



Source: Historical Society of Morro Bay.

The Power Plant Helped Morro Bay Become a City

This is the fourth in a five-part series on the history of the Morro Bay Power Plant.

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1964 was a big year in Morro Bay history. The new PG&E power plant was fully built and operating, providing substantial revenue to the city, the local school district, and the county. The city finally incorporated to take control of public safety, streets and the rules for development. The two milestones were closely linked.

The lure of local control and the desire for low taxes are both always strong, creating dramatic tensions in the would-be electorate when it is asked whether it supports incorporation. Morro Bay experienced this drama three times since World War II.

In October 1951, the Morro Bay Chamber of Commerce initiated an effort to incorporate. Members mapped out what a campaign to convince the electorate would require and put a timeline on it. The SLO County Telegram-Tribune said that "Morro Bay is growing so rapidly that eventual incorporation has become almost a certainty" (Oct 10, 1951). Residents disagreed: only 7.3% of qualified property owners signed a petition for incorporation, far short of the 25% required by state law (Telegram-Tribune, Dec 3, 1951).

A public meeting was held the evening of August 23, 1955, to discuss a new effort to incorporate (Telegram-Tribune, Aug 24, 1955). This effort was also doomed to failure due to the expected high cost of incorporation.

The third time was the charm. Morro Bay residents enthusiastically approved incorporation by a two to 1 majority with about 1,500 for it and 750 against. The eagerness was shown in the fact that 23 people ran for one of 5 spots on the first City Council! (Tribune, July 8, 1964). Why the big change?

Money talks. The completion of the power plant meant that the city had a large, stable source of revenue that was from outside the voter base—this windfall meant voters didn't have quite so hard a choice between local control and cost. They could have it both ways. Writing for the Tribune, Charles Judson put it this way:

Aside from Morro Rock...the PG&E generating plant is the biggest thing in Morro Bay...While it clutters up the landscape, it represents a cherished island of high tax assessment and is the main reason why Morro Bay can entertain the idea of incorporation (Tribune, July 4, 1964).

There were other issues (the tidelands legal dispute with the County a major one), but solving the public revenue problem cleared the way. If there was ever one moment when Morro Bay got its unofficial brand of Three Stacks and a Rock, this was it.