



AGENDA NO: 6.e

MEETING DATE: August 12, 2025

Staff Report

TO: Honorable Mayor and City Council

DATE: August 4, 2025

FROM: Airlin Singewald, Community Development Director

SUBJECT: Determination of Public Convenience or Necessity for ABC License – 1215 Embarcadero Road, Suite D, Grassy Bar Oyster Company

RECOMMENDED ACTION

Make the Determination of Public Convenience or Necessity to approve the request to allow sales of alcohol with use of a Type 20 – Off-Sale Beer and Wine license for Grassy Bar Oyster Company at 1215 Embarcadero Road, Suite D; and direct staff to provide the applicant with a letter of support.

ALTERNATIVES

City Council may choose to not make the Determination of Public Convenience or Necessity and reject the request to allow sales of alcohol for off sale beer and wine Type 20 license at 1215 Embarcadero Road, Suite D.

FISCAL IMPACT

A Determination of Public Convenience or Necessity for an ABC license would allow Grassy Bar Oyster Company to sell beer and wine to their customers. These sales would be subject to sales tax.

BACKGROUND/DISCUSSION

In August 2025, the ownership team of Grassy Bar Oyster Company provided the City with a letter (Attachment 2) describing the business's efforts to secure a Type 20 off sale beer and wine license from the Department of Alcoholic Beverage Control (ABC).

The letter also outlines the benefits a Type 20 license is expected to bring to the business and greater community. Allowing Grassy Bar the ability to sell beer and wine for off site consumption will diversify their sales and better support the business in the event of a difficult crop phase. The sales will also complement oyster sales and promote a better customer experience with unique pairings, capitalizing on potential partnerships with local wineries.

ABC has identified this area of the City as having an overconcentration of alcohol sales licenses triggering a requirement for the applicant to obtain a letter of support from the City in favor of a Determination of Public Convenience and Necessity for issuance of the ABC license in this location.

CONCLUSION

Oyster farming at this location on the Embarcadero contributes to the City's working waterfront and serves visitors to Morro Bay. The request to allow the sale of beer and wine at this location is a reasonable ancillary use to the oyster-centered business. Both the Police and Community

Prepared By: EV

Dept Review: AS

City Manager Review: AL

City Attorney Review: RWS

Development Departments have reviewed the request and found no reason to deny the sale of alcohol at this location. Staff has provided a letter of support (See Attachment 1) and recommends the City Council direct the Community Development Director to sign and provide the applicant with the attached letter.

ATTACHMENT(S)

1. Draft public convenience or necessity support letter
2. Letter from Grassy Bar Oyster Company