agencies may elect to have an alternate member(s) from their city council in addition to any official member, but said alternate(s) shall be able to vote only in the absence of the official representative.

3. Membership shall be contingent upon the execution of this Joint Powers Agreement.

Section 6. Boundaries and Service Levels: The service area boundaries shall be all of the area within the boundaries of San Luis Obispo County as designated by the RTA Board. Any additional services beyond the level recommended by the Regional Transportation Plan or mandated in the Unmet Transit Needs Hearing (PUC Section 99401.5) may be instituted, but shall require unanimous approval of affected

jurisdictions, with costs for the extra service to be distributed on the basis of formula developed by the RTA Board members representing the affected jurisdictions.

Section 7. Committees:

1. Committees and subcommittees may be established as RTA may deem appropriate.

2. Membership on “ad-Hoc” policy committees shall be at the discretion of the President. Nothing herein shall be construed to limit membership on these aforesaid committees to officials of the member agencies. The President may appoint any individual deemed qualified to serve on a committee.

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    a. Regional Transit Advisory Committee (RTAC) serving as a Regional Transit Productivity Committee to advise the Board on the efficiency and effectiveness of the transit system.

    b. Executive Committee comprised of the President, Vice President and the past President and at least one representatives from the county of San Luis Obispo (if none of the above) shall advise the Executive Director and RTA on: draft agendas, personnel issues, budget and Overall Work Program; controversial, sensitive and major policy issues; and shall facilitate the annual performance evaluation of the Executive Director. Items for review shall be selected by the Executive Director in consultation with the President. All Committee members may include agenda items as they desire. For purposes of conducting business, two members shall constitute a quorum.

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Financial Provisions

Section 1. Budget: The Executive Director shall prepare an Overall Annual Budget for RTA Board adoption prior to commencement of each fiscal year. The Overall Annual Budget shall include financial details on core RTA services, as well as financial details for those various public transportation services provided under agreement to other agencies. Core RTA services include intercity fixed-routes along the US-101 and SR-1 corridors, and regional Americans with Disabilities Act complementary paratransit services. The approval of the Overall Annual Budget shall be in accordance with those procedures prescribed by the Joint Powers Agreement of SLOCOG.

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Any formula may be amended upon approval of all jurisdictions affected by that formula and ratified by the RTA.

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Miscellaneous Provisions

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City of Arroyo Grande

By: _____ Date:_____

_____ Resolution No._____

Clerk

City of Atascadero

By: _____ Date:_____

_____ Resolution No._____

Clerk

City of Grover Beach

By: _____ Date:_____

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Clerk

City of Morro Bay

By: _____ Date:_____

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Clerk

City of Paso Robles

By: _____ Date:_____

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Clerk

City of Pismo Beach

By: _____ Date:_____

_____ Resolution No._____

Clerk

City of San Luis Obispo

By: _____ Date:_____

_____ Resolution No._____

Clerk

County of San Luis Obispo

By: _____ Date:_____

_____ Resolution No._____

Clerk

Approved as to form and legal effect:
RITA L. NEAL
County Counsel

By: _____
Assistant County Counsel

Date: _____

AGENDA NO: A8
MEETING DATE: October 13, 2020

Staff Report

TO: **Honorable Mayor and City Council** **DATE: September 28, 2020**

FROM: **Eric Endersby, Harbor Director**

SUBJECT: **Approval of Resolution No. 89-20 Authorizing the City of Morro Bay to Enter Into a $85,000 2020/2021 Boating Safety and Enforcement Equipment Grant Contract with the State of California Department of Parks and Recreation, Division of Boating and Waterways for Purchase of Port San Luis' Surplus 26-foot Harbor Patrol Vessel**

RECOMMENDATION

Staff recommends the City Council adopt Resolution No. 89-20, authorizing the Harbor Director to execute and act as the City's agent for the attached Boating Safety and Enforcement Equipment Grant Agreement No. C20L0605 with the State of California Department of Parks and Recreation, Division of Boating and Waterways in the amount of $85,000 to purchase Port San Luis Harbor District's surplus 26-foot Radon patrol vessel.

ALTERNATIVES

The Council could opt to not accept this grant, and direct staff accordingly.

FISCAL IMPACT

Acceptance of this grant agreement will pay for the purchase of Port San Luis Harbor District's (PSLHD) surplus 26-foot patrol vessel in the amount of $85,000, the agreed-upon fair market value based on a marine survey of the vessel.

A new patrol vessel of this type would cost the City anywhere between $350,000 and $450,000, depending on outfitting, if built new.

BACKGROUND

The Harbor Patrol's oldest vessel, the 27-foot "Boat 68" built in 1984 by Radon Boat Building, has served the City, boaters and community beyond compare in her three-and-a-half decade career, saving countless lives and millions of dollars of property. This vessel, however, suffered a significant structural failure on an offshore rescue mission approximately eight years ago when a portion of her hull bottom delaminated and tore away (the mission was successfully executed without loss of life or property). While repaired at the time for approximately $30,000 by DR Radon Boat Builders of Santa Barbara, the failure signaled the beginning of the end for this vessel's career, and plans begun to start planning for her replacement.

Prepared By: ___EE_____	**Dept Review: ___EE___**
City Manager Review: __SC____	**City Attorney Review: __JWP____**

Harbor Department staff have explored several options to replace or refurbish Boat 68, with availability of funds being the largest hurdle. More recently, replacement or refurbishment of Boat 68 has been identified as a key project in several years' approved Harbor Department budgets, and it is a high priority recommendation in the Harbor Advisory Board's review of the department's annual budgets.

Harbor Department staff have been in discussions with sister agency PSLHD staff for approximately 18 months as the retirement of their Radon patrol vessel came into view. This vessel was built in 2002, has been well-maintained and has not operated in as harsh an environment as Morro Bay's waters, and because she is of the same make and general design as Boat 68, is an ideal platform for Morro Bay. She is being retired largely because she is no longer the ideal vessel to serve PSLHD's particular operating needs, which have changed since the vessel was put into service 18 years ago.

Over the years the Harbor Department has obtained hundreds of thousands of dollars in Boating Safety & Enforcement (BS&E) grants from the Division of Boating and Waterways (DBW) for patrol vessel purchases, engine repowers, rescue watercraft and miscellaneous equipment. After consulting with DBW staff, Harbor Department staff were encouraged to apply for a BS&E grant to purchase the surplus patrol vessel from PSLHD as all concerned viewed it as a win-win to repurpose a solid boating safety and enforcement platform to a nearby agency. As a backup, staff also applied for a $400,000 BS&E grant from DBW to build an entirely new replacement vessel, but that grant was denied.

DISCUSSION

In order for the Harbor Patrol to safely operate, handle multiple incidents and have a second patrol boat backup when a vessel is out for maintenance, having two, twin-engine all-weather patrol, rescue and firefighting-capable vessels is paramount.

While PSLHD's surplus vessel will need new engines, a new firefighting system and other modifications costing an estimated $100,000-$150,000 to make it suitable for Morro Bay's needs, considering the limited resources of the Harbor Department and City, taking advantage of this surplus vessel replacement opportunity from our sister agency with this grant funding is a rare opportunity.

While this grant will be used to purchase the surplus vessel from PSLHD, the Friends of the Morro Bay Harbor Department have begun a fundraising drive to help the City secure the additional funding needed to replace the engines and other work. Staff are confident that, over a reasonable amount of time, the Friends' fundraising, coupled with the modest amount of funding currently available in the Harbor Department's Equipment Replacement Fund (~$58,000) and funds raised from the future sale of the department's third, single-engine 27 year-old Radoncraft patrol vessel, currently out of service, will be sufficient to meet the needs to get the surplus PSLHD vessel into full, refurbished operation at a fraction of the cost to purchase a new vessel.

CONCLUSION

Staff recommends the City Council adopt Resolution No. 89-20, authorizing the Harbor Director to execute and act as the City's agent for the attached Boating Safety and Enforcement Equipment Grant Agreement No. C20L0605 with the State of California Department of Parks and Recreation, Division of Boating and Waterways in the amount of $85,000 to purchase Port San Luis Harbor District's surplus 26-foot Radon patrol vessel.

ATTACHMENTS

1. DBW Grant Agreement No. C20L0605
2. Resolution 89-20.

State of California – Natural Resources Agency

DEPARTMENT OF PARKS AND RECREATION

DIVISION OF BOATING AND WATERWAYS

GRANT AGREEMENT

GRANTEE: City of Morro Bay Harbor Department

GRANT TITLE: Boating Safety and Enforcement Equipment Grant - FY 2020 / 21

GRANT NUMBER: C20L0605

GRANT AMOUNT: 85,000.00

GRANT AGREEMENT TERM: Date Fully Executed* through fifteen (15) years.

GRANT PERFORMANCE PERIOD: Date Fully Executed* through one (1) year.

The Grantee agrees to the terms and conditions of this contract, hereinafter referred to as Agreement, and the State of California, acting through its Director of the Department of Parks and Recreation, and pursuant to the State of California agrees to fund the total state grant amount indicated below. The GRANTEE agrees to complete the SCOPE OF WORK as defined in the Agreement.

Exhibit A Grant Terms and Conditions, Exhibit B General Terms and Conditions, Exhibit C Contractor Certification Clauses, Exhibit D Doing Business with California, Exhibit E Darfur Contracting Act, Exhibit F Recycled Content Certification, and Exhibit G Scope of Work/Budget (Application), are attached and made a part of and incorporated into the Grant Agreement.

This grant award is funded by the Sport Fish Restoration and Boating Trust Fund, administered by California Department of Parks and Recreation, Division of Boating and Waterways. The Federal FY 20 award, 3320FAS200106 to California; $5,826,180.

Grantee: City of Morro Bay Harbor Department	Agency: Department of Parks and Recreation Division of Boating and Waterways
Address: 1275 Embarcadero, Morro Bay, CA 93422	ATTN: Johanna Naughton
Name of Authorized Representative:	Address: One Capitol Mall, Suite 500 Sacramento, CA 95814
Title of Authorized Representative:	Authorized Signature:
Authorized Signature:	Printed Name: Keren Dill Title: Staff Services Manager II
Date:	Date:
Name of Project Representative:	
Phone:	
Email:	

CERTIFICATE OF FUNDING
(FOR STATE USE ONLY)

GRANTEE: City of Morro Bay Harbor Department

THE TERM OF THIS AGREEMENT IS: Date Fully Executed* through fifteen (15) years.

GRANT TITLE: LAW ENFORCEMENT EQUIPMENT GRANT PROGRAM

GRANT NUMBER: C20L0605

PURCHASE ORDER NUMBER:

CONTRACT NO C20L0605	AMENDMENT NO	SUPPLIER ID 0000038374		PROJECT NO 379065600200
AMOUNT ENCUMBERED BY THIS DOCUMENT $85,000.00	FUND DESCRIPTION Federal Trust Fund #0890		AGENCY BILLING CODE NO 032011	
REPORTING STRUCTURE 37900706	ITEM 3790-101-0890	CHAPTER 6	STATUTE 20	FISCAL YEAR 2020/21
BUSINESS UNIT 3790	INDEX 1706	OBJECT CODE 702	ACTIVITY CODE 68449	ACCOUNT 5432000
T.B.A. NO	*I hereby certify upon my own personal knowledge that the budgeted funds are available for this encumbrance.*			
B.R.NO	ACCOUNTING OFFICER'S SIGNATURE		DATE	

BOATING SAFETY
AND
ENFORCEMENT ENFORCEMENT
GRANT AGREEMENT

City of Morro Bay Harbor Department
C20L0605

State of California
Department of Parks and Recreation
Division of Boating and Waterways

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EXHIBIT A

GRANT TERMS AND CONDITIONS

1. **DEFINITIONS**

A. **"DEPARTMENT":** The Department of Parks and Recreation, Division of Boating and Waterways (DBW).

B. **"EFFECTIVE DATE":** The date the GRANT AGREEMENT face page is signed by the DEPARTMENT'S accounting officer.

C. **"EQUIPMENT":** Boating–specific equipment or other support equipment used to implement or conduct boating safety and boating law enforcement activities. EQUIPMENT may also include PATROL BOAT.

D. **"GRANT":** Funds provided by the DEPARTMENT, from the Federal Recreational Boating Safety (RBS) Grant, to the GRANTEE to finance all or part of the PURCHASE COSTS for items that assist in meeting the purposes of the Boating Safety Equipment and Enforcement (BSEE) and RBS programs.

E. **"GRANT AGREEMENT":** The contract to which these grant terms and conditions are attached.

F. **"GRANTEE":** The person or entity identified as the Grantee on the face page of the Agreement.

G. **"GRANTEE FUNDS":** Any funds provided by the GRANTEE for the purchase or operation and maintenance of the EQUIPMENT/PATROL BOAT.

H. **"PATROL BOAT":** A DEPARTMENT approved, heavy aluminum or fiberglass, equipped boat [with or without trailer and/or outboard motor] purchased for use in boating safety and law enforcement activities.

I. **"PURCHASE COSTS":** Those costs incurred by the GRANTEE in purchasing the EQUIPMENT/PATROL BOAT; such PURCHASE COSTS shall not include any operation or maintenance costs, nor any costs incurred prior to the EFFECTIVE DATE of this GRANT, nor any indirect or overhead costs claimed by the GRANTEE.

2. **GENERAL**

A. This GRANT AGREEMENT shall not exceed the amount specified in this GRANT AGREEMENT and shall be used for the purchase of EQUIPMENT and/or PATROL BOAT for Boating Safety and Enforcement activities in accordance with all Exhibits incorporated and referenced herein.

B. The term of this GRANT AGREEMENT shall begin on the EFFECTIVE DATE of the GRANT AGREEMENT and shall continue for FIFTEEN [15] YEARS from such date unless terminated in accordance with the terms and conditions of this GRANT AGREEMENT.

C. No amendment or variation of the terms of this GRANT AGREEMENT shall be valid unless made in writing and signed by an authorized representative of the DEPARTMENT and the GRANTEE. Oral understandings are not binding on any of the parties.

D. EQUIPMENT/PATROL BOAT purchase shall be completed no later than August 31, 2021.

E. GRANTEE hereby certifies that the obligations created by this GRANT AGREEMENT

do not violate the provisions of Sections 1090 to 1096 of the Government Code.

F. This GRANT AGREEMENT is not fully executed until signed by the last required signature which is the DEPARTMENT'S Accounting Officer. Grantee may not go out to bid until GRANT AGREEMENT is fully executed and equipment specifications and cost estimates have been approved in writing by the DEPARTMENT.

G. GRANTEE hereby certifies that during the performance of this GRANT AGREEMENT, GRANTEE and any sub-grantees shall fully comply with State regulations regarding the implementation of Disabled Veteran business participation goals as set forth in **Disabled Veteran Business Enterprise Participation Requirements, Recycling Certification and, Contractor Certification Clauses.**

H. GRANTEE shall continue with the responsibilities of this GRANT AGREEMENT during any dispute.

I. GRANTEEE acknowledges that failure to perform the duties and responsibilities under this grant may negatively impact the DEPARTMENT'S consideration of future grant applications for up to three (3) years.

J. **Subvention agencies:** GRANTEES participating in the DEPARTMENT'S Subvention Financial Aid Program certifies that failure to fully spend subvention funding in the prior fiscal year will cause a negative impact in the DEPARTMENT'S consideration of future grant applications for up to three (3) years.

K. **Annual Reports:** Grantee shall submit an Annual Report beginning August 31st, 2021 and each and every year by August 31 for the term of this agreement (15 years). Reports shall include maintenance records, number of hours BSEE equipment is used, additional equipment or modifications of any equipment or patrol boats, any loss or damage to equipment or patrol boat.

L. GRANTEE is required to participate in at least one (1) outreach event per year, such as Operation Dry Water, to conduct boating under the influence (BUI) check-points and educate boaters on the importance of boating sober.

M. GRANTEE shall submit accident reports to DBW within 30 days of responding to a boating accident in waterbodies within GRANTEE'S area of responsibility.

N. GRANTEE, representatives, agents or employees shall not act or represent themselves as officers, employees or agents of the DEPARTMENT in the performance of this GRANT AGREEMENT.

3. PAYMENT PROVISIONS AND DISBURSEMENT OF GRANT

A. Reimbursements must be requested on GRANTEE'S official agency letterhead and include:

- Amount requested in reimbursement
- GRANT AGREEMENT number
- Statement of acceptance of the vessel or equipment as meeting DBW's approved specifications
- Certification that you complied with all procurement procedures outlined this agreement;
- Name of payee and address where payment is to be sent
- Location of performance (where the equipment will be used)
- Entity's congressional district and DUNS
- Signature of the person authorized in the resolution or minute order to

execute the agreement

- Copies of brand name, description, make, model and serial number
- Proof of payment for purchase including invoices showing cost and sales tax
- For all motorized vessels: Department of Motor Vehicle (DMV) proof showing the DEPARTMENT as the legal owner and GRANTEE as the registered owner
- Certificate of Origin for all PATROL BOATS and trailers.

B. GRANTEE shall request grant reimbursements no later than September 30, 2021 by mailing one (1) complete reimbursement request package to:

DBW
Attn: BSEE Grant Manager
1 Capitol Mall #500
Sacramento, CA 95814

Or by emailing (1) complete reimbursement request to the DBW assigned grant manager.

C. No funds shall be reimbursed for purchases made prior to the EFFECTIVE DATE of this agreement.

D. The DEPARTMENT shall have no obligation to disburse the GRANT unless and until the GRANTEE obtains the prior written approval by the DEPARTMENT of the type and cost of the EQUIPMENT/PATROL BOAT.

E. The DEPARTMENT will disperse the grant to the GRANTEE in arrears for the approved PURCHASE COST of the EQUIPMENT/PATROL BOAT

F. The DEPARTMENT may withhold any grant disbursement if the GRANTEE fails to comply with any of the provisions of this GRANT AGREEMENT.

4. EQUIPMENT/PATROL BOAT OWNERSHIP

The DEPARTMENT shall be the legal owner of the EQUIPMENT/PATROL BOAT. The GRANTEE shall be the registered owner of PATROL BOAT or any other registered vessels purchased with GRANT FUNDS. The GRANTEE shall not assign, mortgage, hypothecate or transfer its interest in the EQUIPMENT/PATROL BOAT without the prior written approval of the DEPARTMENT.

5. OPERATION AND MAINTENANCE OF EQUIPMENT/PATROL BOAT

A. The GRANTEE shall use the EQUIPMENT/PATROL BOAT for the purpose of promoting recreational boating safety and boating law enforcement and shall keep the EQUIPMENT/PATROL BOAT available for search and rescue operations and other projects or programs supported by the federal government provided that such use will not interfere with the program for which it was acquired (CFR 200.313.c.2)

B. The GRANTEE shall be responsible for the costs of operating and maintaining the EQUIPMENT/PATROL BOAT for fifteen (15) years from EFFECTIVE DATE of this GRANT AGREEMENT; the DEPARTMENT shall not be liable for such costs.

C. The GRANTEE shall maintain the EQUIPMENT/PATROL BOAT in good repair according to all manufacturer recommendations and shall make all repairs necessary to keep EQUIPMENT/PATROL BOAT functioning through the term of the GRANT AGREEMENT.

D. The GRANTEE, at its own expense, agrees to replace the EQUIPMENT/PATROL BOAT if it is destroyed or rendered useless prior to the expiration of this GRANT AGREEMENT.

E. GRANTEE shall submit maintenance records to the DEPARTMENT with each annual report.

F. The GRANTEE shall seek DEPARTMENT approval for the purchase and installation of additional equipment or modifications to any registered vessel purchased with grant funds. Complete and accurate records of all such modifications shall be reported to the DEPARTMENT in the GRANTEE'S annual report and made available to the DEPARTMENT or authorized representative for inspection upon request.

G. Each GRANTEE shall report to the DEPARTMENT loss or damage to any equipment purchased with grant funds within 30 days of occurrence.

H. Each GRANTEE shall ensure that any PATROL BOAT/EQUIPMENT purchased with grant funds is operated solely by qualified Boating Safety and Boating Law Enforcement Officers. Operators must fully comply with GRANTEE'S documented training and certification requirements to be deemed qualified, which shall include, at a minimum, receipt of a California Boater Card.

I. GRANTEE shall obtain prior DBW approval before submitting requests for modification or survey of a grant-funded PATROL BOAT/EQUIPMENT to California Department of General Services (DGS).

6. TERMINATION OF GRANT AGREEMENT

A. Either DEPARTMENT or GRANTEE may unilaterally terminate this GRANT AGREEMENT if a material breach of the GRANT AGREEMENT is made by the other; such termination shall become effective NINETY [90] DAYS following the date of receipt by either the DEPARTMENT or the GRANTEE of a written notice of termination from the party initiating the termination.

B. The GRANTEE may terminate this GRANT AGREEMENT if the GRANTEE becomes financially or legally unable to comply with the terms and conditions of this GRANT AGREEMENT; such termination shall become effective NINETY [90] DAYS following receipt by the DEPARTMENT of a written notice of termination from the GRANTEE.

C. The DEPARTMENT may terminate this GRANT AGREEMENT immediately and be relieved of any payments should the legislative body of the GRANTEE fail to appropriate GRANTEE FUNDS for purchase costs, if required, or if the GRANTEE fails to perform the requirements of this Agreement at the time and in the manner herein provided; such termination to become effective upon receipt by the GRANTEE of a written termination notice from the DEPARTMENT.

7. REVERSION OF EQUIPMENT/PATROL BOAT TO DEPARTMENT

If EQUIPMENT/PATROL BOAT is no longer needed or this GRANT AGREEMENT is terminated prior to the expiration of the term of the GRANT AGREEMENT:

A. The GRANTEE shall deliver the fully functioning EQUIPMENT/PATROL BOAT to the DEPARTMENT for reassignment and shall execute any document necessary to effect appropriate changes in pertinent public records; the reversion of registered title is hereby declared to be in addition to, and not in lieu of, any other remedies for breach of this GRANT AGREEMENT which may be available to the DEPARTMENT.

B. The GRANTEE shall be prohibited from receiving DEPARTMENT BSEE Grants for a period of three (3) years if EQUIPMENT/PATROL BOAT is not fully functional at time of termination.

8. **LIABILITY**

A. The GRANTEE waives all claims and recourse against the DEPARTMENT, including the right to contribution for any loss or damage arising from, growing out of or in any way connected with or incident to this GRANT AGREEMENT.

B. GRANTEE agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this GRANT AGREEMENT, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by GRANTEE in the performance of this Agreement. GRANTEE warrants, represents and agrees that it and its subgrantees, subcontractors, employees and representatives shall at all times comply with all applicable State contracting laws, codes, rules and regulations in the performance of this GRANT AGREEMENT.

C. If the DEPARTMENT is named as a co-defendant, the GRANTEE shall notify the DEPARTMENT and represent it unless the DEPARTMENT elects to represent itself. If the DEPARTMENT undertakes its own defense, it shall bear its own litigation costs, expenses and attorney's fees.

9. **WAIVER OF RIGHTS**

It is the intention of the parties hereto that from time to time either party may waive certain of its rights under this GRANT AGREEMENT. Any waiver at this time by either party hereto of its rights with respect to a default or any other matter arising in connection with this GRANT AGREEMENT shall not be deemed to be a waiver with respect to any other default or matter.

10. **REMEDIES NOT EXCLUSIVE**

The use by either the DEPARTMENT or GRANTEE of any remedy specified in this GRANT AGREEMENT for the enforcement of this GRANT AGREEMENT is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.

11. **OPINIONS AND DETERMINATIONS**

Where the terms of GRANT AGREEMENT provide for action to be based upon the opinion, judgment, approval, review, or determination of either the DEPARTMENT or GRANTEE, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable.

12. **PROCUREMENT PROCEDURES**

A. The GRANTEE must use procurement procedures that reflect applicable State and local public procurement laws and regulations, provided that the procedures conform to applicable Federal law and the standards identified in 2 CFR §200.318.

There shall be no changes, corrections, modifications or exceptions to DEPARTMENT approved specifications without advance written approval by the DEPARTMENT. Procurement procedures used by the GRANTEE must conform to State law and regulations regarding **Disabled Veteran Business Enterprise Participation Requirements, Recycling Certification,** AND **CONTRACTORS CERTIFICATION CLAUSES.** The GRANTEE is responsible, in its sole discretion, for the review of all bids for compliance.

B. Procurement for boats and other registered vessels must be conducted using Invitation for Bid and must adhere to the specific procurement standards identified by GRANTEE'S governing board regarding advertising, adequate purchase descriptions,

sealed bids, and public openings.

C. **EQUIPMENT AND ELECTRONICS PROCUREMENT PROCEDURES:**

Grantee must obtain at least three (3) bids or rate quotations from qualified sources for each item that has a unit cost of $10,000 or more. The bids may be obtained over the phone, but must be verified with written documentation from the vendor, and must include the make, model, size, name of vendor, date, and cost of item.

D. **DEPARTMENT REVIEW**

(1) GRANTEE must submit to the DEPARTMENT proposed technical specifications of PATROL BOATS and other registered vessels for review and approval prior to solicitation of bids.

(2) Grantees and sub-grantees must make available on request to the DEPARTMENT procurement documents, such as requests for proposals or invitations for bids, independent cost estimates, etc. and must retain such documents for four years after equipment acquisition for auditing purposes.

13. DISPOSITION OF EQUIPMENT/PATROL BOAT

In accordance with 2 CFR 200.313 e.1 and 2, upon completion of the term of the grant agreement, GRANTEE may continue to use EQUIPMENT/PATROL BOAT if needed. If EQUIPMENT/PATROL BOAT is no longer needed, an assessment must be done to establish the per-unit fair-market value. If the per-unit fair-market value is $5,000 or less, EQUIPMENT/PATROL BOAT may be retained, sold, or otherwise disposed of by the GRANTEE with no further obligation to the DEPARTMENT. If the per-unit fair-market value exceeds $5,000, GRANTEE must deliver equipment to the California Department of General Services (DGS) for sale at auction. Prior to delivering equipment to DGS, GRANTEE must receive approval from the DEPARTMENT to request that DGS complete an OFA6. Once DGS has completed the OFA6, GRANTEE will submit the OFA6 to the DEPARTMENT with an official letter requesting to surrender the vessel. The DEPARTMENT will provide the GRANTEE with an OFAM27 and instructions for delivering the EQUIPMENT/PATROL BOAT to auction via email. GRANTEE will deliver the EQUIPMENT/PATROL BOAT and OFAM27 to the auction as instructed by the DEPARTMENT. GRANTEE shall have the OFAM27 signed at the auction and shall return the signed OFAM27 to the DEPARTMENT.

14. DISPOSITION OF PROCEEDS FROM SALE OF EQUIPMENT INSTALLED AND PARTIALLY FUNDED EQUIPMENT

If the GRANTEE has contributed funding in excess of the GRANT to the PURCHASE COSTS of the **EQUIPMENT/PATROL BOAT,** and in the event of a sale of the EQUIPMENT/PATROL BOAT after the expiration or termination of this GRANT AGREEMENT or the reversion of the EQUIPMENT/PATROL BOAT to the DEPARTMENT, then the proceeds of the EQUIPMENT/PATROL BOAT sale shall be distributed between the DEPARTMENT and the GRANTEE in proportion to their respective contributions of the PURCHASE COSTS, e.g.: if the PURCHASE COSTS totaled $100,000 and the GRANT contribution amounts to $60,000, then the DEPARTMENT would receive 60 percent of the EQUIPMENT/PATROL BOAT sale proceeds and the GRANTEE would receive 40 percent.

15. FEDERAL TERMS, CONDITIONS AND REGULATIONS

This GRANT is funded by the Federal Recreational Boating Safety (RBS) Grant and as such, GRANTEE shall comply with all the governing regulations, namely 2 CFR 200. The most applicable of which have been included here for reference. For clarity, "Non-federal entity" shall be understood to be "DEPARTMENT" and "Award" shall be understood to be "GRANT".

GRANTEES are subject and must adhere to the provisions set forth in the 2020 DHS Standard Terms and Conditions which are available online at: https://www.dhs.gov/sites/default/files/publications/fy20_dhs_standard_terms_and_conditions_v10.1_dated_12-31-2019.pdf and made a part of this agreement by reference. GRANTEES are subject to and must adhere to the regulations set forth in the 2 CFR 200 available online at: https://www.govinfo.gov/content/pkg/CFR-2014-title2-vol1/pdf/CFR-2014-title2-vol1-part200.pdf and made a part of this agreement by reference.

16. COMPLIANCE WITH LAW, REGULATION AND POLICY

It is understood and agreed that the Grantee shall comply with all applicable laws and regulations of the State of California, U.S. Coast Guard Code of Federal Regulations: 2 CFR identified in section §§ 200.318 General Procurement standards through 200.326 Contract provisions, 50 CFR 80 and 50 CFR 85, Equal Opportunity (41 CFR 60-1.4(b)), Davis-Bacon Act, as amended (40 U.S.C. 3141-3148), Copeland "Anti-Kickback" Act (40 U.S.C. 3145), Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708), "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements" (37 CFR Part 401), Clean Air Act (42 U.S.C. 7401-7671q.), and the Federal Water Pollution Control Act as amended (33 U. S.C. 1251-1387), Debarment and Suspension (Executive Orders 12549 and 12689), Byrd Anti-Lobbying amendment (31 U.S.C. 1352) and all policies of DBW.

A. **MANDATORY DISCLOSURES**

The non-Federal entity or applicant for a Federal award must disclose, in a timely manner, in writing to the Federal awarding agency or pass-through entity all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. Failure to make required disclosures can result in any of the remedies described in §200.338 remedies for noncompliance, including suspension or debarment. (See also 2 CFR part 180 and 31 U.S.C. 3321).

B. **ENHANCEMENT OF RECIPIENT AND SUBRECIPIENT EMPLOYEE WHISTLEBLOWER PROTECTION**

This award, related subawards, and related contracts over the simplified acquisition threshold and all employees working on this award, related subawards, and related contracts over the simplified acquisition threshold are subject to the whistleblower rights and remedies established at 41 USC 4712.

Recipients, their subrecipients, and their contractors awarded contracts over the simplified acquisition threshold related to this award, shall inform their employees in writing, in the predominant language of the workforce, of the employee whistleblower rights and protections under 41 USC 4712.

The recipient shall insert this clause, including this paragraph, in all subawards and in contracts over the simplified acquisition threshold related to this award.

C. ***Federally assisted construction Grants.*** Except as otherwise provided, each administering agency shall require the inclusion of the following language as a condition of any grant, contract, loan, insurance, or guarantee involving federally assisted construction which is not exempt from the requirements of the equal opportunity clause:

> The applicant hereby agrees that it will incorporate or cause to be incorporated into any contract for construction work, or modification

thereof, as defined in the regulations of the Secretary of Labor at 41 CFR chapter 60, which is paid for in whole or in part with funds obtained from the Federal Government or borrowed on the credit of the Federal Government pursuant to a grant, contract, loan insurance, or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan, insurance, or guarantee, the following equal opportunity clause:

During the performance of this grant, the grantee agrees to sections i-vii below:

Government contracts. Except as otherwise provided, each granting agency shall include the following Equal Opportunity clause contained in section 202 of the order in each of its Government grants (and modifications thereof if not included in the original grant):

During the performance of this grant, the grantee agrees to sections i-vii below:

i. The grantee will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The grantee will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The grantee agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the granting officer setting forth the provisions of this nondiscrimination clause.

ii. The grantee will, in all solicitations or advertisements for employees placed by or on behalf of the grantee, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

iii. The grantee will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency granting officer, advising the labor union or workers' representative of the grantee's commitments under section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

iv. The grantee will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

v. The grantee will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the granting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

vi. In the event of the grantee's non-compliance with the nondiscrimination clauses of this grant or with any of such rules, regulations, or orders, this

grant may be canceled, terminated or suspended in whole or in part and the grantee may be declared ineligible for further Government grants in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

vii. The grantee will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The grantee will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event the grantee becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the grantee may request the United States to enter into such litigation to protect the interests of the United States.

The applicant further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: Provided, That if the applicant so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the grant.

The applicant agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.

The applicant further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction grants or contracts pursuant to the Executive order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon grantees and contractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive order. In addition, the applicant agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the applicant under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.

Subcontracts. Each nonexempt prime contractor or subcontractor shall include the equal opportunity clause in each of its nonexempt subcontracts.

l. *Incorporation by reference.* The equal opportunity clause may be

incorporated by reference in all Government contracts and subcontracts, including Government bills of lading, transportation requests, contracts for deposit of Government funds, and contracts for issuing and paying U.S. savings bonds and notes, and such other contracts and subcontracts as the Deputy Assistant Secretary may designate.

II. *Incorporation by operation of the order.* By operation of the order, the equal opportunity clause shall be considered to be a part of every contract and subcontract required by the order and the regulations in this part to include such a clause whether or not it is physically incorporated in such contracts and whether or not the contract between the agency and the contractor is written.

Adaptation of language. Such necessary changes in language may be made in the equal opportunity clause as shall be appropriate to identify properly the parties and their undertakings.

EXHIBIT B

General Terms and Conditions (GTC 04/2017)

1. **APPROVAL:**

This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. Contractor /GRANTEE may not commence performance until such approval has been obtained.

2. **AMENDMENT:**

No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.

3. **ASSIGNMENT:**

This Agreement is not assignable by the Contractor/GRANTEE, either in whole or in part, without the consent of the State in the form of a formal written amendment.

4. **AUDIT:**

Contractor/GRANTEE agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor/GRANTEE agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor//GRANTEE agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor/GRANTEE agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).

5. **INDEMNIFICATION:**

Contractor/GRANTEE agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all GRANTEES, contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor/GRANTEE in the performance of this Agreement.

6. **DISPUTES:**

Contractor/GRANTEE shall continue with the responsibilities under this Agreement during any dispute.

7. **TERMINATION FOR CAUSE:**

The State may terminate this Agreement and be relieved of any payments should the Contractor/GRANTEE fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor/GRANTEE under this Agreement and the balance, if any, shall be paid to the Contractor/GRANTEE upon demand.

8. **INDEPENDENT CONTRACTOR:**

Contractor/GRANTEE, and the agents and employees of Contractor/GRANTEE, in the performance of this Agreement, shall act in an independent capacity and not as officers or

employees or agents of the State.

9. **RECYCLING CERTIFICATION:**

The Contractor/GRANTEE shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of post-consumer material as defined in the Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether the product meets the requirements of Public Contract Code Section 12209. With respect to printer or duplication cartridges that comply with the requirements of Section 12156(e), the certification required by this subdivision shall specify that the cartridges so comply (Pub. Contract Code §12205).

10. **NON-DISCRIMINATION CLAUSE:**

During the performance of this Agreement, Contractor/GRANTEE and its subcontractors shall not deny the contract's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Contractor/GRANTEE shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. Contractor/GRANTEE and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, §11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§11135-11139.5), and the regulations or standards adopted by the awarding state agency to implement such article.

Contractor/GRANTEE shall permit access by representatives of the Department of Fair Employment and Housing and the awarding state agency upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or Agency shall require to ascertain compliance with this clause. Contractor/GRANTEE and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. (See Cal. Code Regs., tit. 2, §11105.)

Contractor/GRANTEE shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

11. **CERTIFICATION CLAUSES:**

The CONTRACTOR CERTIFICATION CLAUSES contained in the document CCC 04/2017 are hereby incorporated by reference and made a part of this Agreement by this reference as if attached hereto.

12. **TIMELINESS:**

Time is of the essence in this Agreement.

13. **COMPENSATION:**

The consideration to be paid Contractor/GRANTEE, as provided herein, shall be in compensation for all of Contractor's/GRANTEE'S expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.

14. GOVERNING LAW:

This contract is governed by and shall be interpreted in accordance with the laws of the State of California.

15. ANTITRUST CLAIMS:

The Contractor/GRANTEE by signing this agreement hereby certifies that if these services or goods are obtained by means of a competitive bid, the Contractor/GRANTEE shall comply with the requirements of the Government Codes Sections set out below.

a. The Government Code Chapter on Antitrust claims contains the following definitions:

   1) "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code.

   2) "Public purchasing body" means the State or the subdivision or agency making a public purchase. Government Code Section 4550.

b. In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder. Government Code Section 4552.

c. If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Government Code Section 4553.

d. Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. See Government Code Section 4554.

16. CHILD SUPPORT COMPLIANCE ACT:

For any Agreement in excess of $100,000, the contractor/GRANTEE acknowledges in accordance with Public Contract Code 7110, that:

a. The contractor/GRANTEE recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and

b. The contractor/GRANTEE, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

17. **UNENFORCEABLE PROVISION:**

In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

18. **PRIORITY HIRING CONSIDERATIONS:**

If this Contract includes services in excess of $200,000, the Contractor/GRANTEE shall give priority consideration in filling vacancies in positions funded by the Contract to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.

19. **SMALL BUSINESS PARTICIPATION AND DVBE PARTICIPATION REPORTING REQUIREMENTS:**

a. If for this Contract Contractor/GRANTEE made a commitment to achieve small business participation, then Contractor/GRANTEE must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) report to the awarding department the actual percentage of small business participation that was achieved. (Govt. Code § 14841.)

b. If for this Contract Contractor/GRANTEE made a commitment to achieve disabled veteran business enterprise (DVBE) participation, then Contractor/GRANTEE must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) certify in a report to the awarding department: (1) the total amount the prime Contractor/GRANTEE received under the Contract; (2) the name and address of the DVBE(s) that participated in the performance of the Contract; (3) the amount each DVBE received from the prime Contractor/GRANTEE; (4) that all payments under the Contract have been made to the DVBE; and (5) the actual percentage of DVBE participation that was achieved. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. (Mil. & Vets. Code § 999.5(d); Govt. Code § 14841.)

20. **LOSS LEADER:**

If this contract involves the furnishing of equipment, materials, or supplies then the following statement is incorporated: It is unlawful for any person engaged in business within this state to sell or use any article or product as a "loss leader" as defined in Section 17030 of the Business and Professions Code. (PCC 10344(e).)

EXHIBIT C

CERTIFICATION

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Grantee to the clause(s) listed below. This certification is made under the laws of the State of California.

Grantee Agency Name (Printed) City of Morro Bay Harbor Department	Federal ID Number 95-2308629
By Authorized Signature:	
Printed Name and Title of Person Signing ,	
Date Executed	Executed in the County of San Luis Obispo

GRANTEE CERTIFICATION CLAUSES

1. STATEMENT OF COMPLIANCE:

Grantee has, unless exempted, complied with the nondiscrimination program requirements. (Gov. Code §12990 (a-f) and CCR, Title 2, Section 8103) (Not applicable to public entities.)

2. DRUG-FREE WORKPLACE REQUIREMENTS:

18.10 Grantee will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

b. Establish a Drug-Free Awareness Program to inform employees about:

1) the dangers of drug abuse in the workplace;

2) the person's or organization's policy of maintaining a drug-free workplace;

3) any available counseling, rehabilitation and employee assistance programs; and,

4) penalties that may be imposed upon employees for drug abuse violations.

c. Every employee who works on the proposed Agreement will:

1) receive a copy of the company's drug-free workplace policy statement; and,

2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION:

Grantee certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Grantee within the immediately preceding two-year period because of Grantee's failure to comply with an order of a Federal court, which orders Grantee to comply with an order of the National Labor Relations Board. (Pub. Contract Code §10296) (Not applicable to public entities.)

4. CONTRACTS FOR LEGAL SERVICES $50,000 OR MORE- PRO BONO REQUIREMENT:

Grantee hereby certifies that Grantee will comply with the requirements of Section 6072 of the Business and Professions Code, effective January 1, 2003.

Grantee agrees to make a good faith effort to provide a minimum number of hours of pro bono legal services during each year of the agreement equal to the lessor of 30 multiplied by the

number of full time attorneys in the firm's offices in the State, with the number of hours prorated on an actual day basis for any contract period of less than a full year or 10% of its agreement with the State.

Failure to make a good faith effort may be cause for non-renewal of a state agreement for legal services, and may be taken into account when determining the award of future contracts/agreements with the State for legal services.

5. EXPATRIATE CORPORATIONS:

18.40 Grantee hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with the State of California.

6. SWEATFREE CODE OF CONDUCT:

a. All Grantees contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the contract have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The Grantee further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at www.dir.ca.gov, and Public Contract Code Section 6108.

b. The Grantee agrees to cooperate fully in providing reasonable access to the Grantee's records, documents, agents or employees, or premises if reasonably required by authorized officials of the contracting agency, the Department of Industrial Relations, or the Department of Justice to determine the Grantee's compliance with the requirements under paragraph (a).

7. DOMESTIC PARTNERS:

For contracts over $100,000 executed or amended after January 1, 2007, the Grantee certifies that Grantee is in compliance with Public Contract Code section 10295.3.

EXHIBIT D

DOING BUSINESS WITH THE STATE OF CALIFORNIA

The following laws apply to persons or entities doing business with the State of California.

1. **CONFLICT OF INTEREST:**

Grantee needs to be aware of the following provisions regarding current or former state employees. If Grantee has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

Current State Employees (PCC 10410):

1) No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.

2) No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (Pub. Contract Code §10411):

1) For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.

2) For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Grantee violates any provisions of above paragraphs, such action by Grantee shall render this Agreement void. (PCC 10420).

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (PCC 10430 (e)).

2. **LABOR CODE/WORKERS' COMPENSATION:**

Grantee needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Grantee affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700).

3. **AMERICANS WITH DISABILITIES ACT:**

Grantee assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

4. **GRANTEE NAME CHANGE:**

An amendment is required to change the Grantee's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said

amendment. Any changes of the Grantee's representative shall be notified to DBW within 30 days written notice on Grantee's letterhead.

5. **CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA:**

a. When agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the Grantee is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.

b. "Doing business" is defined in R&TC Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate Grantee performing within the state not be subject to the franchise tax.

c. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California.

Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

6. **RESOLUTION:**

A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

7. **AIR OR WATER POLLUTION VIOLATION:**

Under the State laws, the Grantee shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

8. **PAYEE DATA RECORD FORM STD. 204:**

This form must be completed by all Grantees that are not another state agency or other governmental entity.

EXHIBIT E

Bid/Proposal Attachment regarding the Darfur Contracting Act of 2008

Effective January 1, 2009, all Invitations for Bids (IFB) or Requests for Proposals (RFP) for goods or services must address the requirements of the Darfur Contracting Act of 2008 (Act). (Public Contract Code sections 10475, et seq.; Stats. 2008, Ch. 272). The Act was passed by the California Legislature and signed into law by the Governor to preclude State agencies generally from contracting with "scrutinized" companies that do business in the African nation of Sudan (of which the Darfur region is a part), for the reasons described in Public Contract Code section 10475.

A scrutinized company is a company doing business in Sudan as defined in Public Contract Code section 10476. Scrutinized companies are ineligible to, and cannot, bid on or submit a proposal for a contract with a State agency for goods or services. (Public Contract Code section 10477(a)).

Therefore, Public Contract Code section 10478 (a) requires a company that currently has (or within the previous three years has had) business activities or other operations outside of the United States to certify that it is not a "scrutinized" company when it submits a bid or proposal to a State agency. (See # 1 on the sample Attachment).

A scrutinized company may still, however, submit a bid or proposal for a contract with a State agency for goods or services if the company first obtains permission from the Department of General Services (DGS) according to the criteria set forth in Public Contract Code section 10477(b). (See # 2 on the sample Attachment).

The following sample Attachment may be included in an IFB or RFP to satisfy the Act's certification requirements of bidders and proposers.

Exhibit E - DARFUR CONTRACTING ACT

Pursuant to Public Contract Code section 10478, if a bidder or proposer currently or within the previous three years has had business activities or other operations outside of the United States, it must certify that it is not a "scrutinized" company as defined in Public Contract Code section 10476.

Therefore, to be eligible to submit a bid or proposal, please complete only one of the following three paragraphs (via initials for Paragraph # 1 or Paragraph # 2, or via initials and certification for Paragraph # 3): YOUR BID OR PROPOSAL WILL BE DISQUALIFIED UNLESS YOUR BID OR PROPOSAL INCLUDES THIS FORM WITH EITHER PARAGRAPH #1 OR #2 INITIALED OR PARAGRAPH #3 INITIALED AND CERTIFIED.

1. _____ We do not currently have, or we have not had within the previous three years, business activities or other operations outside of the United States.

OR

2. _____ We are a scrutinized company as defined in Public Contract Code section 10476, but we have received written permission from the Department of General Services (DGS) to submit a bid or proposal pursuant to Public Contract Code section 10477(b). A copy of the written permission from DGS is included with our bid or proposal.

OR

3. _____ We currently have, or we have had within the previous three years, business activities or other operations outside of the United States, but we certify below that we are not a scrutinized company as defined in Public Contract Code section 10476.

CERTIFICATION For # 3.

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective proposer/bidder to the clause listed above in # 3. This certification is made under the laws of the State of California.

Grantee Agency Name (Printed) City of Morro Bay Harbor Department	Federal ID Number 95-2308629
By (Authorized Signature)	
Printed Name and Title of Person Signing ,	
Date Executed	Executed in the County of San Luis Obispo

YOUR BID OR PROPOSAL WILL BE DISQUALIFIED UNLESS YOUR BID OR PROPOSAL INCLUDES THIS FORM WITH EITHER PARAGRAPH #1 OR #2 INITIALED OR PARAGRAPH #3 INITIALED AND CERTIFIED

EXHIBIT F

SUGGESTED LANGUAGE FOR RECYLING CERTIFICATION

State law requires that state contracts shall have Recycling Certification in writing under penalty of perjury, the minimum, if not exact, percentage of recycled content, both post-consumer waste and secondary waste as defined in the Public Contract Code, Sections 12161 and 12200, in materials, goods, or supplies offered or products used in the performance of this Agreement, regardless of whether the product meets the required recycled product percentage as defined in the Public Contract Code, Sections 12161 and 12200. Contractor may certify that the product contains zero recycled content. (PCC 10233, 10308.5, 10354)

RECYCLED CONTENT CERTIFICATION

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that
I am duly authorized to legally bind the prospective Contractor to the clause(s) listed below. This certification is made under the laws of the State of California.

Name and Title of Person Signing	Date Executed
Authorized Signature	Executed in the County of San Luis Obispo
Title	Telephone Number
Legal Business Name City of Morro Bay Harbor Department	Federal ID Number 95-2308629

The Contractor hereby certifies under penalty of perjury, that {min_recycle_pct} percent of the materials, goods, supplies offered, or products used in the performance of this contract meets the or exceeds the minimum percentage of recycled material as defined in Sections 12161 and 12200 of the Public Contract Code. The Contractor may certify that the product contains zero recycled content.

General

1 Applicant Information

a.	Applicant Name	City of Morro Bay Harbor Department			
b.	Organizational Unit				
c.	Address	1275 Embarcadero			
d.	Address 2				
e.	City	Morro Bay	State	CA	Zip 93442
f.	Federal ID Number	95-2308629	Reference No.		
g.	Agency Type				

- (●) City
- ( ) County
- ( ) State Agency
- ( ) District

2 Project Information

a.	Project Name	Patrol vessel procurement		
b.	Is implementing agency same as Applicant		(●) Yes	( ) No
c.	Implementing Agency Name			
d.	Project Start Date	Oct-01-2020	End Date	Sep-01-2021
e.	Amount of Funds Requested	$85,000.00	Project Cost	$85,000.00

3 Contacts

a. Project Administrator

Name	Eric Endersby				
Title	Director				
Mailing Address	1275 Embarcadero				
City	Morro Bay	State	CA	Zip	93442
Telephone	(805) 772-6254			Fax	(805) 772-6258
E-mail Address	eendersby@morrobayca.gov				

1. Minimum Qualifications

Attach a Letter of Intent as required by Title 14. A template letter is in the 'Show Documents' area.

25582_0_567_Letter of intent 2020.pdf

As a subcontractor for this federal grant award, your agency must be registered in the Federal System of Award Management (https://www.sam.gov/SAM/pages/public/searchRecords/search.jsf) Your agency's registration must be current in that system at the time you submit your application.

Attach a screenshot showing your registration is active. (A sample screenshot is available in the 'Show Documents' area)

25584_0_999_SAM snapshot.JPG

1 a. Do you have an active Boating Safety / Boating Law Enforcement Patrol?

(•) Yes ( ) No

1 b. What training and/or authorization does your agency have to perform boating safety and boating law enforcement in your jurisdiction?

Morro Bay Harbor Patrol's boating safety and enforcement authorization is codified primarily in Morro Bay Municipal Code sections 15.04.080, 15.08.020, 14.44-010-020 and 15.52.010-070. Morro Bay Harbor Patrol personnel are trained variously under PC 832, DBW's Marine Law Enforcement Training Program, USCG's captain licensing and various local programs and classes.

1 c. Do you certify that you know you are required to submit all boating accidents as required in Section 656 of Harbors and Navigation Code for the 15-year grant term if awarded this grant? An agency's failure to submit a report may result in ineligibility of future grant funds for up to 5 fiscal years.

(•) Yes ( ) No

1. California State Senate Districts

Select one or more of the California State Senate Districts where the proposed project activities will occur. Copy and Paste the URL (http://www.legislature.ca.gov/legislators_and_districts/districts/districts.html) in your browser to determine the State Senate district(s).

☐ State Senate 01	☐ State Senate 02	☐ State Senate 03	☐ State Senate 04	☐ State Senate 05
☐ State Senate 06	☐ State Senate 07	☐ State Senate 08	☐ State Senate 09	☐ State Senate 10
☐ State Senate 11	☐ State Senate 12	☐ State Senate 13	☐ State Senate 14	☐ State Senate 15
☐ State Senate 16	☑ State Senate 17	☐ State Senate 18	☐ State Senate 19	☐ State Senate 20
☐ State Senate 21	☐ State Senate 22	☐ State Senate 23	☐ State Senate 24	☐ State Senate 25
☐ State Senate 26	☐ State Senate 27	☐ State Senate 28	☐ State Senate 29	☐ State Senate 30
☐ State Senate 31	☐ State Senate 32	☐ State Senate 33	☐ State Senate 34	☐ State Senate 35
☐ State Senate 36	☐ State Senate 37	☐ State Senate 38	☐ State Senate 39	☐ State Senate 40

2. California State Assembly Districts

Select one or more of the California State Assembly Districts where the proposed project activities will occur. Copy and Paste the URL (http://www.legislature.ca.gov/legislators_and_districts/districts/districts.html) in your browser to determine the State Assembly district(s).

☐ State Assembly 01	☐ State Assembly 02	☐ State Assembly 03	☐ State Assembly 04
☐ State Assembly 05	☐ State Assembly 06	☐ State Assembly 07	☐ State Assembly 08
☐ State Assembly 09	☐ State Assembly 10	☐ State Assembly 11	☐ State Assembly 12
☐ State Assembly 13	☐ State Assembly 14	☐ State Assembly 15	☐ State Assembly 16
☐ State Assembly 17	☐ State Assembly 18	☐ State Assembly 19	☐ State Assembly 20
☐ State Assembly 21	☐ State Assembly 22	☐ State Assembly 23	☐ State Assembly 24
☐ State Assembly 25	☐ State Assembly 26	☐ State Assembly 27	☐ State Assembly 28
☐ State Assembly 29	☐ State Assembly 30	☐ State Assembly 31	☐ State Assembly 32
☐ State Assembly 33	☐ State Assembly 34	☑ State Assembly 35	☐ State Assembly 36
☐ State Assembly 37	☐ State Assembly 38	☐ State Assembly 39	☐ State Assembly 40
☐ State Assembly 41	☐ State Assembly 42	☐ State Assembly 43	☐ State Assembly 44
☐ State Assembly 45	☐ State Assembly 46	☐ State Assembly 47	☐ State Assembly 48
☐ State Assembly 49	☐ State Assembly 50	☐ State Assembly 51	☐ State Assembly 52
☐ State Assembly 53	☐ State Assembly 54	☐ State Assembly 55	☐ State Assembly 56
☐ State Assembly 57	☐ State Assembly 58	☐ State Assembly 59	☐ State Assembly 60
☐ State Assembly 61	☐ State Assembly 62	☐ State Assembly 63	☐ State Assembly 64
☐ State Assembly 65	☐ State Assembly 66	☐ State Assembly 67	☐ State Assembly 68
☐ State Assembly 69	☐ State Assembly 70	☐ State Assembly 71	☐ State Assembly 72
☐ State Assembly 73	☐ State Assembly 74	☐ State Assembly 75	☐ State Assembly 76
☐ State Assembly 77	☐ State Assembly 78	☐ State Assembly 79	☐ State Assembly 80

3. California Congressional Districts

Select one or more of the California Congressional Districts where the proposed project activities will occur. Copy and Paste the URL (https://www.govtrack.us/congress/members/CA) in your browser to determine the Congressional district(s).

☐ Congressional District 1	☐ Congressional District 2	☐ Congressional District 3
☐ Congressional District 4	☐ Congressional District 5	☐ Congressional District 6

- [ ] Congressional District 7
- [ ] Congressional District 8
- [ ] Congressional District 9
- [ ] Congressional District 10
- [ ] Congressional District 11
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- [ ] Congressional District 45
- [ ] Congressional District 46
- [ ] Congressional District 47
- [ ] Congressional District 48
- [ ] Congressional District 49
- [ ] Congressional District 50
- [ ] Congressional District 51
- [ ] Congressional District 52
- [ ] Congressional District 53

4. County

Select one or more of the California Counties where the proposed project activities will occur.

- [ ] Alameda
- [ ] Alpine
- [ ] Amador
- [ ] Butte
- [ ] Calaveras
- [ ] Colusa
- [ ] Contra Costa
- [ ] Del Norte
- [ ] El Dorado
- [ ] Fresno
- [ ] Glenn
- [ ] Humboldt
- [ ] Imperial
- [ ] Inyo
- [ ] Kern
- [ ] Kings
- [ ] Lake
- [ ] Lassen
- [ ] Los Angeles
- [ ] Madera
- [ ] Marin
- [ ] Mariposa
- [ ] Mendocino
- [ ] Merced
- [ ] Modoc
- [ ] Mono
- [ ] Monterey
- [ ] Napa
- [ ] Nevada
- [ ] Orange
- [ ] Placer
- [ ] Plumas
- [ ] Riverside
- [ ] Sacramento
- [ ] San Benito
- [ ] San Bernardino
- [ ] San Diego
- [ ] San Francisco
- [ ] San Joaquin
- [x] San Luis Obispo
- [ ] San Mateo
- [ ] Santa Barbara
- [ ] Santa Clara
- [ ] Santa Cruz
- [ ] Shasta
- [ ] Sierra
- [ ] Siskiyou
- [ ] Solano
- [ ] Sonoma
- [ ] Stanislaus
- [ ] Sutter
- [ ] Tehama
- [ ] Trinity
- [ ] Tulare
- [ ] Tuolumne
- [ ] Ventura
- [ ] Yolo
- [ ] Yuba

2. Citation Authority

2 a.	Number of Full-Time Boating Safety and/or Boating Law Enforcement Officers do you have?	5
2 b.	Number of Part-Time Boating Safety and/or Boating Law Enforcement Officers do you have?	4
	How many hours per year do they work?	1,250
	Is this work seasonal or continuous?	Continuous
3.	Does your boating safety and enforcement unit have citation authority?	(•) Yes ( ) No
	If YES, Code #	PC 836.5
	How many boating related citations did you have last year (2019)?	10
4.	Does your boating safety and enforcement unit have arrest authority?	(•) Yes ( ) No
	If YES, Code #	PC 836.5
	How many boating related arrests did you have last year (2019)?	6

5. How many outreach events did your agency participate in to promote boating safety education in 2019? Please list these events.

Approximately 12 events per year, including National Safe Boating Day, Morro Bay Yacht Club Opening Day, numerous boating safety lectures to different entities including, but not limited to local marinas and rental shop operators, California State Parks resource employees, local paddle groups, dock talks to local school and university groups and time underway during training sessions in our Junior Lifeguard program, all on various elements of boating safety and education.

6. Jurisdiction Table

List All Waterbodies That Are In Your Jurisdiction and Fill in the Chart for Each

Waterbody	Size (area)	Boating activities (fishing, watersports, paddlecraft, etc.)	How many hours/year is this waterbody patrolled by your agency. If seasonal, list active months	Do you share jurisdiction on this waterbody	If shared jurisdiction, list other agency(s)
City of Morro Bay Harbor city limits	5.2 sq mi	Recreational and commercial fishing, general boating and sailing, waterfowl hunting, paddle sports, bathing, swimming, sailing regattas, commercial aquaculture, surfing, scuba diving.	Full time / Year round	Yes	United States Coast Guard, California State Parks, California Fish & Wildlife
Estero Bay/Pacific Ocean (limited)	40 sq mi	Recreational and commercial fishing, general boating and sailing, paddle sports, sailing regattas, surfing, swimming, bathing, scuba diving.	Full time/ Year round	Yes	United States Coast Guard, California State Parks, California Fish & Wildlife, San Luis Obispo County Sheriff
Morro Bay back bay	4 sq mi	Recreational and commercial fishing, general boating and sailing, waterfowl hunting, paddle sports, bathing, swimming, sailing regattas, commercial aquaculture, surfing, scuba diving.	Full time/ Year round	Yes	United States Coast Guard, California State Parks, California Fish & Wildlife

7. Clearly identify the top three safety issues related to your request in your jurisdiction.

Morro Bay Harbor Department's jurisdiction is comprised of some of the most notoriously rough waters in California, with ~150 days per year of small craft advisory conditions and an average of ~30 days per year of hazardous harbor entrance conditions including large breaking surf in the navigational channel. In addition, by way of mutual aid to neighboring jurisdictions, the Harbor Patrol responds to approximately 40 square miles of ocean area, including approximately 25 miles of rugged coastline, assisting the Coast Guard, State Parks, Cal Fire and County Sheriffs. With ~450 year-round home-ported vessels and ~3600 vessels utilizing our public launch ramp in 2019, a great number of boaters and ocean users are put in harm's way every year.

With annual visitation of approximately 1.1 million people for a town of 10,000, Morro Bay sees a high volume of inexperienced recreational users, whether they are recreational fishermen heading offshore or kayakers and paddlers in the bay or nearby ocean waters. Our strong tides and sometimes poor sea conditions can get the better of an inexperienced or uneducated boater.

Many of our boaters are unaware of local and state laws on the water, even for things as simple as lifejacket requirements. It is imperative to educate, warn and advise these boaters, and if necessary take enforcement action to insure safety.

8. Inventory

List all patrol boats, PWCs and inflatables in your current inventory (County and State owned)

Year	Make	CF Number	How many hours/year is this used?	What waterbodies is it used on?	Is this boat currently being surplused?	Is this a boat that was funded by a DBW Grant?	Vessel Status?
1,984	Radon	2190 XC	800	Morro Bay Harbor and Pacific Ocean	Yes	No	Operational
1,995	Davis-Radon Craft	3290 XC	400	Morro Bay Harbor and Pacific Ocean	No	No	Non-Operational
2,013	Radon	5532 XC	1,000	Morro Bay Harbor and Pacific Ocean	No	Yes	Operational
2,018	Kawasaki	5929 XC	150	Morro Bay Harbor and Pacific Ocean	No	Yes	Operational
2,018	Kawasaki	5930 XC	150	Morro Bay Harbor and Pacific Ocean	No	Yes	Operational

9. Project Type

Are you requesting a new Patrol Boat/PWC or Misc. Equipment.?

☑ New Patrol Boat/PWC

☐ Equipment / Repairs

** All items purchased with funding provided by the Division of Boating and Waterways are for the exclusive use of the Boating Safety and Enforcement Unit.*

Patrol Boat Instructions

PLEASE READ THE FOLLOWING CAREFULLY

ENTER INFORMATION IN THIS SECTION ONLY IF YOU SELECTED 'PATROL' AS A PROPOSAL TYPE

IF YOU DID NOT SELECT 'PATROL BOAT' AS A PROPOSAL TYPE, CLICK ON THE NEXT TAB TO NAVIGATE TO THE NEXT SECTION

10 a. Describe exactly what you are requesting and how this equipment will help mitigate the boating safety issues you identified in Question 7.

Morro Bay Harbor Department is requesting $85,000 to purchase a surplus 26' Radon Harbor Patrol vessel from its sister agency, Port San Luis. Morro Bay currently has a fleet of three Harbor Patrol vessels. Our primary twin-engine vessel was built in 2013 and in good condition. A second twin-engine vessel was built in 1984 that several years ago suffered a major structural failure and, although repaired, was deemed marginally seaworthy and recently its repair was found structurally compromised. It is therefore no longer capable of emergency response in open or rough waters and spends a significant amount of time out for other maintenance due to its age. Our third, single-engine vessel is non-operational due to the age of its engine, and even when operational is not an all-condition vessel.

A two twin-engine patrol vessel fleet is imperative to our ability to safely respond to the volume of calls and issues from the recreational boaters and other users of the often dangerous waters in and adjacent to our jurisdiction. Morro Bay Harbor Patrol conducted ~70 search and rescue cases in 2019 with the majority occurring offshore or in the surf zone. With only one offshore seaworthy patrol vessel currently, open-ocean response is significantly hampered during maintenance periods of our primary vessel.

Because waters in our jurisdiction can see a large volume of inexperienced or under-educated boaters of all types, the safety of these boaters is a high priority and we strive to ensure their safety through heavy preventative public contacts, including education and equipment and operation violation enforcement. We work in conjunction with the Coast Guard and our local Police Department to enforce safety and other infractions that would potentially lead to situations threatening the loss of life and/or property. Having two twin-engine patrol vessels will allow us to continue to make these preventive educational and enforcement contacts year round.

10 b. Describe any negative impacts to boating safety and/or boating enforcement if you do not get this grant.

Without the procurement of a replacement patrol vessel for our 1984-built vessel, search and rescue and enforcement operations will be significantly hampered. Some of the maintenance windows for our only ocean-worthy patrol vessel can be planned around low traffic times of the year, but there are always unexpected break downs which can take a significant amount of time for repairs. Our department is a full-time, year-round boating safety and enforcement unit, that the boating public relies on for well-trained and well-equipped first responders to assist them at all times.

As stated earlier, the waters of our jurisdiction see ~3600 annual recreational vessel launches, 450 full time recreational vessels in the harbor, hundreds of transient vessel visits and thousands of other small paddle craft and other users on the water annually. This means any break in our ability to conduct our mission can put a significant number of lives at stake. That Morro Bay is the only all-weather safe harbor between Monterey and Santa Barbara only adds to the significance of the safety issues at hand.

Morro Bay Harbor Department is not eligible and/or competitive for many Federal or other funding resources such as the Homeland Security Stonegarden grants because our boating safety officers are not armed, fully-sworn peace officers. Furthermore, the small size of our department and harbor and the lack of significant commercial shipping activity and other security concerns is also a limiting factor in the types of funding we can receive.

10 c. Classify this request by choosing one of the following options and present a strong justification for the request.

Classify this request by choosing one of the following options.

- (●) "Critical" (operations would cease without it)
- ( ) "Increased efficiency" (if it would save staff time, identify how much time)
- ( ) "Convenience" (it would make life a little easier)
- ( ) "Protection" of existing equipment (ex: shade structure, hoists to get the vessels out of the water, etc. to extend longevity)

Justification: We classify this request as "critical" because without this replacement vessel our patrol fleet will be down to one all-condition capable vessel, with no suitable stand-in vessel for maintenance or other downtime periods throughout the year. Although not a complete cessation of operations, any break in our ability to be effectively on the water for any length of time is an unacceptable public safety risk.

10 d. If you are not awarded your full request, would your agency be able to supplement the difference? (●) Yes ( ) No

If yes, what percentage can you supplement? 10

10 e. How and why did you select this particular vessel? Explain if this is a standard patrol boat or do you need something specialized for your waterbody to meet your agency's needs? List less expensive models considered and explain why they are not being requested.

Morro Bay Harbor Department has used Radon vessels built by D.R. Radon Boatbuilding in Santa Barbara for over 40 years. These vessels are an optimal platform for our area of operation due to their strong seakeeping abilities, great maneuverability, strong construction, hull design that allows the vessel to operate safely in our hazardous entrance and sea conditions and unmatched customer support from the manufacturer.

In 2013, during a stronger budgeting environment and after many years of putting aside funding, with the aid of a BS&E grant our department was able to purchase a new Radon patrol vessel. This vessel came at a significant cost of over $400,000, which is not something our department can consider at this time.

We are requesting funding to sole-source purchase a surplus Radon patrol vessel from a sister agency, which is of the same type and design that best suits our needs. This vessel's fair market value was determined to be $85,000 by R. Reisner & Associates, LLC, Marine Surveyors and Consultants. This vessel was built in 2002 and can be put into service by our department immediately, thus solving our needs while simultaneously repurposing a perfectly suitable vessel at great value. Our department intends to have this vessel in frontline service for 20 years.

Considering the limited funding capacity of the Division of Boating and Waterways, and the limited resources of the Morro Bay Harbor Department, purchasing this surplus vessel at such a competitive price would be an all-around win. This purchase would be a frugal use of funds to repurpose a vessel not suited to the needs of one department to those of another department it is well-suited to. This represents a ~$300,000 savings from the cost of purchasing a new vessel of the same type, as well as a significant savings in time and resources in building a new vessel that will enable the Morro Bay Harbor Department to continue to provide excellent boating safety and enforcement services.

10 f. Patrol Boat - Informational

10 f. What body(s) of water will this boat be used on?	Morro Bay Harbor & back bay and Estero Bay/Pacific Ocean within our jurisdiction, and outside our jurisdiction during mutual aid.
10 g. How many hours per year will this equipment be used by your BS&E Unit for	1,000

Boating Safety Enforcement?

Will it be used year-round or seasonally? Explain. (limit this to 100 characters?). This vessel will be used year round by our full-time Harbor Patrol.

10 h. Will this equipment be used for anything besides Recreational Boating Safety Enforcement (ie. Junior lifeguard, swimming rescues, enforcing commercial activities, etc.)? (•) Yes ( ) No

If so, list activities and percentage of time vs. Recreational Boating Safety Enforcement: This vessel will be used for boating safety and enforcement approximately 85% of the time with the other ~15% made up of pollution event response, assistance to other agencies, training, junior lifeguard operations, and marine/waterfront firefighting.

10 i. Upload boat/trailer specifications for review. The Specification Guidelines are in the 'Show Documents' area. You cannot proceed without attaching specs. 25634_0_484_Vessel Description.doc

10 j. Estimate the cost of the patrol boat and trailer: 85,000

10 k. Attach two quotes. If you cannot provide a quote now, you must provide if you are awarded a grant.

Name	Attachment

10 l. Will this replace an existing boat? (•) Yes ( ) No

Year, make and CF # of boat being replaced. 1984 Radon, CF 2190 XC

10 m. Has the vessel being replaced ever had it's engine or electronics replaced? (•) Yes ( ) No

If yes, how many times? Explain. Since 1984 this vessel has been re-powered at least seven times due to the high number of operational hours it has seen. These engine replacements have been approximately every five years or ~5,000 hours.
This vessel has had at least one full overhaul including all new electronics, but has had several electronics replacements on an as-needed basis over the years.

12 Previous BSEE Grants

	FY 19/20	FY 18/19	FY 17/18
Did your agency apply for a BSEE grant ?	No	Yes	Yes
Were you awarded a BSEE grant? (leave blank if No)		Yes	No
Amount awarded: (List amount or leave blank if No or NA)		25,584	
Amount reimbursed: (List amount or leave blank if No or NA)		25,584	
List the Equipment Purchased: (List leave blank if No or NA)		Two 2018 Kawasaki Ultra Jet Skis One Single Watercraft Trailer One Rescue Lifesled	

Boating Safety and Enforcement Income

13. **Revenue and Expenditures**

Boat Tax Revenue	5,364.00
Other Revenue:	
a) Other local revenue sources: (Example: launching facilities, campgrounds, parking, anything that goes toward marine patrol support)	398,916.04
b) Any State boating funding sources, including DBW subvention:	0.00
TOTAL ANNUAL BOATING INCOME IN YOUR OPERATING BUDGET	404,280.04
TOTAL EXPENDITURES FOR BOATING SAFETY AND ENFORCEMENT	965,363.61

14. If you participated in the subvention program, were all allocated funds expended in the previous closed year? ○ Yes ○ No ◉ NA

If NO, state percentage of remaining funds.

Budget Detail for Boating Safety and Enforcement Equipment Grant - FY 2020 / 21
Agency: City of Morro Bay Harbor Department
Application: Patrol vessel procurement

	Line Item	Qty	Rate	UOM	Total	Req Amount
1	**Patrol Boat / Equipment**					
	Law Enforcement Patrol Boats	1.0000	85000.000	EA	85,000.00	85,000.00
TOTAL EXPENDITURES					**85,000.00**	**85,000.00**

Budget Summary for Boating Safety and Enforcement Equipment Grant - FY 2020 / 21
Agency: City of Morro Bay Harbor Department
Application: Patrol vessel procurement

	Category	Total	Req Amount	Narrative
1	Patrol Boat / Equipment	85,000.00	85,000.00	
TOTAL EXPENDITURES		**85,000.00**	**85,000.00**	

Applicant Certification

a. ☑ Under penalty of perjury, I certify that I have examined this application and the document(s), proposal(s), and statement(s) submitted in conjunction herewith, and that to the best of my information and belief, the information contained herein is true, accurate, correct, and complete.

b. ☑ I certify that I am the person authorized to submit this application on behalf of the applicant.

Name: Eric Endersby

Title: Harbor Director

Date Signed: 04/29/202
0

RESOLUTION NO. 89-20

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AUTHORIZING THE CITY OF MORRO BAY TO ENTER INTO A 2020/2021 BOATING SAFETY AND ENFORCEMENT EQUIPMENT GRANT CONTRACT WITH STATE OF CALIFORNIA DEPARTMENT OF PARKS AND RECREATION,
DIVISION OF BOATING AND WATERWAYS
TO PURCHASE A SURPLUS PATROL VESSEL FROM THE
PORT SAN LUIS HARBOR DISTRICT**

**T H E C I T Y C O U N C I L
City of Morro Bay, California**

WHEREAS, Morro Bay and Port San Luis Harbor District are sister agencies with long, cooperative and collaborative working relationships; and

WHEREAS, Port San Luis Harbor District has a suitable seaworthy 26-foot surplus Radon patrol vessel no longer serving their needs, and Morro Bay is in need of such a vessel to replace one of its own aging patrol vessels; and

WHEREAS, the City of Morro Bay applied for a 2020/2021 Boating Safety and Enforcement Equipment (BS&E) Grant from the State of California Department of Parks and Recreation, Division of Boating And Waterways (DBW) in the amount of $85,000.00 to purchase the surplus vessel; and

WHEREAS, DBW awarded the City of Morro Bay a BS&E grant in the amount of $85,000, the agreed-upon fair market value, to purchase the vessel.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, as follows:

1. The City is hereby authorized to enter into the BS&E Grant Agreement No. C20L0605 in the amount of $85,000.00 for the purchase of Port San Luis Harbor District's surplus 26-foot Radon patrol vessel.

2. Harbor Director Eric Endersby is hereby authorized to act as the City's representative and agent in regard to all aspects of the grant agreement.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 13th day of October 2020 on the following vote:

AYES:
NOES:
ABSENT:

_____
John Headding, Mayor

ATTEST:

_____
Dana Swanson, City Clerk

AGENDA NO: A-9

MEETING DATE: October 13, 2020

Staff Report

TO: **Honorable Mayor and City Council** **DATE: September 29, 2020**

FROM: **Eric Endersby, Harbor Director**

SUBJECT: **Harbor Advisory Board Meeting Schedule Amendment Request**

RECOMMENDATION

Staff recommends the City Council adopt Resolution No. 90-20 approving a request from the Harbor Advisory Board (HAB) to establish January, April and July as three months per each calendar year the HAB would not have a regularly scheduled monthly meeting.

BACKGROUND

On December 10, 2019, the City Council adopted Resolution No. 105-19 approving the Advisory Bodies Handbook and By-laws. In addition, the Council approved a reduced meeting schedule for the Advisory Bodies, specifically for the HAB to meet nine times per year.

Prior to Resolution No. 105-19 and the by-laws changes, the HAB's established schedule was ten monthly meetings per year, on the first Thursday of each month, with January and July being the long-standing no-meeting months because of the first Thursday's proximity to the New Years and July 4th holidays.

The new by-laws established December as the third month with no HAB meeting; a month the HAB members wished to review.

DISCUSSION

At their September 3, 2020 regular meeting, the HAB considered their schedule and voted unanimously that April be the third month in the year without a regularly scheduled meeting, and retaining January and July as the other two months without regularly scheduled meetings.

Staff supports this recommendation and believes that it will not interfere with completion of the HAB's work plan.

CONCLUSION

Therefore, staff recommends the Council adopt Resolution No. 90-20, included with this staff report in an attachment, approving the HAB's request to establish January, April and July as the three months per calendar year that they do not have a regularly scheduled meeting.

ATTACHMENT

1. Resolution No. 90-20
2. Current Advisory Bodies Handbook and By-Laws - Link

Prepared By: ___EE____ **Dept Review: __EE___**

City Manager Review: __SC___ **City Attorney Review: __JWP____**

RESOLUTION NO. 90-20

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AMENDING THE ADVISORY BODIES HANDBOOK AND BY-LAWS
WITH REGARD TO THE HARBOR ADVISORY BOARD'S
MEETING SCHEDULE**

**T H E C I T Y C O U N C I L
City of Morro Bay, California**

WHEREAS, to ensure all Advisory Board Members are familiar with and understand the City of Morro Bay's philosophies and policies regarding serving on an Advisory board, and to establish consistency throughout the by-laws for all commissions and advisory boards, the City of Morro Bay adopted the revised and updated Advisory Boards Handbook and By-Laws on December 19, 2019; and

WHEREAS, the Advisory Boards Handbook and By-Laws adopted on December 19, 2019 established January, July and December as the three months in a calendar year that the Harbor Advisory Board would not hold a regularly scheduled monthly meeting; and

WHEREAS, on September 3, 2020 the Harbor Advisory Board voted unanimously to recommend the City Council amend the Harbor Advisory Board by-laws to establish January, April and July as the three months in a calendar year that the Harbor Advisory Board will not hold a regularly scheduled meeting; and

WHEREAS, the City Council agrees with the Harbor Advisory Board's recommendation regarding their meeting schedule.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, the Advisory Bodies Handbook and By-Laws is amended to reflect the Harbor Advisory Board's recommendation to read as follows:

PROCEDURE

Regular meetings shall be held monthly on a regular schedule, except in the months of January, April and July ~~and December~~. The meetings shall be open to the public. The date, time and location along with the meeting agenda shall be noticed in accordance with Government Code Sections 54970-54975. If the Board desires to change its meeting times, dates, or location, it must also seek prior approval from the Council.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 13th day of October 2020 on the following vote:

AYES:
NOES:
ABSENT:

_____
John Headding, Mayor

ATTEST:

_____
Dana Swanson, City Clerk

AGENDA NO:	**A-10**
MEETING DATE:	**October 13, 2020**

A PROCLAMATION OF THE CITY COUNCIL OF THE CITY OF MORRO BAY DECLARING OCTOBER 2020 AS "DOMESTIC VIOLENCE AWARENESS MONTH"

CITY COUNCIL
City of Morro Bay, California

WHEREAS, domestic violence, also known as intimate partner violence, is a systematic pattern of abusive behavior to gain power and control through use of physical violence, sexual violence, threats, and/or emotional abuse used by one intimate partner against another; and

WHEREAS, an average of 20 people per minute are physically abused by intimate partners in the United States which equates for 10 million abuse victims annually; and

WHEREAS, approximately 40 % of California women experience physical intimate partner violence in their lifetimes while 1 and 3 female murder victims in the United States are killed by intimate partners; and

WHEREAS, children exposed to intimate partner violence in the home experience long-term consequences such as difficulty in school, substance abuse, and serious adult health problems; and

WHEREAS, Stand Strong provided a variety of prevention and direct services to intimate partner violence victims last year, including assisting over 939 clients, providing 3,175 nights of shelter to clients, and responding to 527 crisis calls; and

WHEREAS, intimate partner violence has a significant economic impact as it is estimated 8 million days of work are lost nationwide yearly as the result of intimate partner violence; and

WHEREAS, families who experience intimate partner violence are forty percent more likely to become homeless; and

WHEREAS, we recognize the survivors and victims of intimate partner violence embody incredible strength and resilience to overcome trauma and abuse to build lives free of violence; and

NOW, THEREFORE, BE IT RESOLVED that the Morro Bay City Council designates October 2020 as Domestic Violence Awareness Month and urges all citizens to observe this month by becoming aware of the tragedy of intimate partner violence, by supporting those who are working toward its end, and by participating in community awareness efforts.

IN WITNESS WHEREOF I have hereunto set my hand and caused the seal of the City of Morro Bay to be affixed this 13th day of October 2020.

_____
JOHN HEADDING, Mayor
City of Morro Bay, California

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AGENDA NO: B-1

MEETING DATE: October 13, 2020

Staff Report

TO: **Honorable Mayor and City Council** **DATE: 10/07/2020**

FROM: **Scott Collins, City Manager**
Scot Graham, Community Development Director

SUBJECT: **Introduction and First Reading of Ordinance 640; Amendments to Morro Bay Municipal Code, Repealing Chapter 5.47 (Short-Term Vacation Rental Permit) and Adding Chapter 17.41 (Short-Term Vacation Rentals) so as to Provide Regulations to Protect the Quality and Character of our Residential Neighborhoods Through Application of Density Limitations, Expanded Permit Requirements and Operational Requirements**

RECOMMENDATION

Council introduce for first reading by number and title only, with further reading waived, Ordinance No. 640, Repealing Chapter 5.47 (Short-Term Vacation Rental Permit) of Title 5 (Business Tax Certificates and Regulations) and adding Chapter 17.41 (Short-Term Vacation Rentals) of Title 17 (Zoning) of the Morro Bay Municipal Code relating to the permitting and operation of short-term vacation rentals.

ALTERNATIVES

1. Reject the short-term vacation rental ordinance
2. Revise, add to, or otherwise alter the Ordinance language

FISCAL IMPACT

As proposed, the ordinance would reduce the number of licensed short-term vacation rentals in the City, thereby potentially reducing the amount of transient occupancy tax received for such rentals.

BACKGROUND/DISCUSSION

The City Council continued review of the draft Short-Term Vacation Rental (STR) Ordinance from the public hearing held on Tuesday September 22, 2020. At the September 22nd meeting, Council received public comment, and began review of the draft STR ordinance, providing the following direction related to desired revisions (All revisions are shown in track changes in draft ordinance provided as Attachment 1 to the staff report):

Significant Changes

1. Section 17.41.040.A: revise to exclude home-sharing rentals from both the cap and density requirements.

Prepared By: _SG _____ **Dept Review: _____SG__**

City Manager Review: __SC_____ **City Attorney Review: CFN _____**

Staff Response: Section 17.41.040(A), on page 7 of the ordinance, has been revised to exclude home-share rentals from both the cap and density requirements.

2. Section 17.41.040.A: Reduce cap number for (full home) short-term rentals in residential zones from 250 to 175.

   Staff Response: Section 17.41.040(A), on page 7 of the ordinance, has been revised as requested.

3. Section 17.41.030: revise to include allowance of guest houses to be used as home-share STR's.

   Staff Response: Section 17.41.030.(M) has been added to incorporate guest houses as allowed home-share rentals. Section 17.41.020 (Definitions), on page 4 of the ordinance, has also been revised to incorporate guest houses in the definition of "Home-sharing rental"

4. Section 17.41.040(C): Revise to prohibit STR's in apartments located within residential zones. Add policy language to allow apartments, located in commercial and mixed use zones, to be used as STR's, subject to the multi-family limitations in section 17.41.040.C

   Staff Response: Section 17.41.040(O), on page 7 of the ordinance, has been added to prohibit apartment and apartment houses from being utilized as STR's in residential zones. Section 17.41.040(C) has also been revised to prohibit apartments and apartment houses from use as STR's in residential zones. Section 17.41.040(E), on page 8 of the ordinance, has also been added to make clear that the apartments and apartment houses, in mixed use or commercial zones are subject to the "12.5% (1/8th) density restriction noted in Section 17.41.040(C)

   Question for Council: In reviewing the ordinance language related to the above requested revision, staff identified that the multi-family limitation in section 17.41.040(C) only applies to multi-family developments in residential zones and not commercial or mixed use zones (See Section 17.41.040(C) below). This means that multi-family developments in commercial and mixed use zones could be converted in their entirety to STR's.

   Should Section 17.41.040(C) be revised to apply the same density limitation noted below to multifamily projects located in commercial and mixed use zones?

   > *C. **Multi-family developments in residential zones**. No more than 12.5% (1/8th) of the total number of units in a multi-family dwelling in a residential zone can be operated as a short-term vacation rental. Multi-family dwellings of fewer than 8 units shall have no more than one unit operating as a short-term vacation rental. Any residentially zoned lot with a single family dwelling and a multi-family dwelling shall also be subject to these density limitations.*

5. Section 17.41.040(D): Revise the linear separation requirement between STR's to add 175 feet as the minimum acceptable linear separation.

   Staff Response: Section 17.41.040(D), on page 8 of the ordinance, has been revised to add the 175-foot limitation in addition to the existing 3-lot separation language.

6. Section 17.41.050: Revise to allow grandfathering of all existing short-term vacation rentals that will be made nonconforming through adoption of the ordinance.

   Staff Response: Section 17.41.050, on page 8 of the ordinance has been revised to allow grandfathering.

Minor Changes

1. Revise the second to last WHEREAS in the ordinance to add "quality" as shown below:

   WHEREAS, while the City Council recognizes that short-term vacation rentals can be conducted in harmony with surrounding uses, those activities must be regulated to ensure that these activities do not threaten the residential quality and character of the neighborhoods where they are operating, or otherwise harm the public health, safety, or general welfare.

   Staff Response: The requested revision has been added to the last "WHEREAS" on page 1 of the ordinance.

2. Section 17.41.090(K): Revise sign requirement language to include language that signs be clearly visible and ***legible*** from the street or right of way.

   Staff Response: Section 17.41.090(K), on page 16 of the ordinance, has been revised to include this language.

3. Section 17.41.090: Revise to establish maximum occupancy of STR's at 10 people over the age of 3 in addition to the current policy limit of 2 individuals per bedroom, plus two

   Staff Response: Section 17.41.090(G), on page 15 of the ordinance, has been revised to include this additional maximum occupancy restriction of 10 persons over age 3.

4. Provide language that clearly state ADU cannot be utilized as STR's as provided in State Law.

   Staff Response: Section 17.41.030(N) has been added to page 7 of the ordinance to prohibit ADU's and JADU's from being utilized as STR's. Section 17.41.050(B) on page 9 of the ordinance, has been revised to prohibit ADU's and JADU's from being used as STR's. This same section has also been revised to prohibit renewal of existing ADU's and JADU's that have a valid STR permit.

Staff has also made some additional "clean up" type revisions to the code for clarity purposes. Specifically, the following sections were revised:

1. Ordinance Page 6: 17.41.030(J) – added "property owner" to "host" for responsible for enforcing rules
2. Ordinance Page 13: 17.41.070(D)(1),(G) – added "or" twice to clarify intent
3. Ordinance Page 16: 17.41.110(D) – clarifying language on penalty for running unpermitted STR

ENVIRONMENTAL DETERMINATION

The Ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, sections: 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment); 15060(c)(3) (the activity is not a project as defined in Section 15378); and 15061(b)(3) (the activity is covered by the common sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment). The proposed ordinance maintains the status quo and prevents directly related changes in the environment. Because there is no possibility that this ordinance may have a significant adverse effect on the environment, the adoption of this ordinance is exempt from CEQA.

CONCLUSION

Staff recommends introduction and first reading, by number and title only, with further reading waived, of Ordinance No. 640, repealing Chapter 5.47 (Short-Term Vacation Rental Permit) and amending Title 17 of the Morro Bay Municipal code, adding Chapter 17.41 (Short-Term Vacation Rental) to regulate the operation, and permitting of short-term vacation rentals within the City of Morro Bay.

ATTACHMENTS

1. Ordinance 640; Short-Term Vacation Rentals
2. Correspondence received since the September 22, 2020 Council meeting

LINKS

- August 18, 2020 PC meeting staff report: http://ca-morrobay2.civicplus.com/ArchiveCenter/ViewFile/Item/5412
- September 1, 2020 PC meeting Staff report: http://ca-morrobay2.civicplus.com/ArchiveCenter/ViewFile/Item/5423
- STR Buffer Map Tool: http://arcg.is/1jajmL
- September 22, 2020 Council meeting Staff Report: http://ca-morrobay2.civicplus.com/ArchiveCenter/ViewFile/Item/5443

ORDINANCE NO. 640

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA REPEALING CHAPTER 5.47 (SHORT-TERM VACATION RENTAL PERMIT) OF TITLE 5 (BUSINESS TAX CERTIFICATES AND REGULATIONS), AND ADDING CHAPTER 17.41 (SHORT-TERM VACATION RENTALS) OF TITLE 17 (ZONING) OF THE MORRO BAY MUNICIPAL CODE RELATING TO THE PERMITTING AND OPERATION OF SHORT-TERM VACATION RENTALS

THE CITY COUNCIL
City of Morro Bay, California

WHEREAS, the City of Morro Bay is a unique community that takes pride in its community character.

WHEREAS, a central and significant goal for the City is preservation of its housing stock for residents and preserving the quality and character of residential neighborhoods.

WHEREAS, the City is a popular tourist destination and derives part of its revenue and prestige from this.

WHEREAS, the City Council of the City of Morro Bay finds that it is important that visitors to the City feel welcome and have access to a range of accommodations.

WHEREAS, the City Council finds that the proliferation of short-term vacation rentals has the potential for negative impacts on the community associated with noise, parking, and traffic impacts.

WHEREAS, while the City Council recognizes that short-term vacation rentals can be conducted in harmony with surrounding uses, those activities must be regulated to ensure that these activities do not threaten the residential quality and character of the neighborhoods where they are operating, or otherwise harm the public health, safety, or general welfare.

WHEREAS, by the adoption of this Ordinance, the City Council wishes to strike the appropriate balance between welcoming visitors and maintaining the neighborhood character of the City.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORRO BAY DOES ORDAIN AS FOLLOWS:

SECTION 1. The City Council of the City of Morro Bay finds:

A. The above referenced recitals are true and correct and material to the adoption of this Ordinance, and are incorporated herein by reference.

B. The proposed Zoning Ordinance Amendments will not be injurious or detrimental to the health, safety, comfort, general welfare or well-being of the persons residing or working in the neighborhood.

C. The Local Coastal Plan Implementation Program Amendments are intended to further the goals of the California Coastal Act, as set forth in Section 30001.5 of the Public Resources Code, to:

1. Protect, maintain, and where feasible, enhance and restore the overall quality of the coastal zone environment and its natural and artificial resources.

2. Assure orderly, balanced utilization and conservation of coastal zone resources taking into account the social and economic needs of the people of the state.

3. Maximize public access to and along the coast and maximize public recreational opportunities in the coastal zone consistent with sound resources conservation principles and constitutionally protected rights of private property owners.

4. Assure priority for coastal-dependent and coastal-related development over other development on the coast.

5. Encourage state and local initiatives and cooperation in preparing procedures to implement coordinated planning and development for mutually beneficial uses, including educational uses, in the coastal zone.

D. Pursuant to Morro Bay Municipal Code Section 17.64.080, no amendment to the Zoning Ordinance shall be legally effective in the coastal zone until the amendment is certified by the Coastal Commission. If the Coastal Commission certifies this Ordinance conditioned on substantive changes being made, then the Council will consider the introduction and adoption of another ordinance to incorporate those substantive changes. If the Coastal Commission certifies this Ordinance conditioned on non-substantive changes being made to this Ordinance, then the City Clerk is authorized to amend this Ordinance to reflect those non-substantive changes.

SECTION 2. Chapter 5.47 (Short-term vacation rental Permit) of Title 5 (Business Tax Certificates and Regulations) of the Morro Bay Municipal Code is hereby repealed in its entirety upon both final certification by the California Coastal Commission, as well as the effective date as an operation of law, of a new Chapter 17.41 of the Morro Bay Municipal Code, relating to the permitting and operation of short-term vacation rentals, in a form substantially similar to the form contained herein.

SECTION 3. Chapter 17.41 (Short-term vacation rentals) of Title 17 (Zoning) is added to the Morro Bay Municipal Code, as follows:

17.41 Short-term Vacation Rentals

17.41.010 Purpose

The purpose of this chapter is to establish a set of regulations applicable to short-term vacation rentals. In the adoption of these standards the City Council finds that short-term vacation rentals support the City's significant tourism industry, but also have the potential to be incompatible with surrounding residential uses, especially when several are concentrated in the same area, as they can have a deleterious effect on the adjacent full-time residents, and may alter the character of the neighborhoods within which they are located. To that end, the City Council with this Ordinance is adopting density limitations in residential zones, a permit scheme, and operational standards that strike the balance between these interests.

17.41.020 Definitions

The terms used in this chapter shall have the following meanings, as well as the meanings of the terms as defined in the chapter for "definitions" in the zoning title of this Code, unless the context clearly indicates otherwise; and, in the event of conflict this chapter shall govern unless specified.

"Affordable housing unit" means no more than 30% of the monthly household income for rent and utilities for individuals and families of moderate, low, very low, or extremely low incomes, as defined by State law.

"Accessory dwelling unit" shall have the same meaning as the term is defined in Section 65852.2 of the Government Code.

"Bedroom" means any habitable space in a dwelling unit other than a kitchen or living room that is intended for or capable of being used for sleeping, is at least 70 square feet in area, meets all

requirements of the California Residential Code, and has a window or opening that can be used for emergency egress.

"Booking transaction" means any reservation or payment service provided by a company that facilitates a short-term vacation rental transaction between a prospective visitor and a host.

"City Manager," as the term is defined in Chapter 2.12 of this Code, shall include his/her designee.

~~"Dwelling" has the same meaning the term is defined in the Zoning Ordinance.~~

"Finance Director," as the term defined in Section 2.16.090 of this Code, shall include his/her designee.

"Full-home rental" means a short-term vacation rental of no more than 30 consecutive days of a home, in whole or in part, for exclusive transient use. The guest enjoys the exclusive private use of the dwelling, and the host is not present.

"Guest" means a person who rents a short-term vacation rental.

~~"Guest house" has the same meaning as the term is defined in the Zoning Ordinance.~~

"Host" means the owner or his/her authorized agent, of a short-term vacation rental, who is responsible for its operation. A host can include the property owner, a tenant, or a management company.

"Home-sharing rental" means a short-term vacation rental within a dwelling that is the host's primary residence, and where the host is on site throughout the guest's stay. Home-sharing rentals include ~~detached accessory dwelling units~~ guest houses when the host is on site in the primary residence throughout the guest's stay in the guest house, and any unit in a multifamily dwelling of no more than four units, where the host lives in the primary residence or in one of the units.

"Hosting platform" means a company that participates in the short-term vacation rental business by collecting or receiving a fee, directly or indirectly through an agent or intermediary, for conducting a booking transaction using any medium of facilitation.

"Junior accessory dwelling unit" shall have the same meaning as the term is defined in Section 65852.22 of the Government Code.

"Local contact person" means an individual who is personally available by telephone on a 24-hour basis and who maintains the ability to initiate corrective action within one hour of being

notified of a concern or complaint and who has authority to address violations of this Ordinance or any disturbance or problem at a short-term vacation rental.

~~"Lot" shall have the same meaning as the term is defined in the Zoning Ordinance.~~

"Multi-family dwelling" means a residential development with two or more attached dwellings, such as apartment or condominium buildings, duplexes, triplexes, fourplexes, and townhouses. Any Zoning Ordinance definition of "multi-family dwelling" that may be inconsistent with this definition shall govern.

"Primary residence" means the usual place of return for housing of an owner or long-term resident as documented by at least two of the following: motor vehicle registration, driver's license, California state identification card, voter registration, income tax return, or property tax bill. A person can only have one primary residence.

"Property owner" or "owner" means the person or entity holding single or unified beneficial title to a property.

"Short-term vacation rental" means a single family dwelling, multi-family unit, or bedroom of a primary residence, ~~accessory dwelling unit, or junior accessory dwelling unit,~~ which is rented to a guest for compensation for the purpose of lodging for a period of thirty (30) or fewer consecutive days. "Short-term vacation rental" encompasses home-sharing and full-home rentals. "For compensation" includes, but is not limited to, rental of the property for any form of monetary or non–monetary consideration, including but not limited to money, goods, or services, as well as in-kind exchanges of goods, services, or premises.

"Single family dwelling" means a dwelling unit that is designed for occupancy by one household with private yards on all sides. This classification includes individual manufactured housing units. Any Zoning Ordinance definition of "single family dwelling" that may be inconsistent with this definition shall govern.

17.41.030 Short-term Vacation Rentals — General

A. Short-term vacation rentals may only be operated pursuant to a current and valid short-term vacation rental permit from the City of Morro Bay, as well as a current and valid City business license, in accordance with all the requirements of this chapter. Permits shall be

obtained by the property owner. Permits shall be valid for no more than 12 months, unless renewed.

B. Permits are non-transferable and are unique to the specific property and property owner. A permit for a property shall not be valid for a successor owner or host.

C. Short-term vacation rentals are permitted in residential, mixed use, and commercial zones only. Full-home ~~S~~short-term vacation rentals in residential zones shall be subject to the density limitations of Section 17.41.040, below.

D. Short-term vacation rentals shall not be operated in vehicles or in non-habitable or illegally constructed structures, such as sheds, unconverted garages, cars, vans, or trucks, unpermitted attached or detached accessory dwelling units, unpermitted rooms or patios, etc.

E. Short-term vacation rentals shall not be operated from dwellings that are designated as affordable housing units, or out of mobile home parks.

F. Short-term vacation rentals may not be operated from boats in the harbor, or from recreational vehicles unless permitted through the Conditional Use Permit process.

G. Operation of short-term vacation rentals in housing developments shall be permitted to the extent they are permitted by the development's CC&Rs. All provisions of this chapter shall apply. In case of conflict between this chapter and the development's CC&Rs, the more restrictive provisions shall apply. The City shall not be responsible for enforcing CC&R provisions relating to short-term vacation rentals.

H. The City shall provide public information regarding validly permitted short-term vacation rentals.

I. The provisions of this chapter shall apply to both home-sharing and full-home short-term vacation rentals, unless otherwise indicated.

J. The host, and the property owner, if different, have~~s~~ the responsibility to ensure that the short-term vacation rental and its guests comply with all the provisions of this Ordinance. The City must have current contact information for both the local contact person and the host, if they are different. Any change in contact information must be provided to the City forthwith.

K. Transient occupancy tax, Morro Bay Tourism Business Improvement District assessments and San Luis Obispo County Tourism Marketing District (SLOCTMD) assessment shall be collected on short-term vacation rentals in accordance with Chapters 3.24 (Transient Occupancy Tax) and 3.60 (Tourism Business Improvement District Law) of the Morro Bay Municipal Code. Short-term vacation rentals must contribute a minimum of $500 of TOT annually to maintain a valid permit.

L. The City Council may by resolution promulgate additional regulations relating to the operation of permitted short-term vacation rentals, including but not limited to, a training program for current and potential hosts, content guidelines for an informational brochure to be provided to guests (Good Neighbor Brochure), and additional reporting requirements.

M. The use of a guest house as a short-term vacation rental is prohibited, unless the guest house is rented as a home-share vacation rental with the host on site in the primary residence throughout the guest's stay in the guest house.

N. Short-term vacation rentals shall not be operated out of accessory dwelling units or junior accessory dwelling units, as provided in state law.

~~L.~~O. Short-term vacation rentals shall not be operated in residential zones out of apartments or apartment houses.

17.41.040 Short-term Vacation Rentals — Density Limitations

A. The maximum allowable number of full-home short-term vacation rentals in residential zones is ~~250~~175, subject to Section 17.41.050 (Nonconforming short-term vacation rentals). No new permit applications for full-home short-term vacation rentals in a residential zone will be accepted until the number of active permits drops below ~~250~~175. This limitation shall not apply to home-share short-term vacation rentals in residential zones. No maximum number of short-term vacation rentals applies to the commercial and mixed-use zones.

B. Property owners who wish to apply for short-term vacation rental permits for property in a residential zone shall be issued permits on a first-come, first-served basis, provided the proposed short-term vacation rentals do not violate the density limitations herein.

Applicants who are not eligible for a permit due to these density limitations shall be placed on a chronologically maintained waiting list.

C. Multi-family developments in residential zones. No more than 12.5% (1/8th) of the total number of units in a multi-family dwelling in a residential zone can be operated as a short-term vacation rental. Multi-family dwellings of fewer than 8 units shall have no more than one unit operating as a short-term vacation rental. Any residentially zoned lot with a single family dwelling and a multi-family dwelling shall also be subject to these density limitations. Notwithstanding the foregoing, apartments and apartment houses shall not be allowed as short-term vacation rentals in residential zones.

D. Full-home ~~S~~single-family dwellings in residential zones.

1. Single family dwelling full-home short-term vacation rentals in residential zones must be separated by no fewer than three lots without full-home short-term vacation rentals, or by 175 feet, whichever is greater. A full-home single family dwelling short-term vacation rental may not abut another such full-home short-term vacation rental in front, behind, or kitty corner from each other, including across a street or alley. This limitation applies ~~whether~~ to ~~the~~ a single family dwelling ~~is~~ used as a full-home rental, and this limitation does not apply to a single family dwelling used as ~~or~~ a home-share rental. Abutting or intervening lots with multi-family dwellings are also subject to this spacing limitation.

2. Only one full-home short-term vacation rental shall be permitted on any property with a single-family dwelling.

~~D.~~E. Apartments in mixed-use zones or commercial zones. Apartments and apartment houses in mixed use zones or commercial zones are subject to the "12.5% (1/8th)" density restrictions provided for in Section C above.

17.41.050 Nonconforming Short-Term Vacation Rentals

A. Short-term vacation rentals lawfully permitted by the City prior to the effective date of this ordinance, and in good standing with the City on the effective date of this ordinance, shall be considered legal nonconforming uses not subject to the limitations of Section 17.41.040, provided they obtain a new short-term vacation rental permit pursuant to this Ordinance

within 1 year of its effective date. The permit application in conformance with this chapter should be filed in lieu of a renewal application.

~~A.~~B. Accessory dwelling units and junior accessory dwelling units. Based on state law, accessory dwelling units and junior accessory dwelling units may not be used as short-term vacation rentals. To this end, all short-term vacation rental permits for any accessory dwelling unit or any junior accessory dwelling unit shall not be renewed.

~~Short-term vacation rentals must comply with all the requirements of this Ordinance, provided that the density limitations shall not apply to existing and validly permitted short-term rentals for three years after the effective date of this Ordinance. If the need arises, short-term vacation rentals permitted at the time of this Ordinance's effective date shall be brought into compliance with the density limitations pursuant to a lottery system that shall be promulgated in the implementing regulations. Any short-term vacation rentals that will not be able to maintain a permit following the lottery procedure will have one year from the date of expiration of their permit following the conclusion of the lottery.~~

~~Accessory dwelling units and junior accessory dwelling units.~~

~~Accessory dwelling units and junior accessory dwelling units for which entitlements are obtained after the effective date of this ordinance shall not be used as short-term vacation rentals.~~

~~A permit for any accessory dwelling unit or any junior accessory dwelling unit that expires or is revoked may not be renewed or reapplied for.~~

~~Starting with their next permit renewal following the effective date of this Ordinance, accessory dwelling units and junior accessory dwelling units may maintain currently valid short-term vacation rental permits for three years. Thereafter, Subsection (C)(1) of this section shall apply.~~

17.41.060 Permit Application and Renewal

A. A completed application for a short-term vacation rental permit shall be submitted by the property owner to the Finance Director on a form provided by the City, and shall include the following information:

1. Name, address, and current contact information of the property owner/applicant. Any change in this information must be provided to the City forthwith. The application must be signed under penalty of perjury by the property owner. A

permit application may not be submitted or signed by a property management company or other commercial agent.

2. If different from the property owner, name and address of the host, including current contact information.

3. Address and description of the property that will be used as a short-term vacation rental. The description shall include number of rooms, maximum guest occupancy, amenities, and available parking for guests.

4. Whether the short-term vacation rental will be operated as a home-sharing or full-home rental.

5. The house rules for the short-term vacation rental and any other information that will be provided to the guest.

6. Proof that the property owner has insured the property as a short-term vacation rental.

7. Hosting platforms that will advertise the property.

8. A copy of any valid and current short-term vacation rental permit held by the applicant for any other property in the City.

9. Information on any short-term vacation rental permits that have been suspended or revoked as to the host or the property owner anywhere in the State of California, or as to the property, within the previous two years, and the reasons therefor.

10. If the property owner has been asked or been compelled to no longer advertise with a hosting platform within the previous two years, and the reasons therefor.

B. Inspection.

1. A completed application shall include a completed inspection report. The report shall include:

a. Number of exits

b. Conformance with application information

c. Sufficient off-street parking

d. Signage, per requirements

e. A Good Neighbor Brochure

f. Compliance with any other applicable code requirement

2. Short-term vacation rentals shall be inspected as part of the initial application, and every 4 years thereafter at the time of renewal. Each renewal application when a City inspection is not required will include a self-inspection form to be filled out and signed under penalty of perjury by the property owner.

3. Properties may be additionally inspected to ensure that any violations are timely corrected.

C. Any change in the information in the application, whether the change occurs while the application is pending, or at any time after the permit issues, must be provided to the City forthwith.

D. The City shall review the application for completeness. If the application is incomplete, the City shall inform the applicant in writing within 30 days of receipt of the application, articulating the necessary additional information for completeness. An application that is found to be incomplete upon a second submission shall be deemed abandoned.

E. The City shall deny, conditionally approve, or approve an application within 45 days of receipt of a completed application. Conditions imposed shall be aimed at ensuring that the short-term vacation rental does not create a disturbance in the neighborhood, and is not operated in a manner that will undermine the character of its neighborhood.

F. Renewals.

1. Permit renewals shall be submitted 60 days prior to permit expiration on a form provided by the City and signed by the property owner. Renewal forms must detail any changes in the short-term vacation rental (bedrooms, ownership, number of guests, parking, etc.), and shall otherwise certify that other than what is listed as a change, the information in the original application remains the same.

2. Permit renewals that are not timely submitted per Subsection F.1. may experience a delay in reissuance. In the event a permit expires before the renewal permit is

issued because of a delay in renewal submittal, the permit shall be deemed suspended until the renewal issues, and the short-term vacation rental may not be rented as such.

3. Any permit whose renewal application is submitted after the permit's expiration shall be deemed abandoned. Reapplication shall only be accepted in full compliance with all the provisions of this chapter, including the density limitations.

G. Permit applications and renewals shall be subject to permit fees in accordance with the City's Master Fee Schedule. Permit fees shall include, but not be limited to, the reasonable cost of processing the application and inspection fees, as applicable.

17.41.070 Permit Denial, Suspension, and Revocation

A short-term vacation rental permit may be denied, suspended, or revoked based on the following grounds:

A. A material misrepresentation on the application or renewal materials.

B. The dwelling that is the subject of the application or permit is not in full compliance with all applicable local, state, and federal regulations.

C. The host has violated, or has permitted his/her guest to violate, the terms of the hosting platform, and as a result the hosting platform has withdrawn its permission to advertise on that platform.

D. The host has violated, or has permitted his/her guest to violate, any of the operational requirements in Section 17.41.090. A host is presumptively permitting violations of the applicable regulations under the following circumstances:

1. If the violation consists of conduct by the guest that is disturbing the peace and quiet of the neighbors, or that constitutes an immediate threat to the health and safety, and the host does not initiate corrective action within one hour of being notified of the disturbance; or,

2. If the noticed violation is not corrected before the next guest arrives at the property.

E. The property owner has had a short-term vacation rental permit revoked or suspended in the preceding two years.

F. Grounds for suspension. The City may initiate suspension proceedings for minor violations of this chapter, or of any applicable code, that are not timely corrected. Additional guidance on the grounds for suspension may be provided in the implementing regulations. A permit may be suspended for up to 180 days.

G. Grounds for revocation. The City may initiate revocation proceedings for repeated or serious violations of this chapter or of any applicable code. Serious violations include any condition that is a threat to the guest's, the neighbors', or the public's health, safety, and welfare; or, conditions that constitute a public nuisance. Additional guidance may be provided in the implementing regulations.

H. A notice of intent to suspend or revoke, and the reasons therefore, shall be provided to the permit holder. The permit holder shall have 15 days to submit relevant evidence for the City Manager's consideration. The City Manager shall issue a written decision articulating the grounds therefor within an additional 15 days, taking into consideration any relevant evidence submitted by the permit holder.

I. Any property owner whose permit is revoked may not reapply for a short-term vacation rental for the property for which the permit was revoked, or for any other property, for two years following the date of revocation. Revocation of a permit shall not affect any other current and valid short-term rental vacation permits by that property owner.

17.41.080 Appeal of Permit Denial, Suspension, or Revocation

Any person whose permit application was denied, or whose permit was suspended or revoked, may appeal the decision as follows.

A. An appeal must be submitted in writing to the City Manager within 15 days of the date of the decision. The appeal must articulate the reasons therefor, and shall be accompanied by an appeal fee in accordance with the City's Master Fee Schedule.

B. The City Manager shall schedule an appeal hearing within 30 days of receipt of the appeal before an independent hearing officer, at which hearing the host will have an opportunity to be heard and to present evidence. Compensation for the independent hearing officer shall not be determined by the outcome of any appeal.

C. The host shall be provided with notice of the hearing no later than 10 days prior to the hearing. The hearing may be postponed for good cause.

D. The hearing officer shall not be bound by the formal rules of evidence. The hearing officer may consider all relevant evidence, and may exclude repetitive or irrelevant evidence.

E. The hearing officer shall provide a written decision within 10 days of the hearing, and shall articulate the reasons therefor. The decision of the hearing officer shall be final. The hearing officer's decision may be challenged pursuant to Sections 1094.5 and 1094.6 of the Code of Civil Procedure, which shall be referenced in the written decision.

17.41.090 Operational Requirements

Short-term vacation rentals must comply with the following requirements.

A. A copy of the short-term vacation rental permit must be posted in a prominent location within the short-term vacation rental.

B. The host shall use reasonably prudent business practices to ensure that the short-term vacation rental is used in a manner that complies with all applicable laws, rules, and regulations pertaining to its use and occupancy.

C. Parking.

1. Short-term vacation rentals must provide sufficient onsite parking spaces for their guests; no offsite or other street parking is allowed.

2. Onsite parking should be only in legal spaces required for the applicable housing type.

D. Short-term vacation rental operators must notify guests of the City's licensing requirement. The permit number must be included in the hosting platform advertisement.

E. No one under the age of 21 years shall be permitted as the primary renter of a short-term vacation rental.

F. The host shall use reasonably prudent business practices to ensure that short-term vacation rental guests do not violate the provisions of this ordinance, or violate provisions of the code or any state law, such as but not limited to, regulations pertaining to noise, disorderly conduct, overcrowding, the consumption of alcohol, or the use of illegal drugs.

G. Occupancy for each full-home rental shall be limited to two individuals per bedroom, plus two, for a maximum of 10 guests; occupancy for home-share rentals shall be limited to two individuals per bedroom. Children under 3 years of age are excluded from the occupancy limits but children three and older are included.

H. The City's current noise ordinance requires reduced noise between 7:00 p.m. and 7:00 a.m.; "noise" is defined as sounds that are audible within 50 feet of the source of the sound. Guests must comply with all noise restrictions.

I. While a short-term vacation rental unit is rented, a local contact person shall be available 24 hours per day, 7 days per week, to respond to complaints or notification of violations, and if appropriate initiate corrective action regarding the conduct of the occupants or their guests, or the condition or operation, of the short-term vacation rental, within one hour of being notified.

J. The host shall:

1. Prior to occupancy:

a. Obtain the contact information of the guest.

b. Require the guest to execute a written acknowledgment that he or she is legally responsible for compliance by all occupants of the short-term vacation rental with all applicable laws, rules, and regulations pertaining to the use and occupancy of the short-term vacation rental.

2. Maintain the information required in item 1, above, for a period of two years, and make such information available upon request to any officer of the City responsible for the enforcement of any provision of this Ordinance or any other applicable local, state, or federal regulations.

3. Provide guests with the Good Neighbor Brochure, the name and number of the local contact person where problems can be reported, the City's hotline number, and the short-term vacation rental's house rules.

K. A sign shall be posted in a location visible and legible from the public right-of-way that contains the following information:

1. Identification as a short-term vacation rental, including the permit number.

2. 24-hour contact information in case of problems or complaints, in conformance with Subsection I, above.

L. Short-term vacation rentals shall be subject to the provisions of Chapter 8.16 (Solid Waste Management); in addition, short-term vacation rentals shall not leave their solid waste containers curbside any earlier than the day before pickup, or any later than one day after pickup. If this requirement cannot be met, the host must provide for concierge trash service, if this service is available at the property.

17.41.100 Advertising

A. All short-term vacation rental advertisements shall include the permit number.

B. Advertising of unpermitted short-term vacation rentals is prohibited.

17.41.110 Penalty and Enforcement

A. Violations of this chapter are deemed a public nuisance, and may be abated as such. Each day a violation continues is deemed a new violation.

B. Violations of this chapter may be punishable as infractions or misdemeanors, pursuant to Chapter 1.16 of this code.

C. Violations of this chapter may be punishable thorough administrative fines, in accordance with Chapter 1.03, as may be set by City Council resolution.

D. The owner of any illegally operated short-term vacation rental that is on the wait-list for a permit is presumed to have actual knowledge of the permit requirement. The owner of the illegally operated short-term vacation rental, ~~and~~ as well as the unpermitted short-term vacation rental, shall be removed from the permit waiting list, and the host may not reapply for a short-term vacation rental permit for any property for two years. Any application for the same property shall also be barred for two years, irrespective of ownership.

SECTION 4. CEQA Findings. The Ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, sections: 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment); 15060(c)(3) (the activity is not a project as defined in Section 15378); and 15061(b)(3) (the activity is covered by the common

sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment). The proposed ordinance maintains the status quo and prevents directly related changes in the environment. Because there is no possibility that this ordinance may have a significant adverse effect on the environment, the adoption of this ordinance is exempt from CEQA.

SECTION 5. Severability. If any section, subsection, phrase, or clause of this ordinance or any part thereof is for any reason held to be unconstitutional or otherwise unenforceable, such decision shall not affect the validity of the remaining portions of this ordinance or any part thereof. The City Council hereby declares that it would have passed this ordinance and each section, subsection, phrase or clause thereof irrespective of the fact that any one or more sections, subsections, phrases, or clauses be declared unconstitutional or otherwise unenforceable.

SECTION 6. Effective Date. This Ordinance shall take effect 30 days after its adoption and upon certification required as an operation of law.

SECTION 7. Certification. The City Clerk shall certify as to the passage and adoption of this Ordinance and shall cause the same to be posted as the designated locations in the City of Morro Bay.

INTRODUCED at a regular meeting of the City Council held on the 13th ~~22nd~~ day of October~~September~~ 2020, by motion of Councilmember _____ and seconded by Councilmember _____.

PASSED AND ADOPTED on the ___ day of _____, 2020, by the following vote:

AYES:
NOES:
ABSENT:

_____
JOHN HEADDING, MAYOR

ATTEST:

_____
DANA SWANSON, City Clerk

APPROVED AS TO FORM:

_____

CHRIS F. NEUMEYER, City Attorney

STATE OF CALIFORNIA)
COUNTY OF SAN LUIS OBISPO)
CITY OF MORRO BAY)

I, Dana Swanson, CITY CLERK OF THE CITY OF MORRO BAY, DO HEREBY CERTIFY that the foregoing Ordinance Number 640 was duly adopted by the City Council of the City of Morro Bay at a regular meeting of said Council on the ____ day of _____2020, and that it was so adopted by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
City Clerk, Dana Swanson

Attachment 2

Scot Graham

Subject: FW: Vacation Rentals

From: Bill Peirce <> **Sent:** Monday, October 5, 2020 10:53 AM **To:** Council <council@morrobayca.gov> **Subject:** Vacation Rentals

Honorable Mayor and Council members,

I am contacting you to voice my concerns about short term rentals, or vacation rentals. I do not believe they should be permitted in and R-1 residential zone, and should be significantly limited on other neighborhoods

Typically the streets are narrower in residential areas and the parking is frequently limited to one side of the street. I live in an area that has two or possibly three such houses near by, and in my experience the vacationers usually bring two or three cars and a number of people with them. Their visits bring noticeable impacts the neighborhood.

Another concern is that having a large number of vacation rentals is taking possible workforce housing off the market, thus helping to keep already high housing costs out of reach of local workers.

Thank you very much for considering my comments.

Sincerely,

William Peirce
Nutmeg Ave.

Scot Graham

Subject: FW: Please Revew Urgency Ordinance

From: thomas mayberry <> **Sent:** Monday, October 5, 2020 1:36 PM
To: Council <council@morrobayca.gov>
Subject: Please Revew Urgency Ordinance

Dear Council:

My wife and I are residents of Morro Bay full time since 1982 and built our house in 1989. We do not want any more vacation rentals to be approved and want you to Renew the Urgency ordinance. We have had a quiet neighborhood for decades until a million dollar home was turned into a vacation rental. We've had to personally deal with loud out of town short term renters and a few times had to call the police.

The vacation rental people and the homeowner have wanted us to act like a night time supervisor and notify them of any problems. We resent the fact that there is no onsite manager and we must try to resolve any problems by either calling the rental agency at 11 or 12 at night or try to personally deal with the renters.

We will not do so in the future and will call our Great Police department and regretfully ask their assistance in dealing with a business from out of town. The police have much better things to do and I don't believe that long term residents should be forced to manage a profitable business in our neighborhood.

Please do not buckle under to the influence of groups of people who are driving up homes and rental prices for actual people who choose to live full time in our wonderful town.

Do not increase the vacation rentals in our town and pass a short term rental ordinance that is in balance with our citizens who want to either buy our rent here on a long term basis and not in the favor of individuals who want to profit but not live in our city.

Thank you,
Thomas Mayberry (Artist)
Catherine Archuleta (RN at sierra Vista Hospital)

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AGENDA NO: C-1

MEETING DATE: October 13, 2020

Staff Report

TO: **Honorable Mayor and City Council** **DATE: October 7, 2020**

FROM: **Scott Collins, City Manager**
Jennifer Callaway, Finance Director/Acting Public Works Director

SUBJECT: **Consideration of Proposed Morro Bay Small Business Grant Program, to be Funded by California Senate Bill 1090 Funds**

RECOMMENDATION

City Council adopt Resolution No. 91-20, approving the Morro Bay Small Business Grant Program to support local businesses impacted by COVID-19 and to be funded entirely through California Senate Bill (SB) 1090 funds, and provide direction to staff as appropriate.

FISCAL IMPACT

The proposed program budget is $100,000, which will be drawn from the Economic Development Fund (specifically, the SB 1090 funds). There will be no impact to the General Fund.

BACKGROUND

In order to protect the lives of our residents, President Donald Trump, California Governor Gavin Newsom, and SLO County Public Health Officer each declared public health emergencies related to the deadly COVID-19 pandemic in March 2020. Since March 14, all California residents and businesses were required to adhere to Shelter at Home orders and associated restrictions. Those orders have been responsible for a precipitous flattening of the COVID-19 virus spread curve in SLO County, meaning our local health care system can continue to treat all patients. In terms of public health, the response to date can be considered a success both in SLO County and the City of Morro Bay, which has one of the lowest rates of COVID-19 per capita in SLO County. Those important social distancing measures will be maintained as the County and State progress along the road to recovery and various business sectors continue to reopen and/or expand services.

At a special City Council meeting on March 19, 2020, Council ratified the City Manager's administrative action to declare a local emergency and activate the City's short-term fiscal emergency plan in the wake of the COVID-19 pandemic. The short-term fiscal emergency plan was developed and approved by Council in 2018 to create a transparent process and formula for short term action when fiscal first aid may be needed. Having this clear strategy in place for fiscal emergencies, like the pandemic, that reflects the City of Morro Bay's values, helps to serve as the foundation for decision-making in tough fiscal times and aid in preserving the City's long-term fiscal health and vitality. On April 28, 2020, staff presented Council with the City's Rock Solid Together Financial and Economic Recovery Plan, outlining the City's four-pillar response to address the projected $2 million General Fund revenue loss for FY 2019/20 due to COVID-19.

Prepared By: ___JC_____	**Dept Review: _____**
City Manager Review: ___SC_____	**City Attorney Review: __CFN____**

With these projections in mind, the City developed a two-pronged approach, bridging and supporting the natural ecosystems that exists between our business community, general community and City Government. The first prong of the Rock Solid Together addressed business and community assistance – what the City could do to support our local business and community members, while understanding the City has also been severely impacted by this pandemic, and the second prong addressed City Government operations. As a reminder, the City's responsive actions to COVID-19 under this two-prong approach are outlined below:

Rock Solid Together – Business and Community Assistance

With regard to the business community and general community, the City Council has previously approved the following measures:

1) Deferral of Transient Occupancy Tax (TOT) payments to the City for the months of February and March 2020, until August of this year
2) Waiving penalties for late payments for business license tax fees, water and sewer bills
3) The City is not disconnecting water service due to failure to pay at this time and until further notice
4) City Council action affirming State COVID-19 emergency orders, rules and regulations concerning eviction relief, an eviction moratorium, mortgage relief, price gouging and profiteering
5) City Council adopted an emergency purchasing policy to provide for prioritization of local purchasing when available.
6) Deferral of Tideland Trust lease payments to the City
7) Providing free transit services (waiving transit fares) so passengers that rely on the City's public transit system for lifeline service can do so without worry of cost.
8) Postponing assessments for collection of delinquent garbage accounts until next year.
9) Utility Discount Program was expanded to include customers who could demonstrate being impacted by COVID-19 with evidence from the utility customers. To qualify, customers must apply and provide documentation from the Employment Development Department (EDD) they are receiving unemployment benefits.
10) With adoption of the FY 2020/21 Master Fee Schedule, the City Council deferred phase in of the fee increases until July 2021.
11) Approved a contract modification with the Chamber of Commerce to provide additional funds for business outreach and assistance efforts.

City staff presented City Council with an update on the FY2019/20 Budget closing at a special Council meeting on September 22, 2020, as well as the above information about City support provided to the business community.

During that discussion about how to further support our local business community, Council directed staff to come back with programmatic and budget considerations for a local small business grant program, specific to impacts from COVID-19. Council further directed staff at the regular Council meeting on September 22 to come back with suggestions to assist, where feasible, businesses with water and sewer utilities.

With that direction, staff has developed a grant program proposal for City Council consideration and will bring back ideas for the utilities program later this year at a subsequent Council meeting. Staff continues to discuss rent deferral ideas with waterfront lease holders as well and will present options to City Council on that program either later this year or early 2021.

DISCUSSION

Small Business Grant Program

Staff proposes launching a one-time small grant for local businesses that demonstrate impacts from COVID-19, in terms of economic losses and/or new expenses to operate safely under State and County health guidelines. Those new expenses include things like the purchase of protective equipment for staff, signage, and modification of physical space.

The range of awards is recommended to be $2,500 to $5,000, with a total budget of $100,000 to be funded entirely from California Senate Bill (SB) 1090 funds. SB 1090 funds are separate from the City's General Fund, and can only be used for economic development activities, which this grant program would qualify. As of October 7, 2020, SB 1090 available funds total $637,801. In FY 2020/21, an appropriation of $75,000 from this fund was approved by City Council to support the Chamber economic development contract, with the remainder in fund balance to support future economic development activities. Based upon input from City Council at the September 22, 2020 Special Meeting, staff recommends this be a competitive grant program where applications are submitted and scored against objective criteria.

In order to qualify, applicants must meet the following criteria:

- Must be located in Morro Bay with a current Business License
- Still be in business
- Small businesses with 25 employees or fewer
- Be in good standing with the City and complying with State/County re-opening guidelines

Qualifying applicants will be scored according to the following criteria:

- Impacts from COVID-19 (demonstrate clear need)
- Number of employees/jobs supported
- Assistance received from other entities (such as the Federal Payroll Protection Program)
- Demonstrate the funds can be used by December 31, 2020

Staff recommends City staff partner with Chamber representatives and a Citizen Finance Advisory Committee (CFAC) member to review and score applications and award grants accordingly.

If this program is approved, staff will make an application available online shortly, and broadcast that on the City website, City social media sites, local media outlets, and the Chamber of Commerce. Staff recommends leaving the application period open for two weeks, with a one-week review period. This approach will ensure we get grant awards in the hands of business owners expeditiously to support local jobs and economic vitality.

CONCLUSION

Businesses have been significantly impacted by COVID-19, both in terms of revenue loss and increased expenses needed to comply with reopening guidelines established by the State and County. The City has provided support to the local business community and this grant program will further help awardees continue to operate in Morro Bay.

ATTACHMENT

1. Resolution No. 91-20 Approving Fiscal Year 2020/21 Budget Adjustment to Fund Morro Bay Small Business Grant Program to Support Local Businesses Impacted by COVID-19

RESOLUTION NO. 91-20

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
APPROVING FISCAL YEAR 2020/21 BUDGET ADJUSTMENT
TO FUND MORRO BAY SMALL BUSINESS GRANT PROGRAM
TO SUPPORT LOCAL BUSINESSES IMPACTED BY COVID-19**

T H E C I T Y C O U N C I L
City of Morro Bay, California

WHEREAS, to protect the lives of our residents, President Donald Trump, Governor Gavin Newsom, and San Luis Obispo County Public Health Officer each declared public health emergencies related to the deadly COVID-19 pandemic in March 2020; and

WHEREAS, since March 14, 2020, all California residents and businesses were required to adhere to Shelter at Home orders and associated restrictions, thereby requiring many small businesses to shutter in entirety or significantly reduce services with alternative service models; and

WHEREAS, on September 22, 2020, the City Council directed staff to develop a local small business grant program which included programmatic and budget considerations to aid those qualifying businesses that were impacted by COVID-19.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California that the adopted FY 2020/21 Economic Development Operating Budget (Fund 907) be amended to include an expense appropriation of $100,000 to fund a local, small business grant program to support local businesses impacted by COVID-19. The initiative will be a competitive grant program where applications are submitted and scored against objective criteria, the program to be developed further by City staff based on details provided in the accompanying staff report for this Resolution No. 91-20 presented to City Council on October 13, 2020.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 13th day of October 2020, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
JOHN HEADDING, Mayor

ATTEST:

_____
DANA SWANSON, City Clerk