



AGENDA NO: 8.a

MEETING DATE: November 12, 2025

Staff Report

TO: Honorable Mayor and City Council

DATE: November 6, 2025

FROM: Andrea Lueker, Interim City Manager

SUBJECT: Reinstatement of an Assistant City Manager to Prioritize and Manage Economic Development Efforts and Other Duties

RECOMMENDED ACTION

Approve the reinstatement of an Assistant City Manager position in the City of Morro Bay, with the position focusing on economic development activities as well as number of other duties and provide staff direction as necessary.

ALTERNATIVES

Should the City Council determine not to add the position of Assistant City Manager to oversee Economic Development activities, an alternative may be to contract with a consultant to perform economic development duties.

FISCAL IMPACT

The fiscal impact of the addition of an Assistant City Manager is \$165,173 - \$200,803 (the Department Head/Executive Range) or about \$281,835 at top-step with full benefits and CalPERS PEPPA retirement. However, the current FY2025/26 Budget includes the following funding:

\$133,000	Funding for the unfilled position of Assistant to the City Manager (General fund - \$83K & Economic Development Fund - \$50K)
\$ 25,000	Unallocated funding for Economic Development/MB Chamber
<u>\$ 50,000</u>	Funds allocated for as-needed research, peer review, and/or evaluation of ongoing city projects, and miscellaneous supplies, largely unspent in recent years
\$208,000	Total

Additionally, the City also has approximately \$979,000 from SB 1090 revenues associated with the closure of Diablo Nuclear Power Plant and one-time community benefit funding from cannabis dispensaries that can be used for Economic Development.

BACKGROUND

The City of Morro Bay has been discussing Economic Development for a number of years, including providing funding to the Chamber of Commerce for various activities relating to economic development. In 2016, the City embarked on a year-long effort regarding Economic Development, resulting in a document entitled [Morro Bay Economic Development Roadmap](#). The document included 3 Phases, which were intended to provide a guide for thoughtful and incremental economic development activities.

Prepared By: AL

Dept Review: _____

City Manager Review: AL

City Attorney Review: BS

Phase 1 – Assets, Challenges and Opportunities Discovery
Phase 2 – Stakeholder Engagement
Phase 3 – Building the Framework for Action.

While the Morro Bay Economic Development Roadmap is almost 10 years old, much of the information and data appears relevant and will be a good reference as the City embarks on a more organized approach to Economic Development.

Economic Development also has its own chapter in [Plan Morro Bay](#), where the “importance of directing actions that promote a sustainable economy that can withstand fluctuations” is outlined. Plan Morro Bay, completed in 2021, also includes demographics data and key issues such as affordable housing, market surplus and leakage, population and job growth, and providing for the needs of both residents and visitors. Finally, the Plan provides economic development-related goals and policies as well as implementation actions.

Staff strongly recommends creating a specific position to oversee Economic Development to consolidate efforts currently handled across City departments to create one responsible point of contact for the City’s associated projects, programs, and initiatives. This point-person would liaise with community and business groups, implement the Roadmap, and prepare reports and presentations on their work to the public, business community, and City Council. The position, as in other municipalities, would represent the City to critical economic development partnerships, including the Morro Bay Chamber of Commerce, other chambers regionally, Visit Morro Bay, SLOCAL, City Advisory Boards and Sub Committees, and other Assistant City Managers/Economic Development directors in the region. It would also invite and meet with current business owners to address City related concerns as well as prospective business owners to promote Morro Bay as a destination to do business.

The City of Morro Bay has a history of having an Assistant/Deputy City Manager position over the years, first recognized in the early 2000’s. From 2005-2007, with an Assistant City Manager during former City Manager Bob Hendrix’s time. In 2014, the City hired a Deputy City Manager who was tasked with Economic Engagement, Community Promotion and Tourism efforts, with that position lasting approximately 5-7 years. During that tenure, two different individuals served in the position that was finally defunded in late 2017 and not reinstated. In 2021, an Assistant City Manager/Administrative Services Director was hired, who was in the position until 2023, though this position was primarily focused on overseeing the Finance Department. In 2024, that position was reclassified to Finance Director by the former City Manager. Finally, in 2024, the City created a new position entitled Assistant to the City Manager, which was tasked with some economic development responsibilities. However, the individual filling that position left in early 2025 and the position has remained unfilled since.

Many of the cities in San Luis Obispo County as well as adjoining counties to the north and south have Assistant and/or Deputy City Managers with many of these individuals overseeing economic development and vitality efforts. These Assistant/Deputy positions have become much more popular in cities when compared to 15-20 years ago due to the increasing complexity of City services, workload, and keen interest in economic development.

DISCUSSION

The Morro Bay community has expressed significant interest in Economic Development, and the City Council identified “Economic Vitality and Fiscal Health” as a City Goal during the March 2025 Goal Setting process. To effectively and directly address Economic Development efforts in the City and have control over the programs that are important to the City and their constituents, staff believes assigning a specific person to these efforts is the best solution, and it has worked well in other local agencies.

Should the City Council make the decision to reinstate the Assistant City Manager position, the next logical priority would be to determine what “Economic Development” means to the City Council, stakeholders and community members. Below is one brief example of the process to move closer to determining what economic development means to Morro Bay and identify some projects/programs to enhance economic development.

Step 1 – Community Assessment - As mentioned above, with the work that has been done on the Economic Roadmap document, many of the initial tasks already completed include a community assessment. Rather than starting over, it would be beneficial to look at the data collected in 2017 and determine whether new data is needed in terms of factors such as:

- Employment and unemployment rates
- Business formation and closure trends
- Industry diversity and concentration
- Population and demographic makeup
- Housing affordability and availability

Step 2 – Stakeholder Feedback – Contract/discussion with stakeholders was an important part of the 2017 Economic Roadmap project and included 40 one-on-one interviews and 139 business stakeholders participating in an online survey, this information should be reviewed for relevancy, which will dictate how much additional feedback is necessary/important. A strong economic development strategy includes collaboration with a wide range of stakeholders, and should include including the following groups:

- Residents and neighborhood organizations
- Local businesses and chambers of commerce
- Educational institutions and workforce organizations
- Nonprofit groups and advocacy
- Tribal and indigenous leadership
- Faith based organizations
- Government agencies and elected officials

Step 3 – Determining Economic Development Goals/Objectives – This step is to determine exactly what the City of Morro Bay intends to accomplish. Specific goals/objectives need to be set, like the City-wide goal setting process held in March 2025. Typically, goals are more global statements or broad-term aspirations that are then “boiled down” to several objectives designed to “meet” the goal. Objectives are typically more specific and sometimes termed as “SMART” being specific, measurable, achievable, relevant, and timebound.

For example, after stakeholder input, an economic development goal could be “a downtown city façade improvement project.” With the specific objective of “engaging at least 15 downtown business owners and discussing using matching grants for renovation of their

business façade during FY 2025/26 with the goal of completing at least 5 facade improvements.”

To reiterate, the existing Economic Roadmap provides a clear picture of what was important to the community in terms of economic development issues in 2017, many of which are still relevant today.

Step 4 – Creating an Action Plan with Timelines

An action plan includes an outline for each Economic Development goal/objective which includes:

- Specific action steps to accomplish the project/program
- Identify the responsible parties necessary to achieve the goal/objective (departments, committees, partners, outside agencies)
- Required resources and budget
- Deadlines and check-ins
- Determine how success is measured

The outlines for each goal/objective should be done with clear formatting such as a critical path chart, matrix or Gantt chart so status can be easily understood and monitored.

Step 5: Transparency

With a new program, such as Economic Development, keeping the public, stakeholders, businesses, etc. informed about the status of the projects/programs is paramount, especially in the infancy stages. It can also help drive support of the efforts; some options are:

- Quarterly updates at City Council Meetings/Advisory Board Meetings
- Economic Development “page” on the City’s website
- Social Media presence
- Town Hall meetings/Q & A sessions

Step 6: Monitor, Measure, Adjust

Similar to many of the City’s documents, plans and programs, the Economic Development program is a “living document” not a one-time event. The program will need to be continually monitored to ensure it stays relevant and effective. Some steps to accomplish that include:

- Designated tracking process
- Scheduled reviews
- Updating goals/objectives and action items based on new data or changing needs

In addition to the proposed Assistant City Manager’s role with economic development, other duties/responsibilities within the City would be assigned. These are roles that need additional time from staff but are not currently assigned and, in most cases, not addressed due to time and workload. Examples include:

1. *Public Information Officer (PIO)* – a PIO is the designated “first contact” for media sources on news stories, emerging issues and emergencies. Currently the City does not have a PIO and the duties are typically handled by Department Heads or the City Manager. By having a designated PIO, the communication that comes from the City to the media will be consistent, timely and coordinated. This includes coordination and creation of communication efforts, including website and social media outreach.

2. *Real Property Manager* - the responsibility of land management in the City is currently spread across departments, sometimes with no specific person assigned. These duties include management of non-harbor leases, City-owned vacant land, and City-owned land with unused facilities (old Teen Center, Atascadero Road Wastewater Treatment Plant, etc.).
4. *Regional Liaison* – This role would involve engagement with neighboring cities, the County, and other organizations on regional and statewide events, programs and initiatives.
3. *Community Liaison* – This role would serve as the City’s community liaison to other nonprofit groups that provide benefits to the City of Morro Bay such as Lions, Kiwanis, Rotary, etc.
4. *Grant and Legislative Coordinator* – This role would focus on working with the state and federal lobbyists to identify and pursue grants as well as analyzing and providing information on upcoming legislation relevant to the City.
5. *FEMA Coordinator* – This role would assist departments in pursuing FEMA claims and reimbursements.
6. The Assistant City Manager position may be tasked with overseeing some of the City’s Divisions as determined by the incoming City Manager.

CONCLUSION

Since at least 2016, the City of Morro Bay has had significant interest in economic development and has made some steps in that direction, specifically by completing the Economic Development Roadmap and including an economic development chapter in Plan Morro Bay. To further these efforts, staff recommends the City Council approve the reinstatement of the Assistant City Manager position, tasked with economic development as well as other critical and currently unassigned duties as described above. Should Council support the reinstatement of this position, staff will bring the job description, revised salary schedule and budget adjustment for approval at the December meeting.