



AGENDA NO: 8.a

MEETING DATE: April 28, 2026

Staff Report

TO: Honorable Mayor and City Council **DATE:** April 14, 2026
FROM: Airlin Singewald, Community Development Director
SUBJECT: Offshore Wind Operations and Maintenance Infrastructure Study – Morro Bay

RECOMMENDED ACTION

Receive and file the attached Offshore Wind Operations and Maintenance (O&M) Infrastructure Study.

ALTERNATIVES

None.

FISCAL IMPACT

The City incurred staffing expenses by attending meetings with the County and their consultant (Mott MacDonald) during preparation of the operations and maintenance (O&M) infrastructure study. To offset this expense, the County allocated \$127,675 in State grant funds to the City. The City Council approved a sub-recipient agreement with the County on September 18, 2024 to accept these funds.

BACKGROUND / DISCUSSION

The County of San Luis Obispo received a \$1 million earmark in the 2022 State budget to study offshore wind (OSW) infrastructure along the Central Coast. On September 10, 2024, the County allocated these funds by approving a \$684,750 contract with engineering firm Mott MacDonald to prepare two operations and maintenance (O&M) infrastructure studies: one for Morro Bay and one for San Luis Bay. The remaining \$315,250 was distributed to Port San Luis, Cal Poly, and the City of Morro Bay to support staff time associated with the study.

Using this State grant, the County retained Mott MacDonald to evaluate the feasibility of developing an O&M facility in Morro Bay. Mott MacDonald and County staff will attend the April 28, 2026 City Council meeting to present the study's findings in person. City staff will briefly introduce the item, including key takeaways from City staff perspective.

The study serves as an informational resource, describing what a potential O&M facility in Morro Bay could look like, outlining the regulatory process required to establish one, and identifying key constraints that would need to be addressed. It is intended to help inform the City and the public in the event that an OSW development proposal is submitted in the future.

Importantly, the City has not received any proposals from OSW developers and has not engaged in recent discussions with them regarding potential port facilities in Morro Bay. Any future application for OSW infrastructure would require detailed analysis and extensive community engagement.

Prepared By: AS/CM

Dept Review: AS

City Manager Review: JC

City Attorney Review: BS

The study focuses primarily on potential improvements to the harbor and waterfront needed to support OSW operations, including vessels, office space, and staging areas. For example, it evaluates options such as rebuilding the northern T-pier to accommodate berths for 300-foot service operating vessels (SOVs) and 90-foot crew transfer vessels (CTVs), as well as widening the navigation channel to meet vessel turning requirements. The study does not address other components such as cable landings, grid connections, or fueling infrastructure.

Two “least constrained” development alternatives are identified in the study. One option would provide support for three OSW developers, with waterfront capacity for two developers simultaneously. Meanwhile, a “split location” alternative would accommodate one developer in Morro Bay, with a second potentially locating at Port San Luis or another port. However, the Morro Bay study concludes that even these least constrained options would face significant regulatory, environmental, and community acceptance challenges, and may ultimately prove infeasible for Morro Bay.

Key Takeaways

The following are City staff’s key takeaways from the O&M study:

1. The study confirms that even the “least constrained” alternative would face significant hurdles and may not be feasible from a regulatory, environmental, and community acceptance perspective.
2. The City would maintain significant land use local control over development of an O&M facility. An application for OSW infrastructure development would currently be subject to the City’s zoning ordinance, General Plan, and any applicable ballot initiatives restricting land uses. The Coastal Commission’s Coastal Development Permit authority over OSW facilities does not preempt the City’s local land use control, permitting requirements, or ballot initiatives (e.g., A-24, or Measure D).
3. If an application is submitted for OSW development in the future, significant community engagement (including public workshops prior to application submittal) would be essential to evaluate feasibility from a community acceptance standpoint.
4. While a potential O&M facility may have economic benefits for the City, such as job creation and revenue enhancements, if an application is submitted in the future, these benefits should be weighed against opportunity costs and increased expenses associated with O&M infrastructure on the waterfront.

CONCLUSION

In summary, the O&M study provides a conceptual assessment of what offshore wind O&M infrastructure in Morro Bay could entail, but it does not propose or advance any specific project. While it identifies potential opportunities, it also underscores substantial regulatory, environmental, and community considerations that would need to be carefully evaluated. Should a proposal be submitted in the future, it would require thorough analysis, adherence to local land use authority, and robust public engagement to determine whether such development aligns with community priorities.

ATTACHMENT(S)

1. Central Coast Offshore Wind O&M Infrastructure Study – Morro Bay (Mott MacDonald; April 2026)